

DEPARTMENT OF ENVIRONMENTAL QUALITY: FY 2011-12

Summary: Conference Report

Senate Bill 176 (S-1) CR-1



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	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-2011 YTD	
						Amount	%
IDG/IDT	\$8,691,800	8,918,200	9,043,200	9,043,200	9,043,200	\$351,400	4.0
Federal	182,901,700	159,851,500	159,701,500	159,701,500	159,701,500	(23,200,200)	(12.7)
Local	0	0	0	0	0	0	--
Private	684,700	711,800	711,800	711,800	711,800	27,100	4.0
Restricted	178,065,000	223,678,900	214,759,300	221,711,700	223,571,900	45,506,900	25.6
GF/GP	25,322,500	21,491,600	21,491,600	21,135,900	21,491,600	(3,830,900)	(15.1)
Gross	\$395,665,700	\$414,652,000	\$405,707,400	\$412,304,100	\$414,520,000	\$18,854,300	4.8
FTEs	1,483.1	1,456.1	1,349.5	1,450.1	1,340.5	(142.6)	(9.6)

Notes:

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

(2) House-passed appropriation amounts are based on the Environmental Quality article contained in House Bill 4326.

(3) Figures do not reflect \$6.0 million GF/GP in one-time boilerplate appropriations contained in Sec. 1001 of conference report.

Overview

The Department of Environmental Quality (DEQ) supports environmental protection, conservation, and cleanup and redevelopment programs and regulatory efforts established to protect, restore, and reuse Michigan's air, water, and land resources.

Major Budget Changes From FY 2010-11 YTD Appropriations

		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. Office of Pollution Prevention and Compliance Assistance (OPPCA)	FTE	N/A	(9.0)
Executive, Senate, House, and Conference decrease funding by \$1.2 million Gross and GF/GP and eliminate 9.0 FTEs for the OPPCA program which provides environmental regulation assistance and education to businesses and the public.	Gross	N/A	(\$1,200,000)
	GF/GP	N/A	(\$1,200,000)
2. GF/GP Reductions	FTE	N/A	(11.0)
Executive, Senate, and Conference reduce funding by \$1.5 million Gross and \$1.7 million GF/GP and eliminate 11.0 FTEs in various programs such as Air Quality, Environmental Investigations, Critical Dunes, and Groundwater Discharge, among others; savings realized from program elimination, reductions, and administrative cost savings. Includes \$400,000 fund source shift for Critical Dunes Program from GF/GP to Environmental Protection Fund. House includes these GF/GP reductions and reduces GF/GP funding by an additional \$355,700 in various line items.	Gross	N/A	(\$1,536,500)
	Federal	N/A	(76,700)
	Restricted	N/A	202,200
	GF/GP	N/A	(\$1,662,000)
3. Unclassified Positions Increase	FTE	N/A	0.0
Senate and Conference transfer \$214,500 restricted funding from Executive Direction line item to Unclassified line item, eliminates 3.0 classified FTE positions and increases unclassified positions by 3.0.	Gross	N/A	\$0
	GF/GP	N/A	\$0
4. FTE Reduction	FTE	N/A	(115.6)
Senate eliminates 100.6 classified FTEs from the number in the Executive Recommendation. Conference eliminates an additional 15.0 FTEs for a total reduction of 115.6 positions.	Gross	N/A	\$0
	GF/GP	N/A	\$0
5. High Risk Erosion	Gross	N/A	\$18,000
Senate, House, and Conference include additional \$18,000 Gross funding for the High Risk Erosion program; funding helps retain current federal funding in DEQ budget.	Restricted	N/A	18,000

