



**APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY**

**DEPARTMENT OF ENVIRONMENTAL QUALITY  
PART 1: LINE ITEM DETAIL**

**2008 PA 247\*  
FY 2008-09  
Year-to-Date**

**Sec. 101. APPROPRIATION SUMMARY**

1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.	6.0
2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	1,520.7
3. <b><u>GROSS APPROPRIATION</u></b> - Total appropriations	<b>363,836,600</b>
4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	18,890,200
5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	344,946,400
6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.	130,936,100
7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	0
8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	555,700
9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	169,709,800
10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes.	43,744,800
11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	5,200,000

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**FUND SOURCE SUMMARY**

The discreet sources of revenue and the amounts appropriated from them are itemized in this section of the bill.

12.	<u>GROSS APPROPRIATION</u> - Total appropriation from all sources of financing.	363,836,600
13.	<u>IDG-MDCH, local public health operations</u> - This source of funding is initially appropriated as State General Fund/General Purpose dollars in the Department of Community Health budget act. In the DCH budget act the GF/GP dollars are appropriated for local public health operations (formerly known as State/Local Cost Sharing), the program that provides the basic State support for certain core functions carried out by local health departments. The interdepartmental grant (IDG) amounts reflected in this budget support local health department onsite sewage, and community and noncommunity water supply programs.	10,472,500
14.	<u>IDG-MDSP</u> - The Michigan Department of State Police provides funding to the Department of Environmental Quality Radiological Protection Program.	883,200
15.	<u>IDG, Michigan transportation fund</u> - The Department receives Michigan Transportation Fund dollars through an interdepartmental grant from the Michigan Department of Transportation. The funds are used by the Transportation and Flood Hazard Management Unit in the Geological and Land Management Division to review permit applications for new or replacement bridge and culvert projects being proposed by public transportation agencies.	1,066,900
16.	<u>IDT, interdivisional charges</u> - Certain administrative units of the Department charge operating divisions for data processing and other technical services that are provided by the administrative units to the divisions.	2,053,400
17.	<u>IDT, laboratory services</u> - The State environmental laboratory bills other divisions of the Department for services provided.	4,414,200
18.	<u>Total interdepartmental grants and intradepartmental transfers</u> - The total of items 13 through 17 above.	18,890,200
19.	<u>ADJUSTED GROSS APPROPRIATION</u> - The Gross appropriation less total IDGs and IDTs.	344,946,400
20.	<u>DHHS, federal</u> - Revenue from the United States Department of Health and Human Services is available for a pollution emergency alerting system database to monitor the public health impacts of hazardous substance releases.	6,200
21.	<u>DHS, federal</u> - Revenue from the United States Department of Homeland Security is available for emergency response activities, including equipment and preparation.	3,293,800
22.	<u>DOC-NOAA, federal</u> - Revenue from the United States Department of Commerce, National Oceanic and Atmospheric Administration is appropriated for Great Lakes coastal management programs, including State administered activities and a local grants program.	3,779,400
23.	<u>DOD, federal</u> - The United States Department of Defense provides funds for the investigation and cleanup of environmental contamination at former USDOD sites.	1,202,700

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24.	<u>DOI, federal</u> - Revenue from the United States Department of Interior is used to coordinate and oversee abandoned coal mine reclamation projects, in cooperation with the USDOl.	595,300
25.	<u>EPA, multiple</u> - Revenue from the United States Environmental Protection Agency is appropriated in this line. The EPA funds are from a variety of sources, including: <ul style="list-style-type: none"> <li>• EPA-GWDW - Groundwater/ Drinking Water funds primarily support activities required by the Federal Safe Drinking Water Act.</li> <li>• EPA-LUST trust - Revenue from the EPA Leaking Underground Storage Tank Trust Fund supports the oversight of leaking underground storage tank corrective actions.</li> <li>• EPA-UST - Federal Underground Storage Tank funding is available for the oversight of the design, construction, installation, and operation of certain underground storage tanks.</li> <li>• EPA, federal - Federal funding for a variety of programs and activities, including, but not limited to, Federal Clean Water Act, pollution prevention, and air quality program funds.</li> <li>• EPA-radon - Federal funding for radon education and monitoring efforts.</li> <li>• EPA-superfund - Federal funding for site investigation, cleanup, and redevelopment at 72 National Priority List, superfund sites.</li> <li>• Federal revenues - The annual Federal capitalization grants to the State's Water Pollution Control Revolving Fund (State Revolving Fund or SRF), and the Drinking Water Revolving Fund are reflected in this fund source.</li> </ul>	122,058,700
26.	<u>Total federal revenues</u> - The total of items 20 through 25 above.	130,936,100
27.	<u>Private funds</u> - Money from workshop fees is appropriated to cover the cost of conducting workshops in pollution prevention for private business, and in environmental response and cleanup rules and regulations.	555,700
28.	<u>Total private revenues</u> - The total of item 27 above.	555,700
29.	<u>Aboveground storage tank fees</u> - Revenue from an annual \$61.50 per tank fee imposed on aboveground storage tank owners is used to enforce the Fire Prevention Code and the rules promulgated under the Code pertaining to the delivery, dispensing, noncommercial transportation, or storage of hazardous materials.	363,200
30.	<u>Air emissions fees</u> - Revenue from fees assessed on facilities that emit certain air pollutants and that are subject to the provisions of Title V of the Federal Clean Air Act amendments of 1990 are reflected in this line item. The level of the fees varies by the size and type of facility, and by the amounts of covered pollutants emitted. The revenue is used to prepare rules, review and act on applications, administer, and enforce the provisions of the operating permit program; to monitor emissions; to do modeling, analysis and demonstration; to prepare inventories and tracking of emissions; and to fund facilities under the Small Business Clean Air Assistance Program. The fees sunset October 1, 2007.	9,474,200

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31. <u>Aquifer protection revolving fund</u> - This fund was created with \$500,000 from the settlement funds account. It is used for administration of the aquifer protection and dispute resolution program. The fund may also be used to conduct hydrogeological studies or other studies to gather data on the nature of aquifers or groundwater resources in the State.	400,000
32. <u>Campground fund</u> - Fees for construction and operating licenses of public campgrounds are deposited into this fund and used to support the staff reviews of construction plans, inspection of facilities, and payments to local health departments that may conduct the inspections on behalf of the State. The fees were enacted in 2004 and may be adjusted according to the Detroit CPI every 3 years.	238,900
33. <u>Clean Michigan initiative - administration</u> - A 1998 voter approved ballot initiative allows the State to issue up to \$675 million in general obligation bonds to finance environmental and natural resources protection programs that would clean up and redevelop contaminated sites, protect and improve water quality, prevent pollution, abate lead contamination, reclaim and revitalize community waterfronts, enhance recreational opportunities, and clean up contaminated sediments in lakes, rivers, and streams. Implementing legislation allows spending of up to 3% of the bond proceeds for administrative costs.	120,100
34. <u>Clean Michigan initiative - clean water fund</u> - Implementing legislation for the Clean Michigan Initiative Bond Program allocated \$90 million, of the \$675 million authorized, for a Clean Water Fund. Money from the Clean Water Fund is used for water quality monitoring, water pollution control, wellhead protection, and storm water treatment projects and activities.	4,615,800
35. <u>Cleanup and redevelopment fund</u> - This Fund, created in Part 201 of the Natural Resources and Environmental Protection Act, receives money from unclaimed bottle deposits, from environmental settlements and cost recovery actions, and from any other source. Money appropriated from the Fund supports environmental cleanup actions, and provides for NPL Municipal Landfill Match grant programs.	12,428,500
36. <u>Community pollution prevention fund</u> - Revenue from unclaimed bottle deposits is credited to the Bottle Deposits Fund each year. The amount in the Bottle Deposits Fund is distributed such that 25% of the money is returned to retailers, and 75% is deposited to the Cleanup and Redevelopment Trust Fund. The Community Pollution Prevention Fund receives 10% of the amounts annually deposited to the Cleanup and Redevelopment Trust Fund. The Bottle Deposits Law, a voter initiated law, allows spending of only the interest and earnings of the Community Pollution Prevention Fund for grants for preventing pollution, with an emphasis on the prevention of groundwater contamination and resulting risks to the public health, ecological risks, and public and private cleanup costs. In FY 2005-06, \$10.0 million was transferred from this fund, with \$3.0 million going to the Waste Reduction Fee Fund and \$7.0 million going to the Environmental Protection Fund. This action was taken through a boilerplate section in 2006 PA 153, a supplemental appropriations act.	250,000

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37. <u>Environmental pollution prevention fund</u> - Money from hazardous waste manifest processing, handler, and site identification number user charges is deposited in the Environmental Pollution Prevention Fund. Money in the Fund is used for implementation of the Hazardous Waste Management Act, and may be utilized for emergency response and cleanup activities related to hazardous waste.	944,400
38. <u>Environmental protection fund</u> - Revenue from the proceeds of the sale of Federal tax credits on the production of certain qualified fuels in which the State owns mineral rights is reflected in this line item. The EPF is not dedicated statutorily to any specific purpose. In this budget, the money is appropriated for environmental cleanup activities and to support permitting activities in the Land and Water Management Division. In FY 2005-06, 2006 PA 153 transferred a total of \$19.0 million into this fund. Of that amount, \$7.0 million was from the Community Pollution Prevention Fund and \$12.0 million was from the Cleanup and Redevelopment Trust Fund.	3,919,300
39. <u>Environmental response fund</u> - Sources of revenue supporting this Fund include revenue obtained in cost recovery actions or settlements entered into under the provisions of Part 201 (Remediation) of the Natural Resources and Environmental Protection Act, environmental remediation; revenue from parties responsible for environmental contamination or damage, and revenue recovered under the "polluter pay" provisions of Public Act 307, the former Environmental Response Act. Money from the ERF is appropriated for contaminated site investigation, cleanup, and redevelopment.	6,320,400
40. <u>Fees and collections</u> - Revenue from several fees authorized by the Public Health Code, 368 PA 1978, is reflected in this funding source. The fees include dry cleaning establishment license fees and well drilling contractor/pump installer registration fees. The revenue is used to support the regulatory programs that provide the permits, licenses, and registrations, including reimbursement of local health departments for their role in inspecting facilities.	446,500
41. <u>Financial instruments</u> - The Department requires financial instruments (e.g. surety bonds) as a condition of participation in several permitting/environmental programs. The Department currently holds greater than \$7 million in such financial instruments. This source of financing enables the Department to spend from the financial instruments it holds to repair environmental damage or assume responsibility for a facility in the event that a permit holder or other entity defaults, or fails to meet the requirements of a permit or other agreement.	5,000,000
42. <u>Great Lakes protection fund</u> - Revenue from the regional Great Lakes Protection Fund is distributed to all states participating in the Great Lakes Council of Governors. The Fund supports research and protection grants for projects related to the Great Lakes and for administration of the Office of the Great Lakes.	1,605,800
43. <u>Groundwater discharge permit fees</u> - The Department regulates the discharge of wastewater into the ground or groundwater of the State through a permit system. Permittees must pay an annual fee based on which administrative rules apply to their discharge. The fees sunset on October 1, 2007.	1,120,200

