

FY 2013-14: DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary: As Passed by the Senate
Senate Bill 195 (S-1)



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	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: Senate From FY 2012-13 YTD	
IDG/IDT						Amount	%
Federal	\$9,021,200	\$9,401,900	\$9,399,300	\$9,401,900		\$380,700	4.2
Local	161,687,500	150,929,700	150,911,400	150,929,700		(10,757,800)	(6.7)
Private	0	0	0	0		0	0.0
Restricted	533,200	541,800	541,800	541,800		8,600	1.6
GF/GP	231,275,600	327,690,900	320,626,100	320,690,900		89,415,300	38.7
Gross	29,812,400	29,104,500	26,399,900	29,104,600		(707,800)	(2.4)
FTEs	\$432,329,900	\$517,668,800	\$507,878,500	\$510,668,900		\$78,339,000	18.1
	1,327.5	1,291.5	1,291.5	1,291.5		(36.0)	(2.7)

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
 (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
 (3) House figures are appropriations made in Article VII of House Bill 4328 (H-1).

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.

Major Budget Changes From FY 2012-13 YTD Appropriations

1. Funding Authorization Reductions

Executive reduces restricted funding by \$1.9 million to align with anticipated revenues. Restricted funds reduced include Water Analysis Fund, Waste Reduction Fund, Septage Waste License Fees, Hazardous Materials Transport Permit Fund, Infrastructure Construction Fund, and CMI Clean Water Fund. House and Senate concur with Executive.

Gross	N/A	(\$1,937,000)
Restricted	N/A	(1,937,000)

2. Hazardous Waste Management Program Fee Increase

Executive replaces one-time restricted funding used in FY 2012-13 that is no longer available with \$1.5 million restricted funding to be generated by a fee increase and restructuring of the Hazardous Waste Management Fees. In addition, Executive eliminates \$400,000 federal funding to align with anticipated revenues and replaces that funding with \$400,000 one-time GF/GP in FY 2013-14 in separate one-time funding appropriation unit.

Gross	N/A	(\$1,500,000)
Federal	N/A	(400,000)
Restricted	N/A	(1,500,000)
GF/GP	N/A	\$400,000

House does not include \$1.5 million restricted funding from a fee increase or the \$400,000 one-time GF/GP, but replaces the current-year restricted funding that is no longer available with \$1.5 million Waste Reduction Fee revenue transferred into this line item from the Office of Environmental Assistance line item.

Senate does not include \$1.5 million restricted funding from a fee increase and reduces line item by \$1.5 million restricted funding to align with anticipated revenues. Senate eliminates \$400,000 federal funding and replaces that funding with \$400,000 one-time GF/GP in FY 2013-14 in separate one-time funding appropriation unit.

3. Waste Reduction Fee Transfer

House includes a \$1.5 million restricted fund reduction of Waste Reduction Fee revenue in the Office of Environmental Assistance (OEA) line item; funding is transferred to Hazardous Waste Management line item and OEA line item is reduced by \$1.5 million (See item #2).

