



SENATE BILL No. 855

EXECUTIVE BUDGET BILL

February 15, 1996, Introduced by Senators MC MANUS, GAST and HOFFMAN and referred to the Committee on Appropriations.

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 1997; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state departments and officers, institutions, and agencies; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for the department of environmental
2 quality for the fiscal year ending September 30, 1997, from the
3 following funds:

1	DEPARTMENT OF ENVIRONMENTAL QUALITY	
2	APPROPRIATIONS SUMMARY:	
3	Full-time equated unclassified positions	6.0
4	Full-time equated classified positions	1,425.0
5	GROSS APPROPRIATION	\$ 309,316,100
6	Total interdepartmental grants and	
7	intradepartmental transfers	5,762,900
8	ADJUSTED GROSS APPROPRIATION	\$ 303,553,200
9	Federal revenues:	
10	Total federal revenues	53,947,200
11	Special revenue funds:	
12	Total local revenues	1,028,300
13	Total private revenues	298,500
14	Total other state restricted revenues	177,182,100
15	State general fund/general purpose	\$ 71,097,100
16	EXECUTIVE	
17	Full-time equated unclassified positions	6.0
18	Full-time equated classified positions	13.0
19	Unclassified salaries	\$ 374,800
20	Equal employment opportunity office	74,000
21	Executive direction	1,035,300
22	Office of the Great Lakes	<u>747,200</u>
23	GROSS APPROPRIATION	\$ 2,231,300
24	Appropriated from:	
25	Federal revenues:	
26	EPA-federal	511,300
27	Special revenue funds:	
28	Environmental revenue	43,300
29	Environmental education fund	147,700

1	Oil and gas privilege fee revenue	90,900
2	Settlement revenue	301,400
3	State general fund/general purpose \$	1,136,700
4	ADMINISTRATIVE SERVICES	
5	Full-time equated classified positions	83.0
6	Field programs administrative and	
7	clerical support \$	3,440,600
8	Fiscal services	152,000
9	Automated data processing	5,762,900
10	Personnel	549,100
11	Administrative hearings	<u>352,400</u>
12	GROSS APPROPRIATION \$	10,257,000
13	Appropriated from:	
14	Intradepartmental transfer revenues:	
15	IDT, interdivisional charges	5,762,900
16	Federal revenues:	
17	EPA-LUST trust	112,900
18	Special revenue funds:	
19	Environmental revenue	292,900
20	Land and water permit fees	374,900
21	Michigan underground storage tank financial	
22	assurance fund	210,300
23	Oil and gas privilege fee revenue	373,100
24	Restricted funds	250,000
25	Scrap tire regulatory fund	115,000
26	Settlement revenue	108,600
27	State general fund/general purpose \$	2,656,400
28	DEPARTMENTAL OPERATION SUPPORT	
29	Building occupancy charges \$	734,700

1	Rent-privately owned property	3,652,300
2	Publications	<u>100,000</u>
3	GROSS APPROPRIATION	\$ 4,487,000
4	Appropriated from:	
5	Special revenue funds:	
6	Air emissions fees	109,800
7	Environmental revenue	420,500
8	Land and water permit fees	58,300
9	Michigan underground storage tank financial	
10	assurance fund	157,000
11	Oil and gas privilege fee revenue	249,000
12	Publication revenue	100,000
13	Restricted revenue	650,000
14	Stormwater discharge	15,000
15	Underground storage tank	147,000
16	State general fund/general purpose	\$ 2,580,400
17	GEOLOGICAL SURVEY	
18	Full-time equated classified positions	81.0
19	Services to oil and gas programs	\$ 6,073,200
20	Orphan well fund	1,304,600
21	Coal and sand dune management	713,000
22	Mineral wells management	<u>181,300</u>
23	GROSS APPROPRIATION	\$ 8,272,100
24	Appropriated from:	
25	Federal revenues:	
26	DOI-federal	537,300
27	Special revenue funds:	
28	Environmental revenue	68,400
29	Forest land use charges	91,800

