

Act No. 319
Public Acts of 1996
Approved by the Governor
June 25, 1996
Filed with the Secretary of State
June 25, 1996

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996**

Introduced by Reps. Bobier, Middleton, Walberg, Johnson, Jellema, Gilmer, Dolan and McNutt

ENROLLED HOUSE BILL No. 5589

AN ACT to make appropriations for the department of environmental quality for the fiscal years ending September 30, 1996 and September 30, 1997; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the department of environmental quality for the fiscal year ending September 30, 1997, from the following funds:

DEPARTMENT OF ENVIRONMENTAL QUALITY

TOTAL APPROPRIATIONS SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	1,587.7	
GROSS APPROPRIATION.....		\$ 410,574,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		7,063,600
ADJUSTED GROSS APPROPRIATION.....		\$ 403,511,200
Federal revenues:		
Total federal revenues		142,432,800
Special revenue funds:		
Total local revenues		1,028,300
Total private revenues.....		298,500
Total other state restricted revenues		163,632,100
State general fund/general purpose		\$ 96,119,500

OPERATIONS APPROPRIATIONS SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,578.2	
GROSS APPROPRIATION		\$ 409,745,000
Interdepartmental grant revenues:		
IDG-Commerce public service commission		550,700
IDG-Michigan transportation fund		750,000
IDT-interdivisional charges		5,762,900
Total interdepartmental grants and intradepartmental transfers		7,063,600
ADJUSTED GROSS APPROPRIATION		\$ 402,681,400
Federal revenues:		
DOC-federal		3,181,300
DOD-federal		477,100
DOI-federal		537,300
EPA-federal		25,471,200
EPA, superfund		23,634,800
EPA, LUST trust		112,900
FEMA-federal		233,600
Federal revenues		88,751,400
Federal contingency funds		33,200
Total federal revenues		142,432,800
Special revenue funds:		
Local funds		1,028,300
Total local revenues		1,028,300
Private funds		298,500
Total private revenues		298,500
Act 64 revenues		1,000,000
Act 641 forfeited revenue		1,000,000
Air emissions fees		10,649,000
CESARS service fee		23,200
Environmental revenue		16,376,700
Environmental response fund		10,500,000
Environmental education fund		147,700
Emergency response fund		1,000,000
Environmental pollution prevention fund		819,600
Fees and collections		5,683,100
Great Lakes protection fund		1,000,000
Land and water permit fees		1,818,900
Landfill maintenance trust fund		44,000
Michigan underground storage tank financial assurance fund		62,072,800
Oil and gas privilege fee revenue		6,946,400
Orphan well fund		1,304,600
Publication revenue		100,000
Public utility assessments		913,500
Sand extraction fee revenue		175,700
Scrap tire regulatory fund		1,338,100
Settlement funds		4,210,300
Septage waste license fees		200,000
Solid waste program fees		1,040,000
Stormwater permit fees		1,189,500
Underground storage tank fees		6,245,700
Waste reduction fee revenue		1,767,100
Water pollution control revolving fund		2,161,400
Wastewater operator training fees		71,500
Unclaimed bottle deposit revenue		15,000,000
Land sale reform revenue		1,000,000
Section 29 oil and gas credit revenue		6,000,000
Water use reporting fees		103,500

Other restricted funds	900,000
Total other state restricted revenues	162,802,300
State general fund/general purpose	\$ 96,119,500

EXECUTIVE

Full-time equated unclassified positions	6.0
Full-time equated classified positions	17.0
Unclassified salaries	417,700
Equal employment opportunity office	74,000
Executive direction	1,035,300
Office of the Great Lakes	448,200
Office of groundwater planning and special services	428,700
GROSS APPROPRIATION	\$ 2,403,900
Appropriated from:	
Interdepartmental grant revenues	
Federal revenues:	
DOD-federal	88,200
EPA-federal	449,300
Special revenue funds:	
Environmental revenue	43,300
Environmental education fund	147,700
Oil and gas privilege fee revenue	90,900
Settlement funds	301,400
Water use reporting fees	103,500
State general fund/general purpose	\$ 1,179,600

