

**Summary: Executive Budget Recommendation  
for Fiscal Year 2023-24  
ENVIRONMENT, GREAT LAKES, AND ENERGY**



**Analyst: Austin Scott**

	FY 2022-23 Year-to-Date as of 2/8/23	FY 2023-24 Executive	Difference: FY 2023-24 vs. FY 2022-23	
			Amount	%
IDG/IDT	\$3,406,400	\$4,033,100	\$626,700	18.4
Federal	287,641,700	440,830,300	153,188,600	53.3
Local	0	0	0	--
Private	1,415,500	1,360,700	(54,800)	(3.9)
Restricted	337,354,900	303,958,900	(33,396,000)	(9.9)
GF/GP	98,835,800	561,238,800	462,403,000	467.8
<b>Gross</b>	<b>\$728,654,300</b>	<b>\$1,311,421,800</b>	<b>\$582,767,500</b>	<b>80.0</b>
FTEs	1,516.0	1,581.0	65.0	4.3

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years 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.

<b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>	<b>FY 2022-23 YTD (as of 2/8/23)</b>	<b>Executive Change from YTD</b>
<b>1. Lead Service Line Replacement</b> Provides \$225.8 million GF/GP and authorizes 5.0 FTE positions for lead service line replacement and ongoing technical assistance in the most underprivileged ten percent of Michigan communities; \$200.0 million is designated as one-time funding.	FTE <b>Gross</b> GF/GP	NA <b>NA</b> NA <b>\$225,755,400</b> \$225,755,400
<b>2. Environmental Justice Contaminated Site Clean-up (One-Time)</b> Authorizes \$100.0 million GF/GP for air quality and contaminated site remediation in disadvantaged communities.	<b>Gross</b> GF/GP	<b>NA</b> NA <b>\$100,000,000</b> \$100,000,000
<b>3. Renewable Ready Communities (One-Time)</b> Authorizes \$40.0 million GF/GP for grants to communities to establish wind, solar, and energy storage facilities.	<b>Gross</b> GF/GP	<b>NA</b> NA <b>\$40,000,000</b> \$40,000,000
<b>4. Water State Revolving Funds – Federal Infrastructure Act I/JA</b> Appropriates \$280.5 million Gross (\$30.5 million GF/GP) for local water infrastructure projects. The GF/GP funding is appropriated on a one-time basis to be used as match to access federal Infrastructure ACT funding.	<b>Gross</b> Federal GF/GP	<b>NA</b> NA NA <b>\$280,500,000</b> 250,000,000 \$30,500,000
<b>5. Dam Risk Reduction Program (One-Time)</b> Authorizes \$25.0 million GF/GP to expand access through Michigan waterways by removing dams that are not integral to invasive species mitigation, power generation, or public safety.	<b>Gross</b> GF/GP	<b>NA</b> NA <b>\$25,000,000</b> \$25,000,000
<b>6. Groundwater Data Collection</b> Provides \$23.8 million GF/GP and authorizes 2.0 FTE positions to collect groundwater data and study Michigan's underground aquifers; \$23.5 million is designated as one-time funding.	FTE <b>Gross</b> GF/GP	NA <b>NA</b> NA <b>\$23,799,700</b> \$23,799,700
<b>7. Critical Mineral Recycling Research Hub (One-Time)</b> Appropriates \$15.0 million GF/GP to evaluate the reuse of critical minerals for the production of clean energy.	<b>Gross</b> GF/GP	<b>NA</b> NA <b>\$15,000,000</b> \$15,000,000