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44. <u>Hazardous materials transportation permit fund</u> - Hazardous waste and liquid hazardous transporter registration fee revenue is deposited into the Hazardous Materials Transportation Permit Fund. Money from the Fund is spent to implement and enforce the Hazardous Materials Transportation Act, 138 PA 1998. Funds not needed for that purpose may be spent for emergency response, training, and other activities related to hazardous materials transportation safety. Money from the Fund is budgeted for transporter permitting activities.	219,700
45. <u>Infrastructure construction fund</u> - Created	398,000
46. <u>Laboratory data quality recognition fund</u> – Application fees from commercial laboratories are deposited in this program fund and used to administer the Laboratory Data Quality Assurance program.	16,100
47. <u>Land and water permit fees</u> - Revenue from the following land and water use permit fees is reflected in this source of funding: inland lakes and streams project, floodplain, Great Lakes bottomlands project, dam, Great Lakes shorelands project, wetlands, sand dune protection and management, aquatic nuisance control, and Land Division Act permits. Money from these fees is used to process land and water management permit actions.	1,207,500
48. <u>Landfill maintenance trust fund</u> - This Fund was established by Part 113 of the Natural Resources and Environmental Protection Act for the purpose of providing a source of funding for monitoring the effectiveness of response activities, and for providing long-term maintenance of landfills with contamination from the chemical PBB, where the Department has undertaken response activities with funds from a judicially approved settlement. Money from any source may be deposited to the Fund to a maximum balance of \$500,000.	56,200
49. <u>Medical waste emergency response fund</u> - Medical waste producing facilities are required to pay a fee with their registration form. The revenue is collected in this fund, of which 80% is used by the Department of Community Health for implementation purposes and 20% is used by the Department of Environmental Quality for response activities related to the disposal of medical waste. The fees range from \$20 for a small, private medical practice to \$150 for a hospital with more than 150 licensed beds.	240,900
50. <u>Metallic mining surveillance fee revenue</u> - A metallic mineral operator is assessed a metallic mineral surveillance fee on the amount of metallic product produced in a calendar year. The fee revenue is dedicated to the surveillance, monitoring, administration, and enforcement of the laws concerning metallic mineral mining.	94,200
51. <u>Mineral well regulatory fee revenue</u> - This funding source is supported with revenue from annual fees assessed on the owners or operators of mineral wells regulated by Part 625 of the Natural Resources and Environmental Protection Act; with application fees for a brine storage or waste disposal permit; and with fees charged for drilling test wells. The revenue is used for implementation and enforcement of laws and regulations concerning the drilling, operation and abandonment of mineral wells, including waste injection, solution mining, mineral exploration test wells, non-oil and gas brine wells, and storage wells.	172,500

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52. <u>Nonferrous metallic mineral surveillance</u> – This program and permit fees were established in 2005. Application and annual surveillance fees assessed per ton of material mined are collected in the program fund and used for surveillance, monitoring, administration, and enforcement of the permit program.	221,700
53. <u>NPDES fees</u> - The National Pollutant Discharge Elimination System (NPDES) is a Federal mandated program that the State is certified to administer. Dischargers of wastewater must obtain a permit and pay an annual permit fee. The fee is determined by a facility's status as EPA major or minor, municipal or non-municipal, and its average daily flow. The fee revenue supports administrative costs of the permit program. The fees sunset October 1, 2009.	3,378,100
54. <u>Oil and gas regulatory fund</u> - The primary source of revenue for this Fund is a variable fee charged to producers that cannot exceed 1% of the gross cash market value of oil and gas produced in the State. Money in the Fund is appropriated for the monitoring, surveillance, enforcement, and administration of the laws and rules regulating oil and gas development and wells.	7,860,300
55. <u>Orphan well fund</u> - The greater of 2% or \$1 million of the severance tax on oil or gas produced in the State is deposited to the Fund each fiscal year. When the unexpended balance in the Fund is greater than \$3 million, deposits from the severance tax cease, until the Fund balance falls below \$3 million. In addition, money from cost recoveries from prior owners or operators of orphaned or abandoned wells is credited to the Fund. Money in the Fund is appropriated to plug abandoned or improperly closed oil or gas wells; for response activity or site restoration at oil or gas wells for which no owner is known, or owners are insolvent, or if determined to be threat to public health; and to cover costs of administering orphan well activities.	2,053,100
56. <u>Public swimming pool fund</u> - Fees for construction and operating licenses of public swimming pools are deposited into this fund and used to support the staff reviews of construction plans, inspection of pool facilities, and payments to local health departments that may conduct the inspections on behalf of the State.	544,300
57. <u>Public utility assessments</u> - The Department of Labor and Economic Growth and the Public Service Commission make annual assessments on public utilities in the State. The revenue from these assessments finances the cost of regulating public utilities. In this budget, the activities of the Low Level Radioactive Waste Authority are supported by this revenue.	787,400
58. <u>Public water supply fees</u> - Annual fees are imposed on providers of public water supplies, noncommunity water supplies, and for the certification of laboratories that conduct public water supply testing. The revenue from these fees is appropriated to administer the State's Safe Drinking Water Act.	3,962,900
59. <u>Publication revenue</u> - The Natural Resources and Environmental Protection Act allows the Department to collect fees or rentals for any photographic or publication materials it provides. The revenue from the fees and rentals covers the cost of producing the photographic or publication materials.	120,700

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60. <u>Refined petroleum fund</u> – A 7/8 cent environmental regulatory fee is imposed on all refined petroleum products sold for resale or consumption in the State. The fee is collected from persons who refine petroleum products for resale or consumption and from persons who import refined petroleum products for resale or consumption. Part 215 of NREPA authorizes the Fund be used for gasoline inspection programs under the Weights and Measures Act and the Motor Fuels Quality Act (in the Department of Agriculture); corrective actions necessary to address releases of refined petroleum products; and reasonable administrative costs of the DEQ, the Departments of Agriculture, Attorney General, and Treasury in administering the Fund and programs receiving revenue from the Fund. The fee is scheduled to sunset on December 31, 2010. This revenue stream was formerly used to support the MI Underground Storage Tank Finance Authority (MUSTFA), however, that program has sufficient funds to retire its revenue bonds and the fee revenue was redirected to the Refined Petroleum Fund and given new purpose in 2005.	30,724,700
61. <u>Restricted funds</u> – A cost allocation plan determines the portion from each restricted fund that supports the central administration activities of the Department. In FY 2006-07, the budget included a new line item to reflect the total of revenue from individual restricted fund sources, which is reflected here. The exact amounts from each restricted fund sources will be determined at the beginning of each fiscal year and reported to the Legislature. Historically, there were some discrepancies between the cost allocation plan and the amounts appropriated in the bill to accommodate insufficient fund balances. This method should allow the Department to accurately apply central costs across all divisions and funds.	17,350,700
62. <u>Retired engineers technical assistance fund</u> - Implementing legislation for the Clean Michigan Initiative Bond Program allocated \$10 million, of the \$675 million authorized, for capitalizing a Retired Engineers Technical Assistance Fund. The Fund is used to support the Retired Engineers Technical Assistance Program (RETAP), a program that uses retired engineers, scientists, and other professionals to provide businesses with free, confidential, on-site pollution prevention and energy assessments.	1,474,300
63. <u>Revitalization revolving loan fund</u>	84,500
64. <u>Revolving loan revenue bonds</u> – Proceeds from the re-characterization of interest remaining in the State Revolving Loan Fund. The interest from the SRF was used to buy and sell one-day revenue bonds so it could used as the State match to Federal grants, which impose certain limitations on the origin of funds used for the matching dollars.	11,400,000
65. <u>Saginaw Bay and River restoration revenue</u> - The Department receives money under the terms of a consent agreement between the State and General Motors for water quality monitoring activities in the Saginaw River and Saginaw Bay.	175,800

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66. <u>Sand extraction fee revenue</u> - The Natural Resources and Environmental Protection Act establishes a fee on sand dune mining operators for the purposes of surveillance, monitoring, administration, and enforcement laws and rules regulating sand dune mining. The fee cannot exceed \$0.10 per ton of sand mined in a year. Amounts collected in excess of the cost of regulating sand dune mining operations in a year, are carried forward for appropriation in the subsequent year, and the fee is reduced accordingly.	198,600
67. <u>Scrap tire regulatory fund</u> - Revenue from an annual \$200 scrap tire collection site registration fee and from the \$1.50 tire disposal surcharge fee assessed by the Secretary of State on each transfer of title is deposited to this Fund. Money from the Fund is appropriated for administrative costs associated with implementation of laws and rules regulating scrap tire disposal, for administrative costs of the Secretary of State, and cleanup or collection of abandoned scrap tires on public or private land.	5,852,000
68. <u>Septage waste contingency fund</u> – Interest earned on the fund is used to defray the cost of continuing education courses for people to maintain a septage waste servicing license. In order to receive an initial license or renew a license, statute requires that a person complete 10 hours of continuing education within 2 years, by December 31, 2009. Beginning January 1, 2010, a person is not eligible to renew a servicing license unless the person has successfully completed not less than 30 hours of continuing education during the 5-year period preceding the issuance of the license.	38,000
69. <u>Septage waste program fund</u> – All licensing fees for septage waste servicers are deposited into the Septage Waste Program Fund. Money in the fund may be spent only for the enforcement and administration purposes, including compensation to certified health departments or third parties carrying out certain powers and duties of the department.	722,000
70. <u>Settlement funds</u> - Revenue from judgments and settlements concerning fines and penalties assessed for violations of various environmental laws and permit conditions are reflected in this source of financing. The money is appropriated for site cleanup activities and supports real-time water quality monitoring in Macomb County.	2,106,400

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- | <p>71. <u>Sewage sludge land application fee</u> - This annual fee is composed of two parts, the administrative fee and the generation fee, and is set such that the total revenue generated, when combined with prior year balances, not exceed \$650,000 (annually adjusted for inflation). The administrative fee is \$400, and the generation fee, which is adjusted each year, is no greater than \$4 per dry ton of sewage sludge generated or applied to land in the State. Revenue from the fee is used for administration and enforcement of laws and rules regulating the application of sewage sludge, for education of farmers, sewage sludge generators, sewage sludge distributors, and the general public about land application of sewage sludge and its derivatives, and for the Department of Agriculture to provide persons involved in or affected by land application of sewage sludge or its derivatives with education and technical assistance relating to land application of sewage sludge or sewage sludge derivatives.</p> | 855,400   |
|--|-----------|
| <p>72. <u>Small business pollution prevention revolving loan fund</u> – This fund was created as part of the Clean Michigan Initiative in 1998. The fund provides loans to small business to implement pollution prevention projects. Loan amounts may be up to \$200,000 and may also be made for qualified agricultural energy production systems.</p>   | 108,200   |
| <p>73. <u>Soil erosion and sedimentation control training fund</u> - The Natural Resources and Environmental Protection Act requires each individual with responsibility for administering or enforcing the soil erosion and sedimentation control provisions of NREPA to be trained and certified by the Department of Environmental Quality. Fees charged by the Department for training and for administration of the certification exam are deposited to this Fund, and are used to cover the costs of the training and certification program.</p>   | 115,400   |
| <p>74. <u>Solid waste program fees</u> - Solid waste program fees are deposited into the Solid Waste Staff Account. The owner or operator of a landfill annually must pay seven cents per cubic yard of solid waste disposed of at that site. In addition to annual program fees, the Staff Account also receives revenue from solid waste facility construction and modification permit fees. This fund is appropriated for administration and enforcement of laws and rules regulating solid waste facilities and disposal. Separate from the staff account there exists a Perpetual Care Account, sometimes call the Solid Waste Management Fund. This fund receives revenue from solid waste disposal facility operating license fees. Money in the Perpetual Care account is used for landfill closure and post-closure maintenance and monitoring on an as-needed basis. It is not appropriated until needed and no funds have been expended from the Perpetual Care Account.</p>  | 4,014,400 |

