



APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

DEPARTMENT OF ENVIRONMENTAL QUALITY PART 1: LINE ITEM DETAIL

**2016 PA 268
Article VII
FY 2016-17
Initial**

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.	1,232.0
3. <u>GROSS APPROPRIATION</u> - Total appropriations.	513,549,400
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.	9,225,700
5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	504,323,700
6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.	138,687,200
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 nongovernmental agencies.	555,300
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.	317,344,800
10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90.0% of the general fund/general purpose (GF/GP) revenue is derived from the income, corporate income, insurance, sales, and use taxes.	47,736,400
11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenue that will be allocated to local units of government.	3,750,000

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FUND SOURCE SUMMARY

The individual 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.	513,549,400
13. <u>IDG-MDSP</u> - The Michigan Department of State Police provides funding to the Department Radiological Protection Program.	1,774,500
14. <u>IDG, MDOT - Michigan transportation fund</u> - The Department receives Michigan Transportation Fund (MTF) 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.	1,335,100
15. <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
16. <u>IDT, laboratory services</u> - The State environmental laboratory bills other divisions of the Department for services provided.	4,092,700
17. <u>Total interdepartmental grants and intradepartmental transfers</u> - The total of items 13 through 16 above.	9,225,700
18. <u>ADJUSTED GROSS APPROPRIATION</u> - The Gross appropriation less total IDGs and IDTs.	504,323,700
19. <u>Federal Funds</u> - This line includes funding from the following Federal sources:	138,687,200
<ul style="list-style-type: none"> • Environmental Protection Agency - multiple funds • Department of Health and Human Services • Department of Homeland Security • Department of Commerce - National Oceanic and Atmospheric Administration • Department of Defense • Department of Interior 	

In past fiscal years, the Department has itemized all of these sources, and the sources are still available upon request. However, since a very large majority of the Federal funds received by the DEQ, are from the EPA, the accounting decision was made to combine them into a single line.

20. <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. Additionally, grants and reimbursements from a variety of private sources are reflected in this line item. Private sources include Detroit Edison, the Upper Peninsula Power Company, the Kellogg Foundation, and other groups. This appropriation also includes gift revenue donated to specific programs or divisions by industry or individuals.	555,300
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21. <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 level of these fees is reviewed periodically by the US EPA to determine whether they generate a sufficient level of revenue to meet a presumptive minimum. This results in periodic fee increases; the most recent increase took effect in FY 2015-16.	12,132,700
22. <u>Aquatic nuisance control fund</u> - Fees generated from aquatic nuisance control permits are credited to this fund. These fees were formerly accounted for as 'land and water permit fees' but had a separate fund created in statute under Public Act 253 of 2014.	913,200
23. <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 three years.	315,100
24. <u>Clean Michigan initiative – response activities</u> - A 1998 voter-approved ballot initiative allows the State to issue up to \$675.0 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. Part of this bond revenue funds the Brownfield cleanup and redevelopment program. This program is aimed at helping communities and municipalities get private investment to redevelop environmentally jeopardized areas rather than developing new areas. This assistance comes in the form of grants and loans with favorable terms.	14,900,000
25. <u>Clean Michigan initiative – clean water fund</u> – Also part of the 1998 voter-approved Clean Michigan Initiative, the Clean Water Fund is used to implement a comprehensive water quality monitoring program in the state. The fund has also been used to protect high-quality waters, eliminate illicit connections to storm drains, address failing on-site septic systems, plug abandoned wells, implement storm water management activities, and implement recommendations found in remedial action plans.	3,417,100
26. <u>Clean Michigan initiative – contaminated sediments</u> – Another fund created from proceeds from the Clean Michigan Initiative, this fund is used for cleanup and treatment of toxic sediment in lakes, rivers, and streams.	2,265,000
27. <u>Clean Michigan initiative – nonpoint source</u> – Another fund created from proceeds from the Clean Michigan Initiative, this fund is used to control nonpoint sources of pollution, such as agricultural runoff.	2,000,000

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28. <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 National Priorities List (NPL) Municipal Landfill Match grant programs.	19,394,700
29. <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 25.0% of the money is returned to retailers, and 75.0% is deposited to the Cleanup and Redevelopment Trust Fund. The Community Pollution Prevention Fund receives 10.0% 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. In FY 2009-10, an additional \$4.0 million was transferred to the Environmental Protection Fund, \$1.0 million was transferred in boilerplate of the original appropriation act, and the other \$3.0 million was transferred in boilerplate of 2009 PA 140.	250,000
30. <u>Electronic waste recycling fund</u> - This fund was created in 2008 PA 394, and provides funding for the electronics take-back program in the Waste division. Revenue is derived from the annual fees that electronics manufacturers and recyclers are charged and by fines paid by violators of the act.	327,100
31. <u>Environmental education fund</u> - This fund was created by 2008 PA 397, and receives 25.0% of all fine revenue collected by the Water Bureau, Hazardous Waste program, and the Solid Waste Management program, up to a maximum of \$250,000. This funds the office of the Coordinator of Environmental Education, which is responsible for providing assistance to educators on environmental issues, and increasing understanding of environmental and natural resources issues with various groups.	166,200
32. <u>Environmental pollution prevention fund</u> – Public Acts 73 and 74 of 2013 transferred the balances, revenue sources, and allowable uses of the former Hazardous Materials Transportation Permit Fund and Waste Reduction Fund into the Environmental Pollution Prevention Fund (EPPF). This change increased the flexibility in appropriation and expenditure of these fund sources as the EPPF can now be spent in the same manner as any of the three funds could have individually before the change.	7,977,300