1	Orphan well fund	1,304,700
2	Oil and gas privilege fee revenue	6,016,900
3	Sand extraction fee revenue	175,700
4	State general fund/general purpose \$	77,300
5	LAND AND WATER MANAGEMENT	
6	Full-time equated classified positions	147.5
7	Administration and resource information \$	788,100
8	Land and water protection	2,135,100
9	Field permitting and program assistance	4,304,600
10	Dam safety	1,784,900
11	Great Lakes shorelands	<u>1,815,200</u>
12	GROSS APPROPRIATION \$	10,827,900
13	Appropriated from:	
14	Federal revenues:	
15	EPA-federal	795,800
16	DOC-federal	1,581,300
17	FEMA-federal	233,600
18	Special revenue funds:	
19	Land and water permit fees	1,385,700
20	Michigan transportation fund	750,000
21	State general fund/general purpose \$	6,081,500
22	AIR QUALITY	
23	Full-time equated classified positions	221.0
24	Air quality programs \$	4,402,400
25	Clean air act implementation	<u>12,459,200</u>
26	GROSS APPROPRIATION \$	16,861,600
27	Appropriated from:	
28	Federal revenues:	
29	EPA-federal	3,060,000

1	Special revenue funds:		
2	Air emissions fees		8,283,000
3	Environmental revenue		78,200
4	State general fund/general purpose	\$	5,440,400
5	SURFACE WATER QUALITY		
6	Full-time equated classified positions	208.0	
7	Surface water compliance program	\$	5,488,600
8	Surface water permits program		3,349,800
9	Surface water surveillance program		6,452,300
10	State and local water quality management		
11	planning		1,608,800
12	Fish contaminant monitoring contracts		321,000
13	Stormwater discharge program		<u>1,104,000</u>
14	GROSS APPROPRIATION	\$	18,324,500
15	Appropriated from:		
16	Federal revenues:		
17	EPA-federal		6,918,800
18	Special revenue funds:		
19	Local funds		1,028,300
20	CESARS service fee		23,200
21	Environmental revenue		130,800
22	State water pollution control revolving fund		529,700
23	Stormwater permit fees		1,097,900
24	State general fund/general purpose	\$	8,595,800
25	ENVIRONMENTAL RESPONSE		
26	Full-time equated classified positions	307.0	
27	Environmental cleanup program	\$	82,000,000
28	Environmental laboratory		3,585,500
29	State cleanup (Act 451)		5,749,500

1	Federal cleanup project management	4,543,700
2	Contaminated site investigations, cleanup,	
3	and revitalization	14,847,700
4	Superfund cleanup	<u>22,590,700</u>
5	GROSS APPROPRIATION	\$ 133,317,100
6	Appropriated from:	
7	Federal revenues:	
8	DOD-federal	477,100
9	Total EPA-federal	1,955,500
10	EPA, superfund	23,634,800
11	Special revenue funds:	
12	Private funds	248,500
13	Environmental revenue	14,053,100
14	Landfill maintenance trust fund	44,000
15	Settlement revenue	2,760,000
16	Unclaimed bottle deposit revenue	20,000,000
17	Michigan natural resources trust fund	25,000,000
18	Land sale reform revenue	1,000,000
19	Section 29 oil and gas credit revenue	6,000,000
20	State general fund/general purpose	\$ 38,144,100
21	UNDERGROUND STORAGE TANKS	
22	Full-time equated classified positions . . . 111.0	
23	Michigan underground storage tank financial	
24	assurance program	\$ 61,705,500
25	Michigan underground storage tank financial	
26	assurance emergency response fund	1,000,000
27	Underground storage tank program	6,359,100
28	Leaking underground storage tank program	<u>4,108,000</u>
29	GROSS APPROPRIATION	\$ 73,172,600

