

FY 2012-13: DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary: Conference Report*
Senate Bill 953 (S-1) CR - 1



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*Information in this document labeled "House" reflects Article VII of House Bill 5365 (H-2), as passed by the House.

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$12,615,200	\$9,021,200	\$9,021,200	\$9,021,200	9,021,200	(3,594,000)	(28.5)
Federal	160,757,400	161,687,500	161,687,500	161,687,500	161,687,500	930,100	0.6
Local	0	0	0	0	0	0	0
Private	725,800	533,200	533,200	533,200	533,200	(192,600)	(26.5)
Restricted	226,510,400	230,881,300	230,452,400	230,233,000	230,375,600	3,865,200	1.7
GF/GP	28,378,300	29,405,000	29,072,000	30,053,300	29,812,400	1,434,100	5.1
Gross	\$428,987,100	\$431,528,200	\$430,766,300	\$431,528,200	431,429,900	2,442,800	0.6
FTEs	1,340.5	1,347.8	1,327.5	1,328.8	1,327.5	(13.0)	(1.0)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

(3) House totals do not include \$300,000 restricted funding appropriated by boilerplate in Section 307.

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.

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 Conference Change
Major Budget Changes From FY 2011-12 YTD Appropriations			
1. Funding Authorization Reductions			
<u>Executive, House, Senate, and Conference</u> reduce funding authorization by \$5.3 million to align with anticipated revenues. Federal funding reduced by \$1.6 million, restricted by \$3.2 million, private by \$200,000, and IDG by \$380,000. Restricted funds reduced include Water Analysis Fees, Great Lakes Protection Fund, Stormwater Permit Fees, and Environmental Protection Bond Fund, and Environmental Response Fund, among others.	Gross	N/A	(\$5,288,800)
	IDG	N/A	(380,000)
	Federal	N/A	(1,561,600)
	Private	N/A	(200,000)
	Restricted	N/A	(3,147,200)
2. GF/GP Reduction			
<u>House</u> includes \$333,000 GF/GP reduction throughout various line items for a net GF/GP reduction of 1.32% from the Executive recommendation.	Gross	N/A	\$0
	GF/GP	N/A	\$0
3. FTE Reduction			
<u>House, Senate, and Conference</u> include a reduction of 19.0 FTE authorizations from various line items; these FTEs no longer had funding associated with the positions.	FTE	N/A	(19.0)
	Gross	N/A	\$0
	Restricted	N/A	0
4. State-Owned Sites Cleanup Program			
<u>Executive, House, Senate, and Conference</u> eliminate one-time \$4.4 million restricted funding of the State Site Cleanup Fund from previous year for cleanups of high risk sites where the State is responsible for the contamination.	Gross	\$4,400,000	(\$4,400,000)
	Restricted	4,400,000	(4,400,000)
5. Wetlands Funding			
<u>Executive</u> eliminates Environmental Protection Fund funding of \$2.0 million because funds are no longer available and replaces funding with \$500,000 federal support and a one-time \$1.5 million GF/GP boilerplate appropriation. <u>House, Senate, and Conference</u> concur, but appropriate the \$1.5 million one-time GF/GP funding in new line item (the \$1.5 million GF/GP is shown in item #17 below).	Gross	\$2,000,000	(\$1,500,000)
	Federal	0	500,000
	Restricted	2,000,000	(2,000,000)
	GF/GP	\$0	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 Conference Change
6. Cost Allocation Adjustment	Gross	N/A	\$0
<u>Executive, House, Senate, and Conference</u> adjust funding to reflect cost allocation changes from FY 2011-12.	IDG	N/A	(52,000)
	Federal	N/A	(367,100)
	Restricted	N/A	419,100
7. Leaking Underground Storage Tanks (LUST) Cleanups	Gross	\$20,000,000	\$10,000,000
<u>Executive, House, Senate, and Conference</u> include additional \$10.0 million Refined Petroleum Fund (RPF) revenue for cleanup work at LUST sites. Funding is available by replacing \$10.0 million of RPF revenues currently used for debt service in Treasury with GF/GP funding.	Restricted	20,000,000	10,000,000
8. MiWaters Data System Project	Gross	\$3,200,000	(\$1,200,000)
<u>Executive, House, Senate, and Conference</u> provide \$2.0 million funding from Land and Water Permit Fees Fund to upgrade the National Pollutant Discharge Elimination Management System and combine it with Coastal and Inland Waters Permit Information System (CIWPIS) to form new MiWaters data system. Eliminates \$3.2 million funding for CIWPIS in FY 2011-12.	Restricted	3,200,000	(1,200,000)
9. Drinking Water Revolving Fund (DWRF) Program	Gross	N/A	\$2,500,000
<u>Executive</u> includes \$2.5 million GF/GP for DWRF program to provide state match to secure federal funding for infrastructure loans for public water facilities. An additional one-time GF/GP appropriation of \$2.5 million is provided through boilerplate. <u>House, Senate, and Conference</u> concur, but appropriate \$2.5 million one-time GF/GP funding in new line item (additional \$2.5 million shown in item #18 below).	GF/GP	N/A	\$2,500,000
10. State Revolving Fund Program Staff	FTE	N/A	5.0
<u>Executive, House, Senate, and Conference</u> include \$725,000 funding from the Strategic Water Quality Initiative Fund and 5.0 FTE positions for new cleanup program for sewer improvement projects.	Gross	N/A	\$725,000
	Restricted	N/A	725,000
11. Great Lakes Compact Council	Gross	N/A	\$50,000
<u>Executive, House, Senate, and Conference</u> provide \$50,000 GF/GP to help fund administrative costs of the Great Lakes Compact Council.	GF/GP	N/A	\$50,000
12. Nonferrous Metallic Mining Funding	FTE	N/A	1.0
<u>Executive, House, Senate, and Conference</u> provide \$100,000 funding from the Nonferrous Metallic Mineral Surveillance Fund and 1.0 FTE position for the nonferrous metallic mining program.	Gross	N/A	\$100,000
	Restricted	N/A	100,000
13. Large Quantity Water Withdrawal Fee Increase	FTE	N/A	0.0
<u>Executive</u> includes additional 1.25 FTE positions and \$103,900 restricted funding authorization. \$648,300 estimated to be realized through a 25% increase in the large quantity water withdrawal annual fee (from \$200 to \$250) and extension of the fee to agricultural sector. New revenue would replace \$325,000 CMI funding and fund the current year unfunded authorization of \$219,400. <u>House</u> does not include fee increase revenues or the additional 1.25 FTE authorization and eliminates the \$325,000 CMI funding that is no longer available. <u>Senate</u> does not include increased fee revenues, but replaces the \$648,300 anticipated restricted revenues with GF/GP funding and includes 1.25 additional FTE positions for program in lieu of the fee increase. <u>Conference</u> does not include fee increase or additional 1.25 FTE positions, but eliminates \$325,000 CMI funding, \$219,400 unfunded authorization, and includes \$350,000 GF/GP funding.	Gross	N/A	(\$194,400)
	Restricted	N/A	(544,400)
	GF/GP	N/A	\$350,000
14. FY 2011-12 Contingency Plans Funding	Gross	N/A	(\$81,600)
<u>Executive, House, Senate, and Conference</u> include reduction of \$81,600 GF/GP funding as part of an employee concessions contingency plan for FY 2011-12.	GF/GP	N/A	(\$81,600)
15. Muskegon Cleanup Site One-Time Appropriation	Gross	\$6,000,000	(\$6,000,000)
<u>Executive, House, Senate, and Conference</u> eliminate one-time funding of \$6.0 million GF/GP for Muskegon cleanup site appropriated through boilerplate in FY 2011-12.	GF/GP	\$6,000,000	(\$6,000,000)

