



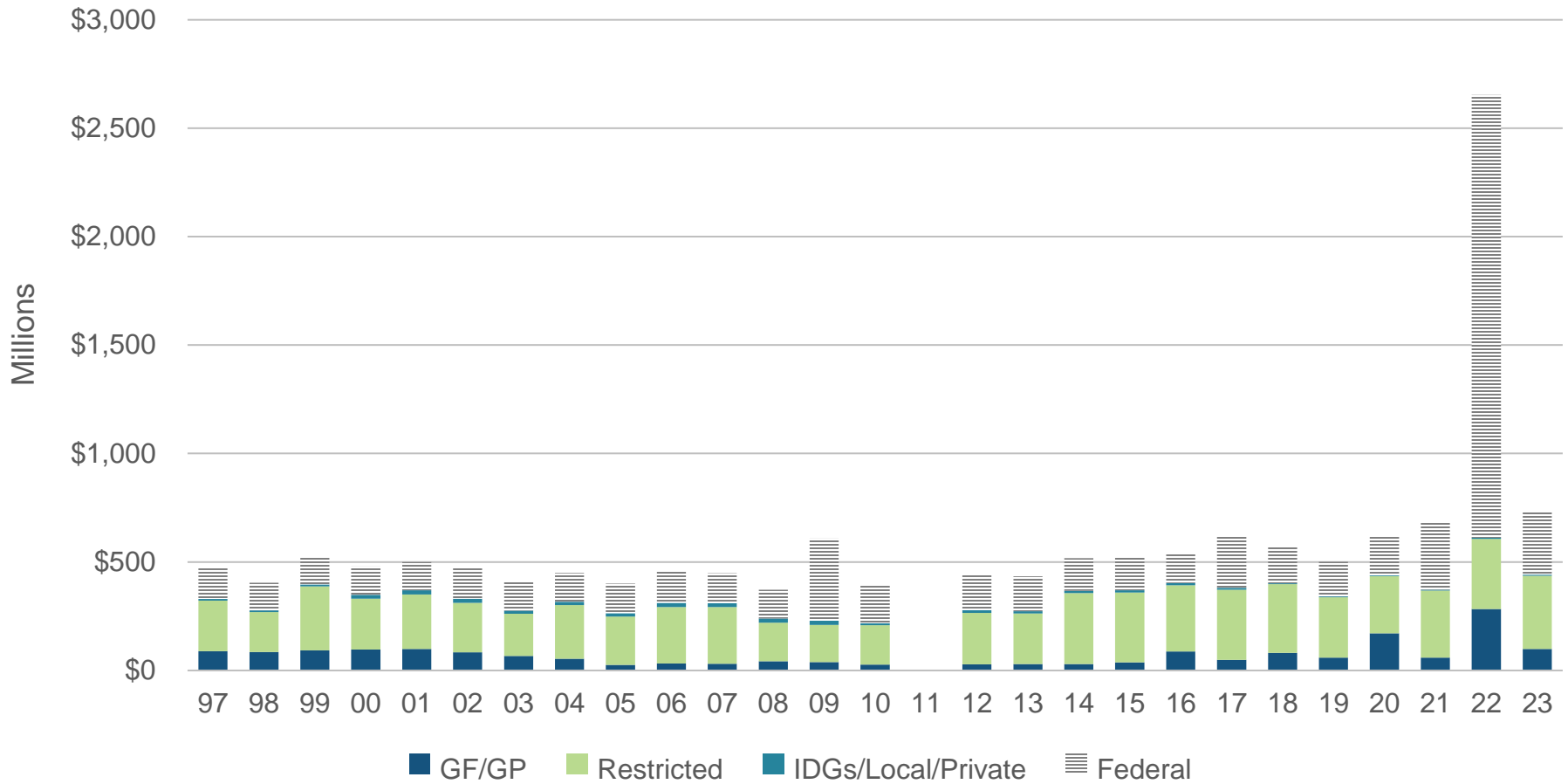
# **Budget Briefing: Environment, Great Lakes, and Energy**