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75. <u>Stormwater permit fees</u> - Storm water discharge permit fees are deposited in the Storm Water Fund. Money in the Fund is appropriated for permit review and surface water monitoring to support permitting process, for assessing compliance with permit conditions, for enforcement of permit conditions, for classifying storm water facilities, and for certifying storm water facility operators. A one-time fee is paid by construction sites and annual fees are paid by industrial, commercial, and municipal sites. The fees paid by municipalities are based on the population served. This is a subset of the NPDES program. These fees sunset on October 1, 2009.	2,814,900
76. <u>Strategic water quality initiatives fund</u> - In November 2002, the Great Lakes Water Quality Bond for \$1.0 billion was authorized by voters. Of the total, 10% or \$100 million was designated for projects ineligible for loan funding under the State Revolving Fund program and for grants to local units of government planning to apply to the State Revolving Fund loan program. The SWQIF receives the revenue from the bonds sold from the \$100 million designated for septic system upgrades and other non-SRF projects.	10,000,000
77. <u>Underground storage tank fees</u> - This source of financing is supported with a \$100 per tank registration and registration renewal fee assessed on each underground storage tank. The fee revenue is deposited to the Underground Storage Tank Regulatory Enforcement Fund. Money from the Fund is appropriated to enforce the underground storage tank act and the fire prevention code provisions pertaining to the delivery and dispensing operations of regulated substances.	2,134,300
78. <u>Waste reduction fee revenue</u> - A fee is assessed on all hazardous waste disposed of in a landfill or solidification facility, based on the quantity of waste disposed. The fees collected are deposited to the State's General Fund and appropriated to fund waste minimization and waste reduction assistance programs, and to pay refunds to generators who document a reduction in waste. Amendments to Part 111 of the Natural Resources and Environmental Protection Act, Hazardous Waste Management, allowed money from hazardous waste fees to be used for hazardous waste management programs in FY 2001-02 and FY 2002-03. The amendments also allowed the appropriation of \$500,000 from hazardous waste fees to implement the Aquatic Nuisance Species Control Program. In FY 2005-06, \$3.0 million from the Community Pollution Prevention Fund was transferred into this fund pursuant to a boilerplate appropriation in 2006 PA 153. The fund balance transfer was enacted to compensate for a projected shortfall fall in this fund.	3,909,900
79. <u>Wastewater operator training fees</u> - The Department conducts training programs for individuals seeking certification as municipal wastewater treatment facility operators or supervisors. This source of funding is supported by the fees charged to individuals participating in the training programs. The fees are set at a level that covers the cost of conducting the training.	172,800

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80. <u>Water analysis fees</u> - Fees established by the Public Health Code to fund laboratory testing services aimed at protecting the public's health are reflected in this line item. Laboratory testing funds are to be used only to develop and provide public health laboratory services including, but not limited to, purchasing equipment, developing procedures, and making other improvements to the laboratory testing program determined necessary by the department.	3,328,400
81. <u>Water pollution control revolving fund</u> - Also known as the State Revolving Fund (SRF) the Water Pollution Control Revolving Fund was established, in accordance with Federal Clean Water Act guidelines, using Federal water pollution control revolving fund capitalization grants and the required State matching funds. This fund provides low-interest loans to municipalities for construction related to a sewage treatment works project, a stormwater treatment project, or a nonpoint source project, or a combination of these projects. The amounts reflected in this line item are used to administer the loan program.	3,081,000
82. <u>Water quality protection fund</u> - Money raised by the sale of water quality fund-raising specialty vehicle registration plates is deposited to the Fund. Legislation authorizing the sale of the specialty plates requires money in the Fund to be used to provide grants to local units of government for protecting the water quality of the Great Lakes and inland lakes, rivers, and streams. This funding source supports the volunteer river, stream, and creek cleanup grant line item.	100,000
83. <u>Water use reporting fees</u> - An annual \$200 water use reporting fee is assessed on all industrial or processing facilities, or irrigation operations that have the capacity to withdraw greater than 100,000 gallons of water per day average in any consecutive 30 day period from the waters of the Great Lakes basin. Revenue from the reporting fees is deposited to the Water Use Protection Fund. Money from the Fund is appropriated to support the compilation and analysis of water use information, the identification of major water users, the collection of fees, the collection of uniform water use data, and the administration of the groundwater withdrawal permit program.	247,100
84. <u>Total other state restricted revenues</u> - The total of items 29 through 83 above.	169,709,800
85. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes.	43,744,800

**Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT**

1. <u>Unclassified salaries</u>	537,600
Unclassified FTE positions	6.0

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Article XI, Section 5 of the State Constitution allows the Civil Service Commission to exempt up to five positions, in addition to the Department director, from the classified State Civil Service. Four of the exempted positions are to be of a policy-making nature. This appropriation covers only the salaries of the Director and the five unclassified positions allowed by the Constitution. At the beginning of FY 2006-07 the salaries supported by this line item included: the Director, Deputy Director, Senior Policy Advisor, and the Press Secretary. There are two vacant positions.

2. Administrative hearings 446,400

This appropriation supports the operations of the Office of Administrative Hearings. The Office is a quasi-judicial tribunal that conducts contested case hearings on behalf of both the Department of Environmental Quality and the Department of Natural Resources. The Office holds formal hearings on licensing issues, and is involved in appeals to the Director of decisions made by the Assistant Supervisor of Wells in oil and gas cases.

3. Automated data processing 2,053,400

The Department maintains several large internal databases, as well as the systems that run them. This appropriation from intra-departmental charges supports the cost of maintaining and operating these internal databases.

4. Central operations 5,272,300

Classified FTE positions 58.0

Three administrative functions are funded through this appropriation line. These functions provide services on a departmentwide basis and are paid for by small amounts from many different fund sources supporting department programs, as determined by a cost allocation study.

a) Financial and business services include accounting services, such as fund accounting; budget development and control; revenue control; Federal grants management; business services including purchasing functions, mail services, records retention, and space management, Freedom of Information Act coordination, and the internal audit function.

b) Field operations support provides administrative support to the approximately 40% of department staff that are employed in 14 district and field offices located throughout the State. This includes the provision of office equipment and supplies, receptionist and clerical services, general office management, and budget, accounting, and data management support.

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c) The Office of Personnel Services is responsible for all of the personnel related functions of the Department including approving and processing payroll and benefits selection; coordinating hiring practices, including recruitment, selection, and classification processes; administering the disability management program, workers' compensation, leaves of absence, the Family and Medical Leave Act, retirement, and unemployment programs; labor relations; administering health and wellness programs, safety education and compliance, training, and professional development programs; and administering the civil service personal services contracting process.

5. Environmental support projects 5,000,000

The Department requires financial instruments (e.g. surety bonds) as a condition of participation in several permitting/environmental programs. The Department holds greater than \$7 million in such financial instruments, but, until FY 2002-03, lacked the appropriation authority to spend from most of these instruments. This appropriation line item was created to enable the Department to spend from the financial instruments it holds to repair environmental damage, or assume responsibility for a facility in the event that a permit holder or other entity defaults, or fails to meet the requirements of a permit or other agreement.

6. Executive direction 2,266,100

Classified FTE positions 18.0

This appropriation supports the Department's Executive staff, including the Director of the Southeast Michigan Offices and a Regulatory Reform Officer. Clerical and administrative support for the Executive staff, and insurance, retirement and other benefit costs associated with the unclassified positions also are supported through this appropriation.

Included in this appropriation line is the Office of Special Environmental Projects. This Office administers the State Sites Cleanup Program, which funds the environmental cleanup of contaminated sites where the State is the liable party, as the owner or operator of the site. It coordinates publication of an annual environmental quality report provides staffing and administrative support to the Michigan Environmental Science Board.

7. Internal audit services 228,500

Internal audit functions include financial, performance, and compliance audits of Department programs and functions, grants, revenues, and computerized processes and databases. These activities were consolidated statewide in the Department of Management and Budget beginning in FY 2008-09. This line item support the Department of Environmental Quality's costs for those services. Funds will be paid to the Department of Management and Budget and appear as an interdepartmental grant in that budget.

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8.	<u>Office of the Great Lakes</u>	1,053,200
	Classified FTE positions	7.0
	<p>The Office was established by the Great Lakes Protection Act as the lead agency within State government for the development of policies, programs, and procedures to protect, enhance, and manage the Great Lakes. The Director of the Office represents the State on all matters before the International Joint Commission on the Great Lakes; serves as the liaison to the United States and Canadian governments on matters concerning the Great Lakes; serves on the Executive Committee of the Great Lakes Commission, and on the Board of Directors of the Great Lakes Protection Fund. Activities funded by this appropriation include implementation of grants from the Great Lakes Protection Fund; implementation of the comprehensive aquatic nuisance species control plan developed in accordance with the Federal Nonindigenous Aquatic Nuisance Species Prevention and Control Act; preparation of an annual State of the Great Lakes report, as well as bi-monthly reports outlining activities undertaken to restore and protect the Great Lakes ecosystem; and coordinating the development of watershed protection efforts in the Great Lakes basin.</p>	
9.	<u>Building occupancy charges</u>	7,116,600
	<p>This appropriation supports payments to the Department of Management and Budget (DMB) for Department of Environmental Quality occupied space in State-owned buildings. While Constitution Hall, which houses the majority of the DEQ's core staff, is a privately owned building, the lease payments are made from this appropriation. The DMB charges are based on historical expenses and are assessed on a square foot of occupied space basis. The amounts charged cover the cost of utilities, maintenance, security, janitorial services, and depreciation.</p>	
10.	<u>Rent-privately owned property</u>	2,145,900
	<p>The cost of leases for privately owned space occupied by the Department is covered by this appropriation. Similar to building occupancy charges, this amount is paid to the Department of Management and Budget, who coordinates office space for all Executive branch agencies.</p>	
	<b>Unit Gross Appropriation</b>	<b>26,120,000</b>
	Intradepartmental transfers (IDT)	2,638,500
	Federal revenue	378,700
	State restricted revenue	17,855,200
	State general fund/general purpose	5,247,600

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**Sec. 103. AIR QUALITY**

1. <u>Air quality programs</u>	26,092,000
Classified FTE positions	236.5

This appropriation supports all of the functions of the Air Quality Division.

- a) Air quality evaluation such as ambient air monitoring, measuring emissions from stationary sources, modeling emission impacts, and monitoring compliance with Federal standards (also called the 105 grant).
- b) Specific toxics and compliance support including evaluating impact of toxic air pollutants on human health, assuring compliance of significant pollutant sources with Federal and State air quality regulations, risk assessment, data evaluation, and responding to public information requests.
- c) Title V air use permitting including assisting regulated facilities in completing air use permit applications and reviewing air use and renewable operator permits.
- d) Dry cleaning regulation and licensing.
- e) Cleanup site testing, one FTE that travels statewide.
- f) Staffing eight field offices and overall administration of the Air Quality Program.

<b>Unit Gross Appropriation</b>	<b>26,092,000</b>
Federal revenue	6,201,100
State restricted revenue	12,464,200
State general fund/general purpose	7,426,700

**Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES**

1. <u>Program services and grant management</u>	4,000,900
Classified FTE positions	30.0

The program services unit has two components, the Education and Outreach Section and the Clean Air Assistance Program. The Education and Outreach Section coordinates, with businesses, trade associations, and other groups, training and the distribution of environmental information. This Section publishes the bi-weekly DEQ Calendar, which contains a schedule of environmental meetings, conferences, and workshops, as well as hearings, rule promulgation activities, and permit and other decisions before the Director. The Clean Air Assistance Program provides small and medium sized businesses technical assistance in complying with Federal Clean Air Act Amendments.