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<b>8. Propane Resiliency Enhancement Plan (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$8,500,000</b>
Authorizes \$8.5 million GF/GP to meet propane supply and affordability challenges.	GF/GP	NA	\$8,500,000
<b>9. Permitting Staff</b>	FTE	NA	44.0
Provides \$6.6 million GF/GP and authorizes 44.0 FTE positions to expand and expedite departmental permit review processes.	<b>Gross</b>	<b>NA</b>	<b>\$6,615,800</b>
	GF/GP	NA	\$6,615,800
<b>10. Oil, Gas, and Mineral Services – Federal Infrastructure Act IIJA</b>	FTE	59.0	2.0
Appropriates \$10.4 million Gross (\$5.2 million GF/GP) and authorizes 2.0 FTE positions for remediation of orphaned oil and gas wells.	<b>Gross</b>	<b>\$42,838,800</b>	<b>\$10,352,100</b>
	IDG	223,100	0
	Federal	31,153,100	5,151,100
	Restricted	6,966,900	0
	GF/GP	\$4,495,700	\$5,201,000
<b>11. Spending Authorization Alignment</b>	<b>Gross</b>	<b>NA</b>	<b>(\$5,082,800)</b>
Increases federal funding by \$166,600 and reduces restricted funding by \$5.2 million across divisions to align spending authorization with available resources.	Federal	NA	166,600
	Restricted	NA	(5,249,400)
	GF/GP	NA	\$0
<b>12. Executive Direction – Michigan Agency for Energy</b>	FTE	20.0	0.0
Authorizes \$1.0 million Gross (\$0 GF/GP) to support extant Michigan Agency for Energy FTE positions in EGLE.	<b>Gross</b>	<b>\$3,465,300</b>	<b>\$1,006,000</b>
	IDG	17,600	9,400
	Federal	103,500	0
	Private	4,200	0
	Restricted	2,227,300	996,600
	GF/GP	\$1,112,700	\$0
<b>13. Fee increase – Groundwater Discharge Permit Program</b>	FTE	22.0	4.0
Proposes to eliminate the sunset and raise groundwater discharge permit fees to support \$680,000 in additional restricted funding and 4.0 new FTE positions to expand monitoring and permitting of fee-subject facilities.	<b>Gross</b>	<b>\$3,419,600</b>	<b>\$680,000</b>
	Restricted	1,521,100	680,000
	GF/GP	\$1,898,500	\$0
<b>14. Land and Water Interface Permit Programs</b>	FTE	119.0	3.0
Provides \$653,800 in interdepartmental grant funding from the Michigan Department of Transportation and authorizes 3.0 FTE positions to support the permitting of infrastructure project permitting processes.	<b>Gross</b>	<b>\$18,285,200</b>	<b>\$653,800</b>
	IDG	1,363,900	653,800
	Federal	2,115,900	0
	Restricted	2,445,100	0
	GF/GP	\$12,360,300	\$0
<b>15. Departmental Cost Allocations</b>	<b>Gross</b>	<b>NA</b>	<b>\$225,600</b>
Appropriates \$225,600 Gross (\$0 GF/GP) to align allocated costs with available IDG, private, and restricted resources.	IDG	NA	(29,700)
	Private	NA	(54,300)
	Restricted	NA	309,600
	GF/GP	NA	\$0
<b>16. Renew Michigan Program</b>	FTE	111.0	5.0
Authorizes 5.0 FTE positions to address recent amendments to solid waste management provisions in the Natural Resources and Environmental Protection Act.	<b>Gross</b>	<b>\$70,255,200</b>	<b>\$0</b>
	Restricted	70,255,200	0
	GF/GP	\$0	\$0
<b>17. Materials Management Division Internal Transfers</b>	FTE	NA	0.0
Transfers division funding and FTE positions among the Low Level Radioactive Waste Authority Program, Medical Waste Program, Radiological Protection Program, Recycling, Scrap Tire Regulatory Program, and Solid Waste Management Program; all changes net to zero.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	\$0