The EPPF now receives revenue from the following: Hazardous waste manifest processing, handler, site identification number user charges; hazardous waste and liquid hazardous transporter registration fees; and fees assessed on hazardous waste disposed of in landfills or solidification facilities.

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The EPPF may be expended for the following purposes: Emergency response and cleanup activities related to hazardous waste; implementation and enforcement the Hazardous Materials Transportation Act; emergency response, training, and other activities related to hazardous materials transportation safety; waste minimization and waste reduction assistance programs; payment of refunds to generators who document a reduction in waste; and administration of Hazardous Waste Program.

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| 33. <u>Environmental protection fund (EPF)</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. In FY 2009-10, \$8.0 million was transferred to the fund, \$4.0 million from the Community Pollution Prevention Fund, and \$4.0 million from the Cleanup and Redevelopment Trust Fund. | 2,429,900 |
| 34. <u>Environmental response fund (ERF)</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. | 3,773,600 |
| 35. <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. | 407,500 |
| 36. <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 \$7.0 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. | 9,416,500 |
| 37. <u>Flint emergency reserve fund</u> - This fund was added to several budgets in FY 2016-17 in response to the Flint water crisis. Included as a placeholder in the DEQ budget, the fund allows for a contingency fund transfer into the budget at a later date, for purposes related to the Flint water crisis that are yet to be identified. | 100 |

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38. <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.	391,100
39. <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.	1,751,000
40. <u>Infrastructure construction fund</u> - Created by 2006 PA 602, this fund receives revenue from communities and municipalities that pay permit fees for the construction of sewers and other drainage infrastructure. The Department uses this money to fund an expedited permitting process for these permit holders.	50,900
41. <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.	3,217,000
42. <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.	31,000
43. <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 80.0% is used by the Department of Community Health for implementation purposes and 20.0% is used by the Department of Natural Resources and Environment 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.	330,800
44. <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.	100,400
45. <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, nonoil and gas brine wells, and storage wells.	220,600

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46. <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.	358,900
47. <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 nonmunicipal, and its average daily flow. The fee revenue supports administrative costs of the permit program.	4,542,100
48. <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 1.0% 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.	5,103,500
49. <u>Orphan well fund</u> - The greater of 2.0% or \$1.0 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 \$3.0 million, deposits from the severance tax cease, until the Fund balance falls below \$3.0 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.	2,408,600
50. <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.	650,300
51. <u>Public utility assessments</u> - The Department of Licensing and Regulatory Affairs and the Public Service Commission make annual assessments on public utilities in State. Revenue from these assessments finances the cost of regulating public utilities. In this budget, activities of Low Level Radioactive Waste Authority are supported by this revenue.	262,000
52. <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.	4,914,000
53. <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);	42,473,800

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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. This revenue stream was formerly used to support debt service on the MI Underground Storage Tank Finance Authority (MUSTFA) bonds; however, that program had sufficient funds to retire its revenue bonds in 2005. Beginning in FY 2015-16, appropriations of this fund were reduced significantly to reflect statutory changes which redirected the first \$20.0 million in environmental regulatory fee revenue to the Underground Storage Tank Cleanup Fund, per Public Act 416 of 2014.

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| 54. <u>Revitalization revolving loan fund</u> - Created by 1996 PA 380, this fund receives revenue from principal and interest payments made by municipalities which have received loans from the Fund. Loans given from the Fund are for the purpose of preparing sites for redevelopment. | 103,100 |
| 55. <u>Revolving loan revenue bonds</u> - Proceeds from the re-characterization of interest remaining in the State Revolving Loan Fund (SRF). 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 |
| 56. <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. | 92,500 |
| 57. <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. | 5,080,800 |
| 58. <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 two 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 five-year period preceding the issuance of the license. | 18,400 |
| 59. <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. | 525,000 |

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- | 60. <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. | 425,400 |
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| 61. <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. | 1,128,400 |
| 62. <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. | 165,100 |
| 63. <u>Soil erosion and sedimentation control training fund</u> - The Natural Resources and Environmental Protection Act (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. 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. | 169,600 |
| 64. <u>Solid waste management fund - staff account</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. | 5,058,000 |

