

DATE: 2/5/2018
TO: Interested parties
FROM: Austin Scott, Fiscal Analyst
RE: Clean Michigan Initiative

The following information provides background and financial information concerning the Clean Michigan Initiative which is partly administered by the Department of Environmental Quality (DEQ).

Clean Michigan Initiative (CMI)

In 1998, Michigan voters approved a \$675.0 million general obligation bond, the Clean Michigan Initiative (CMI), to fund environmental, health, and natural resources protection programs. The Michigan Constitution stipulates that a general obligation bond may be issued if approved by two-thirds of the Legislature and a majority of voters. Of the \$675.0 million approved for the CMI, \$570.0 million is earmarked for environmental protection and clean-up programs overseen by the Department of Environmental Quality (DEQ). \$100.0 million of the funding is dedicated for Natural Resources Protection programs overseen by the Department of Natural Resources (DNR). The remaining \$5.0 million is earmarked for health protection programs under the Department of Health & Human Services (DHHS).

By law, CMI bond proceeds are to be used as follows (MCL 324.19607):

| | |
|--|------------------------|
| <u>Environmental Protection Programs (DEQ):</u> | <u>Not More Than:</u> |
| Response activities at facilities | \$335.0 million |
| Waterfront improvements | 50.0 million |
| Remediation of contaminated lake and river sediments | 25.0 million |
| Nonpoint source pollution prevention and control projects or wellhead protection projects | 50.0 million |
| Water quality monitoring, water resources protection, and Pollution control activities | 90.0 million |
| Pollution prevention programs | 20.0 million |
| <u>Health Protection Programs (DHHS):</u> | |
| Abatement of lead hazards | 5.0 million |
| <u>Natural Resources Protection Programs (DNR):</u> | |
| State park infrastructure improvements | 50.0 million |
| Local recreation projects | <u>50.0 million</u> |
| TOTAL | \$675.0 million |

The DHHS and DNR portions have been exhausted. There are six CMI programs administered by the DEQ through its various divisions. Bond proceeds are required to be used for programs that would clean up and redevelop contaminated sites, protect and improve water quality, prevent pollution, abate lead contamination, reclaim and revitalize community waterfronts, enhance recreational opportunities, and clean up contaminated sediments in lakes, rivers, and streams. Table A illustrates these programs and their respective appropriations through FY 2017-18.

**Table A
CMI programs in DEQ**

| <u>Program</u> | <u>Authorization</u> | <u>Appropriated</u> | <u>Remaining</u> | <u>Description</u> |
|-------------------------|-----------------------------|----------------------------|-------------------------|---|
| Response activities | \$335,000,000 | \$335,000,000 | \$0 | Cleanup & redevelopment, Municipal landfill grants, Brownfield grants & loans |
| Waterfront improvements | 50,000,000 | 49,999,669 | 331 | Waterfront redevelopment grants |
| Contaminated sediments | 25,000,000 | 25,000,000 | 0 | Contaminated lake & river sediment program |
| Nonpoint source grants | 50,000,000 | 42,754,352 | 7,245,648 | Nonpoint source pollution control grants |
| Water quality | 90,000,000 | 90,000,000 | 0 | Water quality monitoring, water infrastructure grant programs, Conservation reserve enhancement |
| Pollution prevention | 20,000,000 | 19,431,432 | 568,568 | Retired engineer technical assistance, Small business pollution prevention loans, Household hazardous waste |
| TOTALS | \$570,000,000 | \$562,185,453 | \$7,814,547 | |

Source: Department of Environmental Quality

I hope you find this information helpful. If you have questions or need further clarification, feel free to contact me at 3-8080.