



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4358 (as introduced)
Committee: Appropriations

FY 2006-07 Year-to-Date Gross Appropriation	\$443,744,500
Changes from FY 2006-07 Year-to-Date:	
1. Air Emissions Fees. The Governor recommended an increase to the fees that support the Federal Clean Air Act Title V permit program. The fees sunset Sept. 30, 2007.	1,000,000
2. Groundwater Discharge Fees. The Governor recommended an increase to these fees that sunset on Oct. 1, 2007. The higher fee level would cover a projected revenue shortfall and enhance the program.	300,000
3. Hazardous Waste User Fees. The Governor recommended an increase to the manifest processing, site ID number, and handler user charges. These fees sunset March 31, 2008. The higher fee level would cover a projected revenue shortfall.	0
4. Land and Water Permit Fees. The Governor included an increase to these fees to cover increasing costs in existing programs. These fees sunset Oct. 1, 2008. The additional revenue would replace a one-time source used in FY 2006-07.	0
5. Mineral Well Regulatory Fees. The Governor recommended an increase to these fees. The higher fee level would cover a projected revenue shortfall in the program.	0
6. Solid Waste Fees. In order to cover program costs, the Governor recommended an increase to these fees that support the regulation of landfills. The fees sunset Oct. 1, 2007, however, the proposed increased fee level would take effect in FY 2008-09.	0
7. On-site Wastewater Treatment Fees. The Governor recommended a new fee to support the review of on-site sewer systems. The fee would generate \$598,000 and replace temporary funding.	0
8. Pollution Prevention Program Fees. The Governor recommended a new fee to supplement pollution prevention services with \$2.4 million annually. The higher fee level would cover a projected revenue shortfall in the program.	0
9. Drinking Water Revolving Loan Fund. The Governor recommended a reduction of \$1,691,400 General Fund for the Drinking Water Revolving Loan Fund. The recharacterization of residual interest earnings would be used to meet the State match of 20% for Federal funding.	(10,148,400)
10. Cleanup Funding. The Governor shifted funding for RPF cleanup projects to cover a shortfall in other restricted funds used for oversight costs for cleanup projects.	(2,000,000)
11. Removal of One-time Projects. The Governor removed one-time appropriations in FY 2006-07, including real-time water quality monitoring, household hazardous waste, City of St. Louis wells, City of St. Clair Shores canals, brownfield grants/loans, sewer project planning grants, and environmental cleanup sites.	(66,061,000)
12. Economic Adjustments. The Governor included economic adjustments with \$5,550,700 Gross and \$750,900 General Fund.	5,500,700
13. Other Changes. The Governor made other changes, including adjustments in Federal grants, State restricted revenues, human resources, and administrative reductions.	(1,371,400)
Total Changes.....	(\$72,780,100)
FY 2007-08 Governor's Recommendation.....	\$370,964,400

Changes from FY 2006-07 Year to Date:

1. **Sections Removed.** The Governor removed language regarding retention of reports, public meetings on water diversion, MI Youth Conservation Council, areas of concern, prohibition on disciplinary action, fine and penalty collections, joint agreement with EPA on agricultural pollution, alternative fuels refinery, permit compliance guides, brownfield grants and loans, waiver of permit fees, beach grooming, cleanup site criteria, St. Louis water supply wells, environmental cleanup sites, site review board, Romulus deep injection well, safe drinking water assistance, scrap tire suppression, and real-time water quality monitoring.
2. **Reports Removed.** The Governor removed reports on restricted fund balances, grants and loans, air quality program, Great Lakes Water Quality bond, Refined Petroleum Fund sites, and the NPDES Fund.
3. **Contingency Funds.** The Governor included authorization for contingency fund appropriations at the levels of \$30.0 million Federal, \$5.0 million State restricted, \$100,000 local, and \$100,000 private. (Sec. 212)
4. **Restricted Funds.** The Governor amended language related to restricted funds for administrative costs by eliminating the requirement that the cost allocation plan be phased-in over three years. (Sec. 216)
5. **License Fee Contingency Reductions.** The Governor included language stating the amounts appropriated from fee revenue in specific budget units that would be reduced if the proposals to increase fees for air emissions, groundwater discharge, land and water permits, mineral wells, and on-site sewage are not adopted by Oct. 1, 2007. The total reduction would be \$5,531,000. (Sec. 217)

Date Completed: 2-16-07

Fiscal Analyst: Jessica Runnels