



Background Briefing

ENVIRONMENTAL QUALITY

Viola Bay Wild, Senior Fiscal Analyst

December 2013

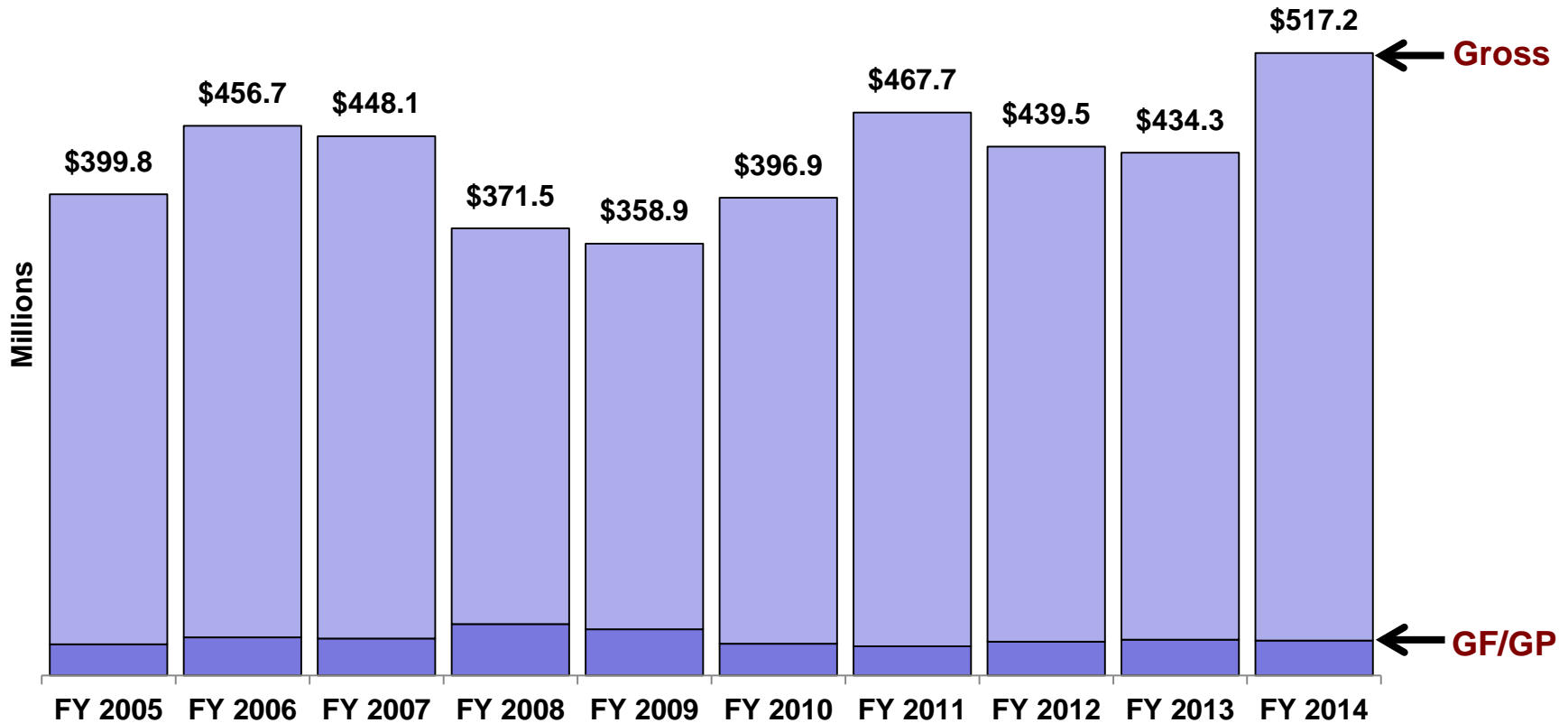
The fiscal information in this background briefing is based on data through December 31, 2013.

