

**FY 2024-25: ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary: House Subcommittee Chair's Recommendation
House Bill 5499 (H-2)**



Analyst: Austin Scott

IDG/IDT	FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	Difference: House From FY 2023-24	
	Enacted as of 2/7/24	Executive	House	Senate	Conference	Enacted Amount	%
	\$4,035,100	\$4,085,900	\$4,085,900	\$	\$	\$50,800	1.3
Federal	441,297,200	463,788,900	463,788,900			22,491,700	5.1
Local	0	0	0			0	--
Private	1,360,700	1,364,200	1,364,200			3,500	0.3
Restricted	358,966,800	387,149,300	347,149,300			(11,817,500)	(3.3)
GF/GP	245,952,100	247,810,800	257,860,800			11,908,700	4.8
Gross	\$1,051,611,900	\$1,104,199,100	\$1,074,249,100	\$	\$	\$22,637,200	2.2
FTEs	1,616.0	1,704.0	1,655.0			39.0	2.4

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
1. Fee Increase – Landfill Tipping Fee (Renew Michigan Program)	FTE	131.0	15.0
<u>Executive</u> appropriates \$80.0 million from the Renew Michigan Fund and 36.0 FTE positions to integrate a proposed increase in the landfill tipping fee from \$0.36 per ton to \$5.00 per ton. New revenue would be expended in accordance with the Renew Michigan Program's statutory purposes: environmental remediation and brownfield redevelopment, recycling, and solid waste programs. An additional 15.0 FTE positions are also added to increase staff for contaminated site remediation.	Gross	\$70,211,500	\$0
<u>House</u> does not appropriate \$80.0 million from the Renew Michigan Fund and 36.0 FTE positions; House does appropriate additional 15.0 FTE positions.	Restricted	70,211,500	0
	GF/GP	\$0	\$0
2. GF/GP Match for Federal Lead Line Replacement Funding	Gross	NA	\$50,000,000
<u>Executive</u> provides \$40.0 million GF/GP (\$5.0 million ongoing, \$35.0 million one-time) to access available federal funding for lead service line replacement projects.	Restricted	NA	40,000,000
<u>House</u> provides \$50.0 million Gross funding (\$5.0 million ongoing, \$45.0 million one-time). Non-GF/GP funding is from the Make it in Michigan Competitiveness Fund.	GF/GP	NA	\$10,000,000
3. Clean Fuel and Charging Infrastructure (One-time)	Gross	\$0	\$15,000,000
<u>Executive</u> includes \$25.0 million GF/GP for electric vehicle charging stations and hydrogen fueling facilities.	GF/GP	\$0	\$15,000,000
<u>House</u> includes \$15.0 million GF/GP.			
4. Clean Fleets (One-time)	Gross	\$0	\$10,000,000
<u>Executive</u> appropriates \$20.0 million GF/GP for grants to local governments, transit authorities, colleges, universities, ports, and airports for the purchase of electric and hydrogen vehicles.	GF/GP	\$0	\$10,000,000
<u>House</u> includes \$10.0 million GF/GP.			

