

FY 2013-14: DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary: As Reported by House Subcommittee
House Bill 4216 (H-1) Draft 1



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	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	<i>Difference: House From FY 2012-13 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	9,021,200	9,401,900	9,399,300			378,100	4.2
Federal	161,687,500	150,929,700	150,911,400			(10,776,100)	(6.7)
Local	0	0	0			0	0.0
Private	533,200	541,800	541,800			8,600	1.6
Restricted	231,275,600	322,190,900	320,626,100			89,350,500	38.6
GF/GP	29,812,400	29,104,500	26,399,900			(3,412,500)	(11.4)
Gross	432,329,900	512,168,800	507,878,500			75,548,600	17.5
FTEs	1,327.5	1,291.5	1,291.5			(36.0)	(2.7)

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.

(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

The Department of Environmental Quality (DEQ) supports environmental protection, conservation, and cleanup and redevelopment programs and regulatory efforts established to protect, restore, and reuse Michigan's air, water, and land resources.

		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
Major Budget Changes From FY 2012-13 YTD Appropriations			
1. Funding Authorization Reductions			
<u>Executive</u> reduces restricted funding by \$1.9 million to align with anticipated revenues. Restricted funds reduced include Water Analysis Fund, Waste Reduction Fund, Septage Waste License Fees, Hazardous Materials Transport Permit Fund, Infrastructure Construction Fund, and CMI Clean Water Fund. <u>House</u> concurs with Executive.	Gross	N/A	(\$1,937,000)
	Restricted	N/A	(1,937,000)
2. Hazardous Waste Management Program Fee Increase			
<u>Executive</u> replaces one-time restricted funding used in FY 2012-13 that is no longer available with \$1.5 million restricted funding to be generated by a fee increase and restructuring of the Hazardous Waste Management Fees. In addition, <u>Executive</u> eliminates \$400,000 federal funding to align with anticipated revenues and replaces that funding with \$400,000 one-time GF/GP in FY 2013-14 in separate one-time funding appropriation unit.	Gross	N/A	(\$400,000)
	Federal	N/A	(400,000)
	Restricted	N/A	0
	GF/GP	N/A	\$0
<u>House</u> does not include \$1.5 million restricted funding from a fee increase or the \$400,000 one-time GF/GP, but replaces the current-year restricted funding that is no longer available with \$1.5 million Waste Reduction Fee revenue transferred into this line item from the Office of Environmental Assistance line item.			
3. Waste Reduction Fee Transfer			
<u>House</u> includes a \$1.5 million restricted fund reduction of Waste Reduction Fee revenue in the Office of Environmental Assistance (OEA) line item; funding is transferred to Hazardous Waste Management line item and OEA line item is reduced by \$1.5 million (See item #2).	Gross	N/A	(\$1,500,000)
	Restricted	N/A	(1,500,000)
4. GF/GP Reduction			
<u>House</u> includes a GF/GP funding reduction that totals \$1.6 million throughout various line items.	Gross	N/A	(\$1,600,000)
	GF/GP	N/A	(\$1,600,000)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
5. Wetlands Funding			
<u>Executive</u> funds Wetlands Program at \$2.1 million Gross (\$1.6 million GF/GP), reclassifies \$1.0 million GF/GP one-time funding in current year for Wetlands Program to on-going base funding, and includes additional \$100,000 GF/GP funding and 1.0 FTE for a Wetlands Ombudsman. In addition, includes one-time GF/GP support totaling \$600,000 for FY 2013-14 in a separate one-time funding appropriation unit.			
	FTE	24.0	1.0
	Gross	\$2,000,000	\$100,000
	Federal	500,000	0
	GF/GP	\$1,500,000	\$100,000
<u>House</u> includes \$1.6 million GF/GP funding, \$500,000 federal funding, and 1.0 FTE for Wetland Ombudsman in line item.			
6. Great Lakes Restoration Initiative (GLRI)			
<u>Executive</u> decreases federal EPA authorization for GLRI funding by \$10.0 million. Funding is reduced because many GLRI grants are being awarded directly to locals rather than to DEQ as a pass-through agency. <u>House</u> concurs with Executive.			
	Gross	\$25,000,000	(\$10,000,000)
	Federal	25,000,000	(10,000,000)
7. Leaking Underground Storage Tanks (LUST) Cleanups			
<u>Executive</u> includes additional \$2.5 million Refined Petroleum Fund (RPF) revenue for cleanup work at LUST sites. Funding is available by replacing \$2.5 million of RPF revenues currently used for debt service in Treasury with GF/GP funding. <u>House</u> concurs with Executive.			
	Gross	\$30,000,000	\$2,500,000
	Restricted	30,000,000	2,500,000
8. Underground and Aboveground Storage Tank Inspection/Permitting Program			