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March 2023

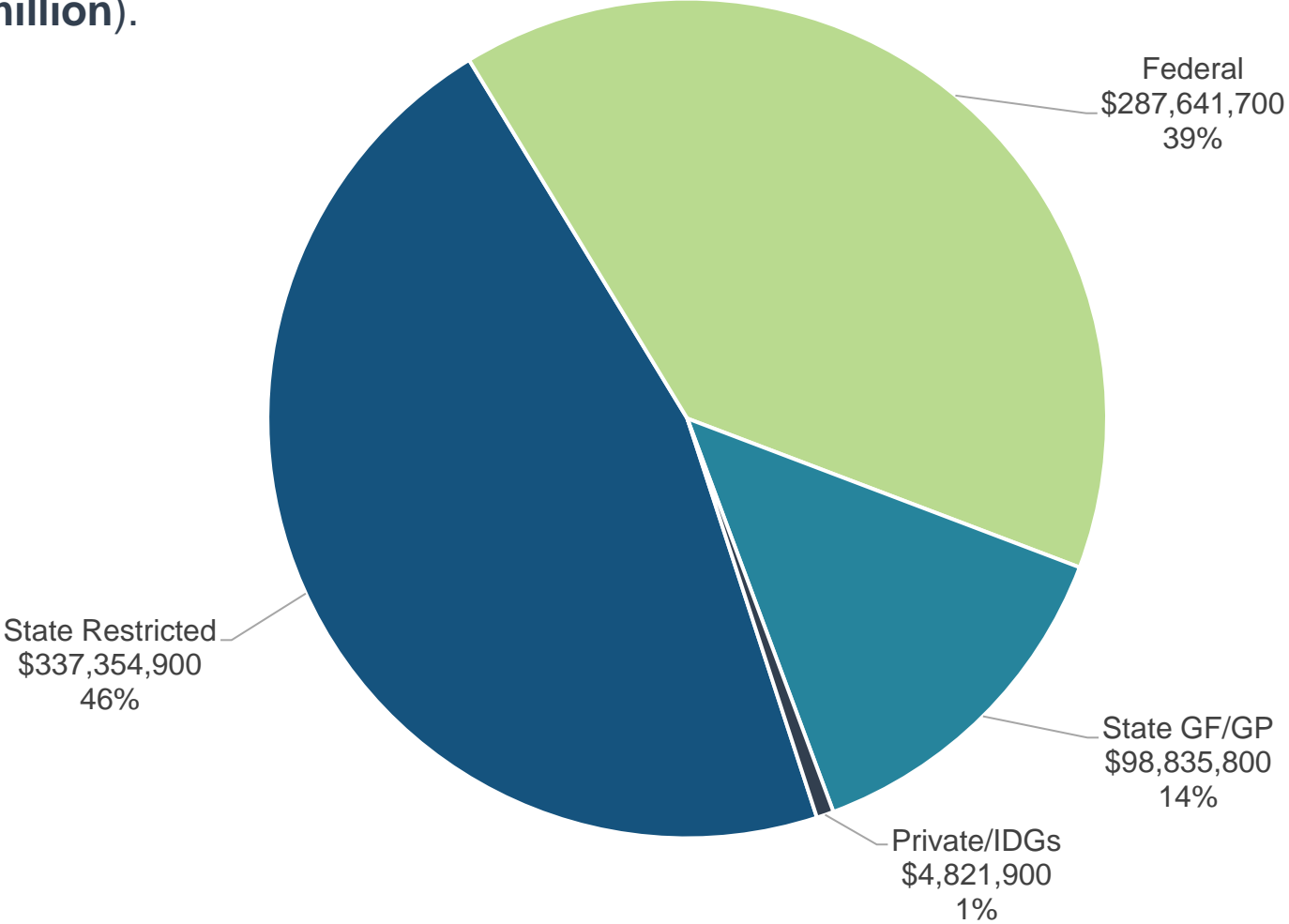
# EGLE Funding History

The American Recovery & Reinvestment Act added \$248.6 million in one-time federal funding FY 2008-09. The Department of Natural Resources and EGLE were combined for FY 2010-11. An additional \$120.0 million in one-time GF/GP for drinking water programs was included in FY 2019-20, and an additional \$1.8 billion in federal COVID funding was included in FY 2021-22.