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<b>18. Removal of FY 2022-23 One-Time Funding</b>	<b>Gross</b>	<b>\$148,820,900</b>	<b>(\$148,820,900)</b>
Removes \$148.8 million Gross (\$17.7 million GF/GP) for one-time programs included in the FY 2022-23 budget. Programs included ARP – Community Technical, Managerial, and Financial Support for Lead Line Replacement, Buffalo Reef, Contaminated Site Cleanup, Cooperative Lakes Monitoring Program, Disposal of Firefighting Foam Containing PFAS, federal Infrastructure Investment and Jobs Act funding, Grants and Records Management, Private Well Testing, and Refined Petroleum Product Cleanup Program.	Federal	102,000,000	(102,000,000)
	Restricted	29,170,900	(29,170,900)
	GF/GP	\$17,650,000	(\$17,650,000)
<b>19. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$1,417,200)</b>
Reflects a net reduction of \$1.4 million Gross (\$318,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	(6,800)
	Federal	NA	(129,100)
	Private	NA	(500)
	Restricted	NA	(961,900)
	GF/GP	NA	(\$318,900)

**Major Boilerplate Changes from FY 2022-23**

**Sec. 207. Disciplinary Action Against State Employees – DELETED**

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 2022-23.)*

**Sec. 210. GF/GP Lapse – REVISED**

Requires report of estimated GF/GP appropriation lapses at close of previous year. Revised due date from November 30 to December 31.

**Sec. 211. Contingency Fund Transfer Authority – REVISED**

Allows for the legislative transfer process to increase state restricted authorization by up to \$3.0 million. Revises to increase federal authorization by up to \$5.0 million, state restricted authorization by up to \$30.0 million, and local authorization by up to \$500,000.

**Sec. 211. Access to State and Local Services – NEW**

Prohibits appropriations from being used to restrict or interfere with actions related to diversity, equity, and inclusion; to restrict or impede community access to government programs; or restrict an individual's ability to exercise the right to reproductive freedom; requires local governments to report on actions that attempt to restrict duties of local health officers.

**Sec. 212. Expenditure Posting on Internet – DELETED**

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

**Sec. 213. Restricted Fund Revenues, Expenditures, and Fund Balances – DELETED**

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

**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.

**Sec. 215. Identification of Legacy Costs – DELETED**

Estimates annual appropriations for legacy costs, including pension-related legacy costs and health care-related legacy costs.

**Sec. 217. FTE Vacancies and Remote Work Report – REVISED**

Requires department to report on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely. Revised to remove remote work provisions.

**Sec. 218. Remote Working – DELETED**

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.

## **Major Boilerplate Changes from FY 2022-23**

### **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 2022-23.)*

### **Sec. 220. Receipt and Retention of Reports – DELETED**

Requires department to receive and retain copies of all reports.

### **Sec. 221. Report on Policy Changes Made to Implement Public Acts Affecting Department – DELETED**

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.

### **Sec. 222. Severance Reporting – DELETED**

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

### **Sec. 223. COVID-19 Vaccine Disclosure – DELETED**

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

### **Sec. 224. Expending Available Work Project Authorization – DELETED**

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 2022-23.)*

### **Sec. 225. Appropriations for Environmental Cleanup Projects – REVISED**

Re-appropriates unspent funding from Environmental Cleanup and Redevelopment Program, Contaminated Site Cleanup, the Renew Michigan Program, the Refined Petroleum Product Cleanup Program, Brownfield Grants and Loans, Waterfront Grants, the Environmental Bond Site Reclamation Program, and general fund for expenditure. Revised to include environmental cleanup support, contaminated site cleanup contingency reserve, Premcor remediation activities, and PFAS remediation grant program.

### **Sec. 227. Rule Promulgation – DELETED**

Requires report on any policy changes made to implement a public act; prohibits department from adopting a rule that applies to a small business if it has a disproportionate economic impact.

