SUBSTITUTE FOR

SENATE BILL NO. 181

A bill to make appropriations for the department of environment, Great Lakes, and energy for the fiscal year ending September 30, 2026; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of environment, Great Lakes, and energy for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,666.0	
GROSS APPROPRIATION		**$ 1,034,667,500**
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		4,129,100
ADJUSTED GROSS APPROPRIATION		**$ 1,030,538,400**
Federal revenues:		
Total federal revenues		464,268,500
Special revenue funds:		
Total local revenues		0
Total private revenues		1,404,200
Total other state restricted revenues		377,453,700
State general fund/general purpose		**$ 187,412,000**

Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	106.0	
Unclassified salaries--FTE positions	6.0	$ 993,100
Accounting service center		1,576,900
Administrative hearings officers		906,600
Environmental investigations--FTEs	12.0	2,459,400
Environmental support--FTEs	56.0	9,465,700
Executive direction--FTEs	20.0	4,480,800
Facilities management		1,000,000
Financial support--FTEs	18.0	10,890,700
Michigan geological survey		3,000,000

Property management		8,098,900
GROSS APPROPRIATION	**$**	**42,872,100**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from Michigan department of state police		82,800
IDG from state transportation department		108,400
Federal revenues:		
Federal funds		766,700
Special revenue funds:		
Private funds		711,600
Air emissions fees		1,054,500
Aquatic nuisance control fund		79,500
Campground fund		25,900
Cleanup and redevelopment fund		2,808,900
Coal ash care fund		17,100
Electronic waste recycling fund		36,200
Environmental education fund		237,400
Environmental pollution prevention fund		558,100
Fees and collections		19,800
Financial instruments		8,561,500
Great Lakes protection fund		548,100
Groundwater discharge permit fees		123,800
Infrastructure construction fund		2,700
Laboratory services fees		673,700
Land and water permit fees		198,500
Medical waste emergency response fund		36,200
Metallic mining surveillance fee revenue		5,800
Mineral well regulatory fee revenue		17,100

Nonferrous metallic mineral surveillance			16,200
NPDES fees			359,700
Oil and gas regulatory fund			466,300
Orphan well fund			71,200
Public swimming pool fund			50,300
Public utility assessments			750,500
Public water supply fees			385,000
Refined petroleum fund			3,371,100
Renew Michigan fund			4,734,000
Sand extraction fee revenue			2,700
Scrap tire regulatory fund			186,000
Septage waste program fund			48,500
Settlement funds			2,000,400
Sewage sludge land application fees			74,400
Soil erosion and sedimentation control training fund			11,700
Solid waste management fund - staff account			769,200
Stormwater permit fees			185,600
Technologically enhanced naturally occurring radioactive material			34,500
Underground storage tank cleanup fund			255,500
Wastewater operator training fees			44,900
Water quality protection fund			8,700
Water use reporting fees			19,900
State general fund/general purpose		**$**	**12,351,500**
Sec. 103. WATER RESOURCES DIVISION			
Full-time equated classified positions	408.0		
Aquatic nuisance control program--FTEs	6.0	$	1,000,700

Federal - Great Lakes remedial action plan grants			583,800
Fish contaminant monitoring			316,100
Great Lakes restoration initiative--FTEs	9.0		11,288,300
Groundwater data collection--FTEs	0.0		0
Nonpoint source pollution prevention and control project program			4,083,300
Technology advancements for water monitoring			500,000
Water quality programs--FTEs	225.0		36,580,800
Water quality protection grants			100,000
Water resource programs--FTEs	168.0		28,639,600
Watershed council grants			600,000
GROSS APPROPRIATION		**$**	**83,692,600**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from state transportation department			2,056,400
Federal revenues:			
Federal funds			35,144,300
Special revenue funds:			
Aquatic nuisance control fund			1,000,700
Aquifer protection revolving fund			0
Environmental response fund			590,000
Groundwater discharge permit fees			2,246,900
Infrastructure construction fund			52,000
Land and water permit fees			2,487,300
NPDES fees			4,523,900
Refined petroleum fund			456,000
Sewage sludge land application fees			918,900