1	Appropriated from:		
2	Federal revenues:		
3	Total EPA-federal		3,341,500
4	Special revenue funds:		
5	Emergency response fund		1,000,000
6	Environmental revenue		1,026,900
7	Michigan underground storage tank financial		
8	assurance fund		61,705,500
9	Underground storage tank fees		6,098,700
10	State general fund/general purpose	\$	0
11	WASTE MANAGEMENT		
12	Full-time equated classified positions . . .	142.0	
13	Administration and technical support	\$	1,415,800
14	Compliance and enforcement		3,764,600
15	Hazardous waste permits		1,687,200
16	Groundwater permits		1,235,700
17	Resource recovery		1,265,800
18	Hazardous waste disposal facility closures		1,000,000
19	Solid waste disposal facility closures		1,000,000
20	Special federal grants		<u>892,300</u>
21	GROSS APPROPRIATION	\$	12,261,400
22	Appropriated from:		
23	Federal revenues:		
24	EPA-federal		3,068,100
25	Special revenue funds:		
26	Environmental pollution prevention fund		819,600
27	Hazardous waste disposal facility closure revenue		1,000,000
28	Solid waste facility disposal closure revenue . .		1,000,000
29	Scrap tire regulatory fund		671,200

1	Settlement revenue	233,300
2	Solid waste program fees	1,040,000
3	State general fund/general purpose \$	4,429,200
4	ENVIRONMENTAL ASSISTANCE DIVISION	
5	Full-time equated classified positions	84.0
6	Municipal assistance \$	2,375,500
7	Pollution prevention	1,244,400
8	Environmental services	1,667,300
9	Technical assistance	1,082,900
10	Special project advances	<u>50,000</u>
11	GROSS APPROPRIATION \$	6,420,100
12	Appropriated from:	
13	Federal revenues:	
14	EPA-federal	1,494,500
15	Special revenue funds:	
16	Private funds	50,000
17	Environmental revenue	262,600
18	Emissions fee	591,400
19	Settlement revenue	76,700
20	State water pollution control revolving fund	1,631,700
21	Stormwater permit fees	76,600
22	Waste reduction fee revenue	1,767,100
23	Wastewater operator training fees	71,500
24	State general fund/general purpose \$	398,000
25	LAW ENFORCEMENT	
26	Full-time equated classified positions	18.0
27	General law enforcement \$	<u>1,398,800</u>
28	GROSS APPROPRIATION \$	1,398,800
29	Appropriated from:	

1	Federal revenues:	
2	EPA-federal	124,700
3	Special revenue funds:	
4	Oil and gas privilege fee revenue	124,700
5	Scrap tire fund	51,900
6	Settlement revenue	730,300
7	State general fund/general purpose	\$ 367,200
8	GRANTS	
9	Grants to counties-air pollution	\$ 2,854,900
10	Land resource program grants	1,900,000
11	Federal-non-point source water pollution	
12	grants	3,500,000
13	Federal-Great Lakes remedial action plan	
14	grants	700,000
15	Great Lakes research and protection grants	1,000,000
16	Septage waste compliance grants	200,000
17	Scrap tire grants	<u>500,000</u>
18	GROSS APPROPRIATION	\$ 10,654,900
19	Appropriated from:	
20	Federal revenues:	
21	DOC-federal	1,600,000
22	EPA-federal	4,500,000
23	Special revenue funds:	
24	Air emissions fees	1,664,800
25	Great Lakes protection fund	1,000,000
26	Scrap tire regulatory fund	500,000
27	Septage waste license fees	200,000
28	State general fund/general purpose	\$ 1,190,100
29	ENVIRONMENTAL BOND STAFFING	

1	Full-time equated classified positions	9.5	
2	Field administration environmental		
3	protection bond	\$	28,100
4	Internal audit staff		86,700
5	Solid waste implementation staff		<u>715,000</u>
6	GROSS APPROPRIATION	\$	829,800
7	Appropriated from:		
8	Special revenue funds:		
9	Environmental protection bond fund		829,800
10	State general fund/general purpose	\$	0

11 **GENERAL SECTIONS**

12 Sec. 201. (1) Pursuant to section 30 of Article IX of the state
13 constitution of 1963, total state spending from state sources for
14 fiscal year 1996-97 is estimated at \$248,279,200.00 in this bill and
15 state spending from state sources paid to local units of government for
16 fiscal year 1996-97 is estimated at \$3,554,900.00. The itemized
17 statement below identifies appropriations from which spending to units
18 of local government will occur:

19 **GRANTS**

20	Grants to counties--air pollution	\$	2,854,900
21	Septage waste compliance program		200,000
22	Scrap tire grants		500,000
23	TOTAL	\$	3,554,900

24 (2) If it appears to the principal executive officer of a
25 department or branch that state spending to local units of government
26 will be less than the amount that was projected to be expended under
27 subsection (1), the principal executive officer shall immediately give
28 notice of the approximate shortfall to the department of management and
29 budget.