# FY 2022-23 Revenues

Nearly half of the **\$728.7 million** EGLE budget is funded by state restricted revenue. There are 52 funds that comprise this revenue, four of which make up most of the total: Renew Michigan Fund (**\$74.3 million**), Cleanup & Redevelopment Fund (**\$68.6 million**), Refined Petroleum Fund (**\$62.1 million**), and Underground Storage Tank Cleanup Fund (**\$20.5 million**).



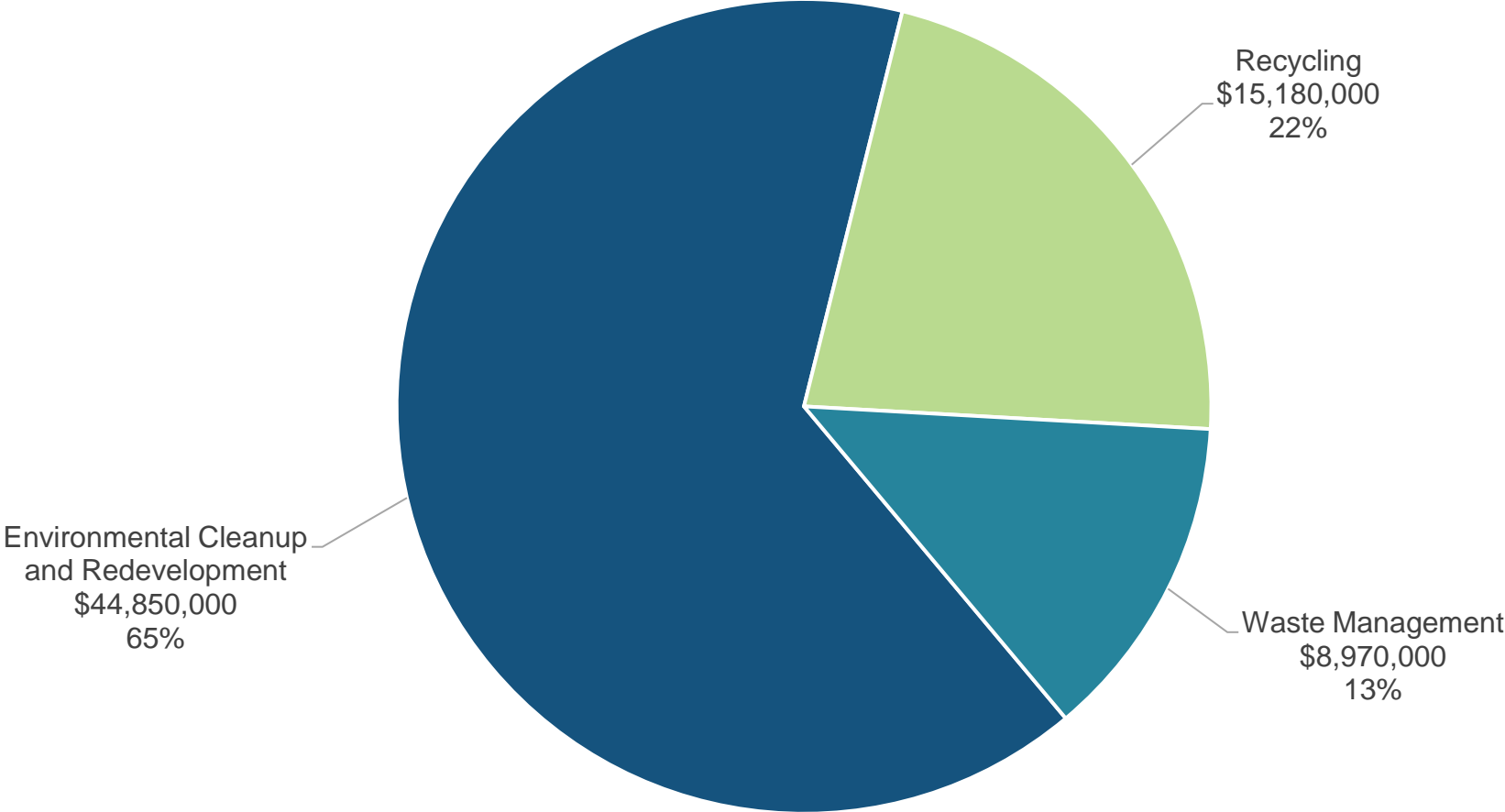
# Major Restricted Revenue

FY 2022-23 restricted revenue totals **\$337.4 million** from 52 funds and comprises almost half of the EGLE budget. The Renew Michigan Fund, Refined Petroleum Fund, Cleanup & Redevelopment Fund, and Underground Storage Tank Cleanup Fund make up most of the department’s restricted revenue.

Fund	Revenue Source	Purpose
Renew Michigan Fund \$74.3 million	Income tax earmark	Non-petroleum cleanups, recycling, waste management
Cleanup & Redevelopment Fund \$68.6 million	Unclaimed bottle deposits	Non-petroleum cleanups
Refined Petroleum Fund \$62.1 million	One cent per gallon fee paid for each gallon of refined petroleum sold for resale in Michigan	Petroleum cleanups
Underground Storage Tank Cleanup Fund \$20.5 million	One cent per gallon fee paid for each gallon of refined petroleum sold for resale in Michigan	Reimbursing underground storage tank owners/operators for cleaning up their respective petroleum leaks originating after 2014

