

# ENVIRONMENTAL QUALITY

## HB4439

### Summary: FY 2009-10 House Subcommittee Recommendation

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	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$18,890,200	\$7,433,600	\$7,433,600	\$	\$	(\$11,456,600)	(60.6)
Federal	130,936,100	129,349,300	129,349,300			(1,586,800)	(1.2)
Local	0	0	0			0	0
Private	555,700	658,900	658,900			103,200	18.6
Restricted	169,709,900	170,732,300	170,716,000			1,006,100	0.6
GF/GP	43,744,800	33,127,900	33,127,900			(10,616,900)	(24.3)
<b>Gross</b>	<b>\$363,836,600</b>	<b>\$341,302,000</b>	<b>\$341,285,700</b>	<b>\$</b>	<b>\$</b>	<b>(\$22,550,900)</b>	<b>(6.2)</b>
FTEs	1,532.7	1,480.7	1,480.7			(52.0)	(3.4)

Note: FY 2008-09 figures reflect supplementals, transfers, and Executive Order (EO) actions through March 31, 2009.

#### Overview

The Department of Environmental Quality (DEQ) supports environmental protection, conservation, and cleanup and redevelopment programs and regulatory efforts established to protect, restore, and reuse Michigan's air, water, and land resources. More than half of Department's annual revenue is collected from permits and licenses.

#### Major Budget Issues

- Elimination of Wetlands Regulatory Program (GF/GP: \$2,100,000, Gross: \$4,000,000)
- Fund Shifts to Restricted Fees (\$3,914,500):
  - Cleanup Revitalization Program (GF/GP to Environmental Protection Fund)
  - Storage Tank Cleanup Programs (GF/GP to Refined Petroleum Fund)
  - Solid Waste Programs (GF/GP to Solid Waste Program Fees)
- Drinking Water Revolving Fund Match eliminated (\$2,062,500)
- Smaller program reductions/eliminations (\$2,703,800):
  - Aquifer protection, asbestos removal inspections, air program education/outreach, water quality monitoring, lab certification, radiological protection, treatment plant operator certification & training
- Necessary Legislation: Air Renewable Operating Permit Fee changes and increases, sunsets for storm water and NPDES Fees, Wetlands regulations, Marina operating permits, Aquifer Protection Program

#### Major Budget Changes From FY 2008-09 YTD Appropriations

		FY 2008-09 YTD	House Change From YTD
<b>1. Wetlands Regulatory Program: Turn back to the Federal Govt.</b>	FTE	30.0	(30.0)
Terminates program at the end of FY 2008-09 (upon passage of implementing legislation). Responsibility would be assumed by the U.S. Corps of Engineers.	Gross	\$4,000,000	(\$4,000,000)
	Restricted	1,900,000	(1,900,000)
	GF/GP	\$2,100,000	(\$2,100,000)
Field Permitting .....		\$2.5 million	
Great Lakes Shorelands .....		\$0.7 million	
Water Management .....		\$0.7 million	
Information Technology.....		\$0.1 million	
<b>2. Contaminated Site Cleanup Program</b>	Gross	\$22,973,700	\$0
Revenue collected from a 2008 settlement is appropriated from the Environmental Response Fund for site clean up and remediation. Funding from the Cleanup Redevelopment Fund is reduced: \$6,000,000.	Private	155,700	0
	Restricted	20,788,500	0
	GF/GP	\$2,029,500	\$0