DEQ Program Areas

Major DEQ programs do the following:

- **Administer cleanup and reuse of contaminated properties**
- **Protect water quality of surface waters and local water supplies**
- **Administer environmental protection programs and regulate disposal of hazardous and non-hazardous wastes and products**
- **Monitor air pollution emissions and regulate through air quality permits**

DEQ: Gross Appropriations

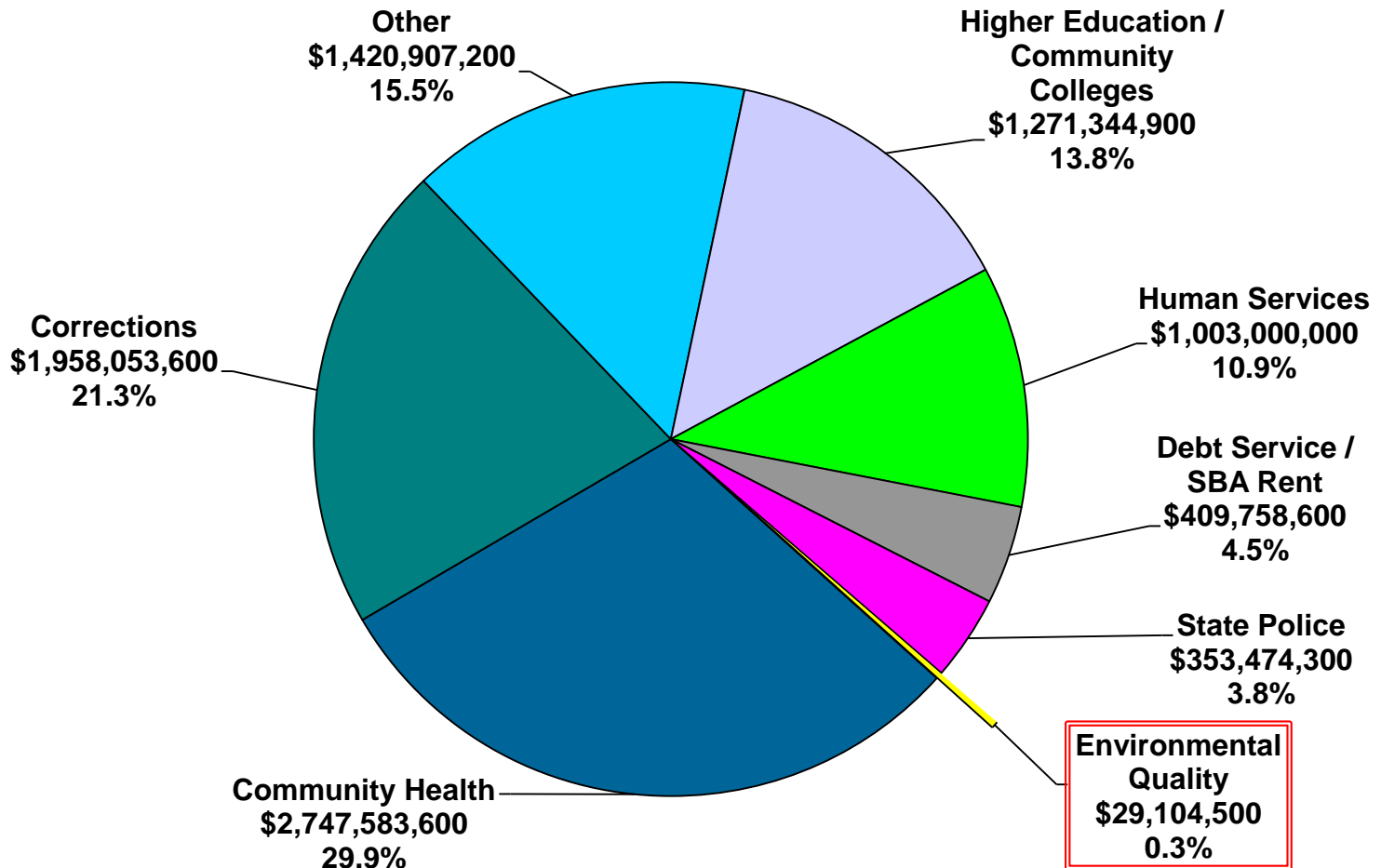


Notes: (1) FY 2009 does not include \$248.6 million in one-time American Reinvestment and Recovery Act (ARRA) funding. (2) FY 2010 and FY 2011 both include \$50.0 million in new federal funding for Great Lakes Restoration Initiative; FY 2012 and FY 2013 include \$25.0 million; FY 2014 includes \$15.0 million. (3) FY 2011 includes \$70.0 million in new SWQIF funding. (4) FY 2012 includes a \$6.0 million GF/GP one-time boilerplate appropriation. (5) FY 2014 includes \$100.0 million in additional SWQIF funding (\$97.0 million for grants/loans and \$3.0 million for wetland mitigation banks).