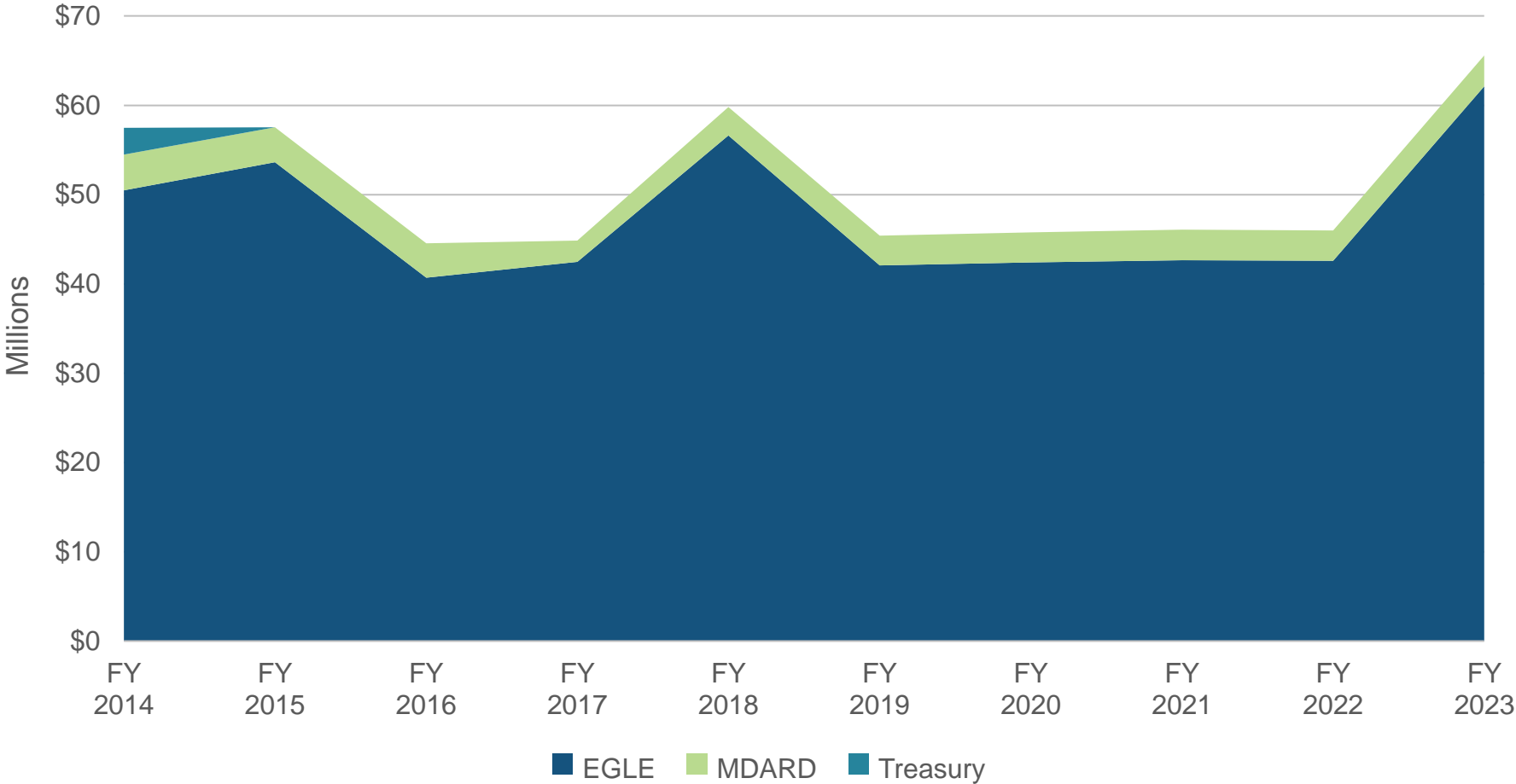
# Renew Michigan Fund

The Renew Michigan Fund was established in 2018 PA 588 as a replacement for the expiring Clean Michigan Initiative. The fund receives **\$69.0 million** in annual revenue from