Soil erosion and sedimentation control training fund			143,500
Stormwater permit fees			2,364,000
Wastewater operator training fees			317,400
Water pollution control revolving fund			152,500
Water quality protection fund			100,000
Water use reporting fees			300
State general fund/general purpose		**$**	**31,138,500**
Sec. 104. AIR QUALITY DIVISION			
Full-time equated classified positions	228.0		
Air quality programs--FTEs	228.0	$	39,730,000
GROSS APPROPRIATION		**$**	**39,730,000**
Appropriated from:			
Federal revenues:			
Federal funds			7,762,700
Special revenue funds:			
Air emissions fees			11,290,100
Asbestos inspection fund			2,000,000
Fees and collections			214,300
Oil and gas regulatory fund			148,700
Public utility assessments			150,000
Refined petroleum fund			2,138,500
State general fund/general purpose		**$**	**16,025,700**
Sec. 105. REMEDIATION AND REDEVELOPMENT DIVISION			
Full-time equated classified positions	327.0		
Contaminated site remediation and redevelopment programs--FTEs	327.0	$	83,030,300
Emergency cleanup actions			2,000,000

Environmental cleanup and redevelopment program			27,600,000
Superfund cleanup			9,000,000
GROSS APPROPRIATION		**$**	**121,630,300**
Appropriated from:			
Federal revenues:			
Federal funds			16,759,200
Special revenue funds:			
Cleanup and redevelopment fund			55,444,200
Environmental response fund			1,442,100
Laboratory services fees			11,392,000
Public water supply fees			330,700
Refined petroleum fund			33,867,500
State brownfield redevelopment fund			2,100,000
State general fund/general purpose		**$**	**294,600**
Sec. 106. UNDERGROUND STORAGE TANK AUTHORITY			
Full-time equated classified positions	12.0		
Underground storage tank cleanup program--FTEs	12.0	$	32,139,200
GROSS APPROPRIATION		**$**	**32,139,200**
Appropriated from:			
Federal funds			0
Special revenue funds:			
Private funds			0
Underground storage tank cleanup fund			32,139,200
State general fund/general purpose		**$**	**0**
Sec. 107. RENEWING MICHIGAN'S ENVIRONMENT			
Full-time equated classified positions	170.0		
Information Management--FTEs	24.0	$	7,094,100
Renew Michigan program--FTEs	146.0		70,737,200

GROSS APPROPRIATION	**$ 77,831,300**
Appropriated from:	
Interdepartmental grant revenues:	
IDG from Michigan department of state police	6,800
IDG from state transportation department	6,300
Federal revenues:	
Federal funds	5,800
Special revenue funds:	
Private funds	0
Air emissions fees	67,900
Aquatic nuisance control fund	4,600
Campground fund	1,200
Cleanup and redevelopment fund	184,700
Coal ash care fund	1,000
Electronic waste recycling fund	1,100
Environmental pollution prevention fund	39,800
Fees and collections	120,200
Financial instruments	281,600
Great Lakes protection fund	1,200
Groundwater discharge permit fees	10,700
Laboratory services fees	45,500
Land and water permit fees	14,400
Medical waste emergency response fund	1,100
Mineral well regulatory fee revenue	500
Nonferrous metallic mineral surveillance	1,300
NPDES fees	24,900
Oil and gas regulatory fund	33,300
Orphan well fund	5,500

Public swimming pool fund		1,400
Public water supply fees		26,900
Refined petroleum fund		229,600
Renew Michigan fund		71,052,600
Scrap tire regulatory fund		13,200
Septage waste program fund		1,600
Sewage sludge land application fees		4,600
Soil erosion and sedimentation control training fund		200
Solid waste management fund - staff account		59,100
Stormwater permit fees		12,300
Strategic water quality initiatives fund		0
Technologically enhanced naturally occurring radioactive material		2,000
Underground storage tank cleanup fund		17,000
Wastewater operator training fees		2,800
Water quality protection fund		500
Water use reporting fees		1,100
State general fund/general purpose	**$**	**5,547,000**

Sec. 108. INFORMATION TECHNOLOGY

Information technology services and projects	$	10,439,700
GROSS APPROPRIATION	**$**	**10,439,700**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from Michigan department of state police		23,700
IDG from state transportation department		31,100
Federal revenues:		
Federal funds		2,062,300