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
5. Water State Revolving Funds – Federal Infrastructure Act IJA	FTE	NA	2.0
<u>Executive</u> provides \$25.0 million Gross (\$3.5 million GF/GP) and 2.0 FTE positions for local water infrastructure projects. The GF/GP funding is to be used as match to access federal Infrastructure Act funding.	Gross	NA	\$82,156,200
<u>House</u> provides \$82.2 million Gross (\$60.7 million GF/GP) and 2.0 FTE positions.	Federal	NA	21,456,000
	GF/GP	NA	\$60,700,200
6. Stormwater Grants	FTE	0.0	2.0
<u>Executive</u> includes \$15.3 million GF/GP (\$5.3 million ongoing, \$10.0 million one-time) and 2.0 FTE positions for grants to local governments for stormwater projects that mitigate climate change.	Gross	\$0	\$5,300,200
<u>House</u> concurs.	GF/GP	\$0	\$5,300,200
7. Permitting Outreach Staff	FTE	NA	13.0
<u>Executive</u> appropriates \$4.4 million GF/GP and 26.0 FTE positions for staff to improve permit applications.	Gross	NA	\$2,200,300
<u>House</u> appropriates \$2.2 million GF/GP and 13.0 FTE positions.	GF/GP	NA	\$2,200,300
8. Information Technology Services and Projects	Gross	\$9,240,100	\$1,008,100
<u>Executive</u> provides \$1.0 million Gross (\$226,100 GF/GP) for increasing costs related to computer operations, systems development, and design projects.	IDG	49,900	4,900
<u>House</u> concurs.	Federal	1,793,000	241,500
	Restricted	5,308,100	535,600
	GF/GP	\$2,089,100	\$226,100
9. Drinking Water and Environmental Health – Healthy Hydration	FTE	157.0	3.0
<u>Executive</u> includes \$450,300 GF/GP and 3.0 FTE positions to support the acquisition of drinking water filtration devices in schools and childcare centers located in areas of need.	Gross	\$36,803,500	\$450,300
<u>House</u> concurs.	Federal	13,619,200	0
	Restricted	7,763,500	0
	GF/GP	\$15,420,800	\$450,300
10. Environmental Investigations	FTE	12.0	0.0
<u>Executive</u> appropriates \$384,000 GF/GP for pay increases to conservation officers to approach compensation rates of comparable law enforcement personnel, including the Michigan State Police.	Gross	\$1,990,700	\$384,000
<u>House</u> concurs.	IDG	13,300	0
	Restricted	1,415,400	0
	GF/GP	\$562,000	\$384,000
11. Spending Authorization Alignment	Gross	NA	(\$104,500)
<u>Executive</u> increases IDG funding by \$4,100 and reduces restricted funding by \$108,600 across divisions to align spending authorization with available resources.	IDG	NA	4,100
<u>House</u> concurs.	Restricted	NA	(108,600)
	GF/GP	NA	\$0
12. Underground Storage Tank Cleanup Program	FTE	8.0	4.0
<u>Executive</u> provides 4.0 new FTE positions to administer the Underground Storage Tank Cleanup Program which provides funding for reimbursements to owners and operators who pay to clean up their respective leaking underground storage tanks.	Gross	\$20,095,600	\$0
<u>House</u> concurs.	Restricted	20,095,600	0
	GF/GP	\$0	\$0
13. Composting Acceleration Program (One-time)	Gross	\$0	\$2,500,000
<u>House</u> appropriates \$2.5 million GF/GP to accelerate elective statewide composting programs managed by local governments.	GF/GP	\$0	\$2,500,000
14. Drinking Water Intake Monitoring Program (One-time)	Gross	\$0	\$1,500,000
<u>House</u> provides \$1.5 million GF/GP a drinking water intake monitoring program to protect drinking water from potential spills and discharges.	GF/GP	\$0	\$1,500,000
15. State Employees' Retirement System Implementation Costs (One-time)	Gross	\$0	\$50,000
<u>House</u> includes \$50,000 GF/GP to cover additional pension-related costs if SB 165, 166, and 167 enacted into law.	GF/GP	\$0	\$50,000