ADMINISTRATIVE SERVICES

Full-time equated classified positions	92.0
Fiscal services	\$ 527,000
Field programs administrative & clerical support	3,440,600
Automated data processing	5,762,900
Personnel	642,000
Administrative hearings	352,400
GROSS APPROPRIATION	\$ 10,724,900
Appropriated from:	
IDT-interdivisional charges	5,762,900
Federal revenues:	
Federal revenues	33,200
EPA, LUST trust	112,900
Special revenue funds:	
Environmental revenue	292,900
Fees and collections	148,600
Land and water permit fees	374,900
Michigan underground storage tank financial assurance fund	210,300
Oil and gas privilege fee revenue	373,100
Scrap tire regulatory fund	115,000
Settlement funds	108,600
Other restricted funds	250,000
State general fund/general purpose	\$ 2,942,500

DEPARTMENTAL OPERATION SUPPORT

Building occupancy charges	\$ 1,814,900
Rent-privately owned property	3,700,700
Publications	100,000
GROSS APPROPRIATION	\$ 5,615,600
Appropriated from:	
Federal revenues	26,900
Special revenue funds:	

	For Fiscal Year Ending Sept. 30, 1997
Air emissions fees.....	109,800
Environmental revenue.....	420,500
Fees and collections.....	30,400
Land and water permit fees.....	58,300
Michigan underground storage tank financial assurance fund.....	157,000
Oil and gas privilege fee revenue.....	249,000
Publication revenue.....	100,000
Public utility assessments.....	48,400
Stormwater discharge.....	15,000
Underground storage tank.....	147,000
Other restricted revenue.....	650,000
State general fund/general purpose.....	\$ 3,603,300
 GEOLOGICAL SURVEY	
Full-time equated classified positions.....	81.0
Services to oil and gas programs.....	\$ 6,073,200
Orphan well fund.....	1,304,600
Coal and sand dune management.....	713,000
Mineral wells management.....	181,300
GROSS APPROPRIATION.....	\$ 8,272,100
Appropriated from:	
Federal revenues:	
DOI-federal.....	537,300
Special revenue funds:	
Environmental revenue.....	68,400
Orphan well fund.....	1,304,600
Oil and gas privilege fee revenue.....	6,108,700
Sand extraction fee revenue.....	175,700
State general fund/general purpose.....	77,400
 LAND AND WATER MANAGEMENT	
Full-time equated classified positions.....	144.0
Land and water administration.....	781,500
Field project assistance and permitting.....	4,304,600
Dam safety, erosion control, and clean lakes.....	1,209,700
Dam safety.....	340,900
Great Lakes shorelands.....	1,815,200
Land and water protection.....	2,135,100
GROSS APPROPRIATION.....	\$ 10,587,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG-Michigan transportation fund.....	750,000
Federal revenues:	
EPA-federal.....	558,800
DOC-federal.....	1,581,300
FEMA-federal.....	233,600
Special revenue funds:	
Land and water permit fees.....	1,385,700
State general fund/general purpose.....	\$ 6,077,600
 AIR QUALITY	
Full-time equated classified positions.....	221.0
Air quality programs.....	4,391,300
Clean air act implementation.....	12,459,200
GROSS APPROPRIATION.....	\$ 16,850,500
Appropriated from:	
Federal revenues:	
EPA-federal.....	3,060,000