Special revenue funds:	
Air emissions fees	246,800
Aquatic nuisance control fund	22,900
Campground fund	7,300
Cleanup and redevelopment fund	807,100
Coal ash care fund	5,000
Electronic waste recycling fund	10,600
Environmental pollution prevention fund	158,500
Fees and collections	5,700
Financial instruments	1,084,000
Great Lakes protection fund	11,400
Groundwater discharge permit fees	35,200
Infrastructure construction fund	800
Laboratory services fees	189,600
Land and water permit fees	56,400
Medical waste emergency response fund	10,600
Metallic mining surveillance fee revenue	1,700
Mineral well regulatory fee revenue	5,000
Nonferrous metallic mineral surveillance	5,000
NPDES fees	101,400
Oil and gas regulatory fund	131,600
Orphan well fund	20,400
Public swimming pool fund	14,800
Public utility assessments	19,600
Public water supply fees	108,600
Refined petroleum fund	961,200
Renew Michigan fund	1,459,000
Sand extraction fee revenue	800

Scrap tire regulatory fund			53,100
Septage waste program fund			13,900
Sewage sludge land application fees			21,200
Soil erosion and sedimentation control training fund			3,300
Solid waste management fund - staff account			211,700
Stormwater permit fees			53,100
Technologically enhanced naturally occurring radioactive material			9,800
Underground storage tank cleanup fund			73,600
Wastewater operator training fees			13,100
Water pollution control revolving fund			33,200
Water quality protection fund			2,400
Water use reporting fees			5,700
State general fund/general purpose		**$**	**2,347,500**

Sec. 109. DRINKING WATER AND ENVIRONMENTAL HEALTH

Full-time equated classified positions	176.0		
Drinking water and environmental health--FTEs	176.0	$	43,994,200
GROSS APPROPRIATION		**$**	**43,994,200**
Appropriated from:			
Federal revenues:			
Federal funds			13,755,900
Special revenue funds:			
Campground fund			388,200
Fees and collections			34,700
Public swimming pool fund			762,200
Public water supply fees			5,074,500

Refined petroleum fund			761,100
Septage waste program fund			628,900
Wastewater operator training fees			267,700
State general fund/general purpose		**$**	**22,321,000**

Sec. 110. MATERIALS MANAGEMENT DIVISION

Full-time equated classified positions	136.0		
Energy programs-- FTEs	15.0	$	6,677,200
Material management programs-- FTEs	121.0		25,184,200
GROSS APPROPRIATION		**$**	**31,861,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from Michigan department of state police			1,590,500
Federal revenues:			
Federal funds			7,353,300
Special revenue funds:			
Private funds			652,600
Cleanup and redevelopment fund			1,090,500
Coal ash care fund			268,100
Community pollution prevention fund			250,000
Community surcharge reimbursement fund			0
Electronic waste recycling fund			333,700
Energy efficiency and renewable energy revolving loan fund			250,100
Environmental pollution prevention fund			4,167,300
Host community grant funds			0
Materials management planning fund			0
Medical waste emergency response fund			454,500
Public utility assessments			1,806,200

Retired engineers technical assistance program fund			491,200
Scrap tire regulatory fund			5,147,300
Small business pollution prevention revolving loan fund			134,400
Solid waste management fund - staff account			6,204,200
Technologically enhanced naturally occurring radioactive material			465,500
State general fund/general purpose		**$**	**1,202,000**
Sec. 111. GEOLOGIC RESOURCES MANAGEMENT DIVISION			
Full-time equated classified positions	73.0		
Geologic resources management--FTEs	73.0	$	26,531,100
GROSS APPROPRIATION		**$**	**26,531,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of licensing and regulatory affairs			223,100
Federal revenues:			
Federal funds			153,100
Infrastructure investment and jobs act fund			5,155,400
Special revenue funds:			
Private funds			40,000
Aquifer protection revolving fund			520,000
Metallic mining surveillance fee revenue			92,500
Mineral well regulatory fee revenue			216,000
Native copper mine fund			50,000
Nonferrous metallic mineral surveillance			385,800
Oil and gas regulatory fund			8,538,900

