



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1086 (as introduced)

Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation	\$455,196,000
Changes from FY 2005-06 Year-to-Date:	
1. State Revolving Fund. Federal funding for the Water Pollution Control Revolving Loan Fund is reduced by \$5.0 million to reflect an anticipated reduction in grant level. The required State match is subsequently reduced by \$1,073,600 GF/GP.	(6,073,600)
2. Manufactured Housing Fees. This program is administered jointly with the Department of Labor and Economic Growth (DLEG). Insufficient funds are available in the fee fund to support the DEQ activities and the Governor recommends elimination of the fund source in the budget. All activities will be performed by DLEG.	(633,300)
3. Cleanup Fund Shifts. The Governor recommends a number of fund shifts to address revenue shortfalls in various cleanup funds. Appropriations previously supported by the Cleanup and Redevelopment Fund would be shifted to the General Fund (\$2.0 million) and the Environmental Protection Fund (\$1.0 million). Clean Michigan Initiative administrative funding would be reduced and replaced with the Refined Petroleum Fund (\$1.9 million) made available by reducing the funds available for refined petroleum-related cleanup sites.	(1,900,000)
4. Land and Water Fund Shift. In addition to supporting cleanup administration, the Governor recommends additional appropriations from the Environmental Protection Fund to replace funding from land and water permit fees for which revenue is anticipated to fall short of program needs. The total fund shift is for \$1,613,800.	0
5. Department of Transportation (MDOT) Funding. The Governor recommends an increase in the interdepartmental grant from the MDOT to support field permitting and project assistance.	27,200
6. FTE Reductions. To decrease GF/GP appropriations, funding and FTEs (0.5 FTEs from Air Quality and 4.0 FTEs from Surface Water) are reduced by the Governor.	(425,600)
7. Human Resource Changes. Savings related to the HR optimization process are proposed, including the reduction of 1.0 FTEs.	(35,500)
8. Remove One-time Items. The Governor recommends the removal of one-time appropriations enacted in FY 2005-06, including the Refined Petroleum Fund program, the household hazardous waste collection program, and a grant for real-time water quality monitoring.	(80,350,000)
9. Economic Adjustments. The budget includes economic adjustments for worker's compensation, building occupancy charges, salaries and fringe benefits, and information technology.	5,777,800
10. Other Changes. The budget makes other adjustments to reflect actual revenue anticipated and other budget reductions.	(1,354,500)
Total Changes.....	(\$84,967,500)
FY 2006-07 Governor's Recommendation.....	\$370,228,500

Changes from FY 2005-06 Year to Date:

1. **Sections Removed.** The Governor recommends the removal of language sections addressing the retention of reports, public meetings on water diversion, the MI Youth Conservation Council, areas of concern, a prohibition on disciplinary action, fine and penalty collections, a waiver of certain permit fees, a project list for Refined Petroleum Fund sites, a requirement for bioavailability studies for cleanup sites, notification of petroleum-related orders, Romulus deep injection well, safe drinking water technical assistance, notification of groundwater use, inspections of solid waste, scrap tire suppression, and a real-time water quality monitoring project.
2. **Reports Removed.** The Governor recommends the removal of reports addressing restricted funds, grant and loan programs, air quality programs, the Great Lakes Water Quality bond, and the NPDES Fund.
3. **Deprived and Depressed.** The recommendation adds language directing the Department to ensure businesses in deprived and depressed areas compete for contracts. (Sec. 208)
4. **Contingency Funds.** The Governor includes a section authorizing contingency fund appropriations of \$30.0 million Federal, \$5.0 million State restricted, \$100,000 local, and \$100,000 private funds. (Sec. 212)
5. **Report on Cleanup Programs.** The Governor recommends including the new Refined Petroleum Fund cleanup program in the report. (Sec. 213)
6. **Carryforward of Cleanup Appropriations.** The budget adds language allowing funding from the Refined Petroleum Fund cleanup program to carryforward and be used for sites listed in the bill or other legislatively-authorized sites. (Sec. 214)
7. **Settlement Funds Carryforward.** The Governor recommends a new section that would carryforward up to \$2.5 million in the Settlement Funds account to the succeeding fiscal year. (Sec. 215)
8. **Work Project Authorization.** The recommendation adds the Refined Petroleum Fund Cleanup program to the work project authorization for cleanup sites. (Sec. 701)

Date Completed: 2-15-06

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