DEQ Share of State GF/GP

DEQ makes up 0.3% of the total state GF/GP budget

FY 2013-14 GF/GP Total = \$9,193,226,700

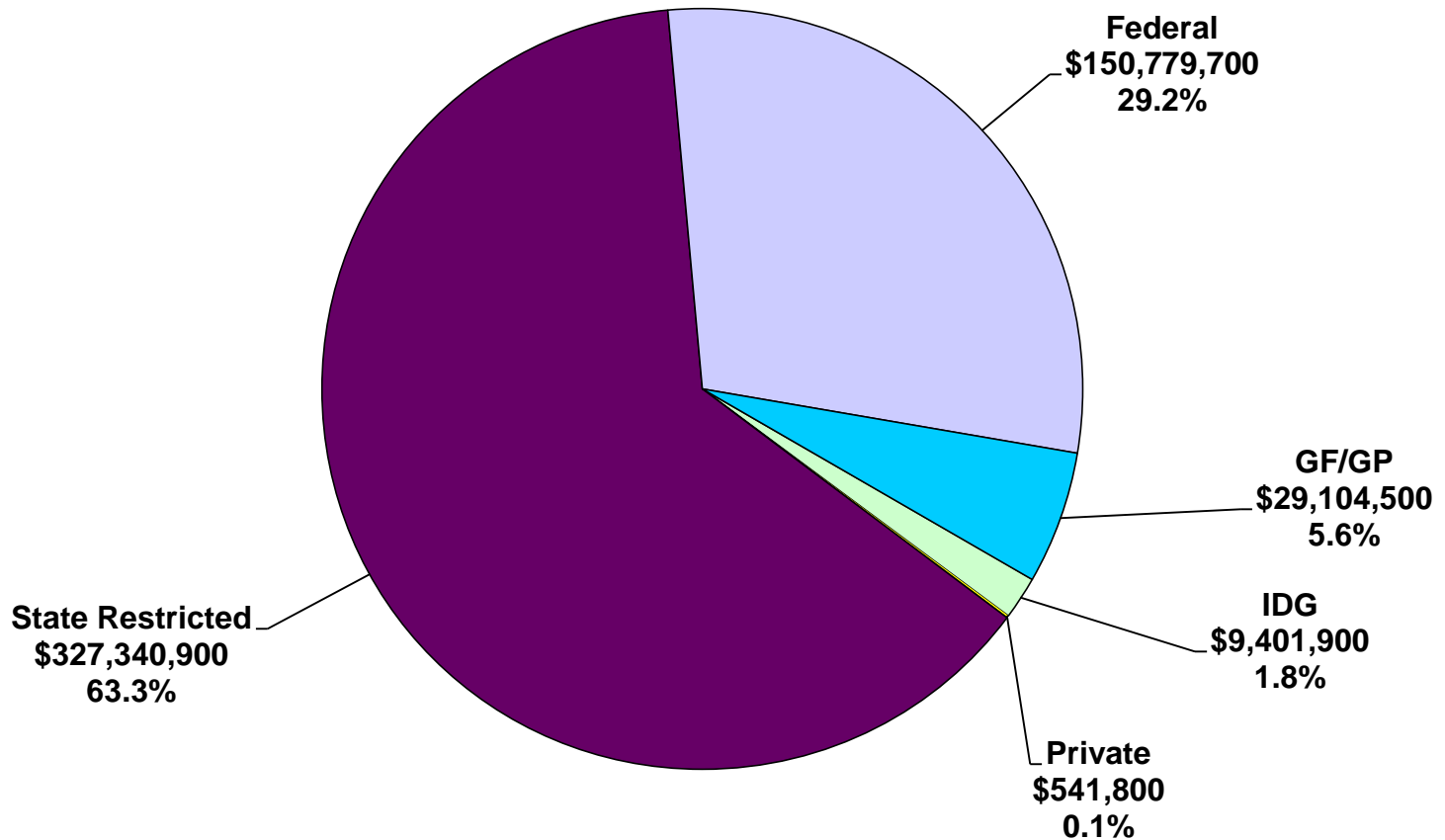


SOURCES OF FUNDING

DEQ Budget

State restricted funds and federal revenue represent 92% of funding in the DEQ budget.

