

FY 2025-26: ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary: As Passed by the Senate
Senate Bill 181 (S-1) as amended



Analyst: Austin Scott

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	Difference: FY 2025-26 vs. FY 2024-25	
				Amount	%
IDG/IDT	\$4,085,900	\$4,129,100	\$4,129,100	\$43,200	1.1
Federal	463,788,900	464,268,500	464,268,500	479,600	0.1
Local	0	0	0	0	--
Private	1,364,200	1,404,200	1,404,200	40,000	2.9
Restricted	309,149,300	420,631,500	377,453,700	68,304,400	22.1
GF/GP	260,710,300	296,389,800	187,412,000	(73,298,300)	(28.1)
Gross	\$1,039,098,600	\$1,186,823,100	\$1,034,667,500	(\$4,431,100)	(0.4)
FTEs	1,652.0	1,786.0	1,672.0	20.0	1.2

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations	FY 2024-25 YTD (as of 2/5/25)	Senate Change from YTD
1. Fee Increase – Landfill Tipping Fee	FTE NA 0.0	
<u>Executive</u> provides \$80.0 million in state restricted funding and authorizes 36.0 new FTE positions from a proposed increase in the landfill tipping fee from \$0.36 per ton to \$5.00 per ton. New revenue would be expended for contaminated site remediation and redevelopment (\$40.7 million) and for material management programs (\$39.3 million and 36.0 FTE positions).	Gross NA \$0	
<u>Senate</u> does not provide.	Restricted NA 0	
	GF/GP NA \$0	
2. Fee Increase – Water Resources Division	FTE NA 0.0	
<u>Executive</u> appropriates \$7.3 million in state restricted funding and authorizes 41.0 new FTE positions from a proposed 300% increase in land and water permit fees and a proposed 40% increase in certain water fees. New revenue would be expended for permitting stormwater, wastewater, and shoreline permitting.	Gross NA \$0	
<u>Senate</u> does not appropriate.	Restricted NA 0	
	GF/GP NA \$0	
3. Fee Increase – Hazardous Waste	FTE 121.0 0.0	
<u>Executive</u> includes \$5.0 million from the Environmental Pollution Prevention Fund and authorizes 17.0 new FTE positions from a proposed doubling of hazardous waste fees. New revenue would be expended for hazardous waste oversight and regulation.	Gross \$24,721,800 \$0	
<u>Senate</u> does not include.	IDG 1,566,600 0	
	Federal 3,444,100 0	
	Private 510,700 0	
	Restricted 18,455,600 0	
	GF/GP \$744,800 \$0	
4. Fee Increase – Oil and Gas Wells	FTE 63.0 0.0	
<u>Executive</u> provides \$465,500 from the Oil and Gas Regulatory Fund and authorizes 3.0 new FTE positions from a proposed increase on oil and gas well permits from \$20 per year to \$250 per year. New revenue would be expended for oil and gas well oversight and regulation.	Gross \$22,711,600 \$0	
<u>Senate</u> does not provide.	IDG 223,100 0	
	Federal 5,308,500 0	
	Restricted 7,068,700 0	
	GF/GP \$10,111,300 \$0	

