

DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary: As Reported by House Subcommittee
Fiscal Years 2011-12 and 2012-13; HB 4272 (H-1) Draft 2



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	FY 2010-11 Year-to-Date	FY 2011-12 House Subcommittee	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House Subcommittee	Difference: FY 2012-13 Vs. FY 2011-12	
	as of 2/17/11		Amount	%		Amount	%
IDG/IDT	\$8,691,800	8,918,200	226,400	2.6%	\$9,075,700	\$157,500	1.8
Federal	182,901,700	159,851,500	(23,050,200)	(12.6%)	161,200,300	1,348,800	0.8
Local	0	0	0	0.0%	0	0	0
Private	684,700	711,800	27,100	4.0%	731,000	19,200	2.7
Restricted	178,065,000	214,866,200	36,801,200	20.7%	217,494,100	2,627,900	1.2
GF/GP	25,322,500	21,135,900	(4,186,600)	(16.5%)	21,719,600	583,700	2.8
Gross	\$395,665,700	405,483,600	9,817,900	2.5%	410,220,700	\$4,737,100	1.2
FTEs	1,483.1	1,450.10	(33.0)	(2.2%)	1,450.1	0.0	0.0

Notes:

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. Year-to-Date numbers are estimates of DEQ's funding after being separated from DNRE by E.O. 2011-1.

(2) FY 2012-13 figures are projected or proposed budget amounts only and would not be legally-binding appropriations.

(3) Budget changes described below are based on the "Schedule of Program" sections included in the Executive Budget; amounts listed in those schedules are informational in nature and could be potentially adjusted administratively, without legislative approval, within the larger line items into which programs have been rolled up.

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.

			House Subcommittee Changes	
		FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
Major Budget Changes From FY 2010-11 YTD Appropriations				
1. Office of Pollution Prevention and Compliance Assistance (OPPCA) Executive and House decrease funding by \$1.2 million Gross and GF/GP and eliminates 9.0 FTEs for the OPPCA program which provides environmental regulation assistance and education to businesses and the public.	FTE	N/A	(9.0)	0.0
	Gross	N/A	(\$1,200,000)	\$0
	GF/GP	N/A	(\$1,200,000)	\$0
2. GF/GP Reductions Executive reduces funding by \$1.5 million Gross and \$1.7 million GF/GP and eliminates 11.0 FTEs in various programs such as Air Quality, Environmental Investigations, Critical Dunes, and Groundwater Discharge, among others; eliminates High Risk Erosion Program; 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.	FTE	N/A	(11.0)	0.0
	Gross	N/A	(\$1,892,200)	\$0
	Federal	N/A	(76,700)	0
	Restricted	N/A	202,200	0
	GF/GP	N/A	(\$2,017,700)	\$0
3. Early Retirement Savings Executive and House include \$738,100 Gross and GF/GP savings realized from the FY 2010-11 early retirement incentive program.	Gross	N/A	(\$738,100)	\$0
	GF/GP	N/A	(\$738,100)	\$0

		House Subcommittee Changes		
Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
4. Accounting Consolidation	FTE	13.0	(13.0)	0.0
Executive and House 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	\$0
	IDG	127,200	0	0
	Restricted	934,700	0	0
	GF/GP	\$162,800	\$0	\$0
5. Restricted Funds Authorization Reduction	Gross	N/A	(\$6,413,200)	\$0
Executive and House 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)	0
6. Great Lakes Restoration Initiative (GLRI) Reduction	Gross	\$50,000,000	(\$25,000,000)	\$0
Executive and House reduce authorization for GLRI federal competitive grant by \$25.0 million to align with anticipated awards.	Federal	50,000,000	(25,000,000)	0
7. Nonmetallic Mine Reclamation Program Elimination	Gross	\$23,800	(\$23,800)	\$0
Executive and House 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)	0
8. Geologic Mapping and Information Program Elimination	Gross	\$208,000	(\$208,000)	\$0
Executive and House 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	60,500	(60,500)	0
	Restricted	147,500	(147,500)	0
9. Air Quality Program - Renewable Operating Permits	Gross	N/A	\$840,000	\$0
Executive and House 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	0
10. Strategic Water Quality Initiative Funds - Nonpoint Source Contamination Cleanups	Gross	N/A	\$30,000,000	\$0
Executive and House 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	0
11. Solid Waste Surcharge Fee Proposal	Gross	N/A	\$0	\$0
Executive and House include funding that anticipate an increase in the solid waste surcharge fee from 7 cents per cubic yard to 12 cents in order to support the program. Because revenues have been declining, no additional funding authorization is needed.	Restricted	N/A	0	0
12. Wastewater Operator Certification Fees	Gross	N/A	\$156,000	\$0
Executive and House 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	0
	GF/GP	N/A	(\$200,000)	\$0
13. Coastal and Inland Waters Permit Program Information System Replacement	Gross	N/A	\$3,200,000	\$0
Executive and House 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	0
14. State-Owned Sites Cleanup Program	Gross	N/A	\$4,400,000	\$0
Executive and House 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	0

