



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



# BILL ANALYSIS

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FY 2005-06 Year-to-Date Gross Appropriation .....	\$456,673,800
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## Changes from FY 2005-06 Year-to-Date:

### Items Included by the Senate and House

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| 1. <b>State Revolving Fund.</b> 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. <b>Manufactured Housing Fees.</b> 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 budget eliminated the fund source. All activities will be performed by DLEG.  | (633,300)   |
| 3. <b>Land and Water Fund Shift.</b> In addition to supporting cleanup administration, the Governor recommended 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. The Conference Committee concurred. | 0           |
| 4. <b>Department of Transportation (MDOT) Funding.</b> The budget increased the interdepartmental grant from the MDOT to support field permitting and project assistance and matches the MDOT budget.   | 27,200      |
| 5. <b>FTE Reductions.</b> To decrease GF/GP appropriations, funding and FTEs (0.5 FTEs from Air Quality and 4.0 FTEs from Surface Water) are reduced.   | (425,600)   |
| 6. <b>Human Resource Changes.</b> Savings related to the HR optimization process are included, with a reduction of 1.0 FTE.   | (35,500)    |
| 7. <b>Economic Adjustments.</b> The budget included economic adjustments for worker's compensation, building occupancy charges, salaries and fringe benefits, and information technology.   | 5,777,800   |
| 8. <b>Other Changes.</b> The budget made other adjustments to reflect actual revenue anticipated and other budget reductions.   | (1,354,500) |

### Conference Agreement on Items of Difference

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| 9. <b>Cleanup Fund Shifts.</b> The Conference Committee included 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 of \$1.9 million would be reduced and replaced with revenue from the Environmental Protection Fund. | 0         |
| 10. <b>Groundwater Withdrawal.</b> The Conference Committee included restricted funds and \$500,000 GF/GP for administrative costs of a new groundwater withdrawal permit program.  | 605,000   |
| 11. <b>Special Projects.</b> The Conference Committee included restricted funds for an environmental ombudsman, Little Black Creek, St. Louis Wells, St. Clair Shores Canals, real-time water quality monitoring, and household hazardous waste.  | 1,110,000 |

***The Governor vetoed \$435,000 for an environmental ombudsman, cleanup at Little Black Creek, and a project in Muskegon County.***

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| 12. <b>Other Changes.</b> The Conference Committee removed one-time appropriations enacted in FY 2005-06, and included funding for environmental cleanup sites and SWQIF loans. | (11,926,800) |
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***The Governor vetoed \$50,000 for a benchmarking study.***

Total Changes.....	(\$12,929,300)
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FY 2006-07 Enacted Gross Appropriation.....	\$443,744,500
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**Changes from FY 2005-06 Year to Date:**Items Included by the Senate and House

1. **Sections Removed.** The budget removed language sections addressing a project list for Refined Petroleum Fund sites, notification of groundwater use, and inspections of solid waste.
2. **Sections Retained.** The budget retained 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 requirement for bioavailability studies for cleanup sites, notification of petroleum-related orders, Romulus deep injection well, safe drinking water technical assistance, scrap tire suppression, and real-time water quality monitoring. (Secs. 207, 210, 213, 218, 219, 220, 601, 702, 801, 803, 902, 1102, and 1103)
3. **Reports Retained.** The budget retained reporting requirements for restricted funds, grant and loan programs, air quality programs, the Great Lakes Water Quality bond, and the NPDES Fund. (Secs. 208, 209, 401, 501, and 901)
4. **Contingency Funds.** The budget did not include language recommended by the Governor authorizing contingency fund appropriations of \$30.0 million Federal, \$5.0 million State restricted, \$100,000 local, and \$100,000 private funds.
5. **Report on Cleanup Programs.** The budget recommended including the new Refined Petroleum Fund cleanup program in the report. The Conference Committee concurred. (Sec. 211)
6. **Carryforward of Cleanup Appropriations.** The budget added 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. 212)
7. **Settlement Funds Carryforward.** The budget included a new section that would carryforward up to \$2.5 million in the Settlement Funds account to the succeeding fiscal year. (Sec. 221)
8. **Deprived and Depressed.** The Conference Committee included language directing the Department to ensure businesses in deprived and depressed areas and in Baldwin compete for contracts. (Sec. 225)
9. **Work Project Authorization.** The budget added the Refined Petroleum Fund Cleanup program to the work project authorization for cleanup sites. (Sec. 701)
10. **Site Review Board.** The budget added intent language that the recommendations of the Hazardous Waste Site Review Board be final approval for the site construction permit applications. (Sec. 802)

Conference Agreement on Items of Difference

11. **Benchmarking Report.** The budget added language for the DEQ to establish an ongoing effort to benchmark its permitting, enforcement, and compliance efforts. An annual report on the results was created. (Sec. 222)

***Vetoed by the Governor.***

12. **Renewal of Joint Agreement.** States the intent of the Legislature that the joint agreement with the US EPA on regulatory innovation be renewed in substantially similar form as the initial agreement, including tenets to help farms and farm operations voluntarily prevent agricultural pollution risks. (Sec. 223)
13. **Restricted Funds.** Required a cost allocation plan and report on restricted funds used for administrative expenses. (Sec. 226)
14. **Oil and Alternative Fuels.** Required a report on permits needed to construct and operate an oil refinery. (Sec. 227)
15. **NPDES Farm Permits.** Prohibited the Department from enforcing permits for farms that have no discharge. (Sec. 229)
16. **Permit Compliance Guides.** The Conference Committee directed the DEQ to publish permit compliance guides for certain types of manufacturers to assist small business with rule compliance. (Sec. 503)
17. **Beach Grooming.** Required a report on beach grooming practices. (Sec. 602)
18. **St Louis Water Supply Wells.** Designated funding to find an alternative water supply for the city. (Sec. 703)
19. **Cleanup Sites.** Included a site listing for cleanup funding provided in Part 1. (Sec. 705)
20. **Muskegon County.** Designated funding for the development of a wetlands along Little Black Creek. (Sec. 1104)

***Vetoed by the Governor.***

Date Completed: 8-23-06

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