### **Sec. 237. Employee Legal Costs Related to Drinking Water Declaration of Emergency – DELETED**

Requires department to be responsible for payment of current and former department employees' legal costs from legal actions taken related to drinking water declaration of emergency. *(Governor deemed this section unenforceable in FY 2022-23.)*

### **Sec. 238. Permitting Report – DELETED**

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

### **Sec. 242. Legislator Notification – DELETED**

Requires department to inform local state legislators within 12 hours when responding to significant incidents to protect life and property.

### **Sec. 243. Michigan Geological Survey – DELETED**

Requires appropriation for the Michigan Geological Survey to be used to conduct data collection and mapping to expand geologic information.

### **Sec. 302. Contaminated Site Investigations Staffing Costs – DELETED**

Limits department to expending not more than 3% of Contaminated Site Investigations appropriation on administration.

### **Sec. 303. Contaminated Site Investigations Legacy Cleanups Staff – DELETED**

Earmarks 16.0 FTE positions of Contaminated Site Investigations appropriation for legacy cleanups.

### **Sec. 305. Refined Petroleum Fund – DELETED**

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

### **Sec. 306. Refined Petroleum Cleanup Program – DELETED**

Requires Refined Petroleum Product Cleanup Program appropriations to be expended in accordance with NREPA.

### **Sec. 308. Work Projects – Remediation and Redevelopment Division – REVISED**

Authorizes unexpended funds appropriated for Brownfield Grants, Emergency Cleanup Actions, Environmental Cleanup Support, and the Refined Petroleum Product Cleanup Program to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanups. Revised to include contaminated site cleanup, environmental cleanup and redevelopment program.

## **Major Boilerplate Changes from FY 2022-23**

### **Sec. 314. Geographically Proximate Cleanups – DELETED**

Encourages department to remediate contaminated sites in geographically proximate areas when possible.

### **Sec. 401. Land and Water Interface Permit Programs Dam Safety Earmark – DELETED**

Earmarks \$350,000 and 2.0 FTE positions from Land and Water Interface Permit Programs for Dam Safety Programs.

### **Sec. 410. Lake Erie Report – DELETED**

Requires department to compile report on status of implementation plan for western Lake Erie basin collaborative agreement; requires report to include estimated cost of removal of total phosphorus per pound at four major wastewater treatment plants, description of grants awarded, description of work that has commenced on issue of dissolved reactive phosphorus, expected objectives and outcomes of that work, list of parties involved in that effort, and description of efforts and outcomes aimed at total phosphorus reduction for River Raisin watershed.

### **Sec. 902. Limited Term FTEs – Environmental Sustainability and Stewardship – DELETED**

Authorizes 5.0 limited term FTE positions from the Environmental Sustainability and Stewardship appropriation to issue energy efficiency grants to communities.

### **Sec. 925. Limited Term FTEs – Oil, Gas, and Mineral Services – DELETED**

Authorizes 2.0 limited term FTE positions from the Oil, Gas, and Minerals appropriation to close abandoned gas and oil wells.

### **Sec. 951. Earmark – Lead Service Line Replacement – NEW**

Earmarks \$5.0 million from the Lead Service Line Replacement appropriation to support lead line replacement activities in overburdened and significantly overburdened communities as defined in NREPA.

### **Sec. 952. Community Technical, Managerial, and Financial Support for Lead Line Replacement – NEW**

Requires the Community Technical, Managerial, and Financial Support for Lead Line Replacement appropriation to support lead line replacement activities in overburdened and significantly overburdened communities as defined in NREPA.

### **Sec. 1000. Prior Grant Awards Not Disqualifying Applicants – DELETED**

Prevents grant recipients from being disqualified for future grant awards on account of receiving previous grant awards.

### **Sec. 1001. ARP – Community Technical, Managerial, and Financial Support for Lead Line Replacement – DELETED**

Encourages department to work with MDARD to coordinate technical assistance to communities.

### **Sec. 1002. Work Project – Buffalo Reef – DELETED**

Authorizes unexpended funds for Buffalo Reef totaling \$10.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to build a coal dock jetty for the dredging of stamp sands from Lake Superior in Keweenaw County.