Orphan well fund			2,351,500
Sand extraction fee revenue			91,100
Water use reporting fees			351,000
State general fund/general purpose		**$**	**8,362,700**
Sec. 112. WATER INFRASTRUCTURE			
Full-time equated classified positions	30.0		
Municipal assistance--FTEs	30.0	$	6,744,300
Water infrastructure			23,601,300
Water infrastructure risks and reserve fund			5,000,000
Water state revolving funds			468,599,700
GROSS APPROPRIATION		**$**	**503,945,300**
Appropriated from:			
Federal revenues:			
Federal funds			105,349,800
Infrastructure investment and jobs act fund			270,000,000
Special revenue funds:			
Community infrastructure fund			45,000,000
Revolving loan revenue bonds			15,000,000
Water pollution control revolving fund			774,300
State general fund/general purpose		**$**	**67,821,200**
Sec. 113. ONE-TIME APPROPRIATIONS			
Electric charging infrastructure		$	10,000,000
Jefferson-Chalmers flood mitigation			100
Information management initiative			10,000,000
Septic system database			100
Water use advisory council recommendations			100
GROSS APPROPRIATION		**$**	**20,000,300**
Appropriated from:			

Federal revenues:		
Federal funds		0
Special revenue funds:		
State general fund/general purpose	**$**	**20,000,300**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state resources is $560,265,700.00 and state spending under part 1 from state sources to be paid to local units of government is $55,733,300.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
Brownfield grants	$	1,000,000
Drinking water and environmental health		8,786,000
Emergency cleanup actions		116,000
Energy programs		460,000
Lead service line replacement		23,601,300
Material management programs		1,270,000
Renew Michigan program		20,000,000
Technology advancements for water monitoring		500,000
TOTAL	**$**	**55,733,300**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101

to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of environment, Great Lakes, and energy.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated.

(d) "IDG" means interdepartmental grant.

(e) "NPDES" means the national pollutant discharge elimination system.

(f) "Standard report recipients" means the senate appropriations subcommittee on environment, Great Lakes, and energy; the house appropriations subcommittee on environment, Great Lakes, and energy; the senate and house fiscal agencies; the senate and house policy offices; and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services , or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

(d) Preference must be given to goods or services, or both, that are manufactured in facilities that employ union members.

Sec. 206. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list travel outside of this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, and other revenues.

Sec. 208. The department shall not use funds appropriated in part 1 to hire a person to provide legal services that are the responsibility of the attorney general. This section does not apply to legal services for bonding activities or to outside legal services that the attorney general authorizes.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $15,800,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 214. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of a local health officer.

Sec. 215. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically-disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically-disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically-disadvantaged business enterprises" means that term as defined in Executive Directive 2023-1.

Sec. 216. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and the senate and house appropriations committees.

Sec. 218. The department shall make each report required to be submitted under this part readily accessible to the public and conspicuously post each required report on the department's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years.

Sec. 219. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 222. To the extent possible, the department shall not expend appropriations in part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. (1) General fund appropriations in part 1 shall not be expended for items if federal funding or private grant funding is available for the same expenditures.

(2) If the department is required to make a reduction in expenditures under section 395(1) or (2) of the management and budget act, 1984 PA 431, MCL 18.1395, for any appropriation under this part or part 1, the department must notify the standard report recipients not later than 10 days after the reduction. The notification must include, but not be limited to, the following:

(a) A description of the fund source that is insufficient to support the expenditures being reduced and the amount of the reduction.

(b) A description of the cause for the reduction, if any such cause is known.

(c) A description of the functions of state government or services to residents that will be affected by the reduction.

Sec. 224. (1) Within 10 days after the effective date of this act, the department must provide a report to the standard report recipients containing the following information:

(a) A list of any sections in this act that the department determines to be unenforceable, with a detailed legal rationale for those determinations, as applicable.

(b) If a determination under subdivision (a) would affect the operations of a program or programs within the department, the department must report the estimated difference in cost between the policy outlined in the section determined to be unenforceable and the policy the department intends to pursue.

(2) The department may coordinate with the executive office of the governor or other state departments or agencies to compile a statewide report for any departments or agencies required to submit a report substantially similar to the report described under subsection (1).

Sec. 225. The department must provide a quarterly report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

(a) Affect the operations of the department.

(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(c) Affect regulations that currently protect the public to the extent that the regulations affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.

(d) Create a regulatory gap that could negatively impact the public.

Sec. 227. (1) The department may expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of the environmental cleanup and redevelopment program, environmental cleanup support, contaminated site remediation and redevelopment programs, contaminated site cleanup, contaminated site cleanup contingency reserve, premcor remediation activities, PFAS remediation grant program, the renew Michigan program, the refined petroleum product cleanup program, brownfield grants and loans, waterfront grants, and the environmental bond site reclamation program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2011 PA 63, 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, and 2017 PA 107, are appropriated for expenditure.