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
6. Early Retirement Savings	Gross	N/A	(\$738,100)
<u>Executive, Senate, House, and Conference</u> include \$738,100 Gross and GF/GP savings realized from the FY 2010-11 early retirement incentive program.	GF/GP	N/A	(\$738,100)
7. Accounting Consolidation	FTE	13.0	(13.0)
<u>Executive, Senate, House, and Conference</u> transfer 13.0 FTEs to the Department of Transportation to consolidate accounting staff from various departments. The \$1.2 million Gross and \$162,800 GF/GP funding associated with the FTEs will remain in the DEQ budget to fund an Accounting Service Center.	Gross	\$1,224,700	\$0
	IDG	127,200	0
	Restricted	934,700	0
	GF/GP	\$162,800	\$0
8. Restricted Funds Authorization Reduction	Gross	N/A	(\$6,413,200)
<u>Executive, Senate, House, and Conference</u> reduce authorization for 17 restricted funds by \$6.4 million to align with anticipated revenues. Funds include Air Emission Fees, Great Lakes Protection Fund, NPDES fees, and Solid Waste Management Fund Staff Account, among others.	Restricted	N/A	(6,413,200)
9. Great Lakes Restoration Initiative (GLRI) Reduction	Gross	\$50,000,000	(\$25,000,000)
<u>Executive, Senate, House, and Conference</u> reduce authorization for GLRI federal competitive grant by \$25.0 million to align with anticipated awards.	Federal	50,000,000	(25,000,000)
10. Nonmetallic Mine Reclamation Program Elimination	Gross	\$23,800	(\$23,800)
<u>Executive, Senate, House, and Conference</u> eliminate Nonmetallic Mining Reclamation Program within the Office of Geologic Survey and the \$23,800 restricted funding associated with the program.	Restricted	23,800	(23,800)
11. Geologic Mapping and Information Program Elimination	Gross	N/A	(\$358,000)
<u>Executive, Senate, House, and Conference</u> eliminate program funding of \$208,000; recommends that the mapping and evaluation duties of program and the federal funding be reassigned to the Geosciences Department of WMU.	Federal	N/A	(210,500)
	Restricted		(147,500)
12. Air Quality Program - Renewable Operating Permits	Gross	N/A	\$840,000
<u>Executive, Senate, House, and Conference</u> include \$840,000 additional restricted funding authorization to be realized through an increase in fees by a formula change to current fee structure in the Air Quality Program; increase expected to generate sufficient funding to adequately implement the program under the Clean Air Act.	Restricted	N/A	840,000
13. Strategic Water Quality Initiative Funds - Nonpoint Source Contamination Cleanups	Gross	N/A	\$30,000,000
<u>Executive, Senate, House, and Conference</u> include \$30.0 million additional restricted funding to implement PA 232 of 2010 and appropriate funds for cleanups; authorized bonding would generate an estimated \$900,000 in annual General Obligation debt service for the State.	Restricted	N/A	30,000,000
14. Solid Waste Surcharge Fee Proposal	Gross	N/A	\$0
<u>Executive, Senate, House, and Conference</u> include funding that anticipates an increase in the solid waste surcharge fee from 7 cents per cubic yard to 12 cents. Because revenues have been declining, no additional funding authorization is needed.	Restricted	N/A	0
15. Wastewater Operator Certification Fees	Gross	N/A	\$156,000
<u>Executive, Senate, House, and Conference</u> increase restricted fund authorization by \$356,000 for new increased fee structure for wastewater operator certification exams and renewals; includes a \$200,000 GF/GP reduction.	Restricted	N/A	356,000
	GF/GP	N/A	(\$200,000)
16. Coastal and Inland Waters Permit Program Information System Replacement	Gross	N/A	\$3,200,000
<u>Executive, Senate, House, and Conference</u> include \$3.2 million available land and water permit fee revenue to replace obsolete software needed for the program.	Restricted	N/A	3,200,000
17. State-Owned Sites Cleanup Program	Gross	N/A	\$4,400,000
<u>Executive, Senate, House, and Conference</u> appropriate \$4.4 million in remaining funding from the State Sites Cleanup Fund to address the cleanup of high risk sites where the State is responsible for the contamination.	Restricted	N/A	4,400,000
18. Environmental Pollution Prevention Fund (EPPF) - Fund Source Shift	Gross	N/A	\$0
<u>Executive, Senate, House, and Conference</u> increase restricted funding from EPPF for Hazardous Waste Management Program by \$738,000 and reduces GF/GP funding by same amount.	Restricted	N/A	738,000
	GF/GP	N/A	(\$738,000)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
19. Oil and Gas Regulatory Fund - Fund Source Shift		Gross	N/A
<u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> include a technical change that reduces restricted funding from the Oil and Gas Regulatory Fund for Oil, Gas and Mineral Services Program by \$150,000 and increases federal funding by same amount.		Federal	N/A
		Restricted	N/A
			\$0
			150,000
			(150,000)
20. IDG / Restricted Fund Source Shift		Gross	N/A
<u>Senate</u> , <u>House</u> , and <u>Conference</u> include a technical change that reduces restricted funding from the Public Utility Assessment by \$125,000 and increases the Michigan State Police IDG by same amount for radiation protection programs.		IDG	N/A
		Restricted	N/A
			\$0
			125,000
			(125,000)
21. Brownfield Grants and Environmental Bond Site Reclamation Program Grants		Gross	N/A
<u>Revised Executive</u> , <u>House</u> , and <u>Conference</u> include \$6,952,500 additional restricted funding for grant programs to local units of government and brownfield redevelopment authorities for cleanup projects.		Restricted	N/A
			\$6,952,500
			6,952,500
22. Bureau of Energy Systems		FTEs	N/A
<u>Revised Executive</u> and <u>Conference</u> include \$1,860,200 restricted funding and 6.0 additional FTE positions for the transfer of the Bureau of Energy Systems from DELEG.		Gross	N/A
		Restricted	N/A
			6.0
			\$1,860,200
			1,860,200
23. Economics		Gross	N/A
<u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> increase funding in FY 2011-12 by \$6.7 million Gross and \$707,200 GF/GP for economic increases in retirement costs and Worker's Compensation costs. Total includes \$137,600 Gross and \$7,100 GF/GP for DIT economics.		IDG	N/A
		Federal	N/A
		Private	N/A
		Restricted	N/A
		GF/GP	N/A
			\$6,697,200
			226,400
			1,937,000
			27,100
			3,799,500
			\$707,200