<u>Executive</u> reduces restricted funding by \$3.7 million and federal funding by \$1.3 million and eliminates 37.0 FTE positions to reflect the transfer to LARA of the underground and aboveground storage tank programs. Transfer authorized by E.O. 2012-14. <u>House</u> concurs with Executive.			
	FTE	37.0	(37.0)
	Gross	\$4,925,700	(\$4,925,700)
	Federal	1,255,300	(1,255,300)
	Restricted	3,670,400	(3,670,400)
9. Strategic Water Quality Initiatives Funding (SWQIF)			
<u>Executive</u> includes additional \$100.0 million restricted funding from SWQIF bond revenues. Provides \$97.0 million funding for the SWQIF grants and loans program which makes awards to local governments to improve sewage collection and treatment systems and \$3.0 million to establish the new wetland mitigation bank funding program to provide grants and loans to eligible municipalities. <u>House</u> concurs with Executive.			
	Gross	N/A	\$100,000,000
	Restricted	N/A	100,000,000
10. Office of the Great Lakes			
<u>Executive</u> proposes \$500,000 GF/GP funding to support the Office of Great Lakes and to satisfy the state's responsibilities under the Great Lakes Compact Agreement. Funding would replace restricted funding that is no longer available. <u>House</u> does not include GF/GP funding.			
	Gross	\$500,000	(\$500,000)
	Restricted	500,000	(500,000)
	GF/GP	\$0	\$0
11. Revenue Alignment Adjustments			
<u>Executive</u> includes additional \$234,400 IDG authorization to receive additional funding from the Michigan Department of State Police to more accurately reflect the DEQ's costs associated with the radiological protection program. Decreases restricted funding by \$5,000 for IT charges due to program rate changes. <u>House</u> concurs with Executive.			
	Gross	N/A	\$229,400
	IDG	N/A	234,400
	Restricted	N/A	(5,000)
12. Surface Water Quality Program			
<u>Executive</u> includes additional \$200,000 GF/GP funding to be used as matching funds for federal grants available for enforcement, the issuance of permits, and compliance activities concerning water quality. <u>House</u> does not include GF/GP funding.			
	Gross	N/A	0
	GF/GP	N/A	\$0
13. Cost Allocation Adjustment			
<u>Executive</u> adjusts funding to reflect cost allocation changes from FY 2012-13. <u>House</u> concurs with Executive.			
	Gross	N/A	\$0
	IDG	N/A	22,500
	Federal	N/A	(36,500)
	Restricted	N/A	14,000
14. Information Technology Expansion			
<u>Executive</u> includes additional \$90,300 (\$4,600 GF/GP) funding for wireless infrastructure and Internet bandwidth expansions. <u>House</u> does not include funding.			
	Gross	N/A	\$0
	IDG	N/A	0
	Federal	N/A	0
	Restricted	N/A	0
	GF/GP	N/A	\$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change	
15. Removal of FY 2012-13 One-Time Supplemental Funding — Aquifer Protection Program		Gross	\$600,000	(\$600,000)
<u>Executive</u> eliminates \$600,000 supplemental funding for the Aquifer Protection Program appropriated in P.A. 305 of 2012. One-time appropriation is anticipated to sufficiently fund program for 3 years. <u>House</u> concurs with Executive.		Restricted	600,000	(600,000)
16. Removal of FY 2012-13 One-Time Boilerplate Appropriation — Engineering Study		Gross	\$300,000	(\$300,000)
<u>Executive</u> eliminates \$300,000 boilerplate appropriation for an engineering study concerning the Wickes Manufacturing TCE plume site. <u>House</u> concurs with Executive.		Restricted	300,000	(300,000)
17. Removal of FY 2012-13 One-Time Appropriations		Gross	\$11,049,200	(\$11,049,200)
<u>Executive</u> eliminates one-time funding items from previous year that will not receive any funding in FY 2013-14:		IDG	48,800	(48,800)
-Brownfield Grants and Loans (\$5.0 million)		Federal	415,700	(415,700)
-MiWaters Data System Project (\$2.0 million)		Private	4,200	(4,200)
-State Employees Lump-Sum Payments (\$1.5 million)		Restricted	7,920,400	(7,920,400)
-Drinking Water Revolving Fund State Match (\$2.5 million)		GF/GP	\$2,660,100	(\$2,660,100)
<u>House</u> concurs with Executive.				
18. Economic Adjustments		Gross	N/A	\$5,531,100
<u>Executive</u> reflects increased costs of \$5.5 million Gross (\$747,600 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. <u>House</u> concurs with Executive.		IDG	N/A	170,000
		Federal	N/A	1,331,400
		Private	N/A	12,800
		Restricted	N/A	3,269,300
		GF/GP	N/A	\$747,600
19. Anticipated FY 2014-15 Budget Changes				
<u>Executive</u> includes funding for anticipated increase from FY 2013-14 budget of \$2.4 million Gross ((577,800) GF/GP) for the following adjustments in FY 2014-15:				
• One-Time Wetlands GF/GP Funding			(\$400,000)	
• One-Time Hazardous Waste GF/GP Funding			(\$600,000)	
• Economic Adjustments			\$3,487,100	

House does not include adjustment for Wetlands or Hazardous Waste GF/GP one-time funding. (Boilerplate intent language only; would not be binding appropriation.)