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65. <u>Stormwater permit fees</u> - Stormwater 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.	3,149,500
66. <u>Strategic water quality initiatives fund (SWQIF)</u> - In November 2002, the Great Lakes Water Quality Bond for \$1.0 billion was authorized by voters. Of the total, 10.0% or \$100.0 million was designated for projects ineligible for loan funding under the State Revolving Fund (SRF) 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 \$100.0 million designated for septic system upgrades and other non-SRF projects. In 2012, the allocation for the amount of GLWQB proceeds allocated to the SWQIF was increased from \$100.0 million to \$710.0 million, and additional appropriation authority was included in the FY 2013-14 budget.	116,193,700
67. <u>Underground storage tank cleanup fund</u> - This fund receives the first \$20.0 million in collections of the 7/8 cent environmental regulatory fee assessed on every gallon of refined petroleum products sold in this state. The fund supports a program which provides matching funds to certain property owners or operators who have a leaking underground storage tank on their property.	20,011,400
68. <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.	584,200
69. <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.	2,239,600
70. <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.	3,724,400
71. <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	100,000

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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.

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| <p>72. <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.</p> | 283,700 |
| <p>73. <u>Total other state restricted revenues</u> - The sum of items 21 through 72 above.</p> | 317,344,800 |
| <p>74. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90.0% of the GF/GP revenue is derived from the income, single business, insurance, sales, and use taxes.</p> | 47,736,400 |

Sec. 102. EXECUTIVE OPERATIONS

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| <p>1. <u>Unclassified salaries</u></p> <p style="margin-left: 20px;">Unclassified FTE positions</p> <p style="margin-left: 20px;">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. Insurance, retirement, and other costs are appropriated in the Executive Direction line item.</p> | <p>754,000</p> <p>6.0</p> |
| <p>2. <u>Executive direction</u></p> <p style="margin-left: 20px;">Classified FTE positions</p> <p style="margin-left: 20px;">This appropriation supports the Department's Executive staff. The Commission Assistant position, 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.</p> | <p>2,099,400</p> <p>13.0</p> |

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Sec. 103. OFFICE OF THE GREAT LAKES

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| 1. <u>Office of the Great Lakes</u> | 2,170,700 |
| Classified FTE positions | 12.0 |

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.

In FY 2010-11, funding was transferred to this line for the Areas of Concern program and Coastal Zone Management (CZM) unit. Areas of Concern are areas where the levels of pollutants are high enough that they limit the use of the water. These are monitored primarily along the Great Lakes shoreline. Remedial action plans are developed in an effort to control the level of pollutants in those areas. The CZM unit provides administration of State coastal environmental programs as well as technical and financial assistance to State and local coastal communities.

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| 2. <u>Coastal Management Grants</u> | 1,250,000 |
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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.

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Sec. 104. GREAT LAKES RESTORATION INITIATIVE

1. <u>Great Lakes restoration initiative</u>	15,090,700
Classified FTE positions	6.0

This Federally funded line item is part of President Obama's plan to address certain environmental problems the Great Lakes are experiencing. These problems include: invasive species, nonpoint source pollution, and toxic sediments. Part of the plan is to engage with State environmental and natural resource agencies. In FY 2013-14 6.0 FTEs and some corresponding funding was transferred to the GLRI line from the Office of the Great Lakes. This was not an organization change, rather the change reflected how the GLRI and OGL were actually operating.

Sec. 105. DEPARTMENT SUPPORT SERVICES

1. <u>Central support services</u>	4,147,800
Classified FTE positions	34.0

- a) Reflecting the consolidation of the DNR and DEQ, this unit was created to merge several administrative functions, and fund them 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. When DNR and DEQ were split again, DEQ retained this line item.
- b) Financial and business services include budget development and control; revenue control; business services including purchasing functions, mail services, records retention, and space management, Freedom of Information Act coordination, and the internal audit function.
- 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.
- d) Budget and support services were moved to this new unit in FY 2010-11. This unit supports budget development and control for the Department; coordination of the budget and financial information with the Michigan Legislature, the State Budget Office, and the general public; and monitoring of program implementation and spending.

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2.	<u>Accounting service center</u>	1,391,400
	Created in FY 2010-11, this line-item was created to reflect a consolidation in accounting services among several State departments. The staff associated with DEQ's accounting were moved to the Accounting Service Center; DEQ now simply pays for these services out of this line-item.	
3.	<u>Administrative hearings</u>	381,200
	This appropriation supports contested case hearings held by the Michigan Administrative Hearing System on behalf of the Department.	
4.	<u>Automated data processing</u>	2,053,400
	The Department maintains several large internal databases, as well as the systems that run them. This appropriation from intra-departmental transfers supports the cost of maintaining and operating these internal databases.	
5.	<u>Building occupancy charges</u>	4,582,800
	This appropriation supports payments to the Department of Technology, Management, and Budget (DTMB) for DEQ-occupied space in State-owned buildings. While Constitution Hall, which houses much of the DEQ's core staff, is a privately owned building, the lease payments are made from this appropriation. The DTMB 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.	
6.	<u>Environmental support projects</u>	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 \$7.0 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.	
7.	<u>Rent – privately owned property</u>	2,240,600
	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, which coordinates office space for all Executive branch offices.	

