

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1104 (S-1 as passed by the Senate)

Committee: Appropriations

FY 2001-02 Year-to-Date Gross Appropriation	\$399,480,100
--	----------------------

Changes from FY 2001-02 Year-to-Date:

- | | |
|---|-------------|
| 1. Environmental Protection Fund (EPF). A pending FY 2001-02 \$15 million EPF supplemental to offset an Executive Order reduction in the Environmental Response General Fund budget is assumed in the proposed FY 2002-03 base. Existing EPF appropriations are eliminated. | 8,000,000 |
| 2. Environmental Cleanup Fund Shift. \$8.5 million GF/GP support for environmental and storage tank cleanup appropriations was shifted to Environmental Response Fund support. | 0 |
| 3. Oil and Gas Programs. Appropriations from the Oil and Gas Regulatory Fund (OGRF) are reduced by \$2 million to more closely reflect expenditure trends and increased by \$144,000 for expanded oil and gas well inspection activity. | (1,856,000) |
| 4. NPL Municipal Landfill Match Grants. The budget includes an increase in Cleanup and Redevelopment Fund (CRF) revenue, available from prior year lapses. | 2,000,000 |
| 5. Orphan Well Program. An increase in Orphan Well Fund appropriations is proposed to accelerate the progress of capping abandoned oil and gas wells. | 682,700 |
| 6. Environmental Project Support. A new line provides authority to spend from financial instruments that are a condition of participation in several permitting/ environmental programs. \$2 million in existing authority is transferred to the new line item. | 3,000,000 |
| 7. Low-Income Community Wastewater Assistance. The Governor eliminated residual, the Senate restored to original levels, General Fund support that was not eliminated by E.O. 2001-9. | 67,500 |
| 8. Willow Run Airport Environmental Project. The Senate created a line item for potential funding for a study and remediation of soil erosion and non-point source issues at the airport. | 100 |
| 9. Early Retirement Sick/Annual Leave. Amounts used for terminal annual and sick leave payments under the 1997 early retirement are eliminated. | (280,200) |
| 10. Staff Reductions. The Governor's budget reduces staff and funding in order to offset the GF/GP cost of economic increases in salaries and wages. The Senate shifted a \$9,200 reduction in the unclassified salaries line to the executive direction line. | (761,400) |
| 11. Department of Information Technology. A new Information Technology appropriation unit includes \$7,307,400 transferred from various operating line item appropriations. There is a net reduction in intradepartmental charges appropriations and 67.0 FTEs. | (3,732,000) |
| 12. Economic Adjustments. Economic adjustments, including \$9,900 for unclassified salaries and the elimination of \$605,100 in prior year lump sum salary payments, were included. The Senate eliminated a redundant inflationary adjustment in the sewage sludge land application program. | 2,141,200 |
| 13. Other Changes. Includes adjustments to reflect the availability of various Federal, local, and State restricted sources of financing, mandated inflationary adjustments, elimination of one-time FY 2001-02 supplemental appropriations items, adjustments in Clean Michigan Initiative (CMI) administration appropriations consistent with the Department's 5-year plan, and the reduction of General Fund support where these adjustments resulted in an increase in total appropriations. | (3,834,700) |
| 14. Comparison to Governor's Recommendation. The Senate is \$81,600 Gross, \$90,100 GF/GP over the Governor. | |

Total Changes	\$5,427,200
----------------------	--------------------

FY 2002-03 Senate Gross Appropriation	\$404,907,300
--	----------------------



Changes from FY 2001-02 Year to Date:

1. **Information Technology.** The Governor and Senate included new language requiring the Department to pay user fees to the Department of Information Technology in accordance with an interagency agreement between the two Departments. The Governor and Senate also included new language authorizing the designation of the appropriation for information technology as a work project. (Sec. 1301 and 1302)
2. **Knapp Center Rent.** The Governor and Senate included new language prohibiting the expenditure of any Department appropriation for rent for the Knapp Center in Lansing after October 1, 2002. (Sec. 301)
3. **Imported Waste Inspection.** The Governor deleted and the Senate restored language requiring periodic inspection of imported solid waste. (Sec. 1101)
4. **Low-Income Community Wastewater Assistance.** The Governor deleted both residual funding and language allocating funding for wastewater assistance to the Michigan Community Action Agency Association. The Senate restored funding and language. (Sec. 1001)
5. **Wetland Protection Rules.** The Senate included language requiring the Department to make specific changes in the Wetlands Protection Program through administrative rules. (Sec. 401)
6. **Enforcement Reporting.** The Senate included language requiring the Department to report on permitting, licensing, and inspection activities and spending. (Sec. 219)
7. **Environmental Response Fund.** Language requiring the Department to report when it was determined that the ERF balance was less than \$5,000,000 was included by the Senate. (Sec. 220)
8. **Local Law Enforcement.** The Senate restored language deleted by the Governor that requires the Department to provide training to local law enforcement on solid waste disposal regulations, and in combatting illegal dumping. (Sec. 1102)
9. **Critical Dunes.** The Senate included language requiring the Department, through administrative rule, to add certain publicly-owned dunes to the atlas of critical dunes. (Sec. 402)
10. **Reporting.** The Governor and Senate retained reporting requirements concerning grant and loan programs, environmental response and cleanup actions and spending, and on MUSTFA balances, spending and projects (Sec. 211, 215, 902). The Governor and Senate deleted reporting requirements on implementation of Michigan Environmental Science Board recommendations concerning environmental standards for protecting children's health, the impact of nonnative species on the environment, and water testing fees. The Governor deleted, the Senate retained reporting on restricted fund balances, settlement revenue, and air quality program revenues and spending.
11. **Common Language.** Language included in most FY 2001-02 budget bills was deleted by the Governor and retained by the Senate, including sections requiring that businesses in depressed and deprived communities be given opportunities to compete for contracts; requiring the Department to retain copies of all reports funded with Department appropriations; requiring submission of privatization plans prior to implementation; giving preference to the purchase of State or American goods over foreign products. (Sec. 210, 217, 207, 209) The Governor and Senate modified language requiring the submission of reports via the Internet by deleting the requirement that the Department submit quarterly, in writing, the list of reports available on the Internet. (Sec. 208)

Date Completed: 3-21-02

Fiscal Analyst: Pam Graham