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
<u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u>			
16. Wetlands Mapping (One-time)	Gross	\$0	\$1,000,000
<u>House</u> appropriates \$1.0 million GF/GP to improve or expand wetlands identification and mapping.	GF/GP	\$0	\$1,000,000
17. Removal of FY 2023-24 One-Time Appropriations	Gross	\$164,585,200	(\$164,585,200)
<u>Executive</u> removes \$164.6 million Gross (\$109.6 million GF/GP) of one-time funding that was included in the FY 2023-24 budget to support the following:	Restricted	55,000,000	(55,000,000)
	GF/GP	\$109,585,200	(\$109,585,200)
<ul style="list-style-type: none"> • Carbon emissions tracking software and services (\$1.7 million Gross) • Contaminated site remediation and redevelopment (\$55.0 million Gross) • Critical mineral recycling research hub (\$5.0 million Gross) • Dam risk reduction program (\$1.8 million Gross) • Delineation of critical sand dunes (\$2.5 million Gross) • Environmental justice contaminated site cleanup (\$20.0 million Gross) • Geologic core facility (\$3.0 million Gross) • Groundwater data collection (\$15.0 million Gross) • Renewable-ready communities program (\$30.0 million Gross) • Reverse vending machine technology (\$2.0 million Gross) • Sustainable business park (\$5.0 million Gross) • Transfer facility (\$1.0 million Gross) • Water and energy nexus research (\$2.5 million Gross) • Water career and workforce development pilot (\$100,000 Gross) • Water infrastructure reserve fund (\$5.0 million Gross) • Water project inflation (\$15.0 million Gross). 			
<u>House</u> concurs.			
18. Economic Adjustments	Gross	NA	\$5,777,800
<u>Executive</u> reflects increased costs of \$5.8 million Gross (\$2.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	41,800
	Federal	NA	794,200
	Private	NA	3,500
	Restricted	NA	2,755,500
<u>House</u> concurs.	GF/GP	NA	\$2,182,800

Major Boilerplate Changes from FY 2023-24

Sec. 206. Disciplinary Action Against State Employees – RETAINED

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs unless communication is prohibited by law. (*Governor deemed this section unenforceable in FY 2023-24.*)

Executive deletes, House retains.

Sec. 210. Contingency Fund Transfer Authority – REVISED

Allows for the legislative transfer process to increase state restricted authorization by up to \$3.0 million and private authorization by up to \$10.0 million. Revises to increase federal authorization by up to \$100.0 million.

Executive revises, House concurs.

Sec. 211. Expenditure Posting on Internet – RETAINED

Requires expenditures to be reported on the internet on a searchable website, including specific expenditure information.

Executive deletes, House retains.

Sec. 212. Restricted Fund Revenues, Expenditures, and Fund Balances – RETAINED

Requires annual report on fund balances, revenues, and expenditures for state restricted funds for previous and current fiscal years.

Executive deletes, House retains.

Major Boilerplate Changes from FY 2023-24

Sec. 214. Website Scorecard – DELETED

Requires department to maintain on a publicly accessible website a department scorecard with key metrics concerning the department's performance.

Executive deletes, House concurs.

Sec. 217. Remote Working – RETAINED

States legislative intent to prioritize in-person work for the state's workforce where possible unless they were working remotely prior to February 28, 2020.

Executive deletes, House retains.

Sec. 219. State Administrative Board Transfers – DELETED

Allows legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds. *(Governor deemed this section unenforceable in FY 2023-24.)*

Executive deletes, House concurs.

Sec. 219. Receipt and Retention of Reports – RETAINED

Requires department to receive and retain copies of all reports.

Executive deletes, House retains.

Sec. 220. Report on Policy Changes Made to Implement Public Acts Affecting Department – RETAINED

Requires department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

Executive deletes, House retains.

Sec. 222. Expending Available Work Project Authorization – RETAINED (renumbered to Sec. 222)

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. *(Governor deemed this section unenforceable in FY 2023-24.)*

Executive deletes, House retains.

Sec. 223. Severance Reporting – DELETED

Requires department to report details of severance pay for certain departmental employees.

Executive deletes, House concurs.

Sec. 225. Registered Apprentices – NEW

Prohibits departmental funding from being used for building construction, repair, or remodeling unless performed by registered apprentices.

House adds new section.

Sec. 238. Permitting Report – RETAINED

Requires report on department's permitting programs including applications, approvals, denials, and backlogs.

Executive deletes, House retains.

Sec. 242. Legislator Notification – REVISED

Requires the department to inform local state legislators within 12 hours when responding to significant incidents to protect life and property. Revises response time to "as soon as possible and within 24 hours."