(3) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, 2017 PA 107, 2018 PA 207, 2019 PA 57, 2020 PA 166, 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 are appropriated for expenditure.

(4) Unexpended and unencumbered amounts remaining from the appropriations from the strategic water quality initiatives fund contained in 2011 PA 50, 2011 PA 63, 2012 PA 200, 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, 2017 PA 107, and 2018 PA 207, are appropriated for expenditure.

(5) For the strategic water quality initiatives fund, funds not yet disbursed are appropriated for expenditure for the same program under sections 5201, 5202, and 5204e of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5201, 324.5202, and 324.5204e.

(6) Unexpended and unencumbered amounts remaining from the appropriations from the renew Michigan fund contained in 2018 PA 207, 2019 PA 57, 2020 PA 166, 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 are appropriated for expenditure.

(7) Unexpended and unencumbered amounts remaining from the appropriations from the contaminated site cleanup contingency fund contained in 2021 PA 87 and 2022 PA 166, are appropriated for expenditure.

(8) Unexpended and unencumbered amounts remaining from the appropriations from the cleanup and redevelopment fund contained in 2022 PA 166 and 2023 PA 119 are appropriated for expenditure.

Sec. 228. Revenues that remain in the settlements fund at the end of the fiscal year carry forward into the succeeding fiscal year.

Sec. 235. (1) Semiannually, the department shall prepare a report that contains information regarding all remediation and redevelopment efforts funded from part 1.

(2) The report must contain the following information:

(a) List of sites where work is planned to occur, including the county for each site.

(b) The type of site, whether refined petroleum cleanup, nonrefined petroleum cleanup, brownfield, or a combination of types.

(c) A brief description of how the issue will be addressed, including whether contractors will be utilized.

(d) The estimated date for project completion.

(e) The amount and funding source or sources allocated to the site.

(3) The report must be submitted to the senate and house subcommittees on the environment, Great Lakes, and energy and the state budget director.

Sec. 238. The department shall submit a report to the senate and house standing committees and appropriations subcommittees with primary responsibility for issues under the jurisdiction of the department that details departmental activities of the most recent fiscal year in administering permitting programs. The report must include, at a minimum, all of the following:

(a) The number of FTEs assigned to each permitting program and the number of unfilled positions at the beginning and end of the most recent fiscal year.

(b) The number of permit applications received by the department in the preceding year, including applications for new and increased uses and reissuances.

(c) The number of permits for each program approved.

(d) The number of permits for each program denied.

(e) The percentage and number of permit applications that were reviewed for administrative completeness within statutory time frames.

(f) The percentage and number of permit applications for which a final action was taken by the department within statutory time frames for new and increased uses and reissuances.

(g) Activities to reduce any backlog of permits that exceed the statutory time frames and the average time frame for permit approvals for each program.

(h) Activities to reduce the percentage of permit applications submitted as incomplete, in need of modification, or additional information before final determination.

(i) Under conditions in which the department states a permit is incomplete or denied, the department shall provide an explanation as to the reason or reasons the permit is insufficient and how the permit can be strengthened or made complete.

Sec. 242. If the department responds to a significant incident to protect life or property, as soon as possible and within 24 hours after the department responds to the significant incident, the department shall notify, in writing, the senate and house members whose district includes the site.

Sec. 244. In expending federal funds, the department shall comply with the requirements of the Justice40 Initiative, where applicable.

Sec. 245. (1) For any grant program or project funded in part 1 intended for a single recipient organization or unit of local government, the grant program or project is for a public purpose and the department shall follow procurement statutes of this state, including any bidding requirements, unless the department can fully validate, through information detailed in this part or public supporting documents, both of the following:

(a) The specific organization or unit of local government that will receive or administer the funds.

(b) How the funds will be administered and expended.

(2) To be eligible to receive a grant described in subsection (1), both of the following must occur:

(a) A recipient must submit the application under subsection (3) not later than 60 days after the effective date of this act.

(b) A recipient must be 1 of the following:

(*i*) A unit of local government, as that term is defined in section 115 of the management and budget act, 1984 PA 431, MCL 18.1115.

(*ii*) An institution of higher education.

(*iii*) A state agency, as that term is defined in section 115 of the management and budget act, 1984 PA 431, MCL 18.1115.

(*iv*) An entity registered with the department of licensing and regulatory affairs or the department of attorney general that has been in existence for at least the 12 months preceding the effective date of this act.