Special revenue funds:		
Air emissions fees.....		8,283,000
Environmental revenue.....		78,200
State general fund/general purpose	\$	5,429,300
SURFACE WATER QUALITY		
Full-time equated classified positions.....	208.0	
Surface water compliance program.....		5,488,600
Surface water permits program.....		3,349,800
Surface water surveillance program.....		6,440,100
State and local water quality management planning.....		1,608,800
Fish contaminant monitoring contracts.....		321,000
Stormwater discharge program.....		1,104,000
GROSS APPROPRIATION.....	\$	18,312,300
Appropriated from:		
Federal revenues:		
EPA-federal.....		6,918,800
Special revenue funds:		
Local funds.....		1,028,300
CESARS service fee.....		23,200
Environmental revenue.....		130,800
State water pollution control revolving fund		529,700
Stormwater permit fees		1,097,900
State general fund/general purpose	\$	8,583,600
DRINKING WATER PROTECTION & RADIOLOGICAL HEALTH		
Full-time equated classified positions.....	150.7	
Environmental health administration.....	\$	465,600
Community environmental health administration.....		5,629,800
Laboratory services administration		1,805,300
Implementation of environmental response act.....		10,500,000
Medical waste program		360,300
Water laboratory certification program.....		165,000
Water supply program.....		169,600
Water system monitoring program.....		5,699,000
Dry cleaning program.....		305,700
Radiological health administration.....		1,281,400
Radiological health projects.....		264,500
GROSS APPROPRIATION.....	\$	26,646,200
Appropriated from:		
Interdepartmental grant revenues		
IDG-Commerce public service commission.....		550,700
Federal revenues:		
Federal funds		3,724,500
Special revenue funds:		
Environmental response fund		10,500,000
Fees and collections		5,504,100
State general fund/general purpose	\$	6,366,900
LOW LEVEL RADIOACTIVE WASTE AUTHORITY		
Full-time equated classified positions.....	3.0	
Low level radioactive waste authority	\$	865,100
GROSS APPROPRIATION.....	\$	865,100
Appropriated from:		
Special revenue funds:		
Public utility assessments.....		865,100
State general fund/general purpose	\$	0

ENVIRONMENTAL RESPONSE

Full-time equated classified positions.....	307.0	
Environmental cleanup and pollution prevention program		\$ 52,000,000
Contaminated site investigations, cleanup, and revitalization		14,847,700
State cleanup (Act 451).....		5,736,700
Environmental laboratory.....		3,585,500
Federal cleanup project management.....		4,455,500
Superfund cleanup.....		22,590,700
GROSS APPROPRIATION.....		\$ 103,216,100
Appropriated from:		
Federal revenues:		
DOD-federal.....		388,900
EPA-federal.....		1,955,500
EPA, superfund		23,634,800
Special revenue funds:		
Private funds		248,500
Environmental revenue.....		14,053,100
Landfill maintenance trust fund		44,000
Settlement funds.....		2,760,000
Unclaimed bottle deposit revenue.....		15,000,000
Land sale reform revenue.....		1,000,000
Section 29 oil and gas credit revenue		6,000,000
State general fund/general purpose		\$ 38,131,300

UNDERGROUND STORAGE TANKS

Full-time equated classified positions.....	111.0	
MI underground storage tank financial assurance program		\$ 61,705,500
MUSTFA emergency response fund		1,000,000
Underground storage tank program.....		6,359,100
Leaking underground storage tank program.....		4,108,000
GROSS APPROPRIATION.....		\$ 73,172,600
Appropriated from:		
Federal revenues:		
EPA-federal.....		3,341,500
Special revenue funds:		
Emergency response fund.....		1,000,000
Environmental revenue.....		1,026,900
Michigan underground storage tank financial assurance fund.....		61,705,500
Underground storage tank fees		6,098,700
State general fund/general purpose		\$ 0

WASTE MANAGEMENT

Full-time equated classified positions.....	142.0	
Administration and technical support.....		1,415,800
Compliance and enforcement.....		3,764,600
Hazardous waste permits.....		1,687,200
Groundwater permits.....		1,235,700
Resource recovery.....		1,255,800
Special federal grants		892,300
Hazardous waste disposal facility closures		1,000,000
Solid waste disposal facility closures		1,000,000
GROSS APPROPRIATION.....		\$ 12,251,400
Appropriated from:		
Federal revenues:		
EPA-federal.....		3,068,100
Special revenue funds:		
Act 64 revenues		1,000,000
Act 641 forfeited revenue.....		1,000,000