### **Sec. 1003. Cooperative Lakes Monitoring Program – DELETED**

Requires funding for Cooperative Lakes Monitoring Program to be used to continue the program, which helps volunteers monitor local lake water quality and document changes over time.

### **Sec. 1004. Private Well Testing – DELETED**

Requires funding for Private Well Testing to be used for grants to local health departments to provide free or low-cost water testing to private well owners; requires report.

### **Sec. 1000. Work Project – Lead Service Line Replacement – NEW**

Authorizes unexpended funds for Lead Service Line Replacement totaling \$200.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to replace lead service lines in significantly overburdened communities as defined in NREPA.

### **Sec. 1001. Work Project – Groundwater Data Collection – NEW**

Authorizes unexpended funds for Groundwater Data Collection totaling \$23.5 million 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.

### **Sec. 1002. Work Project – Dam Risk Reduction Program – NEW**

Authorizes unexpended funds for Dam Risk Reduction Program totaling \$25.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to remove dams in order to restore Michigan's waterways and accomplish objectives of the Michigan Healthy Climate Plan.

**Major Boilerplate Changes from FY 2022-23**

**Sec. 1003. Earmarks and Work Project – Environmental Justice Contaminated Site Clean-up – NEW**

Earmarks \$50.0 million from 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 \$50.0 million from 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 totaling \$100.0 million 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.

**Sec. 1004. Work Project – Critical Mineral Recycling Research Hub – NEW**

Authorizes unexpended funds for Critical Mineral Recycling Research Hub totaling \$15.0 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.

**Sec. 1005. Work Project – Renewable Ready Communities – NEW**

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 for the creation of regional renewable facilities.

**Sec. 1006. Earmarks and Work Project – Propane Resiliency Enhancement Plan – NEW**

Earmarks \$5.0 million from the Propane Resiliency Enhancement Plan appropriation to expand the storage capacity of propane suppliers for transport and distribution; earmarks \$3.5 million from the Propane Resiliency Enhancement Plan appropriation for storage and maintenance costs connected to expanded propane pipeline and fractionation capacity; authorizes unexpended funds for Propane Resiliency Enhancement Plan totaling \$8.5 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support propane supply and affordability for Michigan consumers who rely on propane for energy, preparedness, continuity.

<b><u>Supplemental Recommendations for FY 2022-23 Appropriations</u></b>		<b><u>FY 2022-23 Recommendation</u></b>
<b>1. Environmental Sustainability and Stewardship</b>		<b>Gross \$267,042,100</b>
Appropriates \$267.0 million Gross (\$5.1 million GF/GP) for greenhouse gas reduction, technical assistance to disadvantaged communities for energy initiatives, climate action planning, local recycling initiatives, qualifying residential energy efficiency upgrade rebates, and environmental justice programs.		Federal 250,927,900
		Restricted 11,000,000
		GF/GP \$5,114,200
<b>2. Executive Direction</b>		<b>Gross \$2,174,800</b>
Appropriates \$2.2 million Gross (\$414,800 GF/GP) to create the MI Healthy Climate Corps program for climate initiatives with non-profit organizations; the GF/GP funding is to be used as match to access federal funding.		Federal 1,760,000
		GF/GP \$414,800
<b>3. Solid Waste Management Program</b>		<b>Gross \$775,000</b>
Appropriates \$775,000 Gross (\$500,000 GF/GP) to support permitting, staff training, and engagement with stakeholders through the Coal Combustion Residuals Permitting Program.		Federal 275,000
		GF/GP \$500,000
<b>4. ARP – Michigan Clean Fleet Initiative</b>		<b>Gross \$45,000,000</b>
Appropriates \$45.0 million of federal Coronavirus Capital Projects Fund to convert motor vehicle fleets to electric vehicles and clean fuels.		Federal 45,000,000
		GF/GP \$0