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2. Laboratory services

7,045,800

Classified FTE positions

60.0

This appropriation supports the operation of the environmental laboratory, the drinking water laboratory, and the drinking water laboratory certification program. The environmental laboratory performs physical, chemical, and microbiological testing of nearly all of the samples from the Department's environmental programs, serves as the State's environmental reference laboratory, and provides consultation services to the public. The drinking water laboratory determines drinking water quality for State and local water supply programs, tests the sanitary quality of swimming pool and bathing beach samples, and performs testing in support of the investigation of sanitary sewer failures. Laboratory services staff also certify private laboratories that test drinking water samples for regulatory and compliance monitoring. Beginning in FY 2004-05, the appropriation for the laboratory is primarily supported with interdepartmental transfers (IDT) to reflect the billing of other department divisions for services provided.

3. Municipal assistance

5,323,900

Classified FTE positions

37.0

In cooperation with the Michigan Municipal Bond Authority, staff supported by this appropriation administers the Water Pollution Control Revolving Fund, or State Revolving Fund (SRF), and the Drinking Water Revolving Fund (DRWF). The SRF provides local units of government low interest loans for construction related to a sewage treatment works project, a stormwater treatment project, or a nonpoint source project, or a combination of these projects. The DRWF provides low interest loans to local governments for drinking water infrastructure improvements. The municipal assistance staff assists in the development and review of project plans; prepares the annual project priority list; and oversees the implementation of funded projects.

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4. Pollution prevention and technical assistance

5,292,600

Classified FTE positions

48.0

Several pollution prevention initiatives are supported with this appropriation:

- a) Pollution prevention (P2) assistance - provides information and technical support such as fact sheets, case studies, workshops, and individual assistance.
- b) Pollution prevention partnerships (including the Michigan Business Pollution Prevention Partnership (MBP3) - the pollution prevention unit enters into partnerships with specific business sectors and institutions to promote and implement source reduction strategies, to encourage the initiation or expansion of existing strategies, and the sharing of successful strategies through case reporting and technology transfer.
- c) Regulatory integration of pollution prevention - promotes integration of pollution prevention into Department regulatory activities through newsletters, staff training programs, a staff award program, and direct assistance to other divisions in regulatory integration.
- d) Recycling assistance - division staff provides publications to interested parties.
- e) Retired Engineer Technical Assistance Program (RETAP) - retired engineers and other professionals provide on-site pollution prevention and energy efficiency assessments free of charge to businesses with funds made available through the Clean Michigan Initiative - RETAP Fund.
- f) Annual wastewater reporting - collects reports required of every person doing business in the State who discharges wastewater containing critical materials to the waters or sewer systems of the State.
- g) The appropriation also supports Community Right-to-Know Program activities, and the administration of Clean Michigan Initiative supported pollution prevention grants, including Household Hazardous Waste Collection Program grants and Pollution Prevention Grant Program grants.

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This appropriation for pollution prevention and technical assistance also supports the following technical assistance activities:

- a) Toll-free environmental assistance provides a single access point for questions or referrals to all DEQ programs.
- b) Administration of the environmental audit privilege and immunity which provides incentives for businesses to perform environmental audits and report and correct violations, without intervention from State regulatory agencies.
- c) Operator training and certification program provides formal training, testing, and technical assistance to wastewater and drinking water treatment plant operators.
- d) Publication of the Environmental Assistance Division Bulletin, listing all upcoming workshops and conferences, and including articles on topics of environmental interest.
- e) Clean Corporate Citizen Program recognizes and provides incentives to regulated entities that have demonstrated environmental stewardship or a strong environmental ethic and the Regulatory Compliance Assistance Program uses staff on loan from the Department's other Divisions to provide one-on-one assistance on regulatory matters.

5. Pollution prevention outreach 400,000

Registration fee revenue from workshops and training sessions conducted by this division is appropriated to cover the cost of conducting the workshops. These workshops inform attendees of current regulatory requirements, pollution prevention, new technologies, and provide compliance assistance.

6. Retired engineers technical assistance program 1,474,300

Money from the Clean Michigan Initiative - Retired Engineers Technical Assistance Program (RETAP) Fund is appropriated to provide stipends to retired engineers who provide on-site pollution prevention assessments, with a focus on waste reduction and energy efficiency, to small businesses, municipalities, and institutions.

<b>Unit Gross Appropriation</b>	<b>23,537,500</b>
Interdepartmental grants revenue (IDG)	3,790,500
Federal revenue	4,200,600
Private revenue	400,000
State restricted revenue	13,537,900
State general fund/general purpose	1,608,500

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**Sec. 105. OFFICE OF GEOLOGICAL SURVEY**

1.	<u>Coal and sand dune management</u>	627,000
	Classified FTE positions	2.0
	State restricted sand extraction fee revenue is appropriated for the processing and issuance of new and renewed coastal sand dune mining permits; for the inspection and oversight of sand dune mining operations; and for the provision of public information on sand dune mining regulations and operations in the State. United States Department of Interior funds are appropriated in this line item for the coordination and oversight of abandoned coal mine reclamation projects.	
2.	<u>Metallic mining reclamation</u>	94,200
	Classified FTE positions	1.0
	This appropriation, supported with metallic mineral mining surveillance fees, funds the permitting, inspection, and oversight of metallic mineral mining operations and reclamation projects. Activities supported by the appropriation also include preparing annual production reports for the purpose of setting the annual surveillance fee, and ensuring that mining and reclamation activities are conducted in accordance with an approved plan.	
3.	<u>Mineral wells management</u>	245,900
	Classified FTE positions	2.0
	This appropriation from mineral well regulatory fee revenue supports the permitting, inspection, and general oversight of the drilling, operation, and abandonment of mineral wells, including waste injection, solution mining, geologic test, core hole, observation, storage, and non-oil and gas brine wells. Approximately 150 mineral wells are subject to State regulation.	
4.	<u>Nonferrous metallic mining</u>	221,700
	Classified FTE positions	2.0
	Public Act 449 of 2004 added Part 632 to NREPA, creating a regulatory program for the mining of nonferrous metallic minerals. Exploration for these minerals has been continuing for a few years and mining for them is expected to begin within the next 3 to 5 years. The act established a permit process and administrative rules have been promulgated to implement the program. FY 2005-06 was the initial year of an appropriation for this program.	
5.	<u>Orphan well</u>	2,053,100
	Classified FTE positions	2.0
	Orphan Well Fund monies are appropriated to plug abandoned or improperly closed oil or gas wells; for response activity or site restoration at oil or gas wells for which no owner is known, or owners are insolvent, or the well is determined to be a threat to public health; and to cover costs of administering orphan well activities.	

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6.	<u>Services to oil and gas</u>	7,509,500
	Classified FTE positions	58.0

The Department has regulatory authority over the development of oil and gas resources in the State. This appropriation supports this regulatory function, including receiving petitions or requests for, and scheduling administrative hearings concerning oil and gas matters; processing applications and issuing permits to drill or deepen oil, gas, or brine disposal wells in the State; conducting on-site inspections of wells and well drilling operations; collecting records and maintaining oil and gas, and other geologic databases; and managing oil and gas related environmental remediation projects.

<b>Unit Gross Appropriation</b>	<b>10,751,400</b>
Federal revenue	428,400
State restricted revenue	10,249,600
State general fund/general purpose	73,400

**Sec. 106. LAND AND WATER MANAGEMENT**

1.	<u>Program direction</u>	944,100
	Classified FTE positions	6.0

This appropriation supports the overall administration of the Division, including budgeting, accounting, Federal grant management, and personnel functions; and oversight of the Administrative Rules process as it relates to the programs carried out by the Division. The permit consolidation unit is also funded through this appropriation. This unit is responsible for the general review of land and water interface permit applications for completeness, appropriateness of fees submitted, and delegation to appropriate field staff for review and action.

2.	<u>Field permitting and project assistance</u>	7,462,100
	Classified FTE positions	72.0

This appropriation supports the field staff located in the 11 district and field offices. The staff reviews the actual land and water interface permit applications, evaluations, and modifications. Other activities covered by this appropriation include providing resource management to the public; negotiating mitigation plans in response to administrative appeals of permit applications; conducting enforcement actions; monitoring, certifying, and assisting local governments in implementing and enforcing local soil erosion and sedimentation control programs; and conducting studies and distributing maps of geologic data.

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3. Great Lakes shorelands

2,672,700

Classified FTE positions

24.0

This appropriation supports four programs related to use of the Great Lakes:

- a) Shorelands Protection program provides grants to local governments on the Great Lakes and other organizations for urban waterfront redevelopment planning, development and enhancement of Great Lakes coast access, shoreline boardwalk and stairway construction, shoreline planning, education and information projects and facilities, and historic preservation. This program also is responsible for developing and implementing a coastal nonpoint pollution control program.
- b) The Submerged Lands program is responsible for the regulation of activities involving the public trust bottomlands of the Great Lakes. For the most part, the lands lying beneath the Great Lakes up to the ordinary high water mark belong to the State. This unit regulates construction on the bottomlands including commercial marinas and docks, and harbors; regulates the construction and operation of marina facilities on inland lakes and rivers; manages abandoned shipwrecks on the Great Lakes bottomlands; and manages and regulates construction and other uses of critical dunes, environmentally important and sensitive shorelands, and high risk erosion and flood risk areas.
- c) Critical Dune management responsibilities funded through this line include permitting for regulated activities, investigating complaints, and other enforcement actions. The staff of this unit also reviews and approves local ordinances regarding critical dune areas.
- d) The Wetlands Management program administers wetlands regulations, including wetland assessments and reviews of wetland mitigation plans. This program works with counties to develop wetland inventories and is available to assist with project planning to minimize or avoid wetland impact. The Wetlands inventory is scheduled to be completed by December 2006.

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4. Water management

2,702,900

Classified FTE positions

19.0

- a) The Inland Lakes and Streams program oversees the Statewide Lake Water Quality Assessment and the Cooperative Lakes Monitoring Programs. Program staff provides technical assistance to individuals and organizations on lake management; serve as members on active lake improvement boards; and review permits for aquatic nuisance species and swimmers itch control, and for the use of pesticides and other products.
- b) The Flood Hazard Management unit establishes 100-year floodplain elevations and boundaries for newly platted subdivisions adjacent to a water body with greater than 5 acres of surface area or a drainage area greater than 2 square miles. Also supported by this appropriation are flood management staff who review proposals to occupy, fill, or grade lands within the State's floodplains. The National Flood Insurance Program assists local governments in meeting minimum Federal requirements for floodplain management. In addition, the program provides education, technical assistance, and oversight to lenders, realtors, insurance agents, and private individuals on flood insurance and floodplain management.
- c) The Hydrological Data Collection and Analysis Unit is responsible for collecting and analyzing hydrological data (e.g. water flow rates, volume, etc.) and providing technical support to other Department programs, such as floodplain regulation, dam safety, National Flood Insurance, National Pollutant Discharge Elimination System permits, and nonpoint source control programs.
- d) Part 315 of the Natural Resources and Environmental Protection Act (Dam Safety) requires the Department to regulate dams of a certain size and capacity in the State. This appropriation funds the staff are responsible for reviewing and approving plans for the construction, enlargement, repair, alteration, or abandonment of a dam; for reviewing all required dam safety inspection reports; and inspecting municipal dams when requested. This program is responsible also for reviewing the inspection reports of all lake level control structures authorized by the Circuit Courts.
- e) The Department reviews and issues permits for environmental and hydraulic activities proposed by public transportation agencies for bridges, culverts, and other road projects that impact lakes, wetlands, or flood plains. This function is supported with revenue from the Michigan Transportation Fund in an interdepartmental grant from the Department of Transportation.