For Fiscal Year
Ending Sept. 30,
1997

Environmental pollution prevention fund	819,600
Scrap tire regulatory fund	671,200
Settlement funds	233,300
Solid waste program fees	1,040,000
State general fund/general purpose	\$ 4,419,200

ENVIRONMENTAL ASSISTANCE DIVISION

Full-time equated classified positions	84.0
Municipal assistance	\$ 2,375,500
Pollution prevention	1,244,400
Environmental services	1,667,300
Special project advances	50,000
Technical assistance	1,082,900
GROSS APPROPRIATION	\$ 6,420,100
Appropriated from:	
Federal revenues:	
EPA-federal	1,494,500
Special revenue funds:	
Private funds	50,000
Emissions fee	591,400
Settlement revenue	76,700
Environmental revenue	262,600
State water pollution control revolving fund	1,631,700
Stormwater permit fees	76,600
Waste reduction fee revenue	1,767,100
Wastewater operator training fees	71,500
State general fund/general purpose	\$ 398,000

LAW ENFORCEMENT

Full-time equated classified positions	18.0
Environmental law enforcement	\$ 1,398,800
GROSS APPROPRIATION	\$ 1,398,800
Appropriated from:	
Federal revenues:	
EPA-federal	124,700
Special revenue funds:	
Oil and gas privilege fee revenue	124,700
Scrap tire regulatory fund	51,900
Settlement funds	730,300
State general fund/general purpose	\$ 367,200

GRANTS

Grants to counties—air pollution	\$ 2,854,900
Water pollution control revolving fund	102,353,500
Land resource program grants	1,900,000
Federal-Non-point source water pollution grants	3,500,000
Federal-Great Lakes remedial action plan grants	700,000
Great Lakes research and protection grants	1,000,000
Septage waste compliance grants	200,000
Scrap tire grants	500,000
GROSS APPROPRIATION	\$ 113,008,400
Appropriated from:	
Federal revenues:	
DOC-federal	1,600,000
EPA-federal	4,500,000
Federal revenues	85,000,000
Special revenue funds:	
Air emissions fees	1,664,800

For Fiscal Year
Ending Sept. 30,
1997

Great Lakes protection fund	1,000,000
Scrap tire regulatory fund	500,000
Septage waste license fees.....	200,000
State general fund/general purpose	\$ 18,543,600

BOND ADMINISTRATION SUMMARY

Full-time equated classified positions.....	9.5	
GROSS APPROPRIATION.....		\$ 829,800
ADJUSTED GROSS APPROPRIATION.....		\$ 829,800
Special revenue funds:		
Environmental protection bond fund.....		829,800
Total other state restricted revenues.....		829,800
State general fund/general purpose		\$ 0

ADMINISTRATIVE SERVICES

Full-time equated classified positions.....	2.5	
Field administration environmental protection bond		28,100
Internal audit staff		86,700
GROSS APPROPRIATION.....		\$ 114,800
Appropriated from:		
Special revenue funds:		
Environmental protection bond fund.....		114,800
State general fund/general purpose		\$ 0

WASTE MANAGEMENT

Full-time equated classified positions.....	7.5	
Solid waste implementation staff.....		715,000
GROSS APPROPRIATION.....		\$ 715,000
Appropriated from:		
Special revenue funds:		
Environmental protection bond fund.....		715,000
State general fund/general purpose		\$ 0

Sec. 102. There is appropriated for the department of environmental quality for the fiscal year ending September 30, 1996, from the following funds:

DEPARTMENT OF ENVIRONMENTAL QUALITY

APPROPRIATIONS SUMMARY:

GROSS APPROPRIATION.....	\$ 102,000,000
Total federal revenues.....	85,000,000
Total other state restricted revenues.....	17,000,000

GRANTS

Water pollution control revolving fund	102,000,000
GROSS APPROPRIATION.....	\$ 102,000,000
Federal revenues.....	85,000,000
Revolving loan revenue bonds	17,000,000
State general fund/general purpose	\$ 0

GENERAL SECTIONS

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this appropriation act is \$259,751,600.00 and state appropriations to be paid to local units of government in section 101 are as follows:

DEPARTMENT OF ENVIRONMENTAL QUALITY

GRANTS

Grants to counties—air pollution	\$	2,854,900
Septage waste compliance program		200,000
Scrap tire grants		500,000
TOTAL	\$	<u>3,554,900</u>

(2) When it appears to the principal executive officer of each department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. The appropriations made and the expenditures authorized under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 203. As used in this act:

- (a) "CESARS" means chemical evaluation search and retrieval system.
- (b) "Department" means the department of environmental quality.
- (c) "DOC-federal" means the United States department of commerce.
- (d) "DOE-federal" means the United States department of energy.
- (e) "EPA-federal" means the United States environmental protection agency.
- (f) "FEMA-federal" means the federal emergency management agency.
- (g) "PCB" means polychlorinated biphenyl.

Sec. 204. (1) Beginning October 1, 1996, there shall be a hiring freeze imposed on the state classified civil service. State departments and agencies shall be prohibited from hiring any new full-time state classified civil service employees or prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that such a hiring freeze will result in rendering a state department or agency unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exclusions to the hiring freeze approved during the previous month and the reasons to justify the exclusion.

Sec. 205. The department of civil service shall bill the department at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 206. (1) From funds appropriated under section 101, the department shall prepare a report that lists all of the following regarding grant or loan or grant and loan programs administered by the department for the fiscal year ending on September 30, 1997:

- (a) The name of each program.
- (b) The goals of the program, the criteria, eligibility, process, filing fees, nominating procedures, and deadlines for each program.
- (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
- (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
- (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
- (f) The source of funds for each program, including the citation of pertinent authorizing acts.
- (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
- (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan.

(2) The reports required under this section shall be submitted to the senate and house of representatives appropriations subcommittees by January 1, 1998.

Sec. 207. The department shall establish and use a cost accounting process that allocates intra-departmental charges among divisions. This process shall be acceptable to both the department of management and budget and the legislative auditor general. The department shall provide an annual report to the senate and house appropriations subcommittees on natural resources and environmental quality, and the senate and house fiscal agencies, on the amount and type of charges for intra-departmental services including detailed fund sources that comprise the restricted fund deducts contained in section 101.

Sec. 208. A branch of government, a principal executive department, or a state agency that is appropriated funds in section 101 shall not use any of the funds for the purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available.

Sec. 209. (1) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

(2) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$4,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

(3) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$112,900.00 for local and private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

Sec. 210. The director shall take all reasonable steps to ensure that businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department. The director shall strongly encourage firms with which the department contracts to subcontract with businesses certified by the department of civil rights in depressed and deprived communities for services or supplies, or both.

Sec. 211. The department shall not implement an affirmative action plan unless it has been submitted to the Michigan civil rights commission for approval in accordance with section 210 of the Elliott-Larsen civil rights act, Act No. 453 of the Public Acts of 1976, being section 37.2210 of the Michigan Compiled Laws, and the Michigan civil rights commission has approved the plan.

Sec. 212. The department of environmental quality may enter into consent agreements to resolve environmental contamination and natural resource damage conflicts. The department shall not agree to any consent agreement which does not recognize and address the interests of all harmed parties, or which does not seek to redress on-site or specific environmental damage. A voluntary mediation process designed to protect the interests of all involved parties shall be pursued, whenever possible.

Sec. 213. (1) If the director of the department of management and budget determines that the federal government has failed to enact comprehensive reforms in the federal cash welfare and medicaid programs by October 1, 1996, and notifies the senate and house appropriations committees of that determination, the line-item appropriations contained in section 101 of this appropriation act are adjusted by the amounts listed in subsection (5). A contingency fund account is created in an amount equal to these adjustments.

(2) Effective October 1, 1996, the director of the department of management and budget may adjust the annual allotments and payment schedules of the line-item appropriations in section 101 in accordance with the items listed in subsection (5).

(3) Contingency fund transfers are authorized in an amount necessary to reverse these adjustments. These transfers shall conform with the provisions of section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws. Transfers may restore all or part of the adjustments listed in subsection (5).