		House Subcommittee Changes		
Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
15. Environmental Pollution Prevention Fund (EPPF) - Fund Source Shift	Gross	N/A	\$0	\$0
Executive and House 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	0
	GF/GP	N/A	(\$738,000)	\$0
16. Oil and Gas Regulatory Fund - Fund Source Shift	Gross	N/A	\$0	\$0
Executive and House 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	150,000	0
	Restricted	N/A	(150,000)	0
17. Economics	Gross	N/A	\$6,697,200	\$4,737,100
Executive and House 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. For FY 2012-13, proposed funding for economics is increased by an additional \$4.7 million Gross and \$583,700 GF/GP.	IDG	N/A	226,400	157,500
	Federal	N/A	1,937,000	1,348,800
	Private	N/A	27,100	19,200
	Restricted	N/A	3,799,500	2,627,900
	GF/GP	N/A	\$707,200	\$583,700

Major Boilerplate Changes From FY 2010-11

NOTE: No boilerplate language is proposed for FY 2012-13.

Sec. 204. Civil Service Charges – RETAINED

Requires Civil Service to charge state departments 1% of salary payments. **Executive** deletes language; **House** retains language.

Sec. 206. IT Work Projects – NEW

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

Sec. 207. Retention of Reports – NEW

Requires DEQ to retain copies of all reports funded from appropriations. **House** includes new language.

Sec. 208. DIT User Fees – RETAINED

Directs DEQ to pay user fees to DTMB for technology services and projects. **Executive** deletes language; **House** retains language.

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

Limits purpose/amount of out-of-state travel; requires annual report on January 1 for prior fiscal year. **Executive** deletes 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** retains language.

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

Encourages vendor contracts in economically depressed communities. **Executive** deletes language; **House** retains 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** retains 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** deletes language; **House** retains language.

Sec. 214. Legal Services – RETAINED

Prohibits hiring attorneys for legal services provided by the Attorney General. **Executive** deletes language; **House** retains 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** and **House** revise language to amounts listed.

Major Boilerplate Changes From FY 2010-11

Sec. 218. Pending Permits – RETAINED

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

Sec. 220. Hiring Freeze – NEW

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. **Executive** and **House** delete language.

Sec. 221. GF/GP Lapse – NEW

Requires report by October 15 that provides estimates of GF/GP appropriation lapses at close of year. **House** includes 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** deletes language; **House** retains language.

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

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** deletes language; **House** retains language (Sec. 223).

Sec. 227. Permit Application Status Tracking Tool – NEW

Requires report on the implementation of a permit application status tracking tool on the DEQ website. **House** includes new language.

Sec. 228. Customer Satisfaction Evaluation Program – NEW

Requires DEQ to develop a customer satisfaction evaluation program; requires report. **House** includes new language.

Sec. 229. Expedited Permitting Program – NEW

Requires report identifying specific permit programs to use an expedited permitting option. **House** includes new language.

Sec. 233. FTE Report and Expenditure Report – RETAINED

Requires report on the number of FTEs in pay status; report required quarterly; requires expenditures to be reported on a publicly accessible internet site, including the purpose for which the expenditures were made. **Executive** deletes language; **House** retains language (Sec. 224 - FTE report, Sec. 225 - Internet expenditure report).

Sec. 234. Website Expenditure Posting Cost – RETAINED

Directs DEQ to spend less than \$10,000 to post expenditures on the website. **Executive** deletes language; **House** retains language (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** (Sec. 8-305) and **House** 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** (Sec. 8-306) and **House** 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** deletes language; **House** retains language (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.

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.

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

Lists cleanup projects funded through the RPF Cleanup Program. **Executive** deletes; **House** includes revised list (Sec. 306).

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** deletes; **House** includes revised language (Sec. 401).

Sec. 652. Groundwater Dispute Resolution Process – DELETED

Directs Department to fund an aquifer dispute resolution process if funds are available.