FY 2013-14 Gross = \$517,168,800



DEPARTMENT APPROPRIATIONS

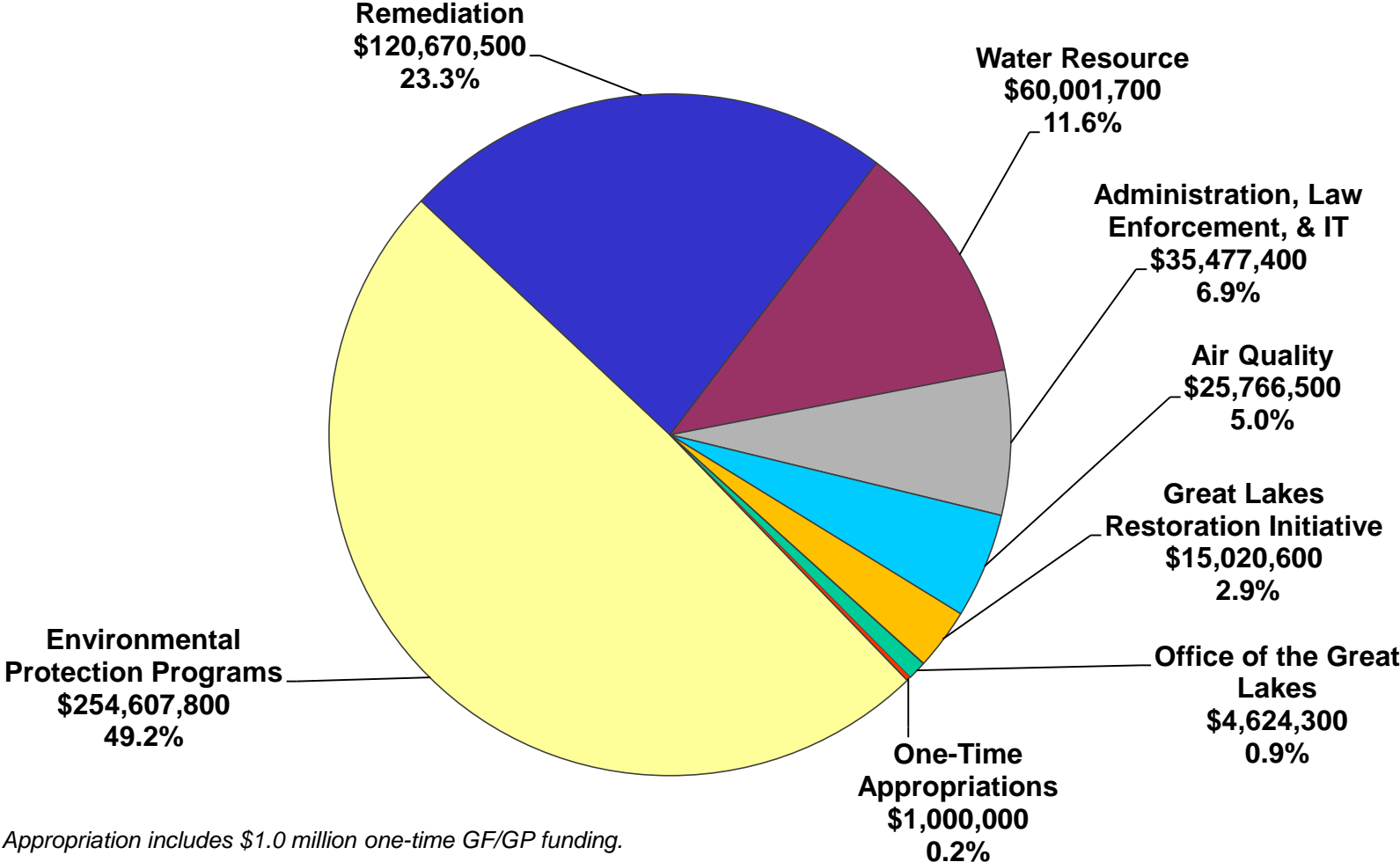
DEQ Appropriations

The DEQ budget is allocated into the following major spending areas:

- Administration/ Law Enforcement/ IT
- Office of the Great Lakes
- Water Resource
- Air Quality
- Remediation (Environmental Cleanups)
- Environmental Protection Programs
- Great Lakes Restoration Initiative