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<b>Unit Gross Appropriation</b>	<b>13,781,800</b>
Interdepartmental grants revenue (IDG)	1,012,300
Federal revenue	3,571,400
State restricted revenue	705,100
State general fund/general purpose	8,493,000

**Sec. 107. REMEDIATION AND REDEVELOPMENT**

- |   |            |
|---|------------|
| 1. <u>Contaminated sites investigation, cleanup, and revitalization</u> | 22,973,700 |
| Classified FTE positions  | 225.0      |

The staff supported by this appropriation administers Part 201 of the Natural Resources and Environmental Protection Act (Environmental Remediation). Funded activities include conducting and overseeing investigations and cleanup activities at State-funded and privately-funded contaminated sites; coordinating and overseeing brownfield redevelopment activities and funding; conducting risk assessments for specific contaminants; compiling statistics and maintaining a database on chemical contaminants; identification and notification of potentially liable parties; assisting in the negotiation, development, and implementation of remedial action plans; assisting the Michigan Attorney General in cost recovery actions; assessing the adequacy of Baseline Environmental Assessments, and compliance with "due care" responsibilities; administration of the Clean Michigan Initiative bond fund supported cleanup and redevelopment projects and process; coordinating with the Department's Drinking Water Unit in providing alternative sources of drinking water at sites with contaminated drinking water supplies; and providing information and technical assistance to the public.

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|--|-----------|
| 2. <u>Federal cleanup project management</u> | 8,411,400 |
| Classified FTE positions                     | 60.0      |

This appropriation supports the management of portions of the Federal Superfund Program, the administration of the NPL (National Priorities List) Municipal Landfill Cost Share Grants Program, and the coordination and oversight of cleanup activities at former United States Department of Defense military sites. Funded activities include site investigations; development, review, and approval of site remediation plans; oversight of response actions; environmental sampling; coordination with the Region 5 office of the United States Environmental Protection Agency; and monitoring compliance with and enforcing requirements of the Cost Share Grants Program. The staff supported by this appropriation also manages the PEAS (Pollution Emergency Assistance System) toll-free hotline, a hotline for reporting environmental emergencies, and conduct free brownfield assessments at the request of local units of government or their representatives.

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3.	<u>Emergency cleanup actions</u>	4,000,000
	<p>This appropriation of Cleanup and Redevelopment Fund monies is for contingency or emergency cleanup actions at sites that are not included on the lists of sites for which appropriations for cleanup have been made, and for which there is no other source of funding. Examples of projects that might be funded from this appropriation include abatement of imminent fire or explosion hazards, or imminent public health threat; provision of bottled water to residences where the drinking water supply has been contaminated; or mitigation of discharges of contaminants into the surface water or other critical environment.</p>	
4.	<u>Refined petroleum product cleanup program</u>	20,000,000
	<p>This appropriation supports the cleanup and redevelopment of sites contaminated by refined petroleum products. The sites have been subjected to the risk assessment process that is outlined in Part 201 of the Natural Resources and Environmental Protection Act, and are contained in a list submitted by the Executive to the Legislature recommending appropriations for the listed projects. These activities are carried out by contract. These sites are entirely supported with money from the Refined Petroleum Fund. Staff costs are appropriated above in the line item for contaminated site investigations.</p>	
5.	<u>Environmental cleanup support</u>	2,340,000
	<p>State restricted funds are appropriated for activities that support cleanup projects, but are not funded through specific site allocations. Costs might include expenses incurred by the Attorney General that support type costs, like AG support to the state cleanup program</p>	
6.	<u>Superfund cleanup</u>	4,000,000
	<p>Federal superfund dollars are appropriated for the cleanup of sites on the National Priorities List and other selected properties. There are currently 78 Superfund sites in Michigan, of which 72 are on the NPL. The Federal funds support the initial capital improvements at the sites and the State is responsible for ongoing maintenance through other line items.</p>	
	<b>Unit Gross Appropriation</b>	<b>61,725,100</b>
	Federal revenue	9,584,200
	Private revenue	155,700
	State restricted revenue	49,912,900
	State general fund/general purpose	2,072,300

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**Sec. 108. WASTE AND HAZARDOUS MATERIALS**

- |    |   |         |
|----|---|---------|
| 1. | <u>Aboveground storage tank program</u> | 757,900 |
|    | Classified FTE positions                | 8.0     |

This appropriation from aboveground storage tank fees supports the regulation of aboveground storage tanks storing flammable and combustible liquids, liquefied petroleum gas, and compressed natural gas. Activities include review of tank installation plans, inspection of new tanks, triennial inspection of all tanks, and collection of certification fees.

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|----|---|-----------|
| 2. | <u>Hazardous waste management program</u> | 6,479,200 |
|    | Classified FTE positions                  | 60.0      |

The staff supported with this appropriation review and develop construction permits for new or expanded hazardous waste management facilities; recommend approval or denial of comprehensive operating licenses for treatment, storage, and disposal facilities that accept hazardous waste; review and make recommendations for permits and registration of hazardous waste and liquid industrial waste haulers that transport waste in the State; develop corrective action permits and orders for hazardous waste sites where improper past practices caused contamination; review and approve hazardous waste facility closure plans; track hazardous waste shipping manifests; and conduct waste sampling inspections and facility operation and maintenance inspections.

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|----|--|---------|
| 3. | <u>Low-level radioactive waste authority</u> | 787,400 |
|    | Classified FTE positions                     | 2.0     |

Responsibility for the disposal of low-level radioactive waste generated in each state was delegated to the States by Federal law in the 1980's. Public Act 204 of 1987 created the Low-Level Radioactive Waste Authority (LLRWA) to fulfill the State's responsibilities under the Federal law. The purpose of the LLRWA was to identify a radioactive waste disposal facility or a site to construct a disposal facility. The LLRWA determined that it was not possible to site a facility in the State that would meet all of the criteria established by State law. The LLRWA currently monitors waste management practices of Michigan's waste generators, and serves as an information resource to policy makers and the public on State and Federal laws, regulations, and issues concerning radioactive waste management, transportation, and disposal.

\* As adjusted by E.O. 2008-21 and Legislative Transfers recommended on December 10, 2008, December 11, 2008, and February 24, 2009.

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4.	<u>Medical waste program</u>	240,900
	Classified FTE positions	2.0

This program regulates and monitors the release of medical waste into the environment. Prior to the budget reductions contained in Executive Order 2002-22, the environmental health staff of the Water Division was responsible for regulating the disposal of medical waste. At that time, the Medical Waste program was discontinued and funding eliminated. However, since the statute was not repealed, the medical waste program was reinstated in May 2003 within the Waste and Hazardous Materials Division. The Department began collecting registration fees again and the program became fully operational once again in FY 2003-04.

5.	<u>Radiological protection program</u>	1,407,100
	Classified FTE positions	12.0

This appropriation supports programs aimed at monitoring radioactive materials used in medical, educational, industrial, and governmental facilities. There are three basic monitoring programs:

- a) The radioactive materials and standards unit, responsible for the registration and inspection of over 500 users of radioactive materials that are subject to State oversight under Part 135 of the Public Health Code, 368 PA 1978.
- b) Radiation monitoring and reporting, responsible for monitoring the environment in proximity to the nuclear power plant sites in the State for radiation contamination.
- c) The Nuclear Facilities Program, responsible for the development and implementation of Michigan's Nuclear Facilities Emergency Response Procedures and the nuclear accident portion of the State Emergency Management Plan, including interaction with nuclear facility staff and periodic review of facility day to day operations. The radiological protection unit has responsibility to respond to emergencies involving accidents at nuclear facilities or involving the release of radioactive materials.

This appropriation includes Federal funds that are matched by State dollars for a non-regulatory Indoor Radon Program. The Program provides a toll-free radon hotline and free literature on the health effects of radon, how to test for radon, how to interpret testing results, how to locate certified testers or do-it-yourself test kits, and how to reduce indoor radon levels.

\* As adjusted by E.O. 2008-21 and Legislative Transfers recommended on December 10, 2008, December 11, 2008, and February 24, 2009.

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6.	<u>Scrap tire regulatory program</u>	1,066,800
	Classified FTE positions	11.0
	<p>This appropriation is supported with revenue from a scrap tire collection site registration fee and a tire disposal surcharge. The scrap tire regulatory program is responsible for the registration of scrap tire haulers and collection sites, and administration of the scrap tire regulatory program, including the registration of scrap tire haulers and collection sites; and administration of the scrap tire cleanup grant program. Statute specifies that the Scrap Tire Regulatory Fund shall not support more than 11.0 FTEs.</p>	
7.	<u>Solid waste management program</u>	4,578,200
	Classified FTE positions	45.0
	<p>This appropriation supports the review of construction permits and operating licenses for municipal and industrial non-hazardous solid waste facilities including landfills, transfer stations, and processing plants; solid waste facility inspection; management of disposal waste area financial assurance program; administration of solid waste management planning and solid waste alternatives grants and loans programs. This program is entirely supported with waste reduction fee revenue and annual permit fees paid by landfills based on the volume of solid waste disposal at each site. Permit fees are scheduled to sunset on October 1, 2007.</p>	
8.	<u>Underground storage tank program</u>	3,388,900
	Classified FTE positions	33.0
	<p>This appropriation, funded from underground storage tank fees and Federal UST dollars, supports the regulation of underground storage tanks. The staff oversees the design, construction, installation, and operation of underground storage tanks; and collects and maintains required underground storage tank forms and fees.</p>	
	<b>Unit Gross Appropriation</b>	<b>18,706,400</b>
	Interdepartmental grants (IDG)	742,900
	Federal revenue	4,027,500
	State restricted revenue	9,846,000
	State general fund/general purpose	4,090,000

\* As adjusted by E.O. 2008-21 and Legislative Transfers recommended on December 10, 2008, December 11, 2008, and February 24, 2009.

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**Sec. 109. WATER**

- |    |                                   |         |
|----|-----------------------------------|---------|
| 1. | <u>Aquifer protection program</u> | 350,000 |
|----|-----------------------------------|---------|

Public Act 177 of 2003 created a program to settle aquifer conflicts between small and large wells through a dispute resolution system. The funding comes from the Aquifer Protection Revolving Fund, which was initially capitalized with settlement fund revenues. The Revolving Fund supports the administrative costs of the dispute resolution program and other costs that are addressed on an "as needed" basis, including the provision of potable water and emergency supplies, expert assistance in resolving groundwater conflicts, data collection necessary to resolve conflicts, and other activities

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|----|--|--------|
| 2. | <u>Aquifer protection and dispute resolution – IDG to Michigan department of agriculture</u> | 50,000 |
|----|--|--------|

The Department of Agriculture handles aquifer conflicts involving agricultural wells. This appropriation provides funding to the MDA for administrative costs.