income tax collections to be used for non-petroleum remediation activities, recycling, and waste management. The fund's specific purposes are defined in statute.



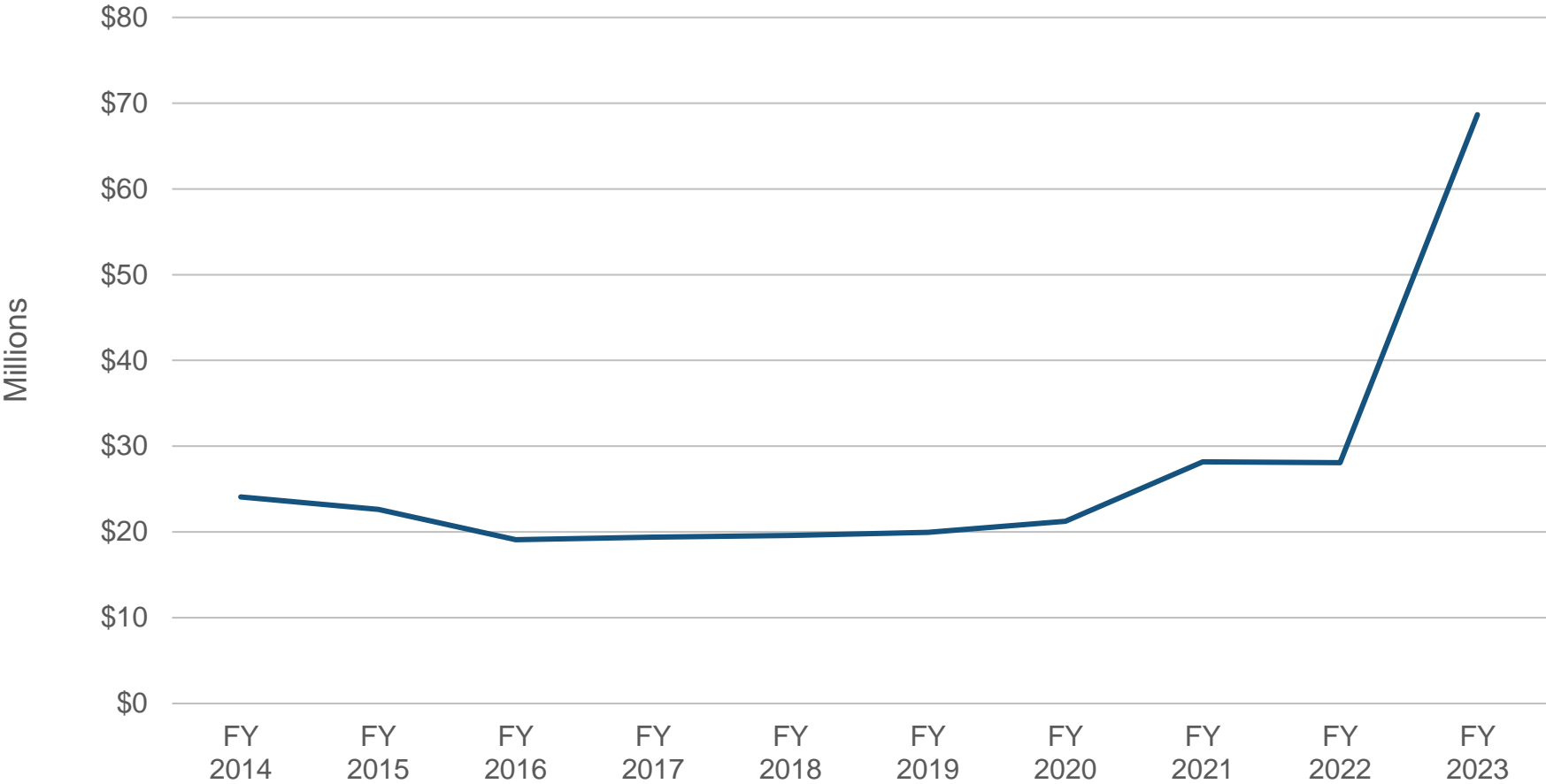
# Refined Petroleum Fund (RPF)