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	Senate Change from YTD
5. Water Infrastructure Projects and Lead Service Line Replacement <u>Executive</u> appropriates \$80.0 million GF/GP for water infrastructure projects, \$50.0 million of which is designated as one-time and earmarked in boilerplate section 1002 for lead service line replacement. <u>Senate</u> appropriates \$10.0 million GF/GP in ongoing funding for water infrastructure projects.	Gross	NA	\$10,000,000
	GF/GP	NA	\$10,000,000
6. Information Management Initiative (One-time) <u>Executive</u> includes \$39.0 million GF/GP to digitize and index historical department records. <u>Senate</u> includes \$10.0 million GF/GP.	Gross	\$0	\$10,000,000
	GF/GP	\$0	\$10,000,000
7. Electric Charging Infrastructure (One-time) <u>Executive</u> provides \$10.0 million GF/GP for grants for electric charging and hydrogen fueling vehicle infrastructure projects. <u>Senate</u> concurs.	Gross	\$0	\$10,000,000
	GF/GP	\$0	\$10,000,000
8. Septic System Database (One-time) <u>Executive</u> appropriates \$7.0 million GF/GP to establish a statewide database to track the permitting of septic systems. <u>Senate</u> appropriates a \$100 placeholder.	Gross	\$0	\$100
	GF/GP	\$0	\$100
9. Drinking Water and Environmental Health Division Staff <u>Executive</u> includes \$6.0 million GF/GP and authorizes 35.0 new FTE positions to expand clean water enforcement, inspections and permitting. <u>Senate</u> includes \$3.0 million GF/GP and authorizes 18.0 new FTE positions.	FTE	NA	18.0
	Gross	NA	\$2,977,900
	GF/GP	NA	\$2,977,900
10. Energy Programs Staff <u>Executive</u> includes \$370,000 GF/GP and authorizes 2.0 new FTE positions to expand energy programs planning and implementation. <u>Senate</u> concurs.	FTE	13.0	2.0
	Gross	\$6,278,500	\$370,000
	Federal	3,837,000	0
	Private	141,900	0
	Restricted	2,299,600	0
	GF/GP	\$0	\$370,000
11. Technical Adjustments <u>Executive</u> includes \$16.7 million Gross (\$0 GF/GP) for technical adjustments to align expenditures and increased available state restricted revenues (\$16.6 million) and private revenues (\$40,000). <u>Senate</u> concurs.	Gross	NA	\$16,679,800
	Private	NA	40,000
	Restricted	NA	16,639,800
	GF/GP	NA	\$0
12. Water State Revolving Funds Community Infrastructure Funding and GF/GP Transfer <u>Senate</u> provides \$40.0 million from the Community Infrastructure Fund and transfers \$4.6 million from Geologic Resources Management to expand grants and loans to local government for water infrastructure projects.	Gross	\$424,000,000	0.0
	Federal	370,000,000	\$44,599,700
	Restricted	15,000,000	40,000,000
	GF/GP	\$39,000,000	\$4,599,700
13. Geologic Resources Management FTE Reduction and GF/GP Transfer <u>Senate</u> eliminates 3.0 FTE positions from Geologic Resources Management and transfers \$4.6 million to Water State Revolving Funds.	FTE	63.0	(3.0)
	Gross	\$22,711,600	(\$4,599,700)
	IDG	223,100	0
	Federal	5,308,500	0
	Restricted	7,068,700	0
	GF/GP	\$10,111,300	(\$4,599,700)
14. Water Infrastructure Risks and Reserve Fund Community Infrastructure Funding <u>Senate</u> provides \$5.0 million from the Community Infrastructure Fund for a new program to provide grants and loans to communities experiencing water infrastructure emergencies.	Gross	\$0	\$5,000,000
	Restricted	0	5,000,000
	GF/GP	\$0	\$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	Senate Change from YTD
15. Jefferson-Chalmers Flood Mitigation (One-time)	Gross	\$0	\$100
<u>Senate</u> includes a \$100 placeholder for flood mitigation.		GF/GP \$0	\$100
16. Water Use Advisory Council Recommendations (One-time)	Gross	\$0	\$100
<u>Senate</u> includes a \$100 placeholder to continue support for the 2022 report recommendations of the Water Use Advisory Council.		GF/GP \$0	\$100
17. Water Resources Division Rollup	FTE	10.0	0.0
<u>Executive</u> rolls funding for groundwater data collection (\$2.0 million Gross and 3.0 FTE positions) and water quality programs (\$1.6 million Gross and 7.0 FTE positions) into oil, gas, and mineral services, which is renamed geologic resources management, for a net zero change.		Gross \$3,631,500	\$0
<u>Senate</u> concurs.		Restricted 871,000	0
		GF/GP \$2,760,500	\$0
18. Removal of FY 2024-25 One-time Appropriations	Gross	\$109,000,000	(\$109,000,000)
<u>Executive</u> removes \$109.0 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following:		GF/GP \$109,000,000	(\$109,000,000)
<ul style="list-style-type: none"> • Clean fuel and charging infrastructure (\$30.0 million) • Drinking water infrastructure (\$35.3 million) • Drinking water intake monitoring program (\$1.5 million) • Lead service line replacement one-time (\$8.0 million) • Microplastics research (\$2.0 million) • Solar array project (\$3.0 million) • Water infrastructure initiative (\$10.0 million) • Water infrastructure projects (\$17.0 million) • Water use advisory council recommendations (\$1.2 million) • Wetlands mapping (\$1.0 million) 			
<u>Senate</u> concurs.			
19. Economic Adjustments	Gross	NA	\$4,941,200
<u>Executive</u> reflects increased costs of \$4.9 million Gross (\$2.4 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.		IDG NA	43,200
<u>Senate</u> concurs.		Federal NA	479,600
		Restricted NA	2,064,600
		GF/GP NA	\$2,353,800

Major Boilerplate Changes from FY 2024-25

Sec. 205. Purchase of Foreign Goods and Services – REVISED

Prohibits department from purchasing foreign goods and services if competitively priced American goods or services of comparable quality are available; requires preference for goods and services manufactured by Michigan businesses and their associated subcontractors and manufactured or provided by Michigan businesses owned and operated by veterans. Executive retains, Senate revises to add subsection requiring preference for goods and services manufactured in facilities that employ union members.