Gross	N/A	\$0
Restricted	N/A	0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Senate Change
4. GF/GP Reduction	Gross	N/A	\$0
<u>House</u> includes a GF/GP funding reduction that totals \$1.6 million throughout various line items.	GF/GP	N/A	\$0
5. Wetlands Funding	FTE	24.0	1.0
<u>Executive</u> funds Wetlands Program at \$2.1 million Gross (\$1.6 million GF/GP), reclassifies \$1.0 million GF/GP one-time funding in current year for Wetlands Program to on-going base funding, and includes additional \$100,000 GF/GP funding and 1.0 FTE for a Wetlands Ombudsman. In addition, includes one-time GF/GP support totaling \$600,000 for FY 2013-14 in a separate one-time funding appropriation unit.	Gross	\$2,000,000	\$100,000
	Federal	500,000	0
	GF/GP	\$1,500,000	\$100,000
<u>House</u> include \$1.6 million on-going GF/GP funding, \$500,000 federal funding, and 1.0 FTE for Wetland Ombudsman in line item.			
<u>Senate</u> concurs with <u>Executive</u> .			
6. Great Lakes Restoration Initiative (GLRI)	Gross	\$25,000,000	(\$10,000,000)
<u>Executive</u> decreases federal EPA authorization for GLRI funding by \$10.0 million. Funding is reduced because many GLRI grants are being awarded directly to locals rather than to DEQ as a pass-through agency. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	Federal	25,000,000	(10,000,000)
7. Leaking Underground Storage Tanks (LUST) Cleanups	Gross	\$30,000,000	\$2,500,000
<u>Executive</u> includes additional \$2.5 million Refined Petroleum Fund (RPF) revenue for cleanup work at LUST sites. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	Restricted	30,000,000	2,500,000
8. Underground and Aboveground Storage Tank Inspection/Permitting Program	FTE	37.0	(37.0)
<u>Executive</u> reduces restricted funding by \$3.7 million and federal funding by \$1.3 million and eliminates 37.0 FTE positions to reflect the transfer to LARA of the underground and aboveground storage tank programs. Transfer authorized by E.O. 2012-14. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	Gross	\$4,925,700	(\$4,925,700)
	Federal	1,255,300	(1,255,300)
	Restricted	3,670,400	(3,670,400)
9. Strategic Water Quality Initiatives Funding (SWQIF)	Gross	N/A	\$100,000,000
<u>Executive</u> includes additional \$100.0 million restricted funding from SWQIF bond revenues. Provides \$97.0 million funding for the SWQIF grants and loans program which makes awards to local governments to improve sewage collection and treatment systems and \$3.0 million to establish the new wetland mitigation bank funding program to provide grants and loans to eligible municipalities. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	Restricted	N/A	100,000,000
10. Office of the Great Lakes	Gross	\$500,000	\$0
<u>Executive</u> proposes \$500,000 GF/GP funding to support the Office of Great Lakes and to satisfy the state's responsibilities under the Great Lakes Compact Agreement. Funding would replace restricted funding that is no longer available. <u>House</u> does not include GF/GP funding; <u>Senate</u> concurs with <u>Executive</u> .	Restricted	500,000	(500,000)
	GF/GP	\$0	\$500,000
11. Revenue Alignment Adjustments	Gross	N/A	\$229,400
<u>Executive</u> includes additional \$234,400 IDG authorization to receive additional funding from the Michigan Department of State Police to more accurately reflect the DEQ's costs associated with the radiological protection program. Decreases restricted funding by \$5,000 for IT charges due to program rate changes. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	IDG	N/A	234,400
	Restricted	N/A	(5,000)
12. Surface Water Quality Program	Gross	N/A	\$200,000
<u>Executive</u> includes additional \$200,000 GF/GP funding to be used as matching funds for federal grants available for enforcement, the issuance of permits, and compliance activities concerning water quality. <u>House</u> does not include GF/GP funding; <u>Senate</u> concurs with <u>Executive</u> .	GF/GP	N/A	\$200,000

		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Senate Change
Major Budget Changes From FY 2012-13 YTD Appropriations			
13. Cost Allocation Adjustment	Gross	N/A	\$0
<u>Executive</u> adjusts funding to reflect cost allocation changes from FY 2012-13. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	IDG	N/A	22,500
	Federal	N/A	(36,500)
	Restricted	N/A	14,000
14. Information Technology Expansion	Gross	N/A	\$90,300
<u>Executive</u> includes additional \$90,300 (\$4,600 GF/GP) funding for wireless infrastructure and Internet bandwidth expansions. <u>House</u> does not include funding; <u>Senate</u> concurs with <u>Executive</u> .	IDG	N/A	2,600
	Federal	N/A	18,300
	Restricted	N/A	64,800
	GF/GP	N/A	\$4,600
15. Removal of FY 2012-13 One-Time Supplemental Funding — Aquifer Protection Program	Gross	\$600,000	(\$600,000)
<u>Executive</u> eliminates \$600,000 supplemental funding for the Aquifer Protection Program appropriated in P.A. 305 of 2012. One-time appropriation is anticipated to sufficiently fund program for 3 years. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	Restricted	600,000	(600,000)
16. Removal of FY 2012-13 One-Time Boilerplate Appropriation — Engineering Study	Gross	\$300,000	(\$300,000)
<u>Executive</u> eliminates \$300,000 boilerplate appropriation for an engineering study concerning the Wickes Manufacturing TCE plume site. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	Restricted	300,000	(300,000)
17. Removal of FY 2012-13 One-Time Appropriations	Gross	\$11,049,200	(\$11,049,200)
<u>Executive</u> eliminates one-time funding items from previous year that will not receive any funding in FY 2013-14:	IDG	48,800	(48,800)
• Brownfield Grants and Loans (\$5.0 million)	Federal	415,700	(415,700)
• MiWaters Data System Project (\$2.0 million)	Private	4,200	(4,200)
• State Employees Lump-Sum Payments (\$1.5 million)	Restricted	7,920,400	(7,920,400)
• Drinking Water Revolving Fund State Match (\$2.5 million)	GF/GP	\$2,660,100	(\$2,660,100)
<u>House</u> and <u>Senate</u> concur with <u>Executive</u> .			
18. Mason Water Tower	Gross	N/A	\$100
<u>Senate</u> includes a \$100 GF/GP placeholder for a water tower in the City of Mason	GF/GP	N/A	\$100
19. Brownfield Grants	Gross	N/A	\$0
<u>Revised Executive</u> includes \$5.5 million restricted funding for grants to give support for existing contaminated site cleanup projects. This CMI funding was previously authorized for loans and would be re-appropriated for a grant program.	Restricted	N/A	0
20. Economic Adjustments	Gross	N/A	\$5,531,100
<u>Executive</u> reflects increased costs of \$5.5 million Gross (\$747,600 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	IDG	N/A	170,000
	Federal	N/A	1,331,400
	Private	N/A	12,800
	Restricted	N/A	3,269,300
	GF/GP	N/A	\$747,600

Major Boilerplate Changes From FY 2012-13

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2012-13 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding. The list below includes major boilerplate changes, but is not a comprehensive list of all sections deleted.

