



# Department of Environmental Quality

Liesl Clark, Director

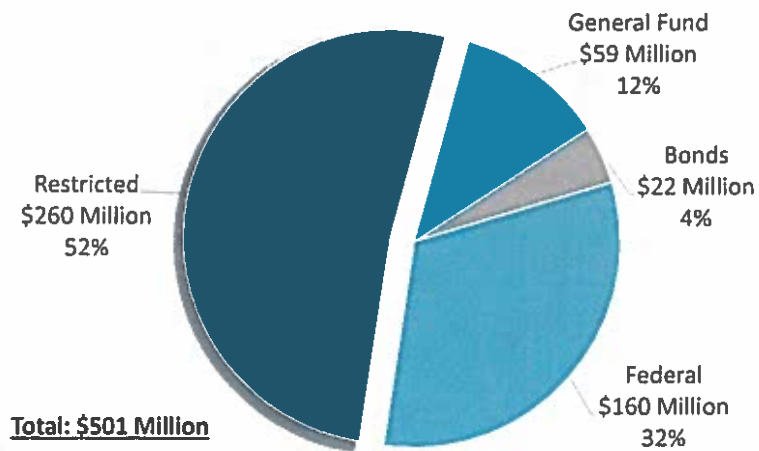
February 28, 2019

Natural Resources and Environmental Quality  
Subcommittee on Appropriations

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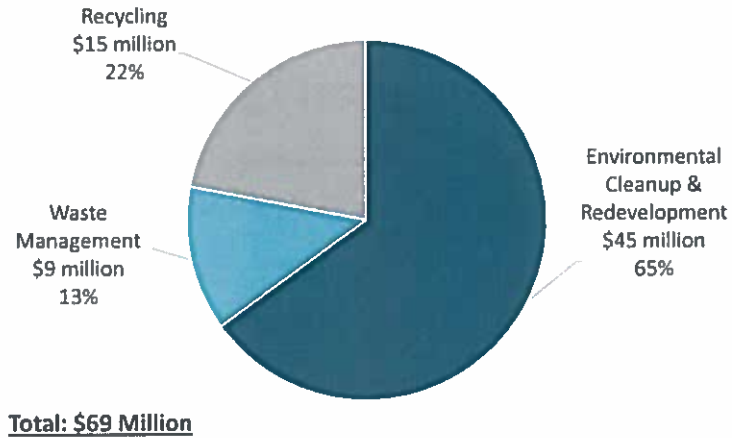
## 2019 DEQ Budget by Fund Source



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## Renew Michigan's Environment Fund



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## DEQ Historical Funding

	2000	2019	% Change
General Fund	\$96 Million	\$59 Million	38% Decrease
Restricted Funds	\$173 Million	\$260 Million	50% Increase
<b>Total Budget*</b>	<b>\$479 Million</b>	<b>\$501 Million</b>	<b>5% Increase</b>

\* Total Includes Bond & Federal Funds

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## Program Funding Factors

- What service is the program providing?
- Who benefits?
- Can a fee be assessed?
- What is the administrative cost?

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## Fees Overview

- 63 Fees
  - Water: 33
  - Waste: 15
  - Oil & Gas: 9
  - Lab: 4
  - Air: 2
- \$103 Million collected annually

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## Fee Sunsets

- 20 Fees have sunset dates
  - 14 Fees sunset by December 2019
  - 6 Fees sunset in future years
- Last fee increase
  - Air fees – 4 years ago
  - Water fees – more than 8 years ago
  - Waste fees – more than 7 years ago
  - Some fees have not increased in over 20 years

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## Air Quality Fees

- Paid by industries with air emissions
- Program ensures facilities meet federal & state requirements to protect the environment & public health



Auto Manufacturing



Program Support



Concrete Batch Plants

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## Water Resources Fees

- Paid by municipalities, property owners, businesses, marinas
- Supports permits, compliance, & enforcement to protect the environment & public health