1 Sec. 202. The expenditures and funding sources authorized under
2 this bill are subject to the management and budget act, Act No. 431 of
3 the Public Acts of 1984, being sections 18.1101 to 18.1594 of the,
4 Michigan Compiled Laws.

5 Sec. 203. (1) In addition to the funds appropriated in section 101,
6 there is appropriated an amount not to exceed \$1,000,000.00 for federal
7 contingency funds. These funds are not available for expenditure until
8 they have been transferred to another line item in this act pursuant to
9 section 393(2) of the management and budget act, Act No. 431 of the
10 Public Acts of 1984, being section 18.1393 of the Michigan Compiled
11 Laws.

12 (2) In addition to the funds appropriated in section 101, there is
13 appropriated an amount not to exceed \$4,000,000.00 for state restricted
14 contingency funds. These funds are not available for expenditure until
15 they have been transferred to another line item in this act pursuant to
16 section 393(2) of the management and budget act, Act No. 431 of the
17 Public Acts of 1984, being section 18.1393 of the Michigan Compiled
18 Laws.

19 (3) In addition to the funds appropriated in section 101, there is
20 appropriated an amount not to exceed \$112,900.00 for local and private
21 contingency funds. These funds are not available for expenditure until
22 they have been transferred to another line item in this act pursuant to
23 section 393(2) of the management and budget act, Act No. 431 of the
24 Public Acts of 1984, being section 18.1393 of the Michigan Compiled
25 Laws.

26 Sec. 204. (1) Beginning October 1, 1996, there is a hiring freeze
27 imposed on the state classified civil service. State departments and
28 agencies are prohibited from hiring any new full-time state classified
29 civil service employees or prohibited from filling any vacant state
30 classified civil service positions. This hiring freeze does not apply

1 to internal transfers of classified employees from 1 position to
2 another within a department or to positions that are 80% or more
3 federal or restricted funds.

4 (2) The director of the department of management and budget shall
5 grant exceptions to this hiring freeze when the director believes that
6 the hiring freeze will result in the state department or agency being
7 unable to deliver basic services. The director of the department of
8 management and budget shall report by the fifteenth of each month to
9 the chairpersons of the senate and house appropriations committees the
10 number of exclusions to the hiring freeze approved during the previous
11 month and the justification for the exclusion.

12 Sec. 205. The department of civil service shall bill departments
13 and/or agencies at the end of the first fiscal quarter for the 1%
14 charges authorized by section 5 of article XI of the state constitution
15 of 1963. Payments shall be made for the total amount of the billing by
16 the end of the second fiscal quarter.

17 Sec. 206.(1) Departments and state agencies that receive funds
18 under this bill may receive and expend federal funds for purposes
19 allowed by the federal government and these funds are appropriated, if
20 the funds are provided as block grants or other similar replacements
21 for or consolidations of prior federal funding sources.

22 (2) Departments and state agencies may use the funds described in
23 subsection (1) to continue existing programs and shall not establish
24 new programs utilizing these funds unless the legislature has enacted
25 modifications to the existing program or enacted a new program.

26 Sec. 207. As used in this act:

- 27 (a) "CESARS" means chemical evaluation search and retrieval system.
28 (b) "Department" means the department of environmental quality.
29 (c) "DOC-federal" means the United States department of commerce.
30 (d) "DOE-federal" means the United States department of energy.

1 (e) "EPA-federal" means the environmental protection agency.

2 (f) "FEMA-federal" means the federal emergency management agency.

3 (g) "PCB" means polychlorinated biphenyl.

4 Sec. 208. The department shall establish and use a cost accounting
5 process that allocates intra-departmental charges among divisions. This
6 process shall be acceptable to both the department of management and
7 budget and the legislative auditor general. The department shall
8 provide an annual report to the senate and house appropriations
9 subcommittees on natural resources, and the senate and house fiscal
10 agencies, on the amount and type of charges for intra-departmental
11 services including detailed fund sources that comprise the restricted
12 funds deducts contained in section 101.

