



Senate Fiscal Agency
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BILL ANALYSIS



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FY 2002-03 Year-to-Date Gross Appropriations	\$404,712,261
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Changes from FY 2002-03 Year-to-Date:

Items Included by the House and Senate

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| 1. Storm Water Permit Fees. The Governor proposed fee increases for the discharge of storm water, including funding and 5.0 more FTEs for the program. The House and Senate concur with the funding and FTE increases. | 1,162,500 |
| 2. Economic Adjustments. The budget includes economic adjustments for building occupancy charges and workers' compensation. | (695,500) |

Conference Agreement on Items of Difference

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| 3. National Pollutant Discharge Elimination System Permit Fees. The Governor proposed a new permit fee for the Federal program for the discharge of waste water, including 15.0 additional FTEs and \$7,220,900 in fee revenue, of which \$5,020,900 offsets a General Fund reduction for the current NPDES program. The House included \$5,020,900 if this fee is enacted, otherwise the program receives 85% of its current General Fund support. The Senate appropriates \$3,524,500 in new fee revenue and \$1,922,900 GF/GP for a total of \$5,447,400 and 5.0 additional FTEs. The Conference Committee includes \$3,000,000 in fee revenue. | (98,000) |
| 4. Groundwater Permit Fees. The Governor proposed a new permit fee for discharges into the ground or groundwater, including 18.0 additional FTEs and \$3,588,200 in fee revenue, of which \$1,388,200 offsets a General Fund reduction for current groundwater permitting activities. The House funds this program with 85% of its current GF/GP support. The Senate appropriates new fee revenue of \$1,900,000, which is \$511,800 over the current funding level and includes 5.0 additional FTEs. The Conference Committee includes \$1,700,000 in fee revenue. | 311,800 |
| 5. Solid Waste Program Fees. The Governor proposed a revised fee structure for the assessment of permit fees on landfill operators. The proposed fee revenue of \$3,900,000 would replace the current fee revenue and offset General Fund support of \$2,598,400 for the program, with no net increase in funding for the program. The House supports this program with 85% of its current GF/GP dollars. The Senate and Conference Committee concur with the Governor on the increased fee revenue to offset General Fund reductions. | 0 |
| 6. Program Elimination. The Governor recommends the elimination of Department reviews of public swimming pools and campgrounds site construction plans, manufactured housing communities, and the Septage waste program. The reductions would result in a savings of \$1,076,300 General Fund and 12.0 FTEs. The House partially restores the functions and the Senate and Conference Committee restore all of these programs to their current year funding. | 0 |
| 7. Aquifer Dispute Resolution and Groundwater Inventory. The House added \$500,000 Gross, \$200,000 GF/GP for dispute resolution. The Senate creates an item of difference and includes \$1,000,000 Restricted for implementation of a Statewide groundwater inventory and map. The Conference Committee also funds the Aquifer Protection Revolving Fund. | 1,800,000 |
| 8. Water Quality Monitoring Grants. The House retains current year funding of \$2,500,000 Restricted to Macomb County and St. Clair Shores. The Senate and Conference Committee include \$1,700,000 for this purpose. | (800,000) |
| 9. Other Changes. The budget includes additional adjustments to General Fund and Restricted funds to reflect actual revenue estimates and the discontinuation of MUSTFA. | (59,968,661) |

Total Changes	(58,287,861)
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FY 2003-04 Conference Report Gross Appropriation	\$346,424,400
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Amount Over/(Under) GF/GP Target: (\$200)

Changes from FY 2002-03 Year-to-Date:Items Included by the House and Senate

1. The Governor eliminates and the House and Senate restore sections regarding privatization, buy American intent, report on restricted fund balances, grant and loan program report, public meeting on water diversion requests, report on the air quality program, fair collection of bottomland permit fees, waiver of certain permit fees, groundwater use modeling, local health department septage assistance, and drinking water project loans. (Sections 207, 209, 212, 213, 215, 401, 601, 602, 903, 1101, and 1103)
2. The Governor, House, and Senate all remove sections regarding deprived and depressed communities, report on the balance of the Environmental Response Fund, prohibited rent expenditures, designation for water quality monitoring grants, analysis of a Greening of Governments report, Hazardous Substance Research Center, MUSTFA work projects, report on MUSTFA funds, leaking underground storage tank cleanup sites, scrap tire demonstration projects, automobile component removal study, distribution of budgetary and early retirement savings, and cigarette tax appropriations.
3. The House and Senate remove sections included by the Governor regarding contingency funds and unexpended General Fund dollars from FY 2002.

Conference Agreement on Items of Difference

4. The Conference Committee includes current year sections regarding retention of reports, MI Youth Conservation Council, a listing of cleanup sites funded in the bill, NPL municipal landfill match grants, signs at public beaches, inspection of imported solid waste, and training of local enforcement personnel. (Sections 211, 218, 702, 703, 901, 1001, and 1002)
5. **Hiring Freeze.** The House removes this section included by the Governor. The Senate and Conference Committee restore it. (Sec. 205)
6. **Information Technology.** The Conference Committee includes sections regarding information technology user fees and the establishment of a rate schedule. (Sections 219 and 221)
7. **Permit Review and Compliance Project.** The House adds a new section establishing criteria for a review of the Department's permitting programs. The Senate and Conference Committee do not include this section.
8. **Recycling Coordinator.** The Senate adds a section designating 1.0 FTE and \$60,000 in Part 1 for technical assistance to organizations involved in recycling and composting. The Conference Committee concurs. (Sec. 501)
9. **Recycling Study.** The Senate adds a section requiring a report and recommendations on expanding and improving recycling in the State. The Conference Committee concurs. (Sec. 502)
10. **Audit of Aquatic Nuisance Program.** The House adds a new section directing the Legislative Auditor General to conduct an audit of this program. The Senate and Conference Committee do not include this section.
11. **Work Projects in Environmental Response.** The Governor and House include this section. The Senate and Conference Committee amend it to include leaking underground storage tank cleanup sites. (Sec. 701)
12. **Aquifer Conflict Resolution IDG to Agriculture.** The House adds a section designating \$100,000 of the appropriation for aquifer conflict resolution to the Department of Agriculture. The Senate and Conference Committee concur. (Sec. 902)
13. **Statewide Groundwater Inventory and Map.** The Senate and Conference Committee add a section designating \$1,000,000 in Part 1 from the CMI-Clean Water Fund for preparation of a groundwater inventory and map. (Sec. 904)
14. **Water Quality Monitoring Projects.** The House amends a current year section to designate \$1,800,000 for a project of the Macomb County Health Department and \$700,000 for St. Clair Shores for canal dredging. The Senate and Conference Committee amend the section to reflect total appropriations in Part 1 of \$1,700,000.
15. **Ruddiman Creek Watershed.** The Conference Committee modifies language added by the Senate directing the Department to apply for Federal funding for this cleanup project. (Sec. 704)
16. The Conference Committee includes sections added by the Senate requiring reports on the Great Lakes Water Quality Bond, out-of-state waste, and compliance activities in the NPDES funding. (Sections 503, 802, and 909)

Date Completed: 7-16-03

Fiscal Analyst: Jessica Runnels

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.