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>House Change From YTD</u>
<b>3. Environmental Protection Fund Funding Shifts</b>			
GF/GP reduced and replaced by appropriations from the Environmental Protection Fund.	<b>Gross</b>	<b>\$23,973,700</b>	<b>\$0</b>
	Private	155,700	0
	Restricted	20,788,500	2,000,000
	GF/GP	\$2,029,500	(\$2,000,000)
Appropriations are made in boiler plate, shifting \$1,000,000 from the Cleanup and Redevelopment Trust Fund, and \$1,000,000 from the Community Pollution Prevention Fund to the Environmental Protection Fund.			
<b>4. Waste and Hazardous Materials Funding Shifts</b>			
GF/GP support for the Above Ground Storage Tank, and Underground Storage Tank Programs reduced and replaced with Refined Petroleum Fund (1,400,000), and the Solid Waste Management Fund Staff Account (500,300).	<b>Gross</b>	<b>\$18,768,900</b>	<b>\$0</b>
	Federal	4,027,500	0
	Restricted	10,588,900	1,900,300
	GF/GP	\$4,152,500	(\$1,900,300)
<b>5. Drinking Water Revolving Fund Match</b>			
Reduces funding for Drinking Water Revolving Fund.	<b>Gross</b>	<b>\$85,139,200</b>	<b>(\$2,062,500)</b>
	Federal	71,543,000	0
	Restricted	11,400,000	0
	GF/GP	2,196,200	(\$2,062,500)
<b>6. Air Quality: Asbestos and Technical Assistance/Outreach</b>			
Technical Assistance program for asbestos remediation eliminated.	<b>FTE</b>	<b>236.5</b>	<b>(3.0)</b>
	<b>Gross</b>	<b>\$25,962,000</b>	<b>(\$998,000)</b>
	Federal	6,201,100	0
	Restricted	12,334,200	(100,000)
	GF/GP	\$7,426,700	(\$898,000)
<b>7. Pollution Prevention Workshops</b>			
Compliance Assistance Workshop programs eliminated.	<b>FTE</b>	<b>48.0</b>	<b>(5.0)</b>
	<b>Gross</b>	<b>\$4,992,600</b>	<b>(\$897,100)</b>
	Federal	507,400	0
	Restricted	3,575,000	0
	GF/GP	\$910,200	(\$897,100)
<b>8. On-site Wastewater Program</b>			
Program eliminated.	<b>Gross</b>	<b>\$16,176,600</b>	<b>(\$600,000)</b>
	Federal	11,788,500	0
	Restricted	1,386,300	0
	GF/GP	\$3,001,800	(\$600,000)
<b>9. Oil and Gas Regulatory Fund Funding Shifts</b>			
Inspection fee revenue for various programs in the Office of Geological Survey replaced by Oil and Gas permit fee revenue, reflecting reassignment of program staff to permit inspections and regulatory support (\$780,000).	<b>Gross</b>	<b>\$780,000</b>	<b>\$0</b>
	Restricted	\$780,000	\$0
<b>10. Aquifer Protection Program</b>			
Program eliminated: revenue insufficient to support program.	<b>Gross</b>	<b>\$400,000</b>	<b>(\$400,000)</b>
	Restricted	400,000	(400,000)
<b>11. Retired Engineers Technical Assistance Program: DELEG</b>			
Program transferred to the Department of Energy, Labor and Economic Growth.	<b>Gross</b>	<b>\$1,474,300</b>	<b>(\$1,474,300)</b>
	Restricted	\$1,474,300	(\$1,474,300)
<b>12. Southeast Michigan Diesel Emissions Reduction Grant</b>			
Grant funding for Wayne County diesel emissions reduction projects, including busses operated by the Detroit Public Schools. Matching funds provided by Marathon Oil Company.	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
	Federal		200,000
	Private		\$300,000
<b>13. Radiological Protection</b>			
Program eliminated. Michigan will not become an "agreement" state, under US Nuclear Regulatory Commission authority by the 2009 deadline.	<b>Gross</b>	<b>\$200,000</b>	<b>(\$200,000)</b>
	GF/GP	\$200,000	(\$200,000)
<b>14. Air Quality Fees: Renewable Operating Permit Program</b>			
Restricted fee increase would continue the current year GF/GP offset related to Executive Order 2008-21	<b>Gross</b>	<b>NA</b>	<b>\$130,000</b>
	Restricted		\$130,000

**Major Budget Changes From FY 2008-09 YTD Appropriations**

**FY 2008-09 YTD**

**House Change  
From YTD**

**15. Economic Adjustments**

Provides an adjustment to cover the cost of the 1% salary increase to be provided in FY 2009-10.

<b>Gross</b>	<b>N/A</b>	<b>\$2,852,500</b>
Federal	N/A	607,000
Private	N/A	3,200
Restricted	N/A	1,613,900
GF/GP	N/A	\$628,400

**Major Boilerplate Changes From FY 2008-09**

**Note: All boilerplate added by the Legislature during the 2008-09 budget cycle was eliminated by the Executive.**

**Sec. 223. Rule Promulgation – DELETED**

Requires a report on any policy changes made to implement a public act; DEQ is not allowed to adopt a rule that will apply to a small business if it has a disproportionate economic impact.