(*v*) Another entity that can demonstrate, through state or federal tax filings or other state or federal government records, that it has been in existence for at least the 12 months preceding the effective date of this act.

(3) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall work with the state budget office to perform at least all of the following activities to administer the grants described in subsection (1):

(a) Develop a standard application process using the electronic submission portal developed by the state budget office, grantee reporting requirements, and any other necessary documentation, including sponsorship information as specified under subsection (4). If the electronic submission portal identified in this subdivision is not fully functional by 60 days after the effective date of this act, the state budget office shall ensure that the standard application process and form are available promptly and paper submission is acceptable. The state budget office shall promptly submit application material received to the department for departmental review.

(b) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(c) Verify to the extent possible that a grant recipient will use funds for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(d) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(e) Establish a standard timeline to review all documents submitted by grant recipients and provide a response within 45 business days stating whether submitted documents by a grant recipient are sufficient or in need of additional information. If additional information is needed, the 60-day deadline in subsection (2) is considered to have been met if a sponsor has been identified for that grant. If a grant recipient does not provide information sufficient to execute a grant agreement not later than 60 days after being notified by the department of grant approval, the department shall return funds associated with the grant to the state treasury.

(f) Make an initial disbursement of up to 50% of the grant to the grant recipient not later than 60 days after a grant agreement has been executed. Disbursements must be consistent with part II, chapter 10, section 200 of the Financial Management Guide.

(g) Disburse the funds remaining after the initial disbursement under subdivision (f) per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(4) The process for the identification and sponsorship of a grant described in subsection (1) is as follows:

(a) Not later than the effective date of this act, the state budget office shall provide an initial list of grants that require legislative sponsorship to the legislature and shall make public an initial list of grants that likely will be sponsored by the department or by the state budget office.

(b) A sponsor of a grant described in subsection (1) must be a legislator, the department, or the state budget office.

(c) A legislative sponsor must be identified through a letter submitted by that legislator's office to the department and state budget director containing the name of the grant recipient, the intended amount of the grant, a certification from that legislator that the grant is for a public purpose, and specific citation of the section and subsection of the public act that authorizes the grant, as applicable.

(d) Within 10 business days after the effective date of this act, the senate and house of representatives shall compile an initial list of legislative grant sponsors for their respective chambers and submit those compiled lists to the state budget office and the department, and the state budget office shall identify department- or state budget office-sponsored grants. The state budget director may grant an extension of this deadline of not more than 30 days on a case-by-case basis. The state budget office shall make the compiled lists public within 14 business days after the effective date of this act.

(e) Not later than 60 days after the effective date of this act, the state budget office shall publish a final list of grants requiring sponsorship. If a legislative sponsor is not identified within 60 days after the effective date of this act, the department shall do 1 of the following:

(*i*) Identify the department or the state budget office as the sponsor.

(*ii*) Decline to execute the grant agreement and lapse the associated funds at the end of the fiscal year.

(f) At any point during the fiscal year, legislative grant sponsors may be added to a grant request.

(5) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information for the department to administer funds under this section.

(b) A description of the project for which the grant funds will be expended, including tentative timelines and the estimated budget. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the treasury any interest in excess of $1,000.00 earned on the grant funds while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all funds expended by the grant recipient, as determined by the department.

(e) A claw-back provision that allows the department of treasury to recoup or otherwise collect any funds that are declined, unspent, or otherwise misused.

(f) The signed legislative sponsorship letter required under subsection (4), incorporated into the grant agreement and included as an appendix or attachment.

(g) If a grant recipient has provided information sufficient to execute a grant agreement, the state budget office shall promptly transmit that information to the department for the department's review of the grant application. If a grant recipient has provided information sufficient to execute a grant agreement within 60 days after the effective date of this act, but the grant application needs technical fixes or additional legislative action, as identified by the state budget office, the 60-day deadline in this subdivision is considered to have been met, if a sponsor has been identified for that grant. If a grant recipient does not provide information sufficient to execute a grant agreement not later than 60 days after being notified by the department of grant approval, the department shall return funds associated with the grant to the state treasury.

(6) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(7) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audits as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient that the

requirements of this subsection will be met.

(8) The grant recipient shall expend all funds awarded and complete all projects not later than September 30, 2030. If at that time any unexpended funds remain, the grant recipient shall return those funds to the state treasury.

