

**Summary: Executive Budget Recommendation
for Fiscal Years 2012-13 and 2013-14
ENVIRONMENTAL QUALITY**



Analyst: Viola Bay Wild

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	12,615,200	9,021,200	(3,594,000)	(28.5)	8,972,400	(48,800)	(0.5)
Federal	160,757,400	161,687,500	930,100	0.6	161,271,800	(415,700)	(0.3)
Local	0	0	0	0	0	0	0
Private	725,800	533,200	(192,600)	(26.5)	529,000	(4,200)	(0.8)
Restricted	226,510,400	230,881,300	4,370,900	1.9	231,952,300	1,071,000	0.5
GF/GP	28,378,300	29,405,000	1,026,700	3.6	25,735,300	(3,669,700)	(12.5)
Gross	428,987,100	431,528,200	2,541,100	0.6	428,460,800	(3,067,400)	(0.7)
FTEs	1340.5	1,347.8	7.3	0.5	1,347.8	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated 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 boilerplate appropriations designated as "one-time." (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations. (4) Budget changes described below are based on the "Schedule of Program" sections included in the Executive Budget; amounts listed in those schedules are informational in nature and could be potentially adjusted administratively, without legislative approval, within the larger line items into which programs have been rolled up.

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 2011-12 YTD Appropriations		FY 2011-12 YTD (as of 2/9/12)	Executive Changes	
			FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
1. Funding Authorization Reductions	Gross	N/A	(\$5,288,800)	\$0
Reduces 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.	IDG	N/A	(380,000)	0
	Federal	N/A	(1,561,600)	0
	Private	N/A	(200,000)	0
	Restricted	N/A	(3,147,200)	0
2. State-Owned Sites Cleanup Program	Gross	N/A	(\$4,400,000)	\$0
Eliminates one-time \$4.4 million restricted funding the State Site Cleanup Fund from previous year for cleanups of high risk sites where the State is responsible for the contamination.	Restricted	N/A	(4,400,000)	0
3. Wetlands Funding	Gross	\$2,000,000	(\$1,500,000)	\$0
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 (the \$1.5 million GF/GP funding is shown in item #15 below).	Federal	0	500,000	0
	Restricted	2,000,000	(2,000,000)	0
	GF/GP	\$0	\$0	\$0
4. Cost Allocation Adjustment	Gross	N/A	\$0	\$0
Adjusts funding to reflect cost allocation changes from FY 2011-12.	IDG	N/A	(52,000)	0
	Federal	N/A	(367,100)	0
	Restricted	N/A	419,100	0

Executive Changes

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
5. Leaking Underground Storage Tanks (LUST) Cleanups	Gross	\$20,000,000	\$10,000,000	\$0
Includes 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	0
6. MiWaters Data System Project	Gross	\$3,200,000	(\$1,200,000)	(\$2,000,000)
Provides \$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)	(2,000,000)
7. Drinking Water Revolving Fund (DWRf) Program	Gross	N/A	\$2,500,000	\$0
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 (additional \$2.5 million funding shown in item #15 below).	GF/GP	N/A	\$2,500,000	0
8. State Revolving Fund Program Staff	FTE	N/A	5.0	0.0
Includes \$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	\$0
	Restricted	N/A	725,000	0
9. Great Lakes Compact Council	Gross	N/A	\$50,000	\$0
Provides \$50,000 GF/GP to help fund administrative costs of the Great Lakes Compact Council.	GF/GP	N/A	\$50,000	\$0
10. Nonferrous Metallic Mining Funding	FTE	N/A	1.0	0.0
Provides \$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	\$0
	Restricted	N/A	100,000	0
11. Large Quantity Water Withdrawal Fee Increase	FTE	N/A	1.25	0.0
Includes additional 1.25 FTE position and \$103,900 restricted funding authorization. \$648,300 estimated to be realized through a 25% increase in the large quantity water withdrawal 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 \$205,200.	Gross	N/A	\$103,900	\$0
	Restricted	N/A	103,900	0
12. FY 2011-12 Contingency Plans Funding	Gross	N/A	(\$81,600)	\$0
Includes reduction of \$81,600 GF/GP funding as part of contingency plan for budgetary savings for FY 2011-12.	GF/GP	N/A	(\$81,600)	\$0
13. Muskegon Cleanup Site One-Time Appropriation	Gross	\$6,000,000	(\$6,000,000)	\$0
Eliminates 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)	0
14. Other Post-Employment Benefits (OPEB) FY 2011-12 GF/GP Relief Adjustment	Gross	N/A	\$0	\$0
Includes 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)	0
	Federal	N/A	1,393,800	0
	Restricted	N/A	1,899,600	0
	GF/GP	N/A	\$0	\$0
15. One-Time Boilerplate Appropriations	Gross	N/A	\$5,549,200	(\$5,549,200)
Includes the following one-time appropriations for FY 2012-13:	IDG	N/A	48,800	(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	(415,700)
	Private	N/A	4,200	(4,200)
• \$2.5 million Gross and GF/GP for Drinking Water Revolving Fund state match program.	Restricted	N/A	920,400	(920,400)
	GF/GP	N/A	\$4,160,100	(\$4,160,100)
• \$1.5 million Gross and GF/GP for Wetlands Program.				

Executive Changes

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14	
16. Economic Adjustments	Gross	N/A	\$1,983,400	\$4,481,800
Reflects increased costs of \$2.0 million Gross (\$398,200 GF/GP) for negotiated salary and wage increases, actuarially-	IDG	N/A	82,600	0
required retirement rate increase, reduced employer health	Federal	N/A	549,300	0
insurance costs due to 20% employee contribution, and other	Private	N/A	3,200	0
economic adjustments. Additional increase of \$4.5 million Gross	Restricted	N/A	950,100	3,991,400
(\$490,400 GF/GP) projected for FY 2013-14.	GF/GP	N/A	\$398,200	490,400

Major Boilerplate Changes From FY 2011-12

NOTE: No boilerplate language proposed specific to FY 2013-14.

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2011-12 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted.

Sec. 212. Disciplinary Action Against State Employees – DELETED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs.

Sec. 213. Administrative Rule Promulgation – DELETED

Prohibits DEQ to adopt a rule that will apply to a small business if it has a disproportionate economic impact.

Sec. 223. FTE Report by Line Item – DELETED

Requires DEQ to report on the number of funded FTEs and number of FTEs funded by line item.

Sec. 224. Quarterly FTE Report – DELETED

Requires DEQ to report on the number of FTEs in pay status; report required quarterly.

Sec. 227. Permit Application Status Tracking Tool – DELETED

Requires report on implementation of a permit application tracking tool on DEQ website.

Sec. 228. Customer Satisfaction Evaluation Program – DELETED

Requires DEQ to develop a customer satisfaction evaluation program; requires report.

Sec. 229. Expedited Permitting Program – DELETED

Requires report identifying specific permit programs for which an expedited permitting option could be developed.

Sec. 305. Refined Petroleum Fund – DELETED

States legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07.

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

Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program.

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.

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

Requires \$100,000 be allocated to fund up to one additional FTE position for ANC program; requires report.

Sec. 402. Groundwater Dispute Resolution Process – DELETED

Directs Department to fund an aquifer dispute resolution process if funds are available.

Sec. 601. Solid Waste Program Report – DELETED

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.

Sec. 1001. One-Time Basis Appropriation – REVISED

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 for wetlands program; funding is on a one-time basis only.