

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

FY 2001-02 Year-to-Date Gross Appropriation \$409,804,900

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

Items Included by the Senate and House

- | | |
|---|-------------|
| 1. Great Lakes Water Use. The Governor, House, Senate, and Conference included new GF/GP dollars for Department compliance with Great Lakes Charter water use reporting requirements. | 100,000 |
| 2. Septage Waste Fees. Expanded funding from increased and restructured fees was included. | 1,550,000 |
| 3. Safe Drinking Water Act. Federal funds are included for training and certifying small community public water supply operators. | 1,000,000 |
| 4. Submerged Log Recovery Program. Restricted funds are included for the new program. | 100,000 |
| 5. Department Relocation. The budget includes a net increase in restricted and General Fund appropriations for the cost of new Department office space. | 1,856,800 |
| 6. Scrap Tire Demonstration Project. The House, Senate, and Conference included waste reduction fees for this project that was proposed originally by the Governor, but not adopted in FY 2000-01. | 200,000 |
| 7. Economic Adjustments. Includes \$9,700 for unclassified salaries. | 3,349,500 |
| 8. Other Changes. Adjustments to reflect the availability of various Federal and State restricted sources of financing and mandated and other inflationary adjustments were made. | (1,241,200) |

Conference Agreement on Items of Difference (1,041,300)

- | | |
|---|-------------|
| 9. Volunteer River, Stream, and Creek Cleanup Program. The House and Senate increased GF/GP support by \$50,000 and \$45,000 respectively, and provided that lakes projects would qualify for assistance. Conference included a \$50,000 increase, \$ 25,000 from license plate sales revenue. | 50,000 |
| 10. Groundwater Use Reporting. The House and Conference included Great Lakes Protection Fund dollars for this project. The Senate reduced the project by half, and required an equal local match. | 150,000 |
| 11. Water Quality Research. The Senate and Conference Committee did not include \$300,000 GF/GP provided by the House for a new initiative. | 0 |
| 12. Soil Erosion Control. The Governor, Senate, and Conference Committee included GF/GP support for expanded Department local monitoring and certification. The House included \$100,000 less. | 350,000 |
| 13. Air Quality Program. The Conference Committee adjusted Air Quality Program appropriations and increased staffing authorization by 37 FTEs, to reflect the shift of responsibility for the Wayne County Air Quality Program to the State. | 46,800 |
| 14. Environmental Technology Research Grant. The Conference Report does not include an appropriation for a grant to the Michigan Biotechnology Institute, as was proposed by the Senate. | 0 |
| 15. Cleanup Programs. The Conference Committee reduced the Environmental Cleanup and Redevelopment Program and the Leaking Underground Storage Tank Program by \$1,536,400 GF/GP and \$650,000 GF/GP respectively from the amounts proposed by the Governor, House and Senate. | (2,186,400) |
| 16. Budgetary Savings. The House included a greater GF/GP savings appropriation than that of the Governor. The Senate and Conference supported the Governor's proposal and applied it to line items. | (519,300) |

Total Changes **\$5,006,100**

FY 2001-02 Conference Report Gross Appropriation \$414,811,000

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2001-02 Year to Date:Items Included by the Senate and House

1. **Imported Waste Inspection.** The House, Senate, and Conference Committee included language requiring periodic inspection of imported solid waste. (Sec. 1102)
2. **Reporting.** The Governor, House, Senate, and Conferees 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, 802). The Governor deleted, the House, Senate, and Conferees retained reporting requirements on restricted fund balances, settlement revenue, implementation of Michigan Environmental Science Board recommendations concerning environmental standards for protecting children's health, air quality program revenues and spending, and the impact of nonnative species on the environment. (Sec. 212, 213, 218, 401, 502)
3. **Common Language.** Language included in most FY 2000-01 budget bills deleted by the Governor, but retained in some form by the House, Senate, and Conferees include sections requiring that businesses in depressed and deprived communities be given opportunities to compete for contracts (Sec. 210); requiring the retention of copies of all reports funded with Department appropriations (Sec. 220); requiring submission of privatization plans prior to implementation (Sec. 207); giving preference to the purchase of State or American goods over foreign products (Sec. 209).

Conference Agreement on Items of Difference

4. **Directional Drilling.** House language prohibited the Department from issuing permits for directional drilling in the Great Lakes bottomlands until the Natural Resources Commission accepts and approves recommendations of the 2001 Working Group on Oil and Gas Leasing Procedures. Senate language prohibited expenditures for issuing permits for directional drilling in the Great Lakes bottomlands unless certain conditions and standards are met. The Conference Committee did not include language concerning directional drilling.
5. **Fee Waiver.** The Senate and Conferees modified House language to allow rather than require the Department to waive permit fees for nonprofit entities conducting approved stream habitat improvement projects. (Sec. 303)
6. **Kalamazoo River Cleanup Plan.** The Senate and Conference modified House language requiring the Department to allocate staff and resources to the timely submission of a plan to treat or remove contaminated sediments from the Kalamazoo River superfund site to require a progress report on the preparation of a plan only. (Sec. 704)
7. **Tire Derived Fuels.** The Governor, Senate, and Conference deleted, the House modified current year language requiring the development of a strategy for expanding use of tire-derived fuels to require implementation of the strategy.
8. **Wetlands Inventory.** The Senate and Conference deleted House language requiring the Department to provide a copy of the wetlands inventory that was to have been conducted under section 302 of the FY 2000-01 budget act.
9. **Areas of Concern Program.** The Senate modified House language requiring the allocation of staff to the Federal Areas of Concern Program, to require a report on the status of the Program. The Conference Committee deleted the language.
10. **Local Reimbursements from Settlements.** The Senate included language, not included by the House or Conference, that appropriates not less than 5% of responsible party and settlement revenue for reimbursement of local governments affected by the actions resulting in settlements, and prohibits spending until a legislative transfer is approved.
11. **Prior Year Cleanup Appropriations.** The Senate and Conference included language authorizing spending from prior year unexpended and unencumbered environmental cleanup appropriations balances, in addition to funds appropriated for environmental cleanup and redevelopment, on legislatively approved sites. (Sec. 225)
12. **Stormwater Control.** Senate language requires that projects funded with appropriations in the bill involving construction within 500 feet of a water body, include state-of-the-art stormwater control mechanisms was deleted in Conference.
13. **Reporting.** The House and Governor deleted, the Senate and Conference retained reporting on water testing fees. (Sec. 601) The Senate and Conference deleted House language requiring a report on spending and accomplishments of the Clean Michigan Initiative. The Senate modified House language requiring a report on Department enforcement and permitting programs, to instead require a report on the Department's progress in automating enforcement and permitting data. The Conference Committee deleted the enforcement reporting requirement.

Date Completed: 6-25-01

Fiscal Analyst: P. Graham

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.