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>FY 2012-13 Conference Change</u>
16. Other Post-Employment Benefits (OPEB) FY 2011-12 GF/GP Relief Adjustment	Gross	N/A	\$0
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include adjustments to replace the one-time IDG funding relief of \$3.5 million for OPEB costs in FY 2011-12.	IDG	N/A	(3,293,400)
	Federal	N/A	1,393,800
	Restricted	N/A	1,899,600
	GF/GP	N/A	\$0
17. Unclassified Salaries	Gross	\$500,000	\$200,000
<u>Conference</u> includes \$200,000 funding for the Unclassified Salaries line item.	Restricted	356,400	142,600
	GF/GP	\$143,600	\$57,400
18. One-Time Appropriations	Gross	N/A	\$5,549,200
<u>Executive</u> includes the following one-time appropriations in boilerplate for FY 2012-13:	IDG	N/A	48,800
• \$1.5 million Gross (\$160,100 GF/GP) for negotiated one-time lump sum payments to state employees.	Federal	N/A	415,700
• \$2.5 million Gross and GF/GP for Drinking Water Revolving Fund state match program.	Private	N/A	4,200
• \$1.5 million Gross and GF/GP for Wetlands Program.	Restricted	N/A	920,400
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur, but appropriate funding in a new line item unit.	GF/GP	N/A	\$4,160,100
19. Economic Adjustments	Gross	N/A	\$1,983,400
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> reflect increased costs of \$2.0 million Gross (\$398,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments.	IDG	N/A	82,600
	Federal	N/A	549,300
	Private	N/A	3,200
	Restricted	N/A	950,100
	GF/GP	N/A	\$398,200
20. Anticipated FY 2013-14 Budget Changes			
<u>House</u> reflects anticipated increase from FY 2012-13 budget of \$4.5 million Gross (\$490,400 GF/GP) for economic adjustments in FY 2013-14 and a decrease of \$2.0 million restricted funding for MiWaters data system (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 204. Civil Service Charges – RETAINED

Requires Civil Service Commission to charge state departments 1% of salary payments. Executive and Senate delete language; House and Conference retain language.