Sec. 206. Disciplinary Action Against State Employees – RETAINED

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs unless communication is prohibited by law. (*Governor deemed this section unenforceable in FY 2024-25.*) Executive deletes, Senate retains.

Sec. 210. Legislative Contingency Transfer Authorization – REVISED

Allows for the legislative transfer process to increase federal authorization by up to \$100.0 million, state restricted authorization by up to \$3.0 million, and private authorization by up to \$10.0 million private.

Executive revises to increase state restricted authorization to up to \$10.0 million and decrease private authorization to up to \$3.0 million.

Senate revises to increase state restricted authorization to up to \$15.8 million.

Major Boilerplate Changes from FY 2024-25

Sec. 212. Restricted Fund Revenues, Expenditures, and Fund Balances Report – RETAINED

Requires annual report on fund balances, revenues, and expenditures for state restricted funds for previous and current fiscal years.

Executive deletes, Senate retains.

Sec. 218. Internet Posting of Reports – NEW

Requires the department to conspicuously post each report required by boilerplate by the report's due date on the department's Michigan.gov website.

Senate adds new section.

Sec. 219. Receipt and Retention of Reports – RETAINED

Requires department to receive and retain copies of all reports.

Executive deletes, Senate retains.

Sec. 220. Report on Policy Changes Made to Implement Public Acts Affecting Department – RETAINED

Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

Executive deletes, Senate retains.

Sec. 222. Expending Available Work Project Authorization – RETAINED

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. (*Governor deemed this section unenforceable in FY 2024-25.*)

Executive deletes, Senate retains.

Sec. 223. General Fund Expenditure Restrictions – NEW

Prohibits the department from expending general fund if federal or private funding are available for the same expenditures, requires the department to notify standard report recipients if a reduction in departmental expenditures is necessary.

Senate adds new section.

Sec. 224. Unenforceable Boilerplate Sections Report – NEW

Requires the department to report to standard report recipients on any boilerplate sections deemed unenforceable.

Senate adds new section.

Sec. 225. Federal Policy Change Report – NEW

Requires the department to report quarterly to standard report recipients any federal policy changes that affect the department, those that engage with the department, related regulations, or create a regulatory gap with a potential negative public impact.

Senate adds new section.

Sec. 236. Flint Supplemental Funding Report – DELETED

Requires annual report on use of funds appropriated for drinking water declaration of emergency.

Executive deletes, Senate concurs.

Sec. 245. Single Grant Recipient Requirements – REVISED

Provides process requirements for grants or projects awarded to single recipient organizations or local governments.

Executive deletes, Senate revises to further define eligible grant recipients and requirements.

Sec. 246. State Fiscal Recovery Funds – REVISED

Requires the state budget director to ensure that State Fiscal Recovery Funds allocated under the American Rescue Pan Act of 2021 be expended before 2027; requires the state budget director to notify the House and Senate Appropriations Committees of reallocations made under this section.

Executive deletes, Senate revises to require the department to notify standard report recipients if an SFRF appropriation is projected to lapse.

Sec. 303. Bonding – DELETED

Authorizes department, if approved by state budget director, to expend GF/GP funding for cash flow requirements of projects financed by bonds, if bonds have not yet been authorized; funding to be repaid to GF/GP when bonds are sold.

Executive deletes, Senate concurs.

Sec. 902. Community Surcharge Reimbursement Fund – NOT INCLUDED

Creates new fund to receive a portion of revenue from proposed landfill tipping fee increase; fund revenue may be expended for the support of program operations.

Executive adds new section, Senate does not add.

Major Boilerplate Changes from FY 2024-25

Sec. 903. Host Community Grants Fund – NOT INCLUDED

Creates new fund to receive a portion of revenue from proposed landfill tipping fee increase; fund revenue may be expended for the support of program operations.

Executive adds new section, Senate does not add.

Sec. 904. Materials Management Planning Fund – NOT INCLUDED

Creates new fund to receive a portion of revenue from proposed landfill tipping fee increase; fund revenue may be expended for the support of program operations.

Executive adds new section, Senate does not add.

Sec. 925. Geologic Resource Management Funding Plan – NEW

Requires the department to work with stakeholders to align program costs with future program revenues.

Senate adds new section.

Sec. 951. Lead Service Line Replacement – REVISED

Earmarks the Lead Service Line Replacement appropriation to support lead line replacement activities in overburdened and significantly overburdened communities as defined in NREPA.

Executive revises to reflect the replacement of the Lead Service Line Replacement appropriation with the Water Infrastructure appropriation which has a broader scope of water infrastructure projects, Senate concurs.

