

FY 2025-26 ENVIRONMENT, GREAT LAKES, AND ENERGY BUDGET

S.B. 181 (S-1): SENATE APPROPRIATIONS REC.

(as reported)

Committee: Appropriations



Throughout this document Senate means Committee Recommendation

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2024-25 YEAR-TO-DATE*	FY 2025-26 SENATE APPROPRIATIONS REC.	CHANGES FROM FY 2024-25 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,646.0	1,636.0	(10.0)	(0.6)
GROSS	1,039,098,600	1,034,667,500	(4,431,100)	(0.4)
Less:				
Interdepartmental Grants Received	4,085,900	4,129,100	43,200	1.1
ADJUSTED GROSS	1,035,012,700	1,030,538,400	(4,474,300)	(0.4)
Less:				
Federal Funds	463,788,900	464,268,500	479,600	0.1
Local and Private	1,364,200	1,404,200	40,000	2.9
TOTAL STATE SPENDING	569,859,600	564,865,700	(4,993,900)	(0.9)
Less:				
Other State Restricted Funds	309,149,300	377,453,700	68,304,400	22.1
GENERAL FUND/GENERAL PURPOSE	260,710,300	187,412,000	(73,298,300)	(28.1)
PAYMENTS TO LOCALS	108,933,300	55,733,300	(53,200,000)	(48.8)

*As of February 5, 2025.

Major Boilerplate Changes from FY 2024-25 Year-to-Date:

- Deleted** – The Senate's recommendation deleted the following sections from current-year boilerplate sections: 236 (Flint Reporting Requirements), 246 (State Fiscal Recovery Fund Re-Allocation), 303 (Cash Flow Requirements for Bond Financing), 1001-1010 (One-Time Removal).
- Modified** – The Senate's recommendation modified the following sections: 206 (Buy American/Buy Michigan), 210 (Contingency Fund Authorization), 245 (Grant Program Transparency Language), 246 (State Fiscal Recovery Fund Lapse Notice),
- NEW Sections** – The Senate's recommendation included NEW boilerplate in the following sections: 218 (Report Accessibility and Posting), 223 (General Fund Restrictions), 224 (Unenforceable Boilerplate), 225 (State Impact of Federal Policy Changes), 925 (Geologic Resources Management), 952 (Community Infrastructure Fund SRF Investment), 953 (Water Infrastructure Risks and Reserve Fund), 1001 (Electric Charging Infrastructure) and 1002 (Information Management Initiative).

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FY 2024-25 Year-to-Date Appropriation		\$1,039,098,600	\$260,710,300		
		CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
		Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>					
1. CSB Technical Adjustments. The Senate recommended \$16.7 million Gross funding in technical adjustments to account for increased Restricted fund revenues.		16,679,800	0	N/A	N/A
2. Economic Adjustments. Includes \$4,941,200 Gross and \$2,353,800 GF/GP for total economic adjustments.		4,941,200	2,353,800	N/A	N/A
<u>New Programs/Program Increases</u>					
3. Water State Revolving Fund Deposit. The Senate recommended \$40.0 million ongoing state restricted funding from the Community Infrastructure Fund to offset increased project costs for lead service line replacement and related water infrastructure projects.		40,000,000	0	468,600,000	43,600,000
4. Water Infrastructure. The Senate recommended \$10.0 million ongoing GF/GP to support lead service line replacement and related water infrastructure projects.		10,000,000	10,000,000	23,601,300	23,601,300
5. Water Infrastructure Risks and Reserve Fund. The Senate recommended \$5.0 million from the state restricted Community Infrastructure Fund to create a reserve fund that is only to be spent in the event of a public health emergency or natural disaster.		5,000,000	0	5,000,000	0
6. Water State Revolving Fund Transfer. The Senate recommended transferring \$4.6 million GF/GP from the Oil, Gas, and Minerals Division to increase support for the SRF. This transfer is also reflected in Item #15 below.		4,599,700	4,599,700	468,599,700	43,599,700
7. Water Program Staffing Increase. The Senate recommended \$3.0 million ongoing GF/GP for 18.0 FTEs for water enforcement, inspections, and permitting within the Department's various clean water programs.		2,977,900	2,977,900	N/A	N/A
8. Energy Program Staff Capacity. The Senate recommended \$370,000 ongoing GF/GP to support 2.0 FTEs to help address a recent influx of funding and programs administered under the Energy Programs line item.		370,000	370,000	6,677,200	370,000