Executive revises, House concurs.

Sec. 245. Single Grant Recipients – DELETED

Provides process requirements for grants or projects awarded to single recipient organizations or local governments.

Executive deletes, House concurs.

Sec. 302. Work Projects – Remediation and Redevelopment Division – REVISED

Authorizes unexpended funds appropriated for brownfield grants, contaminated site cleanup, emergency cleanup actions, environmental cleanup and redevelopment program, environmental cleanup support, and the refined petroleum product cleanup program to be considered work project appropriations and carried forward into succeeding fiscal year; programs will perform contaminated site cleanups. Revises to add contaminated site investigations, cleanup, and revitalization and remove brownfield grants, contaminated site cleanup, environmental cleanup support, and the refined petroleum product cleanup program.

Executive revises, House concurs.

Sec. 902. Municipal Assistance (Stormwater Grants Earmark) – NEW

Earmarks \$5.0 million from Municipal Assistance for grants to local governments for stormwater projects that mitigate climate change; at least 40% of grants must be awarded to communities located within environmental justice, overburdened, or significantly overburdened communities as defined by the department.

Executive adds new section, House concurs.

Major Boilerplate Changes from FY 2023-24

Sec. 1001. Work Project – Critical Mineral Recycling Research Hub – DELETED

Authorizes unexpended funds for Critical Mineral Recycling Research Hub totaling \$5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to award grants of no more than \$5.0 million each to Michigan based companies or consortiums partnered with a Michigan based university to create a critical mineral recycling research hub to research the reuse of critical materials for clean energy production.

Executive deletes, House concurs.

Sec. 1001. Work Project – Clean Fleets – NEW

Earmarks funds from Clean Fleets for grants to local governments, transit authorities, colleges, universities, ports, and airports for the purchase of electric and hydrogen vehicles; at least 40% of grants must be awarded to communities located within environmental justice, overburdened, or significantly overburdened communities as defined by the department; authorizes unexpended funds to be considered a work project appropriation and carried forward into succeeding fiscal year.

Executive adds new section; House concurs and requires department to partner with DTMB for RFP process, requires 50% of funds be expended by September 30, 2027, and requires 100% of funds be expended by September 30, 2029.

Sec. 1002. Work Project – Dam Risk Reduction Program – DELETED

Authorizes unexpended funds for Dam Risk Reduction Program totaling \$1.8 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to develop fish-passable rapids in Republic Township.

Executive deletes, House concurs.

Sec. 1002. Work Project – Clean Fuel and Charging Infrastructure – NEW

Earmarks funds from Clean Fuel and Charging Infrastructure for electric vehicle charging stations and hydrogen fueling facilities; at least 40% of grants must be awarded to communities located within environmental justice, overburdened, or significantly overburdened communities as defined by the department; authorizes unexpended funds to be considered a work project appropriation and carried forward into succeeding fiscal year.

Executive adds new section; House concurs and requires department to partner with DTMB for RFP process, requires 50% of funds be expended by September 30, 2027, and requires 100% of funds be expended by September 30, 2029.

Sec. 1003. Delineation of Critical Sand Dunes – DELETED

Requires the department to conduct a delineation of Michigan's sand dunes and assess critical dune areas.

Executive deletes, House concurs.

Sec. 1003. Work Project – Composting Acceleration Program – NEW

Authorizes unexpended funds for Composting Acceleration Program totaling \$2.5 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support and accelerate composting operations.

House adds new section.

Sec. 1004. Earmarks and Work Project – Environmental Justice Contaminated Site Clean-up – DELETED

Requires at least 40% of funding to be used in overburdened or significantly overburdened communities as defined in NREPA; earmarks the Environmental Justice Contaminated Site Clean-up appropriation to reduce health burdens in communities with elevated exposure to pollutants due to proximity to emitting sources as identified by the Office of Environmental Justice Public Advocate; earmarks the Environmental Justice Contaminated Site Clean-up appropriation for the remediation and redevelopment of contaminated sites identified in environmental justice communities as determined by the Office of Environmental Justice Public Advocate; authorizes unexpended funds for Environmental Justice Contaminated Site Clean-up to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to remediate and redevelop sites of contamination and improve public health impacts related to environmental pollution in environmental justice communities.