Major Boilerplate Changes From FY 2010-11

Sec. 204. Civil Service Charges – RETAINED

Requires Civil Service to charge state departments 1% of salary payments. Executive and Senate delete language; House and Conference retain language.

Sec. 206. IT Work Projects – NEW

Allows IT projects to be designated as work projects and appropriations to be carried forward. House and Conference include new language.

Sec. 207. Retention of Reports – NEW

Requires DEQ to retain copies of all reports funded from appropriations. House and Conference include new language.

Sec. 208. DIT User Fees – RETAINED

Directs DEQ to pay user fees to DTMB for technology services and projects. Executive and Senate delete language; House and Conference retain language.

Sec. 209. Out-of-State Travel Restrictions – DELETED

Limits purpose/amount of out-of-state travel; requires annual report on January 1 for prior fiscal year. Executive, Senate, and Conference delete language; House retains and includes new language to allow state budget director to grant travel exceptions.

Sec. 210. Purchase of Foreign Goods and Services – RETAINED

Prohibits purchase of foreign goods and services if competitively priced and comparable American goods or services are available; requires preference for goods and services from Michigan businesses and businesses owned and operated by veterans. Executive deletes language; House, Senate, and Conference retain language.

Sec. 211. Businesses in Economically Deprived or Depressed Communities – RETAINED

Encourages vendor contracts in economically depressed communities. Executive deletes language; House, Senate, and Conference retain language.

Sec. 212. Disciplinary Action Against State Employees – RETAINED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House, Senate, and Conference retain language.

Sec. 213. Rule Promulgation – RETAINED

Requires report on policy changes made to implement a public act; Department is not allowed to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive and Senate delete language; House and Conference retain language.

Major Boilerplate Changes From FY 2010-11

Sec. 214. Legal Services – RETAINED

Prohibits hiring attorneys for legal services provided by the Attorney General. Executive deletes language; House, Senate, and Conference retain language.

Sec. 215. Contingency Fund Transfer Authority – REVISED

Provides authority for contingency fund transfers: up to \$30.0 million federal, \$5.0 million restricted, \$100,000 local, and \$500,000 private; transfers must be approved by the House and Senate appropriations committees. Executive, House, Senate, and Conference revise language to amounts listed.

Sec. 218. Pending Permits – DELETED

Any permit application pending after a 2-year period shall be considered administratively complete on January 1, 2011. Executive, Senate, and Conference delete language; House retains language.

Sec. 220. Hiring Freeze – NOT INCLUDED

Imposes hiring freeze on state classified civil service. House includes new language.

Sec. 221. Future Use of Refined Petroleum Fund (RPF) Revenues – DELETED

States legislative intent that after FY 2010-11, RPF revenues shall be used solely for leaking underground storage tanks. Senate includes language; Executive, House, and Conference delete language.

Sec. 221. GF/GP Lapse – NEW

Requires report by November 15 that provides estimates of GF/GP appropriation lapses at close of year. House and Conference include new language.

Sec. 222. Restricted Fund Revenue, Expenditures, Fund Balances, and FTE Information – RETAINED

Requires report of revenue, spending, and estimated year-end balance for each restricted fund appropriated; requires report on number and funding of FTE positions that are supported by each line item. Executive and Senate delete language; House and Conference retain language (Sec. 222 - Revenue Report; Sec. 223 - FTE Report).

Sec. 225. Out-of-State State Employee Training – DELETED

Prohibits out-of-state travel to attend a conference or seminar for more than one employee unless the travel is funded by a federal or private source, or conference includes multiple issues in which one employee does not have expertise. Executive, Senate, and Conference delete language; House retains language (Sec. 223).

Sec. 227. Permit Application Status Tracking Tool – NEW

Requires report on implementation of a permit application tracking tool on DEQ website. House and Conference include language.