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Sec. 106. OFFICE OF ENVIRONMENTAL ASSISTANCE

1. <u>Office of environmental assistance</u>	6,257,700
Classified FTE positions	38.0

The Office has the following stated goals/objectives:

1. Provide excellent customer service via our business partnerships and the Environmental Assistance Center as measured by response time data and survey results.
2. Foster environmental stewardship through partnerships, collaborations, and innovations. Encourage pollution prevention activities as the most cost-effective way to improve environmental quality. Consolidate and enhance the OEA incentive programs (Clean Corporate Citizen, Michigan Business Pollution Prevention Partnership, and Neighborhood Environmental Partners) to encourage greater participation and improve environmental stewardship.
3. Advance public safety by administering the emergency planning and right-to-know provisions.
4. Report on environmental outcome measures and economic benefits derived from the DEQ programs. Manage department metrics.
5. Provide greater levels of service to the DEQ and other state programs to meet environmental assistance needs of the general public and regulated communities.
6. Continuously assess the OEA workload vs. work output and make adjustments in workloads in accordance with changing priorities. Routinely gather and assess customer service input from department surveys and other means to promote continuous improvement department-wide.
7. Promote training and education of department staff to the greatest extent possible to enhance their personal and professional development.
8. Encourage creative solutions to difficult problems by openly communicating issues with staff and seeking their input.
9. Foster a positive work environment by providing support to each other in the OEA through our words and actions.

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2. Pollution prevention local grants

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.

Sec. 107. WATER RESOURCE DIVISION

1. Land and water interface permit program

11,659,600

Classified FTE positions

82.0

This appropriation was created in FY 2009-10, and is the result, like the previous appropriation, of consolidating the Land and Water Management Division into two line items instead of four. 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.

Additionally, this appropriation supports the following programs:

- a) 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.
- b) 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.
- c) 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.

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- d) 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.
- e) The Flood Hazard Management unit establishes 100-year floodplain elevations and boundaries for newly platted subdivisions adjacent to a water body with greater than five acres of surface area or a drainage area greater than two square miles. Also supported by this appropriation are flood management staffs 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.
- f) 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.

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.

2. <u>Program direction and project assistance</u>	3,030,700
Classified FTE positions	27.0

This appropriation was created in FY 2009-10, and funds functions previously supported in other lines of the budget. These functions include administrative functions such as supporting the overall administration of the Division, including budgeting, accounting, Federal grant management, and personnel functions. Also included is 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.

In addition to the administrative responsibilities above, the FY 2009-10 reorganization that created this line item also included the Shorelands Protection program, which provides grants to local governments on the Great Lakes and other organizations for urban waterfront

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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.

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| 3. | <u>Water withdrawal assessment program</u> | 1,423,500 |
| | Classified FTE positions | 4.0 |
| | 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. | |
| 4. | <u>Water quality and use initiative/general</u> | 1,645,700 |
| | Classified FTE positions | 5.0 |
| | This line supports staff and other costs associated with the Water Quality and Use Initiative, which was created as part of the FY 2014-15 budget. The Initiative includes a variety of efforts including: Water use conflict resolution, development of the water withdrawal assessment tool, development of statewide water use strategy, proactive water conflict prevention, and support of various permitting programs as demand increases. | |
| 5. | <u>Real-time beach water quality monitoring</u> | 500,000 |
| | This line was originally included as part of the Water Quality and Use Initiative by Governor Snyder, and was rolled-out into its own line item by the Legislature. The Department currently performs beach water quality monitoring retrospectively, so results of tests are delayed. This appropriation will support the prospective study of beach water quality, making results available in real-time. | |
| 6. | <u>Wetlands program</u> | 1,000,000 |
| | This line was originally included as part of the Water Quality and Use Initiative by Governor Snyder, and was rolled-out into its own line item by the Legislature. Most of the funding for the Wetlands Management Program is contained in the Land and Water Interface Permit Program line. This line represents ongoing GF/GP support for the program, which had been provided intermittently in the last few years. | |
| 7. | <u>Aquatic nuisance control program</u> | 913,200 |
| | Classified FTE positions | 6.0 |
| | This line was broken out from the Surface Water line in FY 2015-16. It provides funding for the processing of aquatic nuisance control permits. | |