**Sec. 226. Out-of-State State Employee Training – DELETED**

Stipulates that only one state employee may participate in training seminars or professional development conference, unless paid by non-state funds or multiple issues outside of a participants area of expertise are addressed.

**Sec. 227. Obsolete Database Systems – DELETED**

Requires a plan and cost estimate to replace obsolete or failing computer or database systems.

**Sec. 228. Expenditure Reports: FY 2008-09 – DELETED**

Requires a report of DEQ expenditures in a publicly accessible internet site including the purpose for which the expenditures were made, if funding is available.

**Sec. 229. Freedom of Information Requests – DELETED**

Requires semiannual reports on freedom of information requests presented to DEQ.

**Sec. 230. Muskrat Lake Water Levels – DELETED**

Requires the issuance of permits to construct a lake level control structure on Muskrat Lake in Clinton County.

**Sec. 402. Bond Fund Report – DELETED**

Requires report of amount/disposition of bond funds and descriptions of activities supported from bond revenue.

**Sec. 501. WMU Geologic Core Research Laboratory – DELETED**

States legislative intent that the Office of Geological Survey work with Western Michigan University to maintain the Michigan basin core research laboratory and to collaborate on other cooperative projects.

**Sec. 601. Wetlands Protection Program Supplemental – NEW**

Gives legislative intent to address funding needs for the wetlands regulatory program if amendatory legislation eliminating the program is not passed by October 1, 2009.

**Sec. 702. Peer-Reviewed Site Cleanup Criteria – DELETED**

Directs DEQ to include cleanup criteria in remedial action plans derived from peer-reviewed risk assessments.

**Sec. 703. Refined Petroleum Cleanup Site List – DELETED**

Lists cleanup projects funded through the refined petroleum cleanup program.

**Sec. 704. Refined Petroleum Fund – DELETED**

States legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07.

**Sec. 705. Administrative Rules Advisory Workgroup – DELETED**

Establishes a work group on use of administrative rules and operational memoranda in the leaking underground storage tank program.

**Sec. 702. Restricted Fund Transfer: Cleanup and Redevelopment Trust Fund – NEW**

Transfers \$1,000,000 from the Cleanup and Redevelopment Trust Fund to the Environmental Protection Fund.

**Sec. 703. Restricted Fund Transfer: Community Pollution Prevention Fund – NEW**

Transfers \$1,000,000 from the Community Pollution Prevention Fund to the Environmental Protection Fund.

**Sec. 704. Restricted Fund Transfer: Solid Waste Management Fund – NEW**

Transfers \$500,000 from the Solid Waste Management Fund to the Solid Waste Management Fund Staff Account.

**Major Boilerplate Changes From FY 2008-09**

**Note:** All boilerplate added by the Legislature during the 2008-09 budget cycle was eliminated by the Executive.

**Sec. 706. Operational Memoranda – DELETED**

Bans the use of operational memoranda for selected programs.

**Sec. 801. Construction Permit Site Review Board – DELETED**

States legislative intent that approval by the Site Review Board represents the final approval for construction permit applications referred by DEQ.

**Sec. 901 Groundwater Dispute Resolution Supplemental – NEW**

Gives legislative intent to address funding needs for the ground water dispute resolution program if amendatory legislation eliminating the program is not passed by October 1, 2009.

**Sec. 901 (current year) Water Quality Enforcement Report – DELETED**

Requires report on enforcement and program activities funded from National Pollution Discharge Elimination System Fund.

**Sec. 902. Contaminated Lake and River Sediments Cleanup Funding – DELETED**

Re-appropriates Clean Michigan Initiative funding for the Contaminated Lake and River Sediments Cleanup program.

**Sec. 903. Michigan Agriculture Environmental Assurance Program – DELETED**

States legislative intent that DEQ and Department of Agriculture should proportionally reduce their programs if federal funding is less than that received in FY 2007-08.

**Sec. 1102. Scrap Tire Fire Suppression Costs – DELETED**

Provides \$100,000 for grants to communities for scrap tire suppression costs, provided that owner liability bonds and other available funding sources have been exhausted.

**Sec. 1103. Real-Time Water Quality Monitoring – DELETED**

Provides grant to Macomb County and St. Clair County to support real-time water quality monitoring programs in the St. Clair watershed.