Wastewater Treatment Plant  
NPDES Permit



Clean Water for Recreation



Bridge Replacement  
Stormwater Permit

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## Waste Management Fees

- Paid by landfills, hospitals, laboratories, manufacturers
- Supports inspections, permits, oversight of corrective actions to protect environment & public health



Inspections at Landfills & Storage Facilities

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## Sunset Language

Sec. 5522

(1) **Until October 1, 2019**, the owner or operator of each fee-subject facility shall pay air quality fees as required and calculated under this section. The department may levy and collect an annual air quality fee from the owner or operator of each fee-subject facility in this state.

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## Impact of No Fee Renewal

- \$29 million in revenue uncollected
- Fees support 160 staff
- Federally delegated programs may revert to EPA
- Potential environmental and public health impacts

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## Stagnate Revenue for Fixed Costs

Fiscal Year	Cost Per Employee	Number of Employees	Staffing Cost
2009	\$ 112,200	1,150	\$ 129,030,000
2019	\$ 150,000	1,150	\$ 172,500,000
Difference	\$ 37,800		\$ 43,470,000

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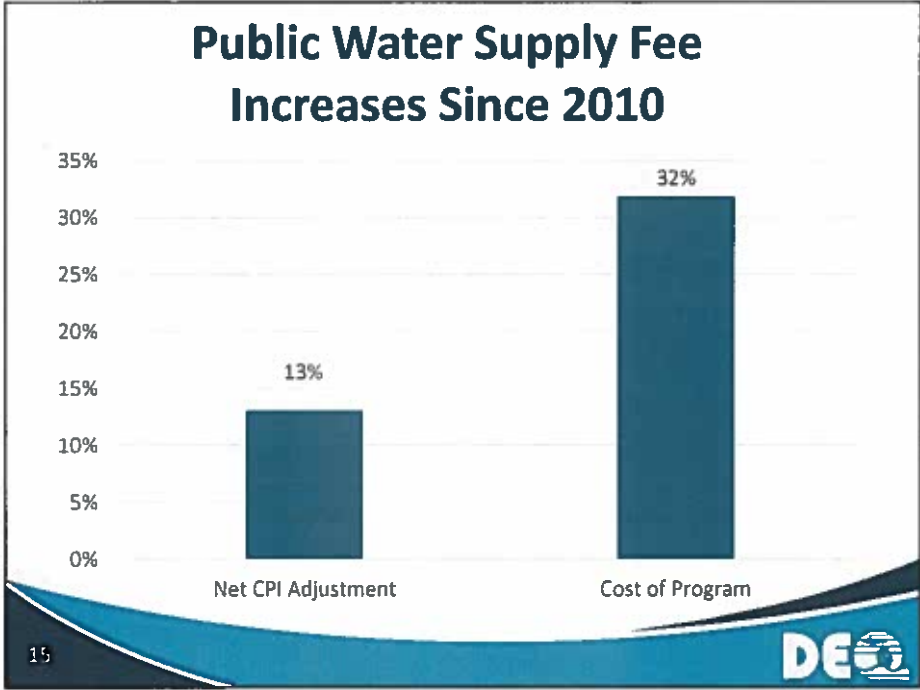


## Consumer Price Index

- 7 Fees include consumer price index
- (2) The annual fee in this section shall be adjusted on October 1 each year following the effective date of this section by applying a percentage adjustment using the Detroit consumer price index. The fee may also be adjusted as the result of increased federal funding or a reduction in actual costs, as determined by the department.

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- ### Moving Forward
- Committed to partnering with the Legislature & stakeholders to determine appropriate funding mechanisms
  - Focused on finding sustainable funding solutions to support outcomes
- A slide titled "Moving Forward" with a white background and a blue decorative wave at the bottom. The wave contains the number "16" on the left and the "DE" logo on the right. The slide lists two bullet points.



# Questions



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