DEQ Appropriations

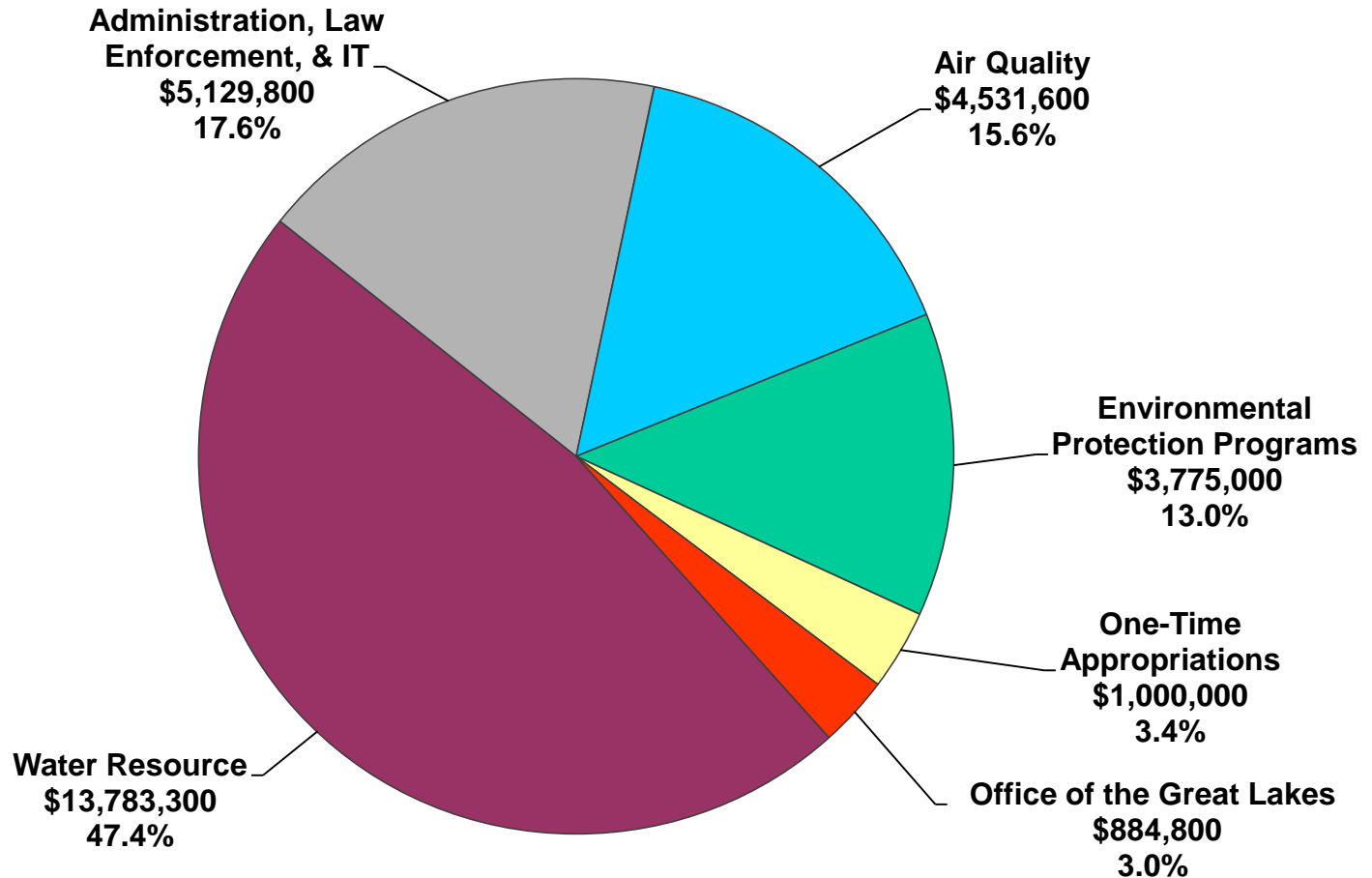
FY 2013-14 Gross = \$517,168,800*



*Gross Appropriation includes \$1.0 million one-time GF/GP funding.

DEQ GF/GP Appropriations by Category

FY 2013-14 GF/GP = \$29,104,500



MAJOR BUDGET TOPICS

DEQ Major Programs

The DEQ budget supports the following major programs:

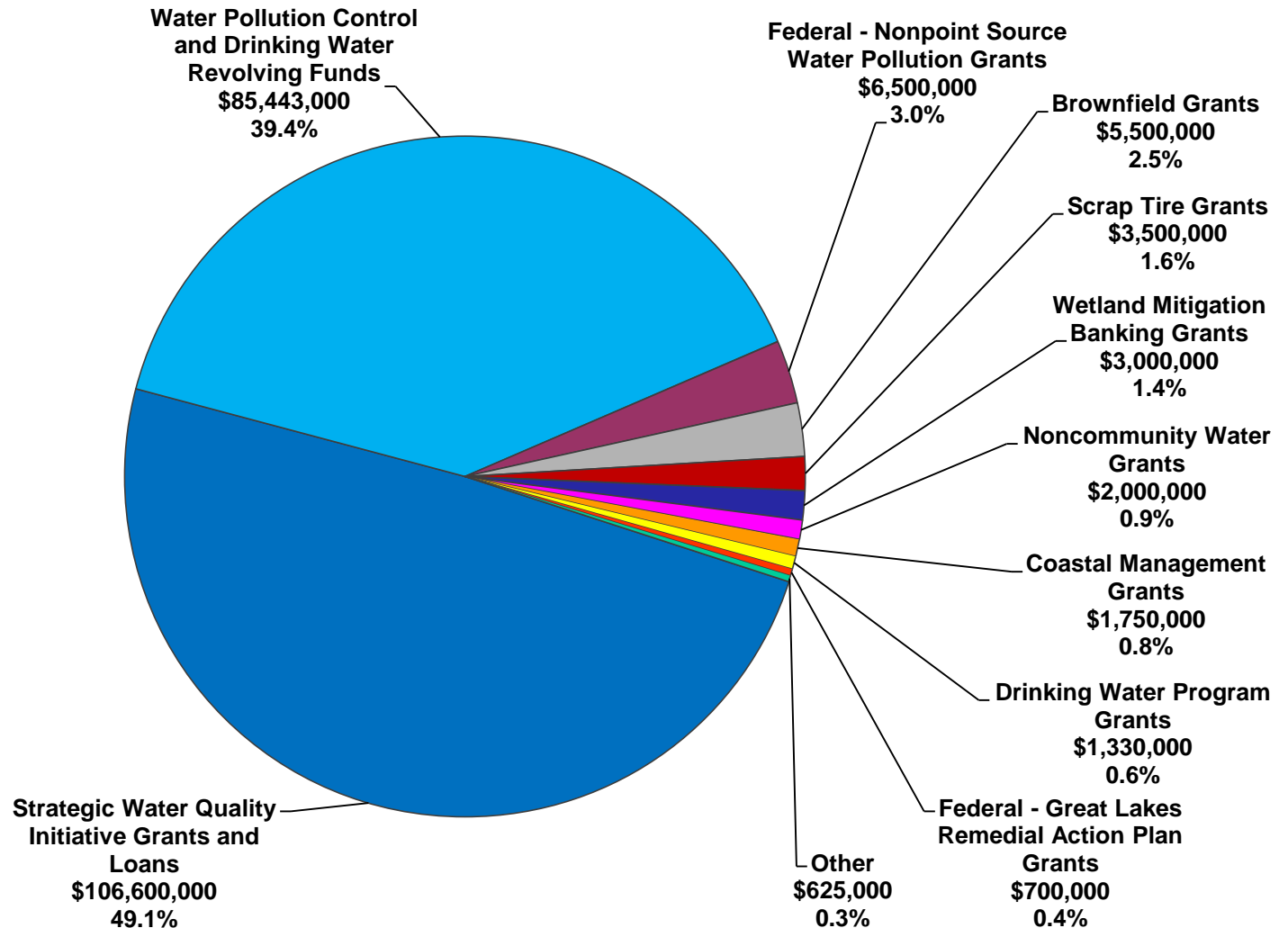
- **Office of the Great Lakes** – lead state agency for the policies and programs to protect and guide the management of the Great Lakes.
- **Surface Water** – protects the water quality of the state’s surface waters, issues permits for the discharge of industrial and municipal waste waters, inspects wastewater treatment facilities, and monitors large scale water withdrawals.
- **Air Quality** – protects the state’s air quality through monitoring air pollution emissions, inspecting emission sources, and issuing air quality permits.
- **Environmental Protection Programs** – regulates the disposal of hazardous and non-hazardous solid and liquid wastes, scrap tires, radioactive materials, and the land application of processed solid waste; provides grants and loans to local governments to improve sewage collection and treatment systems.
- **Environmental Cleanups** – promotes the cleanup and reuse of contaminated properties through response activities at contamination sites and funds the cleanup of leaking underground storage tanks.