13 **EXECUTIVE**

14 Sec. 301. Of the total funds appropriated in section 101 for the
15 office of the Great Lakes, the department shall assign 1.0 full-time
16 equated position and \$100,000.00 from the Great Lakes protection fund
17 to implement Act Nos. 326 and 327 of the Public Acts of 1990 being
18 section 323.76 of the Michigan Compiled Laws. The director of the
19 office of the Great Lakes will report to the house and senate
20 appropriations subcommittees on natural resources by September 30,
21 1997, regarding the progress in implementation of these acts.

22 **ADMINISTRATIVE SERVICES**

23 Sec. 401. The department shall provide the senate and house
24 appropriations subcommittees on natural resources and the senate and
25 house fiscal agencies with a March 31, 1997 and year-end report on the
26 Michigan underground storage tank financial assurance fund. The March
27 31, 1997 report shall include the fund balance, estimate of available
28 revenues, number and dollar value of claims processed through September
29 30, 1996, and total estimated claims liability through December 22,
30 1998. The year-end report shall be provided within 30 days of the end

1 of the fiscal year and include fund balance, estimate of available
2 revenues, number and dollar value of claims processed for the fiscal
3 year 1996-97 and total estimated claims liability through December 22,
4 1998.

5 Sec. 402. The amount in section 101 for management information
6 systems enhancement shall be used for the procurement of technologies
7 that improve the department's management of the state's natural
8 resources. These technologies shall include, but not be limited to,
9 digital imaging technology, geographical information systems,
10 electronic networking, and other telecommunication enhancements capable
11 of supporting ecosystem management practices and improving citizen
12 access to department information and personnel.

13 **GEOLOGICAL SURVEY**

14 Sec. 501. From the amounts appropriated in section 101 for mineral
15 wells management and hazardous waste permits, \$65,000.00 and 1.0 full-
16 time equated position is specifically allocated for the review of deep
17 well injection permits. These funds shall be dedicated when permit
18 applications are received by the department.

19 **LAND AND WATER MANAGEMENT**

20 Sec. 601. It is the intent of the legislature that ongoing program
21 activities of the land and water management division, except for the
22 accelerated land and water permit process, not receive land and water
23 management permit fee revenue to address potential funding shortfalls
24 in those programs.

25 **AIR QUALITY**

26 Sec. 701. From the funds appropriated in section 101, the
27 department shall report on the status of clean air act amendment
28 implementation planning and permit backlog reduction activities,
29 including status of revenue collections, on a quarterly basis. The
30 report shall be provided to the house and senate appropriations

1 subcommittees on natural resources, the house and senate standing
2 committees of the legislature that are responsible for issues
3 pertaining to air quality, the commission of natural resources, and the
4 governor.

5 **ENVIRONMENTAL RESPONSE**

6 Sec. 801. (1) From the funds appropriated in section 101 for the
7 cleanup program, under part 201 of the natural resources and
8 environmental protection act, act no. 451 of the Public Acts of 1994
9 being sections 324.20101 to 324.20141 of the Michigan Compiled Laws,
10 the department shall continue to make authorizations for site
11 evaluation, interim response activity, final response activity, and
12 contingencies for all environmental contamination sites and for the
13 administration of the program created by part 201 of Act No. 451 of the
14 Public Acts of 1994.

15 (2) The department shall report all of the following information
16 relative to allocations made in section 101 to the senate and house
17 appropriations committees and the senate and house fiscal agencies:

18 (a) The name and location of the site for which an allocation is
19 made.

20 (b) The nature of the problem encountered at the site.

21 (c) The estimated time necessary to prepare plans or complete any
22 necessary study if the allocation is for plans or a study.

23 (d) A brief description of how the problem will be resolved if the
24 allocation is made for a response activity.

25 (e) The estimated time to complete the response activity if the
26 allocation is for a response activity.

27 (f) The amount of the allocation.

28 (g) A summary of the sites and the total amount of funds expended
29 at the sites at the conclusion of the fiscal year.