Annual appropriations from the RPF hovered around **\$57.0 million** from FY 2010-11 through FY 2014-15. Beginning in FY 2015-16, the Underground Storage Tank Cleanup Fund receives the first **\$20.0 million** in fee revenue, with the remainder being deposited to the RPF. Additional one-time fund balance was appropriated in FY 2017-18 and FY 2022-23.



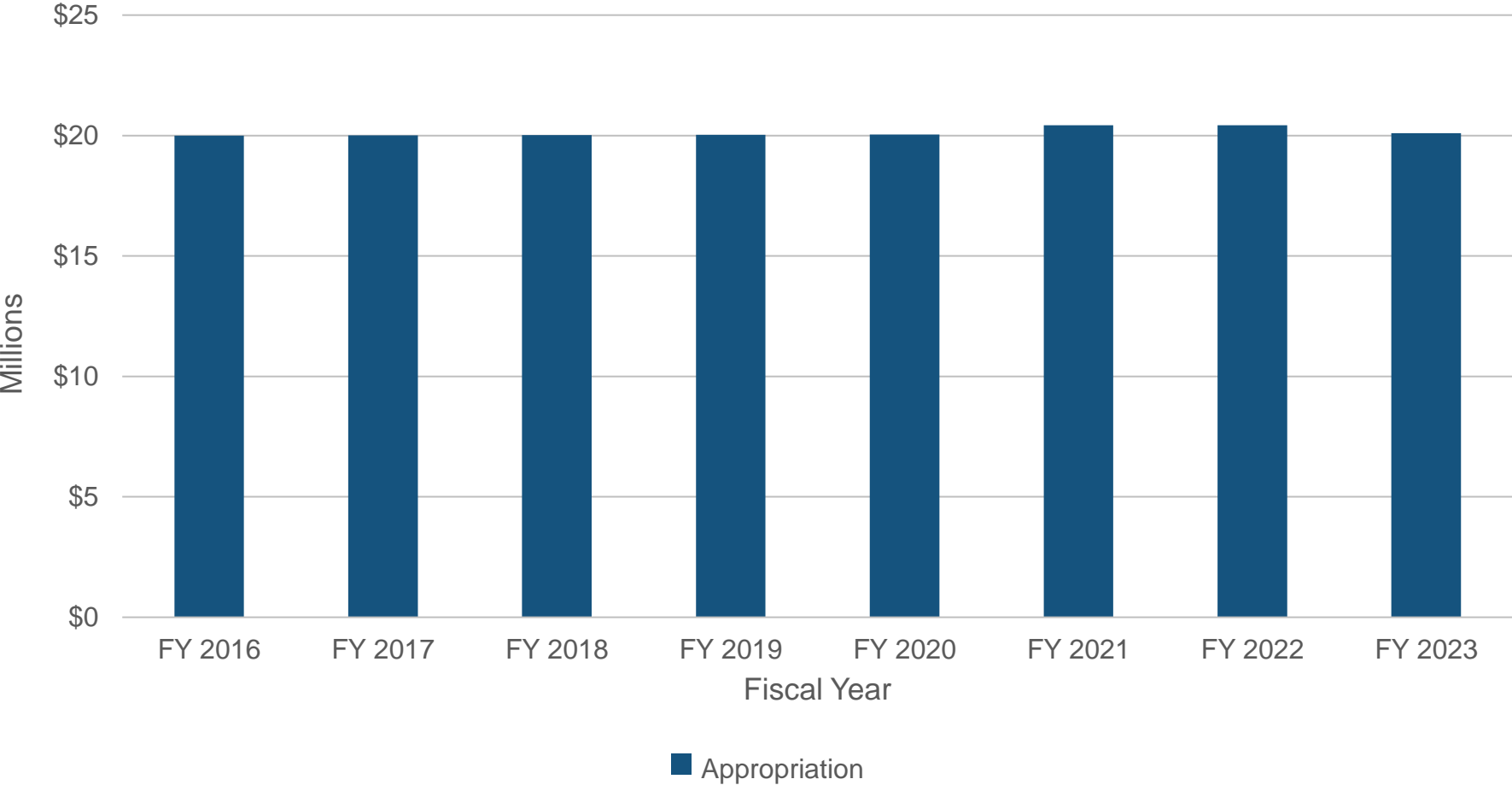
# Cleanup and Redevelopment Fund (CRF)