Executive deletes, House concurs.

Sec. 1004. Work Project – Drinking Water Infrastructure – NEW

Authorizes unexpended funds for Drinking Water Infrastructure totaling \$35.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the upgrade or replacement of water infrastructure.

Executive adds new section, House concurs and makes technical adjustments.

Sec. 1005. Work Project – Groundwater Data Collection – DELETED

Authorizes unexpended funds for Groundwater Data Collection to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to acquire data and perform research on groundwater resources of the State of Michigan.

Executive deletes, House concurs.

Major Boilerplate Changes from FY 2023-24

Sec. 1005. Drinking Water Intake Monitoring Program – NEW

Awards drinking water intake monitoring program funding (\$1.5 million) to the Southeast Michigan Council of Governments for equipment, software, ongoing maintenance costs, and real-time detection and communication of drinking water threats.

House adds new section.

Sec. 1006. Work Project – Renewable Ready Communities – DELETED

Authorizes unexpended funds for Renewable Ready Communities totaling \$40.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to provide grants to local communities to incentivize communities to host renewable energy projects that may incorporate energy storage components.

Executive deletes, House concurs.

Sec. 1006. State Employees' Retirement System Implementation Costs – NEW

Requires funds for state employees' retirement system implementation costs be expended to cover additional pension-related costs if HB 4665, 4666, and 4667 are enacted into law.

House adds new section.

Sec. 1007. Transfer Facility – DELETED

Requires funding for Transfer Facility to be used to establish a waste and recycling transfer station in Benton Harbor, Berrien County.

Executive deletes, House concurs.

Sec. 1007. Work Project – Water Infrastructure Initiative (Stormwater Grants Earmark) – NEW

Earmarks funds from Water Infrastructure Initiative for grants to local governments for stormwater projects that mitigate climate change; at least 40% of grants must be awarded to communities located within environmental justice, overburdened, or significantly overburdened communities as defined by the department; authorizes unexpended funds to be considered a work project appropriation and carried forward into succeeding fiscal year.

Executive adds new section, House concurs.

Sec. 1008. Water and Energy Nexus Research – DELETED

Provides matching grants to Michigan universities studying emerging responsible clean energy technologies that maximize this state's water resources including geothermal, heat pumps, pump storage, offshore wind, and small scale hydroelectric power.

Executive deletes, House concurs.

Sec. 1008. Wetland Mapping – NEW

Requires funds for wetlands mapping be used to improve or expand wetlands identification and mapping.

House adds new section.

Sec. 1009. Water Career and Workforce Development Pilot – DELETED

Requires funding for Water Career and Workforce Development Pilot to be used to establish a water career and workforce development pilot program to train water treatment plant operators in Benton Harbor, Berrien County.

Executive deletes, House concurs.

Sec. 1010. Reverse Vending Machine Technology – DELETED

Requires funding for Reverse Vending Machine Technology to be expended to strengthen Michigan's beverage container redemption program.

Executive deletes, House concurs.

Sec. 1011. Carbon Emissions Tracking Software and Services – DELETED

Requires funding for Carbon Emissions Tracking Software and Services to be expended in collaboration with DTMB to develop a carbon management platform.

Executive deletes, House concurs.

Sec. 1012. Sustainable Business Park – DELETED

Directs expenditure of funding for Sustainable Business Park to support the infrastructure necessary to develop a sustainable business park to replace the need for new landfills in Kent County.

Executive deletes, House concurs.

Sec. 1013. Water Infrastructure Reserve Fund – DELETED

Directs expenditure of funding for Water Infrastructure Reserve Fund to be used for municipal water infrastructure needs upon legislative transfer.

Executive deletes, House concurs.