Sec. 212. Disciplinary Action Against State Employees – RETAINED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House and Senate retain current-year language.

Sec. 213. Administrative Rule Promulgation – RETAINED

Prohibits DEQ to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive deletes language; House and Senate retain current-year language.

Major Boilerplate Changes From FY 2012-13

Sec. 218. Office Space Consolidation Plan – DELETED

Includes legislative language that DEQ cooperate with the development and implementation of a statewide office space consolidation plan. Executive and Senate delete language; House retains current-year language.

Sec. 223. FTE Report by Line Item – RETAINED

Requires DEQ to report on the number of funded FTEs and number of FTEs funded by line item. Executive deletes language; House and Senate retain current-year language.

Sec. 224. Quarterly FTE Report – RETAINED

Requires DEQ to report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House and Senate retain current-year language.

Sec. 227. Permit Application Status Tracking Tool – DELETED

Requires report on implementation of a permit application tracking tool on DEQ website. Executive and Senate delete language; House revises report language.

Sec. 228. Customer Satisfaction Evaluation Program – RETAINED

Requires report on development of customer satisfaction evaluation program and public feedback received. Executive deletes language; House and Senate retain current-year language.

Sec. 229. Expedited Permitting Program – RETAINED

Requires report listing actions and program changes taken to implement the Expedited Permitting Program; report must include a plan, timeline, and estimated costs. Executive deletes language; House revises report language; Senate retains current-year language.

Sec. 230. Measurable Outcomes Report – DELETED

Requires report identifying 10 principal measurable outcomes of budget expenditures. Executive, House, and Senate delete language.

Sec. 231. Website Scorecard – NEW

Includes new language that requires DEQ to maintain on a publicly accessible website a department scorecard with key metrics concerning the agency's performance. Executive, House, and Senate include new language.

Sec. 232. Publication Revenue Fund Transfer – NEW

Includes new language that transfers surplus funds of up to \$72,600 from the Publication Revenue Fund to the Oil and Gas Regulatory Fund on October 1, 2013. Executive, House, and Senate include new language.

Sec. 305. Refined Petroleum Fund – RETAINED

States legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive deletes language; House and Senate retain current-year language.

Sec. 306. Refined Petroleum Fund Cleanup Site List – REVISED

Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program. Executive deletes language; House and Senate include revised list of sites.

Sec. 307. Engineering Study Appropriation – DELETED

Appropriates \$300,000 CMI funding for an engineering study concerning the Wickes Manufacturing TCE plume site. Executive and Senate delete language; House revises language to require a report on the results of the engineering study.

Sec. 309. Brownfield Grants and Loans Program Work Project Language – DELETED

Provides that Brownfield Grants and Loans Program funding are work project appropriations and allows carry-forward of remaining funds; projects accomplished by contract; tentative completion date is September 30, 2017. Revised Executive revises language to refer to Brownfield Grant Program and revises completion date to 2018. House and Senate delete language.

Sec. 401. Aquatic Nuisance Control (ANC) – REVISED

Requires \$700,000 and 5.0 FTEs be allocated to the ANC program; requires report. Executive deleted language; House and Senate revise language.

Sec. 402. Groundwater Dispute Resolution Process – RETAINED

Directs Department to fund an aquifer dispute resolution process if funds are available. Executive and House delete language; Senate retains current-year language.

Sec. 403. Aquatic Invasive Species Council – RETAINED

Requires DEQ to support funding for an Aquatic Invasive Species Council. Executive and House delete language; Senate retains current-year language.

Sec. 406. Wetlands Ombudsman – NOT INCLUDED

Requires that \$100,000 of the funding appropriated in part 1 for wetlands program be allocated to support 1.0 FTE position for a wetlands ombudsman. House includes new language; Executive and Senate do not include language.

Major Boilerplate Changes From FY 2012-13

Sec. 601. Solid Waste Program Report – DELETED

Requires report on the Department's Solid Waste Management Program and policies. Report shall include plan for long-term funding and all actions and program changes taken to implement recommendation of 2012 report. Executive, House, and Senate delete language.

Sec. 602. Clean Sweep Program – RETAINED

Directs DEQ to work with local health departments, Department of Agriculture and Rural Development, and USDA to maintain and expand the program for disposal of hazardous household chemicals and drugs; requires report. Executive deletes language; House and Senate retain current-year language.

Sec. 1201. Anticipated FY 2014-15 Appropriations – RETAINED

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors. (See item 18 under Major Budget Changes for specific anticipated appropriation adjustments.) Executive deletes language; House and Senate retain current-year language.

Sec. 1202. Identification of Future Retirement Costs – NEW

States legislative intent that the DEQ identify the FY 2015 retirement costs for line items listed in part 1. Senate includes new language; Executive and House do not include language.