Sec. 228. Customer Satisfaction Evaluation Program – NEW

Requires DEQ to develop a customer satisfaction evaluation program; requires report. House and Conference include new language.

Sec. 229. Expedited Permitting Program – NEW

Requires report identifying specific permit programs to use an expedited permitting option. House and Conference include language.

Sec. 233(1). FTE Report and Expenditure Report – RETAINED

Requires report on the number of FTEs in pay status by civil service classification. Executive and Senate delete language; House and Conference retain language (Renumbered Sec. 224).

Sec. 233(2). FTE Report and Expenditure Report – REVISED

Requires expenditures to be reported on a publicly accessible internet site, including the purpose for which the expenditures were made. Executive and Senate delete language; House retains language; Conference revises language to include specific expenditure information (Renumbered Sec. 225).

Sec. 234. Website Expenditure Posting Cost – RETAINED

Directs DEQ to spend less than \$10,000 to post expenditures on the website. Executive and Senate delete language; House and Conference retain language (Renumbered Sec. 226).

Sec. 307. Restricted Fund Transfer to Environmental Pollution Prevention Fund (EPPF) – NEW

Authorizes transfer of \$2.0 million from the Small Business Pollution Prevention Fund to the EPPF. Executive, Senate, House, and Conference include new language.

Sec. 308. Restricted Fund Transfer to Environmental Protection Fund (EPF) – NEW

Authorizes transfer of \$1.3 million from the Small Business Pollution Prevention Fund to the EPF. Executive, Senate, House, and Conference include new language.

Sec. 309. Brownfield Grants and Loans Program Work Project Language – NEW

Provides that Brownfield Grants and Loans Program funding are work project appropriations and allows carry-forward of any remaining funds; requires that all projects be accomplished by contract; tentative completion date is September 30, 2016. Revised Executive, House, and Conference include new language.

Major Boilerplate Changes From FY 2010-11

Sec. 310. Environmental Bond Site Reclamation Program Work Project Language – NEW

Provides that Environmental Bond Site Reclamation Program funding are work project appropriations and allows carry-forward of any remaining funds; requires that all projects be accomplished by contract; tentative completion date is September 30, 2016. Revised Executive, House, and Conference include new language.

Sec. 311. Tax Exemption Certificates – NEW

Provides that DEQ enter into an MOU with Treasury on tax exemption certificates concerning air pollution control equipment and water pollution equipment. Senate and Conference include new language.

Sec. 403. Aquatic Invasive Species – NEW

Requires DEQ to support funding for an Aquatic Invasive Species Council if one is formed; council is to develop a basin-wide approach to invasive species management. Senate and Conference include new language.

Sec. 405. Refined Petroleum Fund – RETAINED

States legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive and Senate delete language; House and Conference retain language (Renumbered Sec. 305).

Sec. 406. Operational Memoranda – DELETED

Prohibits expenditure of funds if using operational memoranda or similar documents to impose regulations on individuals or businesses conducting environmental cleanup projects without written consent. Executive, Senate, House, and Conference delete language.

Sec. 407. Solid Waste Management Fund – DELETED

Appropriates \$2.0 million from solid waste management fund perpetual care account to solid waste management fund staff account. Executive, Senate, House, and Conference delete language.

Sec. 408. Refined Petroleum Fund (RPF) Cleanup Site List – REVISED

Lists cleanup projects funded through the RPF Cleanup Program. Executive deletes; Senate, House, and Conference include revised list (Sec. 306).

Sec. 601. Solid Waste Program Report – NEW

Requires report on the Department's Solid Waste Management Program and policy. Report shall include options for long-term funding, and the impact of recycling, composting, and beneficial reuse, as well as the feasibility of contracting out landfill inspections. House and Conference include new language.

Sec. 651. Aquatic Nuisance Control (ANC) – REVISED

Requires \$100,000 be allocated to fund up to one additional FTE for ANC program; requires report. Executive and Senate delete language; House and Conference revise language for FY 2012 (Renumbered Sec. 401).

Sec. 652. Groundwater Dispute Resolution Process – RETAINED

Directs Department to fund an aquifer dispute resolution process if funds are available. Executive and House delete language; Senate, and Conference retain language (Renumbered Sec. 402).

Sec. 1001. Muskegon Cleanup Site: One-Time Appropriation – NEW

Appropriates \$6.0 million GF/GP for the Muskegon cleanup site as a one-time appropriation in FY 2011-12. Conference includes new language.

Sec. 1201. FY 2012-13 Anticipated Appropriations – NEW

States intent that FY 2012-13 line item appropriations will be the same as those for FY 2011-12 with certain economic adjustments. Senate and Conference include new language.