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Eliminations/Reductions - NONE</u>				
<u>One-Time Appropriations</u>				
9. Document Management Modernization. The Senate recommended \$10.0 million One-Time GF/GP for a new IT process and contract services to digitize 51 terabytes of Department documents for public access and permitting use.	10,000,000	10,000,000	10,000,000	10,000,000
10. Deploying Electric Charging Infrastructure. The Senate recommended \$10.0 million One-Time GF/GP to install EV charging stations along commercial corridors.	10,000,000	10,000,000	10,000,000	10,000,000
11. Septic System Database. The Senate recommended \$100 One-Time GF/GP as a placeholder to create a septic system database for septic system tracking and permitting.	100	100	100	100
12. Water Use Advisory Council Recommendations. The Senate recommended \$100 One-Time GF/GP as a placeholder for completing projects recommended by the Water Use Advisory Council.	100	100	100	100
13. Jefferson-Chalmers flood prevention. The Senate recommended \$100 One-Time GF/GP as a placeholder for a flood mitigation project.	100	100	100	100
14. Removal of FY 2024-25 One-Time and Supplemental Appropriations. The Senate removed one-time and supplemental items from the FY 2024-25 budget. This includes: drinking water infrastructure (\$35.3 million), clean fuel and charging infrastructure (\$30.0 million), water infrastructure projects (\$17.0 million), water infrastructure initiative (\$10.0 million), lead service line replacement (\$8.0 million), solar array project (\$3.0 million), microplastics research (\$2.0 million), drinking water intake monitoring program (\$1.5 million), Water Use Advisory Council recommendations (\$1.2 million), and wetlands mapping (\$1.0 million).	(109,000,000)	(109,000,000)	0	0
<u>Other</u>				
15. Geologic Resources Management Funding Shift. The Senate recommended a net-to-zero funding shift within the Geologic Resources Management program by swapping \$4.6 million GF/GP for an equivalent appropriation amount of State Restricted authorization from the oil and gas regulatory fund.	0	(4,600,000)	26,531,100	8,362,700

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
16. Water Use Programs Internal Transfer. The Senate recommended a net-zero shift from the ground water data collection line and water quality programs line to the Geological Resources Management Division. In total, this would shift 10.0 FTEs and \$3.6 million within the department.	0	0	N/A	N/A
Total Changes	(\$4,431,100)	(\$73,298,300)		
FY 2025-26 SENATE APPROPRIATIONS REC.	\$1,034,667,500	\$187,412,000		

Date Completed: 5-6-25

Fiscal Analyst: Jonah Houtz

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY	Gov Changes to FY 2024-25			Senate Changes to FY 2024-25		
	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP
<u>Ongoing Changes</u>						
1 Tipping fee increase	36.0	\$ 80,000,000	\$ -	-	\$ -	\$ -
2 Lead service line replacement		30,000,000	30,000,000		10,000,000	10,000,000
3 CSB technical		16,679,800	-		16,679,800	-
4 Water resource division fees	41.0	7,312,300	-	-	-	-
5 Water program staff capacity increase	35.0	5,955,700	5,955,700	18.0	2,977,900	2,977,900
6 Hazardous waste oversight and fee increase	17.0	5,000,000	-	-	-	-
7 Underground gas storage fees	3.0	465,500	-	-	-	-
8 Energy program staff capacity	2.0	370,000	370,000	2.0	370,000	370,000
9 Water state revolving fund shift from oil, gas, and minerals		-	-		4,599,700	4,599,700
10 Water revolving fund deposit - CIF		-	-		40,000,000	-
11 Water infrastructure risks and reserve - CIF		-	-		5,000,000	-
12 Oil, gas, and minerals fund shift to water state revolving fund		-	-	-	-	(4,600,000)
13 Unclassified salaries		29,000	8,300		29,000	8,300
14 Economic adjustments		4,912,200	2,345,500		4,912,200	2,345,500
Subtotal - Ongoing	134.0	150,724,500	38,679,500	20.0	84,568,600	15,701,400
<u>One-Time Changes</u>						
1 Lead service line replacement (One-Time)		\$ 50,000,000	\$ 50,000,000		-	-
2 Document management modernization (One-Time)		39,000,000	39,000,000		10,000,000	10,000,000
3 Deploying electric charging infrastructure (One-Time)		10,000,000	10,000,000		10,000,000	10,000,000
4 Septic system database (One-Time)		7,000,000	7,000,000		100	100
5 Water Use Advisory Council recommendation implementation (One-Time)		-	-		100	100
6 Jefferson-Chalmers flood prevention (One-Time)		-	-		100	100
7						
8						
9						
10 Remove FY25 one-time and supplemental appropriations		(109,000,000)	(109,000,000)		(109,000,000)	(109,000,000)
Subtotal - One-Time	0.0	(3,000,000)	(3,000,000)	0.0	(88,999,700)	(88,999,700)
TOTAL DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY	134.0	147,724,500	35,679,500	20.0	(4,431,100)	(73,298,300)