The Cleanup and Redevelopment Fund receives revenue from unclaimed bottle deposits. This revenue supports environmental remediation and redevelopment efforts at sites contaminated by pollutants other than petroleum. Appropriations from the fund are tied to available revenue, so program support fluctuates with increases and decreases in revenue. Revenue increased as unclaimed deposits spiked post COVID-19.



# Underground Storage Tank Cleanup Fund (UST)

The UST program provides reimbursements to underground storage tank owners/operators for cleaning up their respective petroleum leaks originating after 2014. The program began in FY 2015-16 with an initial appropriation of **\$20.0 million** and has been basically flat.





# EGLE Fees

There are currently 64 fees whose revenue supports the Department of Environment, Great Lakes, and Energy (EGLE), 47 of which have no sunset. The remaining 17 fees are scheduled for sunset in 2023 (seven) or 2025 (ten).

Fees	Sunset dates	Revenue
47 without sunset	None	\$72.4 million
17 with sunset	9/30/23-10/1/25	\$32.4 million
64 total		\$104.8 million

Data source: Department of Environment, Great Lakes, and Energy

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# Federal ARP & IIJA Funding

- American Rescue Plan (ARP) March 11, 2021
  - FY 2021-22 (2022 PA 53): \$1.3 billion (work project through FY 2025-26)
  - FY 2022-23 (2022 PA 166): \$48.0 million
  - FY 2022-23 proposed (supplemental 2023-5): \$45.0 million
  - FY 2023-24 proposed (executive budget): \$0
- Infrastructure Investment and Jobs Act (IIJA) November 17, 2021
  - FY 2021-22 (2022 PA 53): \$469.8 million (work project through FY 2025-26)
  - FY 2022-23 (2022 PA 166): \$54.0 million
  - FY 2022-23 proposed (supplemental 2023-2): \$37.9 million
  - FY 2023-24 proposed (executive budget): \$255.1 million

# For more information about the Environment, Great Lakes, and Energy budget:

## HFA Resources

<http://www.house.mi.gov/hfa/EnvironmentalQuality.asp>

## Contact Information

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