(4) If any of the appropriation adjustments listed in subsection (5) have not been reversed through contingency fund transfers by April 1, 1997, the directors of the department of management and budget, the house fiscal agency, and the senate fiscal agency shall jointly determine the extent of the remaining fiscal imbalance that results from failure to achieve federal medicaid and cash welfare reform. All remaining appropriation adjustments, not previously reversed by contingency fund transfers, shall be made on the same proportionate basis.

(5) The line-item appropriations contained in section 101 of this act are adjusted by the following amount:

Water pollution control revolving fund	(7,500,000)
Environmental cleanup program	(10,000,000)

Sec. 214. (1) A joint legislative work group on program performance assessment for the department of environmental quality is established. This work group shall consist of representatives of the house and senate standing committees and the house and senate appropriations subcommittees on natural resources and environmental quality. Members of this work group shall be appointed on a bipartisan basis by the speaker of the house and the majority leader of the senate. Assistance and staff support to the work group may be provided by the house and senate fiscal agencies. The work group shall issue a report on February 1, 1997 to the members of the Michigan house of representatives and the Michigan state senate addressing basic program assessment requirements. These recommendations should include suggested measures of need and demand, work load, and outcomes for each program.

(2) The department of environmental quality shall prepare annual performance objectives. Program performance objectives shall be provided to the work group on program performance assessment on November 1, 1996. The work group shall review these program performance objectives and any associated outcomes and make recommendations in the report issued on February 1, 1997 to the members of the Michigan house of representatives and the Michigan state senate.

EXECUTIVE

Sec. 301. Of the total funds appropriated in section 101 for the office of groundwater planning and special services, the department shall assign 1.0 FTE position and \$103,500.00 from water use reporting fees or state general fund/general purpose to continue implementation of Act Nos. 326 and 327 of the Public Acts of 1990. The department will report to the house and senate appropriations subcommittees on natural resources and environmental quality by September 30, 1997, regarding the progress in implementation of these acts.

ADMINISTRATIVE SERVICES

Sec. 401. The department shall provide the senate and house appropriations subcommittees on natural resources and environmental quality and the senate and house fiscal agencies with a March 31, 1997 and year-end report on the Michigan underground storage tank financial assurance fund. The March 31, 1997 report shall include the fund balance, estimate of available revenues, number and dollar value of claims processed through September 30, 1996, and total estimated claims liability through December 22, 1998. The year-end report shall be provided within 30 days of the end of the fiscal year and include fund balance, estimate of available revenues, number and dollar value of claims processed for the fiscal year 1996-97 and total estimated claims liability through December 22, 1998.

Sec. 402. The amount in section 101 for management information systems enhancement shall be used for the procurement of technologies that improve the department's management of the state's environmental quality. These technologies shall include, but not be limited to, digital imaging technology, geographical information systems, electronic networking, and other telecommunication enhancements capable of supporting ecosystem management practices and improving citizen access to the department information and personnel.

DEPARTMENTAL OPERATIONAL SUPPORT

Sec. 501. The department shall report on February 1, 1997 to the senate and house of representatives appropriations committees and to the senate and house fiscal agencies. The report shall include both of the following:

(a) The amount of contributions, gifts, bequests, grants, and donations received by the department for the fiscal year ending September 30, 1996.

(b) A listing of the expenditures made from the amounts received as reported in subdivision (a).

GEOLOGICAL SURVEY

Sec. 601. From the amounts appropriated in section 101 for mineral wells management and hazardous waste permits, \$65,000.00 and 1.0 full-time equated position is specifically allocated for the review of deep well injection permits. These funds shall be dedicated when permit applications are received by the department.

Sec. 602. The total appropriation in section 101 from oil and gas privilege fee revenue for FY 1996-97 is \$6,108,700.00 in the geological survey division. If total estimated revenue for FY 1996-97 is expected to be less than the total appropriation, programs shall be reduced on an equal basis throughout the division.

Sec. 603. From the funds appropriated in section 101 for services to oil and gas programs, \$20,000.00 shall be granted to the department of agriculture weights and measures program.

