

ENVIRONMENTAL QUALITY

Summary: FY 2008-09, Conference Report

SB 1097, CR-1

Analyst: Kirk Lindquist

	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 Senate	FY 2008-09 House	FY 2008-09 CR-1	Difference: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$18,662,900	\$19,071,200	\$18,890,200	\$19,071,200	\$18,890,200	\$227,300	1.2
Federal	132,150,500	130,636,100	130,636,100	130,636,100	130,636,100	(1,514,400)	(1.1)
Local	0	0	0	0	0	0	0.0
Private	455,100	455,700	455,700	455,700	455,700	600	0.1
Restricted	177,212,700	173,317,100	173,918,100	173,317,100	169,559,900	(7,652,800)	(4.3)
GF/GP	42,763,200	44,998,600	44,851,600	45,003,600	44,411,800	1,648,600	3.9
Gross	\$371,244,400	\$368,478,700	\$368,751,700	\$368,483,700	\$363,953,700	(\$7,290,700)	(2.0)
FTEs	1,567.7	1,519.7	1,519.7	1,519.7	1,526.7	(41.0)	(2.6)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 15, 2008.

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

- General Fund replacement of fee based revenue: \$13,473,300.
- Water Withdrawal Assessment Program line item included at \$890,000.

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD	Conference Change From YTD
1. Restricted Fee Revenue	Gross	\$36,863,900	\$0
Replaces fee based revenue with General Fund. A similar \$11,000,000 adjustment was enacted in FY 2007-08.	Restricted	36,863,900	(13,473,300)
	GF/GP	\$0	\$13,473,300
Above Ground Storage Tank Fees		\$0.4 million	
Air Emissions Fees		\$4.4 million	
Environmental Pollution Prevention		\$1.1 million	
Groundwater Discharge Permits		\$1.7 million	
Land and Water		\$3.2 million	
Mineral Wells Regulation		\$0.1 million	
On-site Waste Water Treatment		\$0.6 million	
Solid Waste Fees		\$0.5 million	
Underground Storage Tank Fees		\$1.0 million	
Waste Reduction Fees		\$0.5 million	
2. Statewide Organizational Consolidation: Human Resources and Internal Audit	FTE	13.0	(13.0)
	Gross	\$1,602,500	(\$1,476,000)
Provides funding to the Department of Management and Budget for consolidated Human Resource functions in the Civil Service Commission budget (E.O. 2007-30), and to implement the transfer of internal audit functions and services (E.O. 2007-31). The Human Resources appropriation is transferred to DMB, while the \$228,500 for internal audit is set aside in a new line item for future interdepartmental transfer for DMB audit expenses.	Restricted	1,248,300	(1,160,500)
	GF/GP	\$354,200	(\$315,500)

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		<u>FY 2007-08 YTD</u>	<u>Conference Change From YTD</u>
3. Federal Fund Revenue	Gross	\$131,750,500	(\$1,227,600)
Reflects expected FY 2007-08 grant adjustments.	Federal	\$131,750,500	(\$1,227,600)
Revitalization Revolving Loan Program (\$1,000,000)			
Bio-watch (Indoor Air Quality Monitoring) (327,600)			
Coastal Grants Program 100,000			
4. State Restricted Fund Revenue	Gross	\$888,000	(\$324,500)
Reflects revised revenue estimates for air quality fees (\$108,400) and administration revenue from Clean Michigan Initiative grant programs (\$216,100).	Restricted	\$888,000	(\$324,500)
5. Laboratory Workload Adjustment	Gross	\$4,199,600	\$200,000
Increased interdepartmental charges are authorized, reflecting increased laboratory service levels to department programs.	IDG/IDT	\$4,199,600	\$200,000
6. Water Assessment Program	Gross	\$0	\$890,000
New Great Lakes water protection program added by the Conference Committee.	Restricted	0	570,000
	GF/GP	\$0	\$325,000
7. Village of Chesaning, Water Pollution Control Grant	Gross	\$0	\$900,000
New grant to the Village of Chesaning added by the Conference Committee.	Restricted	\$0	\$900,000
8. CMI Response Fund	Gross	\$5,663,200	(\$5,663,200)
Reflects end of Clean Michigan Initiative response program.	Restricted	\$5,663,200	(\$5,663,200)
9. General Fund Reductions, Various	Gross	N/A	(\$1,156,800)
Reduced funding for Drinking Water Revolving Fund (\$1,106,900), and fringe benefit savings (HMO: \$49,900).	GF/GP		(\$1,156,800)
10. Economic Adjustments	Gross	N/A	\$639,800
Provides an adjustment to cover the annualized cost of the 2% salary increase provided in FY 2007-08.	IDG		21,800
	Federal		185,800
	Private		600
	Restricted	N/A	353,400
	GF/GP		\$78,200

Major Boilerplate Changes From FY 2007-08

Sec. 227. Restricted Fund Shortfall Plan – DELETED

States legislative intent to address restricted fund shortfalls on January 15, 2008.

Sec. 229. Freedom of Information Request Report – NEW

Requires semiannual report on FOIA requests.

Sec. 228. Internet Report on FY2008-09 Expenditures – NEW

Requires report on FY2008-09 spending, if DIT costs are funded.

Sec. 230. Muskrat Lake Dam Replacement – NEW

Requires action to restore lake level of Muskrat Lake in Clinton County.

Sec. 231. Environmental Ombudsman – NEW

Provides funding for an Environmental Ombudsman in the Legislative Council, if legislation is enacted. Priority to be given to the wetlands regulatory program.

Sec. 232. Reverse Vending Machines – NEW

Provides \$2,000,000 for bottle deposit redemption machines.

Major Boilerplate Changes From FY 2007-08

Sec. 903. Federal Fund Reductions to Mi Agric. Environ. Assessment Program – NEW

Requires Department and Department of Agriculture to reduce spending proportionally if Federal Section 903 grant is reduced.

Sec. 904. Sewerage Discharge Elimination Plan – DELETED

Requires preparation of a plan to eliminate sewerage discharges into water resources by 2015.

Sec. 906. Contaminated Sediments Carryforward – NEW

Appropriates funds remaining in the Contaminated Sediments Cleanup Program for FY 2008-09.

Sec. 1104. Village of Chesaning, Water Pollution Control Grant – NEW

Grant provided to Chesaning for pollution control activities. A work plan is required.