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| 3. | <u>Drinking water and environmental health</u> | 16,176,600 |
|----|--|------------|

Classified FTE positions	120.0
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The Department has been delegated the primary enforcement authority in the State for the Federal Safe Drinking Water Act. This appropriation supports the activities associated with regulatory oversight of the public water supplies in the State, including enforcing the drinking water standards for about 1,500 community water supplies; providing training, technical assistance, and evaluation to local health departments in support of local health department oversight of water quality for approximately 11,000 noncommunity public water supplies; regulating, through local health departments, drinking well drilling activities; coordinating statewide abandoned drinking water well plugging activities, including administration of the Clean Michigan Initiative-Abandoned Well Management Grants Program; assisting local health departments in investigation of drinking water contamination; assisting communities, with groundwater as the source of municipal drinking water supplies, with wellhead protection activities; and establishing a source water assessment program.

This appropriation also supports a variety of programs and regulatory activities aimed at protecting the public's health including the initial inspections, on-site water and on-site sewer inspections, and new construction review of manufactured housing developments; the regulation of subdivision on-site septic and water supply systems; and the design approval and licensing of campgrounds and public swimming pools. Much of the field activity supporting these programs is provided by local health departments. Information from the testing is used in developing advisories for consumption of fish caught in Michigan waters.

\* As adjusted by E.O. 2008-21 and Legislative Transfers recommended on December 10, 2008, December 11, 2008, and February 24, 2009.

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<p>4. <u>Expedited water/wastewater permits</u></p> <p>Classified FTE positions</p> <p>An expedited permit process for selected water and wastewater permits was created in 2007. Permit processing may be expedited for a fee, which is deposited into the Infrastructure Construction Fund and used to support the program. This was added to the budget in FY 2007-08.</p>	<p>398,000</p> <p>3.0</p>
<p>5. <u>Fish contaminant monitoring</u></p> <p>This appropriation supports the monitoring of chemical contaminants in fish. The funding is transferred to the Department of Community Health, where laboratory analyses of fish samples are performed.</p>	<p>316,100</p>
<p>6. <u>Groundwater discharge</u></p> <p>Classified FTE positions</p> <p>The program supported with this appropriation regulates the discharge of wastewater to the ground or groundwater of the State. Staff review and make recommendations for discharge permits; review effluent and groundwater sampling data; inspect discharge facilities; review and make recommendations for permits for construction of public sewerage systems; and provide toxicological support to the Division. The primary funding source for this program is an annual groundwater discharge fee that is based on the flow and toxicity and type of discharge permit issued. The permit fee is scheduled to sunset on October 1, 2007.</p>	<p>2,968,900</p> <p>22.0</p>
<p>7. <u>NPDES nonstormwater program</u></p> <p>Classified FTE positions</p> <p>This appropriation supports staff administering the nonstormwater provisions of the Federal National Pollution Discharge Elimination System (NPDES) Permit Program. Under the Program, permits are issued to allow discharges of wastewater from municipal, industrial, and commercial sources to the surface waters of the State. Department staff monitors permit holders to ensure compliance with applicable Federal and State laws and regulations. In addition, staff review and issue permits for the construction of municipal wastewater collection and treatment facilities; and regulate the discharge of industrial waste into municipal sewers. Funding for this program comes from Federal sources, the General Fund, and permit fees. The permit fees are scheduled to sunset on October 1, 2009.</p>	<p>11,023,900</p> <p>98.2</p>
<p>8. <u>Sewage sludge land application program</u></p> <p>Classified FTE positions</p> <p>Formally called the Biosolids Program, the staff supported by this appropriation is responsible for regulating the application of treated sewage sludge from wastewater treatment facilities on agricultural lands. This appropriation is funded entirely from sewage sludge regulatory fees.</p>	<p>855,400</p> <p>6.0</p>

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9. Surface Water

15,354,400

Classified FTE positions

102.0

The monitoring of the State's surface water quality is addressed from the three areas of surveillance, watershed, and stormwater activities.

- a) Surface water surveillance: Activities and functions supported with this appropriation include evaluation of the toxicity of pollutants and the establishment of standards for allowable in-stream levels; water quality surveillance including biological and chemical surveys, fish contaminant monitoring, and toxicological evaluation of surface water discharges; and development of proposed limits to be used in determining discharge permits. Included in this appropriation line item is \$3 million annually from the Clean Michigan Initiative - Clean Water Fund for water quality monitoring activities. The initial proposal was to spend \$3 million per year from the CMI bond fund for water quality monitoring for 15 years.

This program also houses the Soil Erosion and Sedimentation Control Training and Certification Program, supported with the fees charged for the training and certification. The NREPA requires each individual with responsibility for administering or enforcing the soil erosion and sedimentation control provisions of NREPA to be trained and certified by the Department.

- b) Watershed: A watershed is a geographical area in which all surface waters drain to a common outlet. The staff supported by this appropriation attempt to facilitate multi-community, intergovernmental, and interagency cooperation in addressing water pollution issues on a watershed basis. In addition, staff assist in developing remedial action plans (RAPs) for certain designated "Areas of Concern" (areas with pollutants at levels that limit use of the water) along the Great Lakes shoreline and watershed, and participate in the United States Environmental Protection Agency's Lakewide Management Plan Program which manages the total input of persistent pollutants. This appropriation also supports the Nonpoint Source Control Program, providing financial and technical support, including the administration of Federal and CMI nonpoint source control grants, to local units of government. (Nonpoint sources of pollution include agriculture runoff, oil and salt runoff from roads, etc.)
- c) Stormwater: With authority delegated by the Federal government NPDES program, the State regulates stormwater discharges through a permit program. Covered by the program are point source discharges to surface water from industrial sources (approximately 4,000 industrial facilities are currently regulated), all municipalities (currently six communities), and construction activities that disturb one or more acres and that have a point source for storm water discharge. Permit fees are appropriated through this line item for permit review and surface water monitoring to support the permitting process, for assessing compliance with permit conditions, for enforcement of permit conditions, for classifying storm water facilities, and for certifying storm water facility operators. The permit fees are scheduled to sunset on October 1, 2009.

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10.	<u>Water withdrawal assessment program</u>	729,000
	Classified FTE positions	7.0
	<p>Enactment of the Great Lakes Compact and accompanying water withdrawal regulations in 2008 created additional responsibilities for the Department of Environmental Quality for operation of an Internet-based water withdrawal assessment tool, continuing maintenance of the assessment tool and monitoring system, increased staff oversight of allowable withdrawals, and support for the Water Resources Conservation Advisory Council. Funding for the program is a combination of General Fund and restricted funds from the Clean Michigan Initiative - Clean Water Fund.</p>	
	<b>Unit Gross Appropriation</b>	<b>48,222,300</b>
	Federal revenue	18,164,800
	State restricted revenue	19,148,000
	State general fund/general purpose	10,909,500

**Sec. 110. CRIMINAL INVESTIGATIONS**

1.	<u>Environmental investigations</u>	2,585,900
	Classified FTE positions	22.0
	<p>The Office of Criminal Investigations, supported by this appropriation, employs specially trained Conservation Officers. The Office conducts, supervises, and coordinates criminal, civil, and administrative investigations of suspected violations of environmental laws and regulations. The Office also conducts training courses for local law enforcement personnel on enforcing environmental laws and combating illegal dumping at the local level.</p>	
	<b>Unit Gross Appropriation</b>	<b>2,585,900</b>
	Federal revenue	711,400
	State restricted revenue	781,000
	State general fund/general purpose	1,093,500

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**Sec. 111. GRANTS**

- |    |  |           |
|----|--|-----------|
| 1. | <u>Coastal management grants</u>   | 2,000,000 |
|    | <p>This appropriation from Federal funds supports two grant programs: the Coastal Management grant program, and the Clean Lakes grant program. United States Department of Commerce, National Oceanic and Atmospheric Administration funds are available for grants to local governments on the Great Lakes and other organizations for urban waterfront redevelopment planning, development and enhancement of Great Lakes coast access, shoreline boardwalk and stairway construction, shoreline planning, education and information projects and facilities, historic preservation, and coastal and water quality restoration projects. United States Environmental Protection Agency monies have been available for grants to local governments and other organizations for inland lake rehabilitation and/or protection activities, and for wetlands management planning efforts.</p> |           |
| 2. | <u>Federal - Great Lakes remedial action plan grants</u>   | 700,000   |
|    | <p>The Great Lakes Water Quality Agreement between the United States and Canada created the "Areas of Concern" Program. The Program identified 43 areas within the Great Lakes where the water quality impaired the beneficial uses of the Great Lakes. Fourteen of these areas are within Michigan's jurisdiction. This appropriation, from U.S. Environmental Protection Agency funds, provides grants to eligible local units of government for the development and implementation of remedial action plans to restore these areas. The funds also support the development and implementation of Lakewide Management Plans (LaMPs) which aim to reduce the flow of critical pollutants into the Great Lakes and to restore beneficial uses.</p>   |           |
| 3. | <u>Federal - nonpoint source water pollution grants</u>  | 6,500,000 |
|    | <p>United States Environmental Protection Agency funds are available for grants to local governments, non-profit entities, and Federally-recognized tribes for nonpoint source pollution prevention projects and for the development of watershed management plans.</p>  |           |
| 4. | <u>Grants to counties - air pollution</u>  | 83,700    |
|    | <p>This appropriation from the General Fund supports a contract with a local unit of government for assistance in air monitoring, complaint response, and with qualifying county permitting activities.</p>  |           |
| 5. | <u>Radon grants</u>  | 90,000    |
|    | <p>The Federal dollars appropriated in this line item provide grants to local health departments for radon outreach and education activities, distribution of radon test kits and testing information, and logging/mapping radon testing results.</p>  |           |

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6.	<u>Water pollution control and drinking water revolving fund</u>	85,139,200
	Federal capitalization grants and the required 80:20 General Fund match are appropriated in this line item for deposit into the Water Pollution Control (SRF) and Drinking Water Revolving Funds. Low interest loans are made from the SRF and DWRP to local governments for wastewater control and drinking water infrastructure improvement projects. Federal funding for this program has declined in recent years and the State match has followed.	
7.	<u>Drinking water program grants</u>	1,330,000
	Drinking Water Revolving Fund dollars support two programs that provide grants for drinking water protection activities. Funding from Source Water Assessment Program grants to local health departments is used to conduct assessments of water that is the source of noncommunity water supply wells and to record the locations of noncommunity water supply wells. The second program provides approximately \$850,000 in grants to community water supplies and nonprofit noncommunity water supplies for wellhead protection projects.	
8.	<u>Great Lakes research and protection grants</u>	1,000,000
	Great Lakes Protection Fund dollars are appropriated for new research and demonstration projects that aim to restore, enhance, and preserve the Great Lakes and associated ecosystems. Supported projects include research into the movement of contamination into and through the Great Lakes system, identification and reduction of human and wildlife health risks, the impact of habitat degradation on health of fish and other wildlife, market incentives for pollution abatement and land conservation, Great Lakes habitat protection, cost effective cleanup actions demonstration projects, and Great Lakes monitoring program design.	
9.	<u>Local health department operations</u>	10,472,500
	This appropriation from an interdepartmental grant from the Department of Community Health supports local health department drinking water supply and on-site sewage management activities. It is distributed as grants to local health departments.	
10.	<u>Noncommunity water grants</u>	1,400,000
	This appropriation from public water supply fees provides funding to local health departments that provide permitting, inspection, consultation, and Michigan Drinking Water Act enforcement services for noncommunity water supply systems.	
11.	<u>Pollution prevention local grants</u>	250,000
	This appropriation from the Community Pollution Prevention Fund supports grants to local governments and regional planning agencies for projects aimed at achieving a measurable reduction in waste, that have a local or regional focus, that are innovative and transferable, and that result in long-term improvements or protection of the environment.	

