



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2008-09 Year-to-Date Gross Appropriation	\$605,352,400
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Changes from FY 2008-09 Year-to-Date:

Items Included by the House and Senate

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| 1. Grants. The House and Senate reflect the elimination of a one-time ARRA grant of \$237,000,000 and the reduction of grants for: real-time water quality monitoring, local health department operations, scrap tire grants, water quality protection grants, and the elimination of a water pollution control grant to the village of Chesaning. | (249,542,500) |
| 2. Office of Geological Survey. The House and Senate included some division reorganization and adjustment for the current fiscal year's Executive Orders. | 96,200 |
| 3. Economic Adjustments. | 3,678,700 |

Conference Agreement on Items of Difference

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| 4. Wetlands Protection Program. The Governor recommended transferal of this program to the US Army Corps of Engineers. The House and Senate both left placeholders for this item. The Conference restored the program's restricted and Federal funding, as well as its interdepartmental grant from the Department of Transportation. | (2,111,800) |
| 5. Air Quality Division. The Senate contained an assumed \$938,300 increase in fees for the air emissions program whereas the House did not. The Conference included additional reductions totaling \$1,152,900 by eliminating some tax exemptions, the new source review program, Attorney General support, and the toxics program. | (1,620,600) |
| 6. Fund Shifts. The Conference attained its GF/GP leadership target by shifting fund sources for various line-items. A total of \$921,300 in shifts from GF/GP to restricted funds were made, and \$632,000 in shifts from GF/GP to Federal funds were made. | 0 |

Governor vetoed funding for Best Available Retrofit Technology (BART) reimbursement.

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| 7. Great Lakes Restoration Initiative. Neither the House nor the Senate contained this item. This Federal grant provides funding to the Department for various projects aimed at improving the quality and sustainability of the Great Lakes. | 50,000,000 |
| 8. Executive and Administrative Changes. The Senate version combined the DNR and DEQ administrative functions. The House kept the departments separate. The Conference, after adjusting for the Executive Orders in FY 2009 and making various line-item reductions, yielded a net increase for DEQ's Executive, criminal investigations, and information technology functions. | 338,100 |

The Governor vetoed \$5,000 funding for Michigan Youth Conservation Council.

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| 9. Office of Pollution Prevention and Compliance Assistance. The House and Senate reorganized the Environmental Science and Service division into this new division, transferring most of the former division's programs into other divisions. The Conference reduction in funding here reflects the House's version which transfers many of the division's programs to other divisions within DEQ. Total actual reductions from year-to-date are \$760,900. | (19,356,700) |
| 10. Other Changes. The Conference made GF/GP reductions to several DEQ divisions to meet target. These divisions included: Land and Water Management, Remediation and Redevelopment, Waste and Hazardous Materials, and the Water Division. This figure offsets these GF/GP reductions with programs transferred from OPPCA. | 2,030,800 |

Total Changes.....	(\$216,487,800)
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FY 2009-10 Enacted Gross Appropriation.....	\$388,864,600
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Changes from FY 2008-09 Year to Date:Items Included by the House and Senate

1. **Consolidated Report on Cleanup and Redevelopment Projects.** Requires the Department to report any allocations made from appropriations to the environmental cleanup program, State cleanup, superfund cleanup, the leaking underground storage tank program, and several others. The section also requires very specific content from these reports. (Sec. 224)