DEQ Grants and Loan Programs

- The DEQ awards grants, administers loan programs and distributes payments to local units of government and nonprofit organizations.
- 41.9% of total department funding is distributed to communities and nonprofit organizations through these programs (\$216.9 million).
- There are 14 specific grant and/or loan programs. Of the \$216.9 million grant/loan program funding:
 - 49.1% is for the Strategic Water Quality Initiative grants and loans (\$106.6 million).
 - 39.4% of the funding is for the Water Pollution Control and Drinking Water Revolving Fund grants and loans which fund water pollution and drinking water capital projects (\$85.4 Million).
- The remaining grants fund pollution prevention programs, Great Lakes research, radon detection programs, septage waste transportation programs, and scrap tire removal.

DEQ Grant Programs

FY 2013-14 Gross = \$216,948,000



DEQ Revenue

- For FY 2013-14, the DEQ budget totals \$517.2 million. Of that amount, only 6.9% is GF/GP funding (\$29.1 million).
- From FY 1999-2000 to FY 2013-14, GF/GP funding has decreased by 69.8%: from \$96.3 million to \$29.1 million.
- 63.3% of funding is from state restricted revenue (mainly license and permit fees and state bond proceeds).
- The largest restricted fund appropriation is from the Strategic Water Quality Initiatives Fund (SWQIF) – \$140.8 million. The SWQIF receives revenue generated from the sale of bond issues under the Great Lakes Water Quality Bond.
- The second largest restricted fund appropriation is from the Refined Petroleum Fund (RFP) – \$50.5 million. The RFP receives a fee of $\frac{7}{8}$ th of one cent for each gallon of refined petroleum sold in the state.

**For more information about the
Environmental Quality budget, contact:**

**Viola Bay Wild
vwild@house.mi.gov
(517) 373-8080**