(9) Any funds that are granted to a state department are appropriated in that department for the purpose of the intended grant.

(10) The state budget director may, on a case-by-case basis, extend the deadline in subsection (8) on request by a grant recipient if a sponsor has been identified for the grant. The state budget director shall notify the chairs of the senate and house of representatives appropriations committees not later than 5 days after an extension is granted.

(11) By March 1 of the current fiscal year, the state budget office shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of funds allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. After March 1, the state budget office shall update the report monthly and shall post the updated report each month. The state budget office shall include in the report the most comprehensive information the office has available at the time of posting for grants awarded. The state budget office may compile the information required in this report across all departments. The department shall assist the state budget office with the compilation of the report required under this subsection.

(12) On request, beginning 75 days after the effective date of

this act, the state budget office shall release information received for grant applications.

(13) As applicable, the legislative sponsor of a grant described in subsection (1) shall not sponsor a grant, or ask another legislator to sponsor a grant, if there is a conflict of interest related to the grant recipient.

(14) If the department reasonably determines that the funds allocated for an executed grant agreement under this section were misused or that use of the funds was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols.

Sec. 246. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. A department or agency receiving an appropriation under this part or part 1 must notify the standard report recipients if an appropriation of funds described under this section is projected to lapse.

REMEDIATION AND REDEVELOPMENT DIVISION

Sec. 301. Revenues remaining in the laboratory services fees fund at the end of the fiscal year carry forward into the succeeding fiscal year.

Sec. 302. The unexpended funds appropriated in part 1 for contaminated site investigations, cleanup and revitalization, emergency cleanup actions, and environmental cleanup and redevelopment program are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects is to provide contaminated site cleanup.

(b) The projects will be accomplished by utilizing contracts with service providers.

(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2029.

Sec. 304. (1) In addition to the money appropriated in part 1, the department may receive and expend money from the subaccounts of the cleanup and redevelopment fund as described under section 20108 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20108, including the environmental response fund or the natural resource damages fund, to provide funding for actions by the department that are authorized by a court of competent jurisdiction and set forth in a final court order or judgment in an action to which the department is a party.

(2) By January 30, the department shall submit a report to the appropriations subcommittees, the fiscal agencies, and the state budget office that provides a summary of the expenditures incurred under this section during the preceding fiscal year.

WATER RESOURCES DIVISION

Sec. 405. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11721, then the department may spend funds appropriated in part 1 for drinking water and environmental health in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

Sec. 410. From the funds appropriated in part 1, the department shall compile a report by November 1 of every fiscal year ending in an odd number on the status of the implementation plan for the western Lake Erie basin collaborative agreement. In an effort to learn more about the presence and timing of harmful algal blooms, the report shall contain all of the following:

(a) An estimated cost of removal of total phosphorus per pound at the 4 major wastewater treatment plants.

(b) A description of the grants that have been awarded.

(c) A description of the work that has commenced on the issue of dissolved reactive phosphorus, the expected objectives and outcomes of that work, and a list of the parties involved in that effort.

(d) A description of the efforts and outcomes aimed at the total phosphorus reduction for the River Raisin watershed.

UNDERGROUND STORAGE TANK AUTHORITY

Sec. 701. The unexpended funds appropriated in part 1 for the underground storage tank cleanup program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide underground storage tank cleanup.

(b) The project will be accomplished by utilizing contracts with service providers.

(c) The total estimated cost of the project is $20,000,000.00.

(d) The tentative completion date is September 30, 2029.

RENEWING MICHIGAN'S ENVIRONMENT

Sec. 801. The unexpended funds appropriated in part 1 for the renewing Michigan's environment program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is for environmental cleanup and redevelopment, waste management, and recycling.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $70,495,800.00.

(d) The tentative completion date is September 30, 2029.

MATERIALS MANAGEMENT DIVISION

Sec. 901. In addition to the money appropriated in part 1, the department may receive and expend money from the Volkswagen Environmental Mitigation Trust Agreement to provide funding for activities as outlined within the State's Mitigation Plan. The department shall prepare a report to the appropriations subcommittees, the fiscal agencies, and the state budget office by February 1, 2026 of the expenditures incurred under this section during the fiscal year ending September 30, 2026.