Sec. 206. IT Work Project Appropriations – RETAINED

Designates IT appropriations as work projects; allows carry-forward of funding. Executive and Senate delete language; House and Conference retain language.

Sec. 208. DMTB IT User Fees – RETAINED

Directs DEQ to pay user fees to DTEM for technology services. Executive and Senate delete language; House and Conference retain language.

Sec. 209. Out-of-State Travel Report – NEW

House and Conference include language that requires Department to report out-of-state travel expenses annually.

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, Senate, and Conference retain 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, Senate, and Conference retain language.

Sec. 218. Office Space Consolidation Plan – NEW

House and Conference include legislative intent language that the Department work with DTMB to develop and implement a statewide office space consolidation plan.

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, Senate, and Conference retain 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, Senate, and Conference retain language.

Sec. 225. Expenditure Posting on Internet – RETAINED

Requires expenditures to be posted by the Department on the internet on a searchable website. Executive revises language to require DTMB to post expenditures; House and Conference retain current-year language; Senate deletes language.

Sec. 227. Permit Application Status Tracking Tool – REVISED

Requires report on implementation of a permit application tracking tool on DEQ website. Executive deletes language; House and Conference revise language to require report listing actions and program changes taken to implement the tracking tool, plan and timeline for implementation, and any estimated costs; Senate retains current language.

Sec. 228. Customer Satisfaction Evaluation Program – REVISED

Requires DEQ to develop a customer satisfaction evaluation program; requires report. Executive deletes language; House, Senate, and Conference revise language to require report on program and feedback the Department received.

Sec. 229. Expedited Permitting Program – REVISED

Requires report identifying specific permit programs for which an expedited permitting option could be developed. Executive deletes language; House and Conference revise language to require report listing actions and program changes taken to implement the program, plan and timeline for implementation, and any estimated costs; Senate retains current language.

Sec. 230. Measurable Outcomes Report – NEW

House and Conference include language requiring report identifying 10 principal measurable outcomes of budget expenditures.

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, Senate, and Conference retain 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, Senate, and Conference revise language to include new list of authorized cleanup sites. Senate and Conference include new language requiring report.

Sec. 307. Engineering Study Appropriation – NEW

House and Conference include language that appropriates \$300,000 CMI funding for an engineering study concerning the Wickes Manufacturing TCE plume site.

Sec. 309. Brownfield Grants and Loans Program Work Projects – RETAINED

Provides work project status to Part 1 funds for brownfield grants and loans programs. Executive and House delete language; Senate and Conference retain current language.

Sec. 310. Bonding Language – NEW

Conference includes language that allows DEQ, upon approval by State Budget Director, to expend GF/GP funding to meet cash flow requirements of projects financed by bond proceeds if bonds have not yet been authorized; funding will be repaid to GF/GP when bonds have been sold.

Sec. 311. Tax Exemption Certificates – DELETED

Requires DEQ to enter into an MOU with Treasury on tax exemption certificates concerning air and water pollution equipment. Executive, House, Senate, and Conference delete language.

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

Requires \$100,000 be allocated to fund the one additional FTE position for ANC program added in FY 2011; requires report. Executive deletes language; House retains language; Senate and Conference revises language to require that \$700,000 and 5 FTEs be allocated to the program.

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 and Conference retain language.

Sec. 404. Water Withdrawal Assessment Program – NOT INCLUDED

Senate includes language that requires DEQ to work with an agricultural industry group to recommend a long-term funding solution to the Water Withdrawal Assessment Program; requires report.

Sec. 601. Solid Waste Program Report – REVISED

Requires report on the Department's Solid Waste Management Program and policies. Report shall include options for long-term funding, the impact of recycling, composting, and beneficial reuse, as well as the feasibility of contracting out landfill inspections. Executive deletes language; House and Conference revise language to require report that includes plan for long-term funding and all actions and program changes taken to implement recommendation of 2012 report; Senate retains current language.

Sec. 602. Clean Sweep Program – NEW

House and Conference include new language encouraging the Department to work with local public health departments, the Department of Agriculture and Rural Development, and the USDA to maintain and expand the clean sweep program for safe disposal of hazardous household chemicals and drugs; requires report.

Sec. 1001. One-Time Basis Appropriation – NOT INCLUDED

Executive includes language that appropriates \$1.5 million Gross (160,100 GF/GP) for state employee lump sum payments, \$2.5 million GF/GP for Drinking Water Revolving Fund state match, and \$1.5 million GF/GP for wetlands program; funding is on a one-time basis only. House, Senate, and Conference do not include boilerplate language, but appropriate funding in a new line item unit.

Sec. 1201. Anticipated FY 2013-14 Appropriations – RETAINED

House includes language that states legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 20 under Major Budget Changes for specific anticipated appropriation adjustments.) Senate and Conference include current language and updates years.