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12.	<u>Real-time water quality monitoring</u>	250,000
	<p>This line supports a grant to Macomb County and St. Clair County for real-time water quality monitoring in the St. Clair watershed. This is the second consecutive year of this appropriation from the Settlement funds account for this project. In addition, in FY 2002-03, this line funded a 3-year comprehensive water quality monitoring project in Lake St. Clair and the watersheds of the Clinton River and the St. Clair River.</p>	
13.	<u>Septage waste compliance grants</u>	400,000
	<p>This appropriation from septage waste license fees supports local health department inspections of septage waste hauling vehicles and septage waste disposal sites. A fee increase to support expanded local health department participation in the regulation of septage waste was enacted in 2004 to support the program and grants.</p>	
14.	<u>Scrap tire grants</u>	4,500,000
	<p>Money from the Scrap Tire Regulatory Fund is appropriated to provide grants to assist property owners with the proper removal of scrap tires that have been abandoned or accumulated prior to January 1, 1991. In addition, \$100,000 from the amount appropriated is available to communities as a funding mechanism of last resort for the suppression of scrap tire fires, pursuant to Section 1102 in Part 2 of this Act.</p>	
15.	<u>Strategic water quality initiative loans</u>	9,600,000
	<p>The Strategic Water Quality Initiatives Fund (SWQIF) was created with \$100.0 million of the Great Lakes Water Quality Bond, a general obligation bond approved by voters in 2002. The SWQIF is used to issue loans to local units of government for sewer projects that are not eligible for loans from the Water Pollution Control Revolving Fund (State Revolving Fund). FY 2006-07 is the fourth year of an appropriation from this fund, however, not many loan applications or awards have been issued.</p>	
16.	<u>Village of Chesaning, water pollution control grant</u>	900,000
	<p>Funding from the Clean Michigan Initiative – Clean Water Fund supports a grant to the Village of Chesaning for pollution and water control activities. The municipality must submit a work plan and obtain all necessary permits for components of the project.</p>	
17.	<u>Water quality protection grants</u>	100,000
	<p>Water Quality Protection Fund dollars are appropriated to reimburse volunteer organizations for the cost of cleanup supplies and of the disposal in approved landfills of trash and other material recovered during waterway cleanup efforts. This program is supported with revenue from the water quality fund-raising license plate.</p>	

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<b>Unit Gross Appropriation</b>	<b>124,715,400</b>
Interdepartmental grants (IDG)	10,472,500
Federal revenue	82,163,000
State restricted revenue	29,883,700
State general fund/general purpose	2,196,200

**Sec. 116. INFORMATION TECHNOLOGY**

- |  |           |
|--|-----------|
| 1. <u>Information technology services and projects</u> | 7,478,800 |
|--|-----------|

Executive Order 2001-3 created the Department of Information Technology (DIT). The Executive Order transferred all technology related positions and functions to DIT. The FY 2002-03 budget first consolidated funding within each department for information technology services into a new appropriation unit, which is the source of funding for the interdepartmental grant - user fees that support DIT. FTEs for staff are appropriated in the DIT budget.

<b>Unit Gross Appropriation</b>	<b>7,478,800</b>
Interdepartmental grants (IDG)	233,500
Federal revenue	15,05,000
State restricted revenue	5,206,200
State general fund/general purpose	534,100

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**DEPARTMENT OF ENVIRONMENTAL QUALITY  
PART 2: BOILERPLATE DETAIL  
2008 PA 247\***

**Section  
Number**

**Description and History**

Sec. 201 **Payments to Locals.** Listing of State payments to local units of government.

**Background:** This subsection states the total state spending from State resources and total payments to local units of government contained in Part 1 of the bill. This is a standard boilerplate section contained in all appropriation bills pursuant to PA 431 of 1984. The statutory reference is MCL 18.1367.

Sec. 202 **Management and Budget Act.** Subjects appropriations to the Management and Budget Act (P.A. 431 of 1984).

**Background:** This is a standard section contained in all appropriation bills. The first version of this section was contained in the FY 1981-82 appropriation bill. The former section provided that appropriations were subject to PA 18 of 1981. PA 18 was repealed by PA 431 of 1984.

Sec. 203 **Definitions.** Definitions of acronyms and abbreviations used in bill.

**Background:** This is a standard section contained in all appropriation bills.

Sec. 204 **Civil Service 1% Charges.** Requires the Department of Civil Service to bill the Department at the end of the first quarter of the fiscal year for the constitutionally authorized charges of 1% of the aggregate payroll of the classified civil service. Requires the payment of the charges by the end of the second quarter of the fiscal year.

**Background:** This section was first included in FY 1995-96. It was proposed by the Executive Administration to clarify the timing of payments under this section. It is a standard section contained in all appropriation bills.

Sec. 205 **Hiring Freeze.** Imposes a hiring freeze, allows the State Budget Director to make exceptions under certain circumstances and to report quarterly when exemptions are granted.

**Background:** This section was first included in FY 1991-92. This is standard language included in all appropriation bills that contain funding for classified employees. The hiring freeze policy was initiated with Executive Directive 1991-14.

Sec. 206 **Internet Reports.** Requires the Department to use the Internet for publication of required reports; allows reporting by e-mail and placement on Internet or Intranet site.

**Background:** This section was first included in FY 1999-2000.

Sec. 207 **Retention of Reports.** Requires the Department to retain copies of all reports funded from appropriations in the bill; requires that Federal and State guidelines for report and record retention be followed; allows electronic storage of the reports.

**Background:** This section was first included in FY 1999-2000. It was the result of an incident in which a specific report could not be provided to a Legislator.

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Section Number	Description and History
Sec. 208	<p><b><u>Report on Restricted Fund Balances.</u></b> Requires the Department to provide an annual report by February 15 on restricted fund balances, projected revenues, and expenditures for the current and immediately preceding fiscal years.</p> <p><b>Background:</b> This report is available both online and in a printed format. The due date was chosen to coincide with presentation of the Executive proposed budget. This is a long-standing section included due to the many restricted fund sources in the DEQ.</p>
Sec. 209	<p><b><u>Report on Grants and Loans.</u></b> Requires a report on all grant, loan or grant, and loan programs administered by the Department; includes specific reporting parameters.</p> <p><b>Background:</b> It is a catalog of all grant and loan programs administered by the Department and includes information such as the purpose, criteria, eligibility, application process, and matching funds requirements. The report is available online and geared toward entities that may be interested in applying for a grant or loan.</p>
Sec. 210	<p><b><u>Report on Cleanup Programs.</u></b> Requires a report concerning allocations from the Environmental and Redevelopment Cleanup Program, the Refined Petroleum Fund cleanup program, emergency actions, superfund cleanups, Leaking Underground Storage Tank Cleanup Program, Environmental Protection Bond projects, revitalization revolving loan, brownfield grant and loan program, and contaminated lake and river sediments cleanup program; includes reporting parameters.</p> <p><b>Background:</b> This section outlines the type of information that must be included in this comprehensive report. The Department publishes a Consolidated Report that includes this reporting requirement as well as reports required by various environmental statutes.</p>
Sec. 211	<p><b><u>Carryforward of Certain Appropriations.</u></b> Authorizes the Department to spend amounts from prior year appropriations, in addition to funds appropriated for environmental cleanup and redevelopment, on legislatively approved sites; appropriates unexpended and unencumbered amounts from prior Environmental Protection Bond Fund, Cleanup and Redevelopment Fund, the Refined Petroleum Fund, and Unclaimed Bottle Deposits Fund and Clean Michigan Initiative Fund appropriations for sites listed in this Act or certain previous acts.</p> <p><b>Background:</b> The Department has the funding for cleanup projects in many work projects accounts. The initial appropriations for the cleanup activities were based on estimates that are often revised significantly over the many years of a project. This section authorizes the Department to shift funding between approved cleanup projects within certain categories to meet changing needs without re-appropriating the funds.</p>
Sec. 212	<p><b><u>Michigan Youth Conservation Council.</u></b> Allocates \$5,000 from the environmental education fund appropriation to the Michigan State University Extension- 4H Youth Programs for the Michigan Youth Conservation Council.</p> <p><b>Background:</b> This section was added in FY 2000-01.</p>

**DEPARTMENT OF ENVIRONMENTAL QUALITY  
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2008 PA 247\***

<b>Section Number</b>	<b>Description and History</b>
Sec. 213	<p><b><u>Information Technology User Fees.</u></b> Provides that the Department shall pay user fees to the Department of information Technology for technology-related services and projects pursuant to an interagency agreement.</p> <p><b>Background:</b> This section was added in FY 2003-04. It is a standard section included in all department budgets.</p>
Sec. 214	<p><b><u>Information Technology Work Projects.</u></b> Allows information technology appropriations to be designated as work projects to support environmental quality technology projects.</p> <p><b>Background:</b> This section was added in FY 2002-03 with the first annual budget for the Department of Information Technology. It is a standard section included in all department budgets. No work projects have been designated out of the information technology line item.</p>
Sec. 215	<p><b><u>Limitation on Travel.</u></b> (1) Limits out-of-state travel to that required by legal mandate, court order, mandatory law enforcement, to protect the health or safety of citizens, to prevent the loss of Federal funds, or for specialized training not available in the State. (2) Allows the Budget Director to grants exceptions. (3) Requires an annual report on all travel and related expenditures.</p> <p><b>Background:</b> An annual report on travel expenditures is a long-standing section in appropriation bills. In FY 2004-05, out-of-state travel was prohibited except for the reasons detailed in this section.</p>
Sec. 216	<p><b><u>Buy American Intent.</u></b> Provides that department funds should not be used to purchase foreign goods if competitively priced and comparable quality American goods are available; and that preference should be given to the purchase of Michigan manufactured or provided goods and services.</p> <p><b>Background:</b> A version of this section was first included in FY 1992-93.</p>
Sec. 217	<p><b><u>Deprived and Depressed.</u></b> Directs the Department to take reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts for services and supplies. The Director shall strongly encourage subcontracts with certified businesses in deprived and depressed communities.</p> <p><b>Background:</b> This is a long-standing section in all appropriations acts. Baldwin was added in FY 2006-07.</p>
Sec. 218	<p><b><u>Settlement Funds Carryforward.</u></b> Authorizes the carryforward of up to \$2.5 million in the Settlement Funds account to the succeeding fiscal year.</p> <p><b>Background:</b> This section was added in FY 2006-07. The Settlement Funds account is the only DEQ fund that lapses to the General Fund at the end of the fiscal year. The annual revenue varies depending on the amount from legal settlements awarded to the DEQ during a year. The fluctuations in annual revenue lead to difficulty in program planning. The carryforward authorization is intended to stabilize the programs supported with this fund source.</p>