Conference Agreement on Items of Difference

2. **Wetlands Protection Program.** Neither the House nor the Senate included language referring to this program. The Conference included a section stating the intent of the Legislature to restore the level of funding for the wetlands protection program to its current-year levels via a supplemental appropriation. (Sec. 301)
3. **30-Day Expenditure Plan.** The House included language requiring the director of the Department to report, at least 30 days in advance, any expenditures the Department would make to the Speaker of the House. The Conference included this section. (Sec. 230)
4. **Beverage Container Fraud.** The Senate included language requiring the Department to use funds from the appropriation lines to implement 2008 PA 389, otherwise known as the "Reverse Vending Machine Antifraud Act". The Conference included this language. (Sec. 241)
5. **Real-time Water Quality Monitoring.** The Senate included language requiring recipients of the Macomb and St. Clair county grants in part 1 produce a report by September 30, 2010, detailing their water monitoring plan. Also makes funding contingent on the development of a long-term plan for funding and operation of the monitoring system. The Conference did not include this language.
6. **Draft Memoranda.** The Senate included language that would prohibit the Department from using draft memoranda or documents to impose regulations on individuals conducting cleanup projects. Upon request, the Department must provide written proof of a regulation in statute or administrative rule. The Conference included this section. (Sec. 308)
7. **Cleanup and Redevelopment Trust Fund Transfer.** The House included language which would appropriate \$1.0 million from the Cleanup and Redevelopment Trust Fund to the Environmental Protection Fund. The Conference included this language. (Sec. 304)
8. **Community Pollution Prevention Fund Transfer.** The House included language which would appropriate \$1.0 million from the Community Pollution Prevention Fund to the Environmental Protection Fund. The Conference included this language. (Sec. 305)
9. **Program Comparison with Other States.** The Senate included language which would require the Department to perform a review of its programs to determine how its programs compare to similar programs in other Great Lakes states. (Sec. 239)
10. **Pending Permits.** The House included language which provides that any permit application that has been submitted to and pending with the Department for a period of two years or more shall be considered administratively complete effective January 1, 2010. The Conference included this section. (Sec. 231)
11. **Various FTE Reports.** The House included two sections which would require the Department to report on a bi-monthly basis the number of FTEs in pay status, and a single, more detailed, report due in March 2010. The Senate did not include this language. The Conference included the language requiring these reports. (Sec. 222 & 223)
12. **Leaking Underground Storage Tanks (LUST) Advisory Workgroup.** The Senate included language which would create an advisory workgroup to review and make recommendations to the use of administrative rules and operational memoranda in the LUST program. The 13 members would be legislators and others representing petroleum-related interests appointed by legislative leaders. The Conference did not include this section.
13. **BART Reimbursement.** The Conference included language requiring the Department to reimburse permit holders for any air pollution control feasibility studies required of them. (Sec. 237 [2])

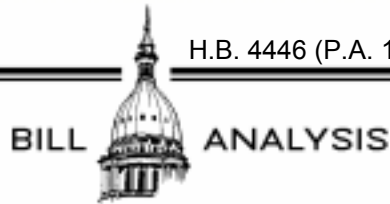
The Governor vetoed this section.

Date Completed: 10-15-09

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FY 2008-09 Year-to-Date Gross Appropriation	\$293,045,400
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Changes from FY 2008-09 Year-to-Date:

Items Included by the House and Senate

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| 11. Law Enforcement. Both the House and Senate agreed to reduce funding for law enforcement. The savings was realized from reducing the program's FTE count by 36.0. | (1,504,600) |
| 12. Fisheries Programs. The Senate and House agreed to reduce FTEs in various fisheries programs by 16.0 to realize this savings. | (2,945,700) |
| 13. Capital Outlays. The Senate and House agreed on all capital outlay projects. | 2,235,700 |
| 14. Other Changes. Other changes agreed to by both the House and Senate include: The reduction of grants, an increase in restricted funding to State parks, an upgrade of Microsoft products, new forest fire equipment and other adjustments. | 976,900 |

The Governor vetoed funding for snowmobile route from Bellaire to Jordan River Trail.

Conference Agreement on Items of Difference

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| 15. Transfer from Department of History, Arts, and Libraries. The Governor recommended the transfer of HAL programs including the State Museum, Mackinac Island State Park, and the State Archives to DNR. Neither the House nor the Senate contained these transfers. The Conference included them and made line-item reductions in due to leadership targets. | 10,480,500 |
| 16. Forest Recreation. The Senate reduced funding for State forest campgrounds by \$200,000. The House bill did not. The Conference agreed to cut funding by \$100,000. The funding increase of \$225,000 reflects this reduction, a transfer of \$162,400 for administration of a snowmobile program, and economic adjustments. | 225,500 |
| 17. Wildlife Management. The Senate and House reduced funding for the Wildlife Management program by \$1,044,200 and \$1,240,100, respectively. The Conference agreed to a cut of \$1,045,100, enabling Michigan to keep its split-State status with regard to raising and selling cattle. | (1,045,100) |
| 18. ORV Safety Training. The Senate continued funding for this program; the House removed \$71,000 in funding for the program. The Conference included the item. | 0 |
| 19. Cormorant Control. The House included funding for a program to control the State's cormorant population. The Conference included this program. | 0 |

The Governor vetoed this line item.