LAND AND WATER MANAGEMENT

Sec. 701. It is the intent of the legislature that ongoing program activities of the land and water management division, except for the accelerated land and water permit process, not receive land water management and permit fee revenue to address potential funding shortfalls in those programs.

AIR QUALITY

Sec. 801. From the funds appropriated in section 101, the department shall report on the status of implementation planning and permit backlog reduction activities under part 55 (air pollution control) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being sections 324.5501 to 324.5542 of the Michigan Compiled Laws, including status of revenue collections, on a quarterly basis. The report shall be provided to the house and senate appropriations subcommittees on natural resources and environmental quality, the house and senate standing committees of the legislature that are responsible for issues pertaining to air quality, and the governor.

SURFACE WATER QUALITY

Sec. 901. The appropriation in section 101 for the surface water permits program includes \$1,500,000.00 to reduce the backlog of discharge permits. The department shall prioritize its use of funds to ensure the elimination of the backlog of those permits that result in discharges into surface waters where public health problems have arisen and recreational use of the surface water curtailed. This backlog shall be eliminated within 3 fiscal years.

Sec. 902. From the funds appropriated in section 101, the department shall by January 1, 1997 prepare and report to the senate and house appropriations committees on a comprehensive water quality monitoring program that responds to the report of the auditor general dated March 8, 1995 relative to testing of surface waters. The comprehensive water quality monitoring program report shall specify the level of funding necessary to provide a monitoring program adequate to measure the overall water quality and trends in water quality of Michigan's water resources, and shall specify how the department proposes to cooperate with local units of government, other state agencies, nonprofit organizations, and citizens volunteer monitoring programs to assure the most cost-effective and statistically valid method of measuring water quality in the state.

ENVIRONMENTAL RESPONSE

Sec. 1001. (1) From the appropriation in section 101 for the cleanup program under part 201 (environmental remediation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being sections 324.20101 to 324.20142 of the Michigan Compiled Laws, the department shall continue to make authorizations for site evaluation, interim response activity, final response activity, and contingencies for all environmental contamination sites and for the administration of the program created by part 201 of Act No. 451 of the Public Acts of 1994.

(2) The department shall report all of the following information relative to allocations made in section 101 to the senate and house appropriations committees and the senate and house fiscal agencies:

- (a) The name and location of the site for which an allocation is made.
- (b) The nature of the problem encountered at the site.
- (c) The estimated time necessary to prepare plans or complete any necessary study if the allocation is for plans or a study.
- (d) A brief description of how the problem will be resolved if the allocation is made for a response activity.

- (e) The estimated time to complete the response activity if the allocation is for a response activity.
 - (f) The amount of the allocation.
 - (g) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.
- (3) The report prepared under subsection (2) shall also include the status of all state owned facilities that are on the list compiled under part 201 of Act No. 451 of the Public Acts of 1994.
- (4) The report prepared under subsection (2) shall be made available in January of each year.

Sec. 1002. The unexpended portion of the appropriation in section 101 for the state cleanup program and superfund cleanup projects is considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451(3) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1451 of the Michigan Compiled Laws:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in each line-item appropriation.
- (d) The tentative completion date is September 30, 1998.

Sec. 1003. (1) The department shall report all of the following information relative to site specific cooperative agreements made from the line "superfund cleanup" to the senate and house appropriations committees and the senate and house fiscal agencies:

- (a) The name and location of the site for which the site specific cooperative agreement is made.
 - (b) The nature of the problem encountered at the site.
 - (c) The estimated time to prepare plans or complete any necessary study if the allocation is for plans or a study.
 - (d) A brief description of how the problem will be resolved if the allocation is made for a remedy.
 - (e) The estimated time to complete the remedy of the problem if the allocation is for a remedy.
 - (f) The amount of the anticipated financing for the site.
 - (g) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.
- (2) The report shall be made available in January of each year.

Sec. 1004. Of the funds appropriated in section 101 as state match for the superfund cleanup program, an amount not to exceed \$250,000.00 shall be expended as state match for the hazardous substance research center.