Sec. 952. Work Project – Water State Revolving Funds Community Infrastructure Fund – NEW

Authorizes unexpended funds for Water State Revolving Funds from the Community Infrastructure Fund totaling \$40.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to offset unanticipated increased project costs due to higher federal tariffs affecting foreign trade and the cost and availability of construction materials.

Senate adds new section.

Sec. 953. Work Project – Water Infrastructure Risks and Reserve Fund – NEW

Authorizes unexpended funds for Water Infrastructure Risks and Reserve Fund totaling \$5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used for grants and loans to communities experiencing water infrastructure emergencies; at least 40% of funds must be awarded to environmental justice communities, overburdened communities, or significantly overburdened communities.

Senate adds new section.

Sec. 1001. Work Project – Electric Charging Infrastructure – NEW

Authorizes unexpended funds for Electric Charging Infrastructure totaling \$10.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the installation of charging and clean fuel infrastructure.

Executive adds new section, Senate adds new section and adds cap of 5% on administrative expenditures.

Sec. 1001. Work Project – Clean Fuel and Charging Infrastructure – DELETED

Authorizes unexpended funds for Clean Fuel and Charging Infrastructure totaling \$30.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to install clean energy charging stations.

Executive deletes, Senate concurs.

Sec. 1002. Work Project – Drinking Water Infrastructure – DELETED

Authorizes unexpended funds for Drinking Water Infrastructure totaling \$50.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support lead line replacement and associated activities.

Executive adds new section, Senate does not add.

Sec. 1002. Work Project – Drinking Water Infrastructure – DELETED

Authorizes unexpended funds for Drinking Water Infrastructure totaling \$35.3 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to access funding to upgrade or replace drinking water infrastructure.

Executive deletes, Senate concurs.

Sec. 1003. Work Project – Information Management Initiative – NEW

Authorizes unexpended funds for Information Management Initiative totaling \$39.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the digitization and indexing of department records.

Executive adds new section, Senate concurs and revises total to \$100.

Major Boilerplate Changes from FY 2024-25

Sec. 1003. Drinking Water Intake Monitoring Program – DELETED

Awards funding totaling \$1.5 million to the Southeast Michigan Council of Governments for software to monitor drinking water threats and contamination.

Executive deletes, Senate concurs.

Sec. 1004. Work Project – Lead Service Line Replacement One-time – DELETED

Earmarks the Lead Service Line Replacement One-time appropriation for lead service line replacement in Wyandotte (\$4.7 million), Douglas (\$1.3 million), and Redford Township (\$2.0 million); authorizes unexpended funds to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to replace lead service lines within drinking water infrastructure.

Executive deletes, Senate concurs.

Sec. 1005. Work Project – Microplastics Research – DELETED

Authorizes unexpended funds for Microplastics Research totaling \$2.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support research and provide recommendations for addressing microplastics contamination.

Executive deletes, Senate concurs.

Sec. 1006. Work Project – Solar Array Project – DELETED

Awards funding for Solar Array Project to Grand Rapids for necessary infrastructure upgrades to install a solar array at the former Butterworth Landfill site.

Executive deletes, Senate concurs.

Sec. 1007. Work Project – Water Infrastructure Initiative – DELETED

Authorizes unexpended funds for Water Infrastructure Initiative totaling \$10.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used for grants to support stormwater projects that reduce the impacts of climate change.

Executive deletes, Senate concurs.

Sec. 1008. Earmarks and Work Project – Water Infrastructure Projects – DELETED

Earmarks the Water Infrastructure Projects appropriation for a watermain extension project in Bingham Township (\$1.0 million); an underground storage tank replacement project in Northville (\$1.0 million); a wastewater project in Redford Charter Township (\$3.0 million); a wastewater and sanitary sewer infrastructure project in Grand Ledge (\$5.0 million); replacement of a failing iron removal plant for drinking water in Pottersville (\$4.0 million); watermain replacements and looping, supply well improvements, wellhouse improvements, and lead service line replacements in Vermontville (\$2.0 million); and watermain replacement in Clawson (\$1.0 million); authorizes unexpended funds to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used for water infrastructure projects.

Executive deletes, Senate concurs.

Sec. 1009. Work Project – Water Use Advisory Council Recommendations – DELETED

Authorizes unexpended funds for Water Use Advisory Council Recommendations totaling \$1.2 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to fund the 2022 report recommendations of the Water Use Advisory Council.

Executive deletes, Senate concurs.

Sec. 1010. Wetland Mapping – DELETED

Requires funding for Wetland Mapping to improve or expand wetlands identification and mapping and permits the department to contract with outside entities to accomplish these objectives.

Executive deletes, Senate concurs.