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| 20. Administrative Reductions. The Senate and House reduced GF/GP funding for several administrative lines by \$835,100 and \$1,123,500, respectively. The Conference reduced the lines by \$820,100 and included the elimination of an unclassified position to save another \$85,000. | (905,100) |
| 21. Great Lakes Restoration Initiative. Neither the House nor the Senate contained this item which uses a Federal grant to fund a program designed to help restore the Great Lakes. The Conference included the item. | 15,000,000 |
| 22. DNR/DEQ Consolidation Savings. The Conference assumed a \$350,000 savings would be realized through the consolidation of DNR and DEQ. | 0 |

The Governor vetoed this line item.

Total Changes.....	\$22,518,100
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FY 2009-10 Enacted Gross Appropriation.....	\$315,563,500
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Changes from FY 2008-09 Year to Date:Items Included by the House and Senate

14. **Bovine Tuberculosis Reports.** Required the DNR to submit semiannual reports that detail the enforcement actions taken to eradicate bovine tuberculosis, the number of infected deer found, new scientific methods of detecting bovine tuberculosis, and other relevant information. (Sec. 802)
15. **Transfer from Game and Fish Protection Trust Fund.** \$6,000,000 would be transferred from the Game and Fish Protection Trust Fund to the Michigan Conservation and Recreation Fund for appropriations from the game and fish protection account of the latter fund. (Sec. 211)

Conference Agreement on Items of Difference

16. **Department of History, Arts, and Libraries Boilerplate.** Four sections of boilerplate relating to the parts of History, Arts, and Libraries (HAL) transferred to DNR were included as part of the Governor's Recommendation. Neither the House nor the Senate included these in their respective DNR/DEQ budgets, because they were included in their respective HAL budgets (Sections 502, 503, 505, and 506 of the Senate's HAL budget). The Conference included all of these items. (Sec. 1601, 1602, 1603, and 1605)
17. **Subscriber List to Historical Society of Michigan.** The Senate included section 507 from the HAL budget which would allow the Department to share the subscriber list of the Michigan History Magazine with the Michigan Historical Society. The House and Conference did not include this language.
18. **Various FTE Reports.** The House included two sections which would require the Department to report on a bi-monthly basis the number of FTEs in pay status, and a single, more detailed, report due in March 2010. The Senate did not include this language. The Conference included the language requiring these reports. (Sec. 222 & 223)
19. **Policy Change Reporting.** The Senate included new language requiring the Department to report policy changes made by the Department to comply with each public act affecting the Department that took effect during the year. The House did not contain this language. Both the House and the Senate included language in the section which requires that the Departments not use funds to adopt a rule that disproportionately affects small businesses. The Conference included the House language. (Sec. 217)
20. **Timber Marking.** The House contained language that directs the Department to prescribe appropriate treatment to no less than 58,000 acres of timber at an average rate of 12.5 to 13 cords per acre. The section also required a quarterly report on the number of acres treated. The Senate did not include this section. The Conference included the language. (Sec. 1203)
21. **Intent to Consolidate DNR and DEQ.** The House included language stating intent to consolidate DNR and DEQ with an expected Executive Order from the Governor. The Senate did not include this language. The Conference included language expressing the intent to consolidate DNR and DEQ, making DNR the successor agency to DEQ. (Sec. 228)
22. **Fish Hatchery Closures.** The Senate included language that would require the Department to continue the operation of all six fish hatcheries that were in operation on September 30th, 2007. The Conference did not include this section.
23. **Snowmobile Route from Bellaire to Jordan River Trail.** The Conference included language requiring the Department to build a snowmobile route from Bellaire to the Jordan River Trail. (Sec. 1204)

The Governor vetoed this section.

24. **4-H Youth Program.** The Conference included language that would require that the Department appropriated \$5,000 to the Michigan State University Extension Service – 4-H Youth Programs. (Sec. 226)

The Governor vetoed this section.

Consolidation Savings. The Conference included language requiring the negative appropriation line-item labeled 'Consolidation Savings' to be satisfied by various administrative savings from the assumed merger of DNR and DEQ. (Sec. 1701)

The Governor vetoed this section.

Date Completed: 10-15-09

Fiscal Analyst: Josh Sefton