



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



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

FY 2006-07 Year-to-Date Gross Appropriation	\$422,668,600
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Changes from FY 2006-07 Year-to-Date:

Items Included by the House and Senate

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| 1. Permit Fees. The Conference Report included the Governor's recommend appropriations for eight permit fees for which increases had been proposed: air emissions, groundwater discharge, hazardous waste, land and water management, mineral well, on-site wastewater treatment, pollution prevention, and solid waste. Legislation has not been enacted to increase the permit fees to support the appropriations. Boilerplate language provides that the Legislature intends to address the shortfall in restricted funds by January 15, 2008. | 1,300,000 |
| 2. 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. The Conference Report concurred. | (2,000,000) |
| 3. Drinking Water Revolving Loan Fund. The Governor recommended a reduction of \$1,691,400 General Fund for the Drinking Water Revolving Loan Fund. This would result in a loss of Federal matching funds, but the DEQ would still be able to meet loan demand. The Conference Report concurred. | (10,148,400) |
| 4. Removal of One-time Projects. The Governor removed one-time appropriations in FY 2006-07, 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. The Conference Report concurred. | (66,311,000) |
| 5. Economic Adjustments. The Governor included economic adjustments with \$5,550,700 Gross and \$750,900 General Fund. The Conference Report concurred. | 5,500,700 |
| 6. Other Changes. The Governor made other changes, including adjustments in Federal grants, adjustments for one-time reductions in FY 2006-07, State restricted revenues, human resources, and administrative reductions. The Conference Report concurred. | 20,617,700 |

Conference Agreement on Items of Difference

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| 7. Cleanup Funding Reduction. In order to meet the General Fund target, General Fund support for the administration of cleanup projects was reduced. | (311,000) |
| 8. Drinking Water Revolving Loan Fund Reduction. In order to meet the General Fund target, General Fund support for the Drinking Water Revolving Loan Fund was further reduced. | (722,200) |
| 9. Water Quality Monitoring. The Conference Report included funding from settlement funds for a grant to Macomb County for real-time water quality monitoring projects in the St. Clair River watershed. | 250,000 |

Total Changes.....	(\$51,824,200)
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FY 2007-08 Conference Report Gross Appropriation	\$370,844,400
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2006-07 Year to Date:Items included by the House and Senate

1. **Sections Removed.** The Conference Report removed language regarding public meetings on water diversion, areas of concern, joint agreement with EPA on agricultural pollution, alternative fuels refinery, permit compliance guides, brownfield grants and loans, beach grooming, St. Louis water supply wells, and safe drinking water assistance.
2. **Sections Retained.** The Conference Report included sections regarding retention of reports, restricted fund balances, grants and loans, MI Youth Conservation Council, prohibition on disciplinary action, fine and penalty collections, air quality program, Great Lakes Water Quality bond, waiver of permit fees, cleanup site criteria, Refined Petroleum Fund sites, environmental cleanup sites, site review board, Romulus deep injection well, the NPDES Fund, scrap tire suppression, and real-time water quality monitoring. (Secs. 207, 209, 213, 221, 222, 301, 402, 601, 702, 703, 704, 801, 802, 901, 1102, and 1103)
3. **Restricted Funds.** The Conference Report amended language related to restricted funds for administrative costs by requiring that the cost allocation plan be phased-in over two years. (Sec. 220)

Conference Agreement on Items of Difference

4. **Benchmarking.** Directed the Department to assist the Legislative Commission on Government Efficiency in its benchmarking evaluation. (Sec. 223)
5. **Policy Change Reporting.** The Conference Report required the Department to notify the Legislature on policy changes that affect small businesses. (Sec. 224)
6. **Legal Services.** Prohibited the use of funds for legal services that are otherwise provided by the Attorney General. (Sec. 225)
7. **Contingency Funds.** The Conference Report 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. 226)
8. **License Fee Action.** Stated Legislative intent that the shortfalls in State restricted funds shall be addressed by January 15, 2008. (Sec. 227)
9. **Core Samples Research.** Encouraged the Department to continue to work with Western Michigan University to maintain core samples and explore new opportunities for collaboration. (Sec. 501)
10. **Wetlands inventory.** Directed the Department to continue to make refinements to wetland mapping information. (Sec. 602)
11. **Refined Petroleum Fund Repayment.** Intent to restore the \$70.0 million of Refined Petroleum Fund revenue that was removed in FY 2006-07. (Sec. 705)
12. **Performance Audit of LUST Program.** The Auditor General will perform a performance audit of the leaking underground storage tank program. (Sec. 706)
13. **Draft Memoranda.** Prohibited the used of draft operational memoranda unless authorized under part 213 or written consent of the parties. (Sec. 707)
14. **NPDES/MAEAP Comparative Analysis.** Directed the Department to complete a comparative analysis of these two programs. (Sec. 902)
15. **CAFO Report.** Required a report on data about confined animal feeding operations in the State. (Sec. 903)
16. **Sewage Discharge.** The Department shall develop a plan for virtual elimination of sewage discharge. (Sec. 904)
17. **Stormwater Permits.** Directed the Department to assess stormwater permit fees only on owners or operators of systems. (Sec. 905)
18. **Real-time Water Quality Monitoring.** Provided \$250,000 to Macomb County for water quality monitoring projects in the St. Clair watershed. (Sec. 1103)

Date Completed: 10-30-07

Fiscal Analyst: Jessica Runnels

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

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