Major Boilerplate Changes from FY 2012-13

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2012-13 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding. The list below includes major boilerplate changes, but is not a comprehensive list of all sections deleted.

Sec. 212. Disciplinary Action Against State Employees – RETAINED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House retains current-year language.

Sec. 213. Administrative Rule Promulgation – RETAINED

Prohibits DEQ to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive deletes language; House retains current-year language.

Sec. 218. Office Space Consolidation Plan – RETAINED

Includes legislative language that DEQ cooperate with the development and implementation of a statewide office space consolidation plan. Executive deletes language; House retains current-year language.

Sec. 223. FTE Report by Line Item – RETAINED

Requires DEQ to report on the number of funded FTEs and number of FTEs funded by line item. Executive deletes language; House retains current-year language.

Major Boilerplate Changes from FY 2012-13

Sec. 224. Quarterly FTE Report – RETAINED

Requires DEQ to report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House retains current-year language.

Sec. 227. Permit Application Status Tracking Tool – REVISED

Requires report on implementation of a permit application tracking tool on DEQ website. Executive deletes language; House revises report language.

Sec. 228. Customer Satisfaction Evaluation Program – RETAINED

Requires report on development of customer satisfaction evaluation program and public feedback received. Executive deletes language; House retains current-year language.

Sec. 229. Expedited Permitting Program – REVISED

Requires report listing actions and program changes taken to implement the Expedited Permitting Program; report must include a plan, timeline, and estimated costs. Executive deletes language; House revises report language.

Sec. 230. Measurable Outcomes Report – DELETED

Requires report identifying 10 principal measurable outcomes of budget expenditures. Executive and House delete language

Sec. 231. Website Scorecard – NEW

Includes new language that requires DEQ to maintain on a publicly accessible website a department scorecard with key metrics concerning the agency's performance. Executive and House include new language.

Sec. 232. Publication Revenue Fund Transfer – NEW

Includes new language that transfers surplus funds of up to \$72,600 from the Publication Revenue Fund to the Oil and Gas Regulatory Fund on October 1, 2013. Executive and House include new language.

Sec. 305. Refined Petroleum Fund – RETAINED

States legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive deletes language; House retains current-year language.

Sec. 306. Refined Petroleum Fund Cleanup Site List – REVISED

Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program. Executive deletes language; House includes revised list of sites.

Sec. 307. Engineering Study Appropriation – REVISED

Appropriates \$300,000 CMI funding for an engineering study concerning the Wickes Manufacturing TCE plume site. Executive deletes language; House revises language to require a report on the results of the engineering study.

Sec. 309. Brownfield Grants and Loans Program Work Project Language – DELETED

Provides that Brownfield Grants and Loans Program funding are work project appropriations and allows carry-forward of remaining funds; projects accomplished by contract; tentative completion date is September 30, 2017. Executive and House delete language.

Sec. 401. Aquatic Nuisance Control (ANC) – REVISED

Requires \$700,000 and 5.0 FTEs be allocated to the ANC program; requires report. Executive deleted language; House revises language.

Sec. 402. Groundwater Dispute Resolution Process – DELETED

Directs Department to fund an aquifer dispute resolution process if funds are available. Executive and House delete language.

Sec. 403. Aquatic Invasive Species Council – DELETED

Requires DEQ to support funding for an Aquatic Invasive Species Council. Executive and House delete language.

Sec. 406. Wetlands Ombudsman – NEW

House includes new language that requires that \$100,000 of the funding appropriated in part 1 for wetlands program be allocated to support 1.0 FTE position for a wetlands ombudsman.

Sec. 601. Solid Waste Program Report – DELETED

Requires report on the Department's Solid Waste Management Program and policies. Report shall include plan for long-term funding and all actions and program changes taken to implement recommendation of 2012 report. Executive and House delete language.

Sec. 602. Clean Sweep Program – RETAINED

Directs DEQ to work with local health departments, Department of Agriculture and Rural Development, and USDA to maintain and expand the program for disposal of hazardous household chemicals and drugs; requires report. Executive deletes language; House retains current-year language.

Major Boilerplate Changes from FY 2012-13

Sec. 1201. Anticipated FY 2014-15 Appropriations – RETAINED

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors. (See item 18 under Major Budget Changes for specific anticipated appropriation adjustments.) Executive deletes language; House retains language.