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<p>8. <u>Expedited water/wastewater permits</u></p> <p style="margin-left: 20px;">Classified FTE positions</p> <p style="margin-left: 20px;">An expedited permit process for selected water and wastewater permits was created in 2006. 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>50,900</p> <p>1.0</p>
<p>9. <u>Fish contaminant monitoring</u></p> <p style="margin-left: 20px;">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>10. <u>Groundwater discharge</u></p> <p style="margin-left: 20px;">Classified FTE positions</p> <p style="margin-left: 20px;">The program supported with this appropriation regulates the discharge of wastewater to the ground or groundwater of the State. Staff reviews and makes 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.</p>	<p>3,215,900</p> <p>22.0</p>
<p>11. <u>NPDES nonstormwater program</u></p> <p style="margin-left: 20px;">Classified FTE positions</p> <p style="margin-left: 20px;">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 reviews and issues permits for the construction of municipal wastewater collection and treatment facilities; and regulates the discharge of industrial waste into municipal sewers. Funding for this program comes from Federal sources, the General Fund, and permit fees.</p>	<p>13,003,900</p> <p>83.0</p>
<p>12. <u>Surface water</u></p> <p style="margin-left: 20px;">Classified FTE positions</p> <p style="margin-left: 20px;">The monitoring of the State's surface water quality is addressed from the three areas of surveillance, watershed, and stormwater activities.</p>	<p>15,871,800</p> <p>86.0</p>

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- 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 \$3.0 million annually from the Clean Michigan Initiative-Clean Water Fund for water quality monitoring activities. The initial proposal was to spend \$3.0 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 attempts to facilitate multi-community, intergovernmental, and interagency cooperation in addressing water pollution issues on a watershed basis. In addition, staff participates 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.
- d) Sewage Sludge Land Application Program: 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 program is funded entirely from sewage sludge regulatory fees.

13. Federal – Great Lakes remedial action plan grants

583,800

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

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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.

14. Federal – nonpoint source water pollution grants 4,083,300

United States Environmental Protection Agency funds are available for grants to local governments, nonprofit entities, and Federally recognized tribes for nonpoint source pollution prevention projects and for the development of watershed management plans.

15. Contaminated lake and river sediment cleanup program 1,565,000

This line was initially included in the FY 2014-15 budget and provides grants to local units of government and private groups for the cleanup of toxic sediment from rivers, lakes, and streams. The grants are funded by a portion of the Clean Michigan Initiative bond proceeds.

16. Nonpoint source pollution prevention and control project program 2,000,000

This line was initially included in the FY 2014-15 budget and provides funding for the purpose of controlling nonpoint source water pollution. The primary source of nonpoint water pollution is agricultural runoff. This line is funded by a portion of the Clean Michigan Initiative bond proceeds.

17. Wetland mitigation banking grants and loans 3,000,000

Public Act 559 of 2012 allowed for up to \$10.0 million in grants and loans from the Great Lakes Water Quality Bonds authorized by voters through Proposal 2 of 2002 to be used for wetland mitigation banks. These grants and loans would be made to municipalities for wetland mitigation banks. The banks would help fulfill mitigation requirements associated with large projects that have the potential to disturb existing wetlands.

18. Water quality protection grants 100,000

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.

Sec. 108. LAW ENFORCEMENT DIVISION

1. Environmental investigations 2,837,200

Classified FTE positions 14.0

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

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regulations. The Office also conducts training courses for local law enforcement personnel on enforcing environmental laws and combating illegal dumping at the local level.

Sec. 109. AIR QUALITY DIVISION

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| 1. <u>Air quality programs</u> | 27,231,500 |
| Classified FTE positions | 188.0 |

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.
- g) In FY 2009-10, a few functions of the division were eliminated, including the new source review program, education and outreach programs, and the Michigan Air Emissions Reporting System.

Sec. 110. RESOURCE MANAGEMENT DIVISION

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| 1. <u>Drinking water and environmental health</u> | 14,901,900 |
| Classified FTE positions | 106.0 |

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

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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 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.

2. Hazardous waste management program 6,946,100

Classified FTE positions 45.0

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. Funding for this line item has been an issue in recent years. Past decreases in GF/GP support for the Department in general have resulted fund shifts that moved hazardous waste fee revenue from the EPPF from the Hazardous Waste Management Program to other programs within the Department. In FY 2014-15, additional GF/GP was added to the Office of Environmental Assistance which allowed EPPF to be moved back to this program.

3. Low-level radioactive waste authority 232,600

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 1980s. 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.