Sec. 1005. (1) Using the report entitled "a blueprint for a state/local collaboration for pollution prevention", the department will develop, in conjunction with local health departments, cooperative programs, and activities to prevent pollution and improve customer service. The department shall prepare program and application guidelines no later than February 1, 1997.

(2) The program shall be funded from an amount not less than 1% and no more than 2.5% of state funds appropriated for the environmental cleanup program. Grants made to local units of government shall require that local funds be used to provide 25% of the total cost of approved programs.

(3) The department shall prepare a report summarizing the applications submitted, contractual commitments and grants approved, and a preliminary evaluation of the effectiveness of the program no later than September 30, 1997, and shall provide a copy to the chairs of the house and senate appropriations subcommittees on natural resources and environmental quality.

UNDERGROUND STORAGE TANKS

Sec. 1101. (1) The funds appropriated in section 101 from the Michigan underground storage tank financial assurance fund for the purpose of carrying out the duties and responsibilities as specified in part 215 (underground storage tank financial assurance) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being sections 324.21501 to 324.21551 of the Michigan Compiled Laws, are considered work project appropriations and any unencumbered funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451(3) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1451 of the Michigan Compiled Laws:

- (a) The purpose of the projects to be carried forward is to carry out the responsibilities of Act No. 518 of the Public Acts of 1988.

(b) The projects will be accomplished by contract and state employees.

(c) The total estimated cost is identified in a line-item appropriation.

(d) The tentative completion date is September 30, 1998.

(2) The Michigan underground storage tank financial assurance policy board shall allocate the amount of the underground storage tank financial assurance fund to be distributed to the department. If the amount recommended by the board is less than that appropriated in section 101, expenditures shall be adjusted accordingly.

(3) Included in the amounts appropriated in section 101 from the Michigan underground storage tank financial assurance fund are amounts sufficient to pay debt service costs on the bonds or notes issued pursuant to part 215 of Act No. 451 of the Public Acts of 1994.

WASTE MANAGEMENT

Sec. 1201. Of the funds carried forward from prior fiscal years for the resource recovery program, a minimum of \$100,000.00 shall be used to implement part 167 (used oil recycling) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being sections 324.16701 to 324.16705 of the Michigan Compiled Laws, as it pertains to preparation of plans and demonstrations regarding used oil recycling and development of a statewide used-oil collection system. State facilities with motor transport functions shall be required to collect used oil for recycling purposes by January 1, 1997. The department shall report to the chairpersons of the senate and house subcommittees on natural resources and environmental quality on the progress of implementation of this part by April 1997.

GRANTS

Sec. 1301. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 (septage waste services) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being sections 324.11701 to 324.11719 of the Michigan Compiled Laws, then the department may spend funds appropriated in section 101 under the septage waste compliance program in accordance with section 11716 of Act No. 451 of the Public Acts of 1994, being section 324.11716 of the Michigan Compiled Laws.

Sec. 1302. If House Bill No. 4784 is not enacted into law, then requirements in excess of an administratively and technically complete application necessary to achieve certification under section 401 of the federal clean water act, which are required or requested by the department of environmental quality, shall be funded from existing department funds in the surface water quality division.

Sec. 1303. The appropriations in section 101 and section 102 for environmental protection bond water pollution control revolving fund shall not be encumbered or expended until the department has reported to the house and senate appropriations subcommittees on natural resources and environmental quality those projects that have been approved for expenditure under this program.

Sec. 1304. Loans provided by the water pollution control revolving fund pursuant to the appropriation in section 101 and section 102 are to be repaid on schedule and penalties shall be assigned for delinquent repayment as provided in part 53 (clean water assistance) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being sections 324.5301 to 324.5316 of the Michigan Compiled Laws.

Sec. 1305. From funds appropriated in section 101, the department shall make available training programs to help businesses correct unpermitted groundwater discharges. The department shall report on September 30, 1997 to the house and senate appropriations committees on the number of programs offered and the users of the programs.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.