GEOLOGIC RESOURCES MANAGEMENT DIVISION

Sec. 925. As a condition on the funds appropriated in part 1, the department shall coordinate and convene with relevant stakeholders to discuss methods to improve program funding with a goal of aligning fee revenue with program costs for geologic resources management in future fiscal years.

WATER INFRASTRUCTURE

Sec. 951. The funds appropriated in part 1 for lead service line replacement must be used to support lead service line replacement and associated activities, including, but not limited to, water main replacement to promote coordinated water infrastructure work in overburdened and significantly overburdened communities, as those terms are defined by the department in accordance with the requirements under parts 53 and 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5301 to 324.5316 and 324.5401 to 324.5418.

Sec. 952. (1) The funds appropriated in part 1 for water state revolving funds from the community infrastructure fund must be used to offset unanticipated increased project costs due to higher federal tariffs affecting foreign trade and the cost and availability of construction materials. The funds may be used to do either of the following:

(a) Offset the increased costs due to supply chain issues in the delivery of materials used for water infrastructure projects, lead service line replacement projects, drinking water projects, or any combination of these projects.

(b) Offset federal funding for shovel-ready projects that have already been approved and federal funding has recently been revoked or reduced.

(2) Funding should be prioritized to fill gaps in projects that are closest to completion or provide the most protection for public health, as determined by the department.

(3) The unexpended funds appropriated in part 1 for water state revolving funds from the community infrastructure fund are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section until the project has been completed. The following is in compliance with the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to assist in the completion of infrastructure projects by offsetting increased project costs.

(b) The projects will be accomplished by utilizing state resources or contracts with service providers, or both.

(c) The total estimated cost of the project is $40,000,000.00.

(d) The tentative completion date is September 30, 2030.

Sec. 953. (1) The funds appropriated in part 1 for the water infrastructure risks and reserve fund shall be used to provide grants and loans to communities experiencing water infrastructure emergencies. A minimum of 40% of the funds must be awarded to communities located within environmental justice communities, as that term is determined by the department, and overburdened and significantly overburdened communities, as those terms are defined by the department, in accordance with the requirements under parts 53 and 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5301 to 324.5316 and 324.5401 to 324.5418.

(2) The funds must be utilized for the following:

(a) To provide grants to assist communities experiencing water infrastructure emergencies, as determined by the department, and to assist with immediate needs related to water infrastructure.

(b) To provide funding to assist with grants or loans to aid communities experiencing water infrastructure emergencies that will facilitate the repair, rebuilding, or remediating of the effects of the emergency related to water infrastructure, as determined by the department.

(3) The unexpended funds appropriated in part 1 for water infrastructure risks and reserve fund are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section until the project has been completed. The following is in compliance with the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to assist communities dealing with a water infrastructure emergency.

(b) The fund shall not be depleted unless there is a public health emergency or natural disaster declaration.

(c) The projects will be accomplished by utilizing state resources or contracts with service providers, or both.

(d) The total estimated cost of the project is $5,000,000.00.

(e) The tentative completion date is September 30, 2030.

ONE-TIME APPROPRIATIONS

Sec. 1001. (1) The funds appropriated in part 1 for electric charging infrastructure shall be used for grants to support the deployment of electric vehicle charging stations and hydrogen fueling infrastructure.

(2) Grants awarded under this section may be used for, but not limited to, any of the following activities:

(a) Filling gaps in fast charging systems outside of this state's identified alternative fuel corridors.

(b) Deploying nonpublicly available charging and fueling stations, including, but not limited to, medium- and heavy-duty fleet lots and transit systems.

(c) Deploying nonpublicly available charging and fueling stations and supporting enabling upgrades to support deployment at single and multifamily housing units.

(3) The department shall utilize assessments and tools to identify the most appropriate locations to deploy clean fuel and charging infrastructure supported by this appropriation.

(4) The unexpended funds appropriated in part 1 for electric charging infrastructure are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support the installation of charging and clean fuel infrastructure.

(b) The project will be accomplished by utilizing state resources or contracts with service providers, or both.

(c) The total estimated cost of the project is $10,000,000.00.

(d) The tentative completion date is September 30, 2030.

Sec. 1003. The unexpended funds appropriated in part 1 for information management initiative are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the projects under this section until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support the digitization and indexing of department records.

(b) The project will be accomplished by utilizing state resources or contracts with service providers, or both.

(c) The total estimated cost of the project is $10,000,000.00.

(d) The tentative completion date is September 30, 2030.