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<p>4. <u>Medical waste program</u></p> <p>Classified FTE positions</p> <p>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 former Waste and Hazardous Materials Division. The Department began collecting registration fees again and the program became fully operational once again in FY 2003-04.</p>	<p>302,300</p> <p>2.0</p>
<p>5. <u>Municipal assistance</u></p> <p>Classified FTE positions</p> <p>This line provides administrative support for some of the Department's municipal loan programs. Programs managed under this line include the: Strategic Water Quality Initiatives Fund, the Clean Water State Revolving Fund Program, and the Drinking Water Revolving Fund Program. These programs provide low-interest loans to municipalities for the construction and update of water and sewer systems.</p>	<p>4,800,500</p> <p>29.0</p>
<p>6. <u>Radiological protection program</u></p> <p>Classified FTE positions</p> <p>This appropriation supports programs aimed at monitoring radioactive materials used in medical, educational, industrial, and governmental facilities. There are three basic monitoring programs:</p> <p>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.</p> <p>b) Radiation monitoring and reporting, responsible for monitoring the environment in proximity to the nuclear power plant sites in the State for radiation contamination.</p> <p>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.</p> <p>d) Radon Grants. \$90,000 from this line item provides 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>	<p>1,966,500</p> <p>12.0</p>

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This appropriation includes Federal funds that are matched by State dollars for a nonregulatory 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.

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| 7. | <u>Scrap tire regulatory program</u> | 1,334,700 |
| | Classified FTE positions | 10.0 |

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.

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| 8. | <u>Oil, gas, and mineral services</u> | 6,794,800 |
| | Classified FTE positions | 59.0 |

Prior to FY 2010-11, this line was an entire appropriation unit called "Office of Geological Survey", which was broken into several small, mineral-specific lines as well as a large line for services to oil and gas interests and orphan well cleanup. The line houses the following functions:

- a) 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) 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.

- c) 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.

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- d) 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 nonoil and gas brine wells. Approximately 150 mineral wells are subject to State regulation.
- e) 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 three to five 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.
- f) 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.
9. Recycling initiative 1,008,700
- Classified FTE positions 3.0
- Created as part of the FY 2014-15 budget, this program will support staff costs and grants for the purpose of expanding the availability of, and participation in, residential recycling in Michigan. The Department has stated that approximately half of this appropriation will pay for staff costs, and the other half will be used for grants. Efforts undertaken by the program will include: Installation of a reliable system to measure, track, and develop reports on recycling; Increase education, outreach, and technical assistance efforts; Support market development for recycled goods and raw materials; Establish a 'Governor's Council on Recycling'; Improve access to recycling; Work to update solid waste planning.
10. Solid waste management program 5,026,400
- Classified FTE positions 37.0
- This appropriation supports the review of construction permits and operating licenses for municipal and industrial nonhazardous 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.
11. Drinking water program grants 830,000
- 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

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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.

12. Noncommunity water grants 2,000,000

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.

13. Septage waste compliance grants 275,000

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.

14. Strategic water quality initiative grants and loans 97,000,000

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 2012-13 is the tenth year of an appropriation from this fund, however, not many loan applications or awards have been issued. In FY 2011-12, the uses of the SWQIF were expanded to include certain types of environmental cleanups and grants. It is likely that this expansion will result in greater utilization of this program. In FY 2014-15, a smaller, separate 'Strategic Water Quality Initiatives Loans' was eliminated from the budget, leaving this item to cover all grants and loans. Appropriation authority provided by this line is sufficient to meet the current demand for the program.

15. Water pollution control and drinking water revolving fund 84,993,000

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 (DWRF). Low-interest loans are made from the SRF and DWRF to local governments for wastewater control and drinking water infrastructure improvement projects. Until recently, most of the matching funds for this program were provided by using repayments from loans to municipalities that had been made previously by the program. As the economy declined in the mid to late-2000s, the demand for these loans decreased, which has had the effect of lowering the amount of outstanding loans to the point where the repayments are not sufficient to fully draw-down available Federal funds. Beginning in FY 2012-13, GF/GP revenue was added to the line to offset the decrease in loan repayments. There is currently \$5.0 million in ongoing GF/GP supporting this program.

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16. Scrap tire grants

3,500,000

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.

Sec. 111. REMEDIATION DIVISION

1. Contaminated site investigations, cleanup and revitalization

10,859,200

Classified FTE positions

127.0

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.

Beginning in FY 2016-17, staff support for cleanups of leaking underground storage tanks under Part 213 of NREPA was moved to the Refined Petroleum Product Cleanup Program line. That amount totaled about \$10.8 million and 75.0 FTEs from this line-item.

2. Federal cleanup project management

6,934,500

Classified FTE positions

40.0

This appropriation supports the management of portions of the Federal Superfund Program, the administration of the NPL 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

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emergencies, and conduct free brownfield assessments at the request of local units of government or their representatives.

Beginning in FY 2016-17, staff support for cleanups of leaking underground storage tanks under Part 213 of NREPA was moved to the Refined Petroleum Product Cleanup Program line. That amount totaled about \$2.0 million and 10.0 FTEs from this line-item.

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| 3. | <u>Laboratory services</u> | 6,175,300 |
| | Classified FTE positions | 39.0 |

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.

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| 4. | <u>Emergency cleanup action</u> | 4,000,000 |
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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.

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| 5. | <u>Environmental cleanup support</u> | 1,840,000 |
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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.

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| 6. | <u>Environmental cleanup and redevelopment program</u> | 29,900,000 |
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Beginning in FY 2011-12, Strategic Water Quality Initiatives Fund revenue was appropriated to be used for the cleanup of nonpoint source water pollution. This expansion of the SWQIF was authorized by Public Act 232 of 2010. In FY 2014-15, the amount appropriated to this line was reduced from \$30.0 million to \$15.0 million, reflecting the actual demand for this program.

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7. Refined petroleum product cleanup program

34,475,700

Classified FTE positions

85.0

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.

Beginning in FY 2016-17 this line also supported staff related to the program. Staff had previously been supported in other cleanup line items.

8. Superfund cleanup

1,000,000

Federal superfund dollars are appropriated for the cleanup of sites on the National Priorities List (NPL) and other selected properties. There are currently 66 Superfund sites in Michigan that 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.

Sec. 112. UNDERGROUND STORAGE TANK AUTHORITY

1. Underground storage tank cleanup program

20,011,400

Classified FTE positions

5.0

This program receives the first \$20.0 million in collections of the 7/8 cent environmental regulatory fee assessed on every gallon of refined petroleum products sold in this state. The appropriation supports a program which provides matching funds to certain property owners or operators who have a leaking underground storage tank on their property. The program is relatively new, having been established pursuant to Public Act 416 of 2014.

Sec. 113. INFORMATION TECHNOLOGY

1. Information technology services and projects

8,638,900

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. Executive Order 2009-55 combined DIT and the Department of Management and Budget into the current Department of Technology, Management and Budget.

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Sec. 114. ONE-TIME BASIS ONLY APPROPRIATIONS

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| 1. | <u>Contaminated lake and river sediment cleanup program</u> | 700,000 |
| | <p>Provides additional one-time CMI-Contaminated Sediments appropriations to fund cleanups of toxic sediment from rivers, lakes, and streams. Typically about \$1.5 million is appropriated each year for these purposes. This increase would increase that by about half for FY 2016- 17.</p> | |
| 2. | <u>Drinking water declaration of emergency</u> | 5,400,100 |
| | <p>Classified FTE positions</p> <p style="text-align: right;">10.0</p> <p>This item is comprised of three parts: \$1.5 million and 10.0 FTEs for corrosion control specialists, sampling staff, lab staff, and service line verification staff; \$3.9 million for three months of water payments to the Great Lakes Water Authority for Flint's water; and a \$100 placeholder for the Flint Emergency Reserve Fund. That fund was included as a FY 2015-16 item in the FY 2016-17 omnibus budget, and appropriated \$50.0 million from the State General Fund to a new Flint Emergency Reserve Fund in the Department of Technology, Management and Budget. Part or all of that funding can be authorized for expenditure in the DEQ budget through a contingency fund transfer by the Legislature.</p> | |
| 3. | <u>Oil, gas, and mineral services (one-time)</u> | 4,000,000 |
| | <p>This item provides additional one-time GF/GP appropriations to replace appropriations from this fund for the Office of Oil, Gas, and Minerals. The Fund normally provides much of the revenue necessary to operate the Office, which oversees regulation of mineral extraction in the State. However, low oil prices have reduced Fund revenue, which is based directly on the market value of extracted minerals.</p> | |
| 4. | <u>Saginaw River dredging project - phase I</u> | 50,000 |
| | <p>This item provides GF/GP for Phase I of a project to dredge parts of the Saginaw River to facilitate freighter traffic.</p> | |
| 5. | <u>Water pollution control and drinking water revolving fund</u> | 2,950,000 |
| | <p>This item allows the Department to draw down all available Federal funds for the Drinking Water Revolving Fund program. The program provides low-interest loans to municipalities for improvements to drinking water infrastructure. The exact amount of funds available for this program is contingent on the Federal budget for FY 2016-17, but the average for this program is about \$30.0 to \$35.0 million.</p> | |

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GENERAL SECTIONS

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 in the bill 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 the bill.

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

Sec. 204 **Internet Reports.** Requires the Department to use the Internet for publication of required reports; allows reporting by e-mail, and placement on an Internet or Intranet site.

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

Sec. 205 **Buy American Intent.** 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.

Background: A version of this section was first included in FY 1992-93. This is a standard section in all department budgets.

Sec. 206 **Deprived and Depressed.** 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.

Background: This is a long-standing section in all department budgets.

Sec. 207 **Out-of-State Travel Report.** Requires a report on all out-of-state travel done by classified and unclassified department employees. The report must include the dates of travel, and the funding sources used for travel.

Background: 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 certain reasons. In FY 2010-11, a subsection allowing the State budget director to grant exceptions to this section was eliminated. For FY 2012-13, this section was returned to requiring a report only.

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Sec. 208	<p><u>Legal Services.</u> Prohibits the use of funds to hire legal services that are the responsibility of the Attorney General. Allows money to be spent on bonding services or on legal services authorized by the Attorney General.</p> <p>Background: This section was added in FY 2007-08.</p>
Sec. 209	<p><u>GF/GP Lapse Report.</u> Requires the Department to submit a report on projected GF/GP lapses at the end of the fiscal year.</p> <p>Background: This section was added for FY 2011-12.</p>
Sec. 210	<p><u>Contingency Funds.</u> Authorizes up to \$3.0 million in additional Federal, \$10.0 million in additional State restricted, \$100,000 in local, and \$1.0 million in private contingency fund spending pending the approval of legislative transfer requests.</p> <p>Background: Contingency funds have been included in appropriation bills for many years. However, this section was not included for two to three years and then restored in FY 2007-08.</p>
Sec. 211	<p><u>Internet Posting of Expenditures.</u> Requires the Department to maintain a user-friendly website listing all expenditures made by during the fiscal year.</p> <p>Background: This section was added in FY 2008-09.</p>
Sec. 212	<p><u>Restricted Fund Balance Report.</u> Subsections (1) and (2) require the Department to provide an annual report on restricted fund balances, projected revenue, and expenditures for the current and immediately preceding fiscal years. The report is due within 14 days of the release of the Executive budget recommendation. Subsection (3) requires a report within 15 days after the enactment of the budget that contains the number of funded FTE positions.</p> <p>Background: Subsections (1) and (2) are long-standing sections. Subsection (3) was added for FY 2009-10.</p>
Sec. 213	<p><u>Department Scorecard.</u> Requires the Department maintain a scorecard that identifies and tracks key performance metrics.</p> <p>Background: This section was added to all State budgets in FY 2013-14.</p>
Sec. 214	<p><u>Legacy Costs Included in Budget.</u> Identifies the total amount of appropriations in part 1 that represent costs related to retiree pensions and health care costs.</p> <p>Background: This section was added in FY 2014-15, and was requested by Governor Snyder.</p>
Sec. 216	<p><u>Cleanup Projects Reports.</u> Requires the Department to submit a report containing details of the various cleanup and redevelopment projects the Department plans to undertake with the appropriation for that year. The report must be made available on March 31 of each year, and must contain some of the following details: the name and location of the project site; the nature of the problem at the site; a description of the solution to the problem; date activities will likely be completed; amount to be spent at the site; and other details.</p> <p>Background: This section was added for FY 2009-10.</p>

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Section Number	Description and History
Sec. 217	<p><u>Continuation of Cleanup Projects from Previous Fiscal Years.</u> This section allows the Department to use unexpended appropriations from prior fiscal years to complete various legislatively approved cleanup sites contained in the budgets for those fiscal years.</p> <p>Background: This section was added for FY 2009-10, and is updated each year to reflect appropriations Acts which contain active work project appropriations.</p>
Sec. 219	<p><u>Settlement Funds Carryforward.</u> Authorizes the carryforward of up to \$2.5 million in the Settlement Funds account to the succeeding fiscal year.</p> <p>Background: 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>
Sec. 220	<p><u>Prohibit Disciplinary Action.</u> Prohibits the Department from taking disciplinary action against an employee for communicating with a member of the Legislature or legislative staff.</p> <p>Background: This section was added in FY 2005-06 to all budget acts. No specific incident was cited.</p>
Sec. 221	<p><u>Rules Affecting Small Businesses.</u> Prohibits the Department from establishing a rule that will have disproportionate economic effects on small businesses.</p> <p>Background: This section was added in FY 2009-10.</p>
Sec. 235	<p><u>Clean Michigan Initiative Bond Fund Report.</u> Requires an annual report to the Legislature on cleanup projects funded through the Clean Michigan Initiative.</p> <p>Background: This section was added in FY 2016-17.</p>

REMEDIATION DIVISION

Sec. 301	<p><u>IDT for Laboratory Services.</u> Authorizes the carryforward of interdepartmental transfers for laboratory services into the succeeding fiscal year.</p> <p>Background: 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. 302	<p><u>Work Projects in Environmental Response.</u> Establishes work projects for the unexpended portions of certain environmental response appropriations.</p> <p>Background: 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>

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Sec. 303	<p><u>Transfer from CRTF to EPF.</u> Transfers \$1.0 million from the Cleanup and Redevelopment Trust Fund to the Environmental Protection Fund.</p> <p>Background: This section was added for FY 2009-10. A similar transfer was in the DEQ budget in FY 2008-09, but was vetoed.</p>
Sec. 304	<p><u>Transfer from CPPF to EPF.</u> Transfers \$1.0 million from the Community Pollution Prevention Fund to the Environmental Protection Fund.</p> <p