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<b>Section Number</b>	<b>Description and History</b>
Sec. 219	<p><b><u>Restricted Funds Appropriation.</u></b> Specifies that amounts provided in Part 1 for Executive Operations and Department Support and for Information Technology from this fund source shall be spent according to a cost allocation plan for revenue sources supporting the administrative unit. Requires the Department to submit a report by Oct. 31 detailing the specific fund sources.</p> <p><b>Background:</b> This section added in FY 2006-07 as the first year of a 3-year phase-in of a cost allocation plan to accurately apply costs for departmentwide services to restricted fund sources. Due to fund balance availability, some restricted funds may have been paying more or less than the amount truly attributable to them.</p>
Sec. 220	<p><b><u>Prohibit Disciplinary Action.</u></b> Prohibits the Department from taking disciplinary action against an employee for communicating with a member of the Legislature or legislative staff.</p> <p><b>Background:</b> This section was added in FY 2005-06 to all budget acts. No specific incident was cited.</p>
Sec. 221	<p><b><u>Fine Revenue Reporting.</u></b> Requires the Department to report annually on the civil and criminal fine revenue collected during the year.</p> <p><b>Background:</b> This section was added in FY 2005-06.</p>
Sec. 223	<p><b><u>Policy Change Reporting.</u></b> (1) Directs the Department to report by April 1 on each specific policy change make to implement enacted legislation. (2) Prohibits funds from being used to prepare regulatory plans or promulgate rules that do not reduce the disproportionate economic impact on small businesses. (3) Defines "Rule" and "Small business".</p> <p><b>Background:</b> This section was added in FY 2007-08 to all budgets.</p>
Sec. 224	<p><b><u>Legal Services.</u></b> Prohibits the use of funds to hire legal services that are the responsibility of the Attorney General. Provides exceptions for bonding activities and legal services authorized by the Attorney General.</p> <p><b>Background:</b> This section was added in FY 2007-08 to all budgets.</p>
Sec. 225	<p><b><u>Contingency Funds.</u></b> Authorizes up to \$30.0 million in additional Federal, \$5.0 million in additional State restricted, \$100,000 local, and \$100,000 in private contingency fund spending pending the approval of legislative transfer requests.</p> <p><b>Background:</b> This was long-standing language that was removed for a few years and returned in FY 2007-08.</p>
Sec. 226	<p><b><u>Attendance at Training Seminars.</u></b> Prohibits the Department from approving the travel of more than one employee to a specific professional development conference or training seminar located outside the State. Allows an exception if the travel is funded by a Federal or private funding source and requires more than one person from a department to attend. Allows more than one employee to attend if the seminar addresses multiple issues.</p> <p><b>Background:</b> This language was added in FY 2008-09 to all budgets.</p>

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<b>Section Number</b>	<b>Description and History</b>
Sec. 227	<p><b><u>Computer System Replacement.</u></b> Requires the Department to develop a plan for replacement of failing or obsolete computer and database systems, including a schedule for system replacement and cost estimates. The plan must be submitted to the Legislature by April 1, 2009.</p> <p><b>Background:</b> This language was added in FY 2008-09 in response to the Department's testimony regarding technology systems in need of replacement.</p>
Sec. 228	<p><b><u>Posting of Expenditures.</u></b> If funding is available to support it, the Department shall develop, post, and maintain a listing of all expenditures on a publicly accessible Internet site. The posting must include the purpose for which expenditures are made.</p> <p><b>Background:</b> This language was added in FY 2008-09.</p>
Sec. 229	<p><b><u>FOIA Requests.</u></b> Requires semiannual reports on FOIA requests made of the Department in the previous six months.</p> <p><b>Background:</b> This language was added in FY 2008-09.</p>
Sec. 230	<p><b><u>Muskrat Lake.</u></b> States the intent of the Legislature that the Department issue permits necessary for a water control structure on Muskrat Lake and requires a status report by Feb 1 on the water level of the lake.</p> <p><b>Background:</b> This language was added in FY 2008-09 in response to declining water levels on Muskrat Lake in Clinton County.</p>

**ENVIRONMENTAL SCIENCE AND SERVICES**

Sec. 401	<p><b><u>IDT for Laboratory Services.</u></b> Authorizes the carryforward of interdepartmental transfers for laboratory services into the succeeding fiscal year.</p> <p><b>Background:</b> This section was added in FY 2005-06. Beginning in FY 2004-05, the State laboratory began billing its various divisions for testing services instead of having a separate appropriation. Under the new system, for example, sample testing for a cleanup site is charged to the account for that cleanup site. This language section establishes an operating account for the laboratory.</p>
Sec. 402	<p><b><u>Report on the Great Lakes Water Quality Bond.</u></b> Requires the Department to report annually by July 1 on the State Revolving Fund and bonds issued under the Great Lakes Water Quality Bond authorized in 2002 to support this program.</p> <p><b>Background:</b> This section was added in FY 2003-04. At the time it was added, no bonds had been issued under the Great Lakes Water Quality Bond authorization.</p>

**GEOLOGICAL AND LAND MANAGEMENT**

Sec. 501	<p><b><u>Core Samples Research.</u></b> State the intent of the Legislature for the Department to continue working with Western Michigan University to maintain core samples and to explore new opportunities for research and collaboration.</p> <p><b>Background:</b> This language was added in FY 2007-08.</p>
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Section Number	Description and History
<b>REMEDIATION AND REDEVELOPMENT</b>	
Sec. 701	<p><b><u>Work Projects in Environmental Response.</u></b> Establishes work projects for the unexpended portions of certain environmental response appropriations.</p> <p><b>Background:</b> This is standard work project language required by the Management and Budget Act. It establishes work project authorization for environmental cleanup and redevelopment projects, which take many years to complete. Work projects are effective for four years after the year in which first appropriated.</p>
Sec. 702	<p><b><u>Cleanup Site Criteria.</u></b> Requires the Department to incorporate into cleanup site criteria, bioavailability studies, site-specific human exposure data, and peer-reviewed risk assessment studies. Requires a report by January 1 on efforts taken by the Department to comply with this section.</p> <p><b>Background:</b> This section was added in FY 2005-06 in response to negotiations with Dow Chemical Company and Midland residents regarding the cleanup of dioxin contamination. The report was first required in FY 2006-07.</p>
Sec. 703	<p><b><u>Refined Petroleum Fund Site List.</u></b> List of cleanup sites funded with an appropriation in Part 1 for the refined petroleum cleanup program.</p> <p><b>Background:</b> This section is updated annually with a new list of authorized cleanup sites. The Department usually provides this list in May and it is included in the second house substitute bill and conference report.</p>
Sec. 704	<p><b><u>Refined Petroleum Fund Repayment.</u></b> States the intent of the Legislature to repay the Refined Petroleum Fund for the \$70.0 million transferred to the Environmental Protection Fund as part of the FY 2006-07 budget resolution.</p> <p><b>Background:</b> This language was added in FY 2007-08 and included in a supplemental appropriations bill.</p>
Sec. 705	<p><b><u>LUST Advisory Workgroup.</u></b> Creates an advisory workgroup to review and make recommendations on the use of administrative rules and operational memoranda in the LUST program. The 13 members are legislators and others representing petroleum-related interests appointed by legislative leaders. Recommendations are due Dec. 31, 2008.</p> <p><b>Background:</b> This section was initially added in FY 2007-08 and directed the Auditor General to conduct a performance audit of the leaking underground storage tank (LUST) program. It was revised in FY 2008-09 to create an advisory workgroup.</p>
Sec. 706	<p><b><u>Draft Memoranda.</u></b> Prohibits the Department from using draft memoranda or documents to impose regulations on individuals conducting cleanup projects. Upon request, the Department must provide written proof of a regulation in statute or administrative rule. Provides exceptions for Part 213 or if both parties consent in writing.</p> <p><b>Background:</b> This section was added in FY 2007-08.</p>

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Section Number	Description and History
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**WASTE AND HAZARDOUS MATERIALS**

Sec. 801 **Site Review Board.** States the intent of the Legislature that the recommendations of the Hazardous Waste Site Review Board are the final approval for each site construction permit application that is referred to the Board.

**Background:** This section was added in FY 2006-07 to state the intent of the Legislature. A statutory change is required to make this change and such legislation was once passed in the Senate, but not adopted by the House.

**WATER**

Sec. 901 **NPDES Fund Report.** Requires a report on the Department's use of the National Pollutant Discharge Elimination System (NPDES) Fund and provides criteria for the report that focuses on compliance and enforcement activities.

**Background:** This section was added in FY 2003-04 when the fees for NPDES nonstormwater permits and the NPDES Fund were established. At that time, a separate line item for the NPDES nonstormwater program was created. Statute also requires a work load analysis report that focuses on the permitting process.

Sec. 902 **Contaminated Lake and River Sediments.** Re-appropriates the unexpended portion of this Clean Michigan Initiative funding that was first appropriated in 2004 PA 309.

**Background:** This language was added in FY 2008-09 to appropriate Clean Michigan Initiative funding that would otherwise lapse from work projects for which the work on site continues longer than four years.

Sec. 903 **Federal 319 Grant.** States the intent of the Legislature that the Department continues to provide Federal support for the MAEAP program in the Department of Agriculture. Any reduction in the level of Federal 319 funds shall be reduced proportionally from all programs that received support from that grant in FY 2007-08.

**Background:** This language was added in FY 2008-09 when the MDA was notified by the DEQ that due to insufficient Federal funds anticipated from this grant, the DEQ would no longer be providing the MDA with money to support MAEAP activities.

**GRANTS**

Sec. 1101 **Local Health Department Septage Assistance.** Allows the Department to use funds appropriated for the septage waste compliance program to carry out its responsibilities under the program if a health department is not certified in an area or a health department fails to carry out the responsibilities of the program.

**Background:** Appropriated in the Grants unit of Part 1 is \$1,525,000 for this program. Most local units of government do not have the resources to perform the required inspections of septage waste haulers. This section allows the State to use the appropriated funds for performing the inspections with State resources and personnel.

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Section Number	Description and History
Sec. 1102	<p><b><u>Scrap Tire Suppression.</u></b> Allocates \$100,000 from the scrap tire grants appropriation for grants to local communities to fund scrap tire fire suppression efforts when all other funding sources have been exhausted.</p> <p><b>Background:</b> Fires involving scrap tires are particularly difficult to combat. Every few years, a scrap tire fire breaks out and the local fire department resources are insufficient to address it. This section approves funding from the Scrap Tire Fund for State assistance in this situation. In the past, this section would list a specific local jurisdiction to receive funding. This language was revised to be generic, to provide funding quickly when needed, and to avoid repeated legislative transfers.</p>
Sec. 1103	<p><b><u>Real-time Water Quality Monitoring.</u></b> (1) Specifies that grant funding in Part 1 is for Macomb and St. Clair Counties for a real-time WQM program in the St. Clair watershed. Requires a report by Sept. 30 from the grant recipients on the plan, implementation, and status of the project. (2) Makes the funding contingent on (a) the development of a plan by the grant recipients for long-term funding for operation and maintenance of the real-time water quality monitoring system for the Huron-Erie corridor. The funding plan shall not depend on State funds for more than 50% of the total project funding. The plan must be submitted by the grant recipients to the Department by December 31, 2008 and (b) submission of a status report and use of prior funding from all sources by Oct. 1, 2008.</p> <p><b>Background:</b> Funding of \$250,000 is provided in Part 1 from Settlement funds. It will supplement a grant of \$2,500,000 from the Cleanup and Redevelopment Fund that was provided for the project in FY 2002-03 and \$250,000 from the Settlement funds provided in FY 2005-06 through FY 2007-08. The original project designated the funding for water monitoring program in the St. Clair River, Lake St. Clair, and Clinton River watersheds.</p>
Sec. 1104	<p><b><u>Village of Chesaning.</u></b> Specifies that the grant to the Village of Chesaning shall be used only for pollution control activities pursuant to use of the Clean Water Fund. Requires a detailed work plan and prohibits use of the grant for recreational or economic development activities. Requires the grantee to obtain all necessary permits for completion of the project.</p> <p><b>Background:</b> This section was added in FY 2008-09 to support a specific project in Chesaning.</p>