30 (3) The report prepared under subsection (2) shall also include the

1 status of all state-owned facilities that are on the list compiled
2 under part 201 of Act No. 451 of the Public Acts of 1994.

3 (4) The report prepared under subsection (2) shall be made
4 available in January of each year.

5 Sec. 802. The unexpended portion of the appropriation in section
6 101 for the state cleanup and superfund cleanup are considered work
7 project appropriations and any unencumbered or unallotted funds are
8 carried forward into the succeeding fiscal year. The following is in
9 compliance with section 451(3) of the management and budget act, Act
10 No. 431 of the Public Acts of 1984, being section 18.1451 of the
11 Michigan Compiled Laws:

12 (a) The purpose of the projects is to provide contaminated site
13 cleanup.

14 (b) The projects will be accomplished by contract.

15 (c) The total estimated cost projects is identified in each line
16 item appropriation.

17 (d) The tentative completion date is September 30, 1997.

18 Sec. 803. (1) The department shall report all of the following
19 information relative to site specific cooperative agreements made from
20 the line "superfund cleanup" to the senate and house appropriations
21 committees and the senate and house fiscal agencies:

22 (a) The name and location of the site for which the site specific
23 cooperative agreement is made.

24 (b) The nature of the problem encountered at the site.

25 (c) The estimated time to prepare plans or complete any necessary
26 study if the allocation is for plans or a study.

27 (d) A brief description of how the problem will be resolved if the
28 allocation is made for a remedy.

29 (e) The estimated time to complete the remedy of the problem if the
30 allocation is for a remedy.

1 (f) The amount of the anticipated financing for the site.

2 (g) A summary of the sites and the total amount of funds expended
3 at the sites at the conclusion of the fiscal year.

4 (2) The report shall be made available in January of each year.

5 Sec. 804. Of the funds appropriated in section 101 as state match
6 for the superfund cleanup program, an amount not to exceed \$250,000.00
7 shall be expended as state match for the hazardous substance research
8 center.

9 **UNDERGROUND STORAGE TANKS**

10 Sec. 901. (1) The funds appropriated in section 101 from the
11 Michigan underground storage tank financial assurance fund for the
12 purpose of carrying out the duties and responsibilities as specified in
13 part 215 of the natural resources and environmental protection act, Act
14 No. 451 of the Public Acts of 1994, being sections 324.21501 to
15 324.21551 of the Michigan Compiled Laws, are considered work project
16 appropriations and any unencumbered funds are carried forward into the
17 succeeding fiscal year. The following is in compliance with section
18 451(3) of the management and budget act, Act No. 431 of the Public Acts
19 of 1984, being section 18.1451 of the Michigan Compiled Laws:

20 (a) The purpose of the projects to be carried forward is to carry
21 out the responsibilities of Act No. 518 of the Public Acts of 1988.

22 (b) The projects will be accomplished by contract and state
23 employees.

24 (c) The total estimated cost is identified in the line item
25 appropriation.

26 (d) The tentative completion date is September 30, 1997.

27 (2) The Michigan underground storage tank financial assurance
28 policy board shall allocate the amount of the underground storage tank
29 financial assurance fund to be distributed to the department. If the
30 amount recommended by the board is less than that appropriated in

1 section 101, expenditures shall be adjusted accordingly.

2 (3) Included in the amounts appropriated in section 101 from the
3 Michigan underground storage tank financial assurance fund are amounts
4 sufficient to pay debt service costs on the bonds or notes issued
5 pursuant to part 215 of Act No. 451 of the Public Acts of 1994.

6 **GRANTS**

7 Sec. 1001. If a certified health department does not exist in a
8 city, county, or district or does not fulfill its responsibilities
9 under the septage waste servicer's act, Act No. 181 of the Public Acts
10 of 1986, being sections 325.311 to 325.332 of the Michigan Compiled
11 Laws, then the department may spend funds appropriated in section 101
12 under the septage waste compliance program in accordance with section
13 17(3) of the septage waste servicer's act, Act No. 181 of the Public
14 Acts of 1986, being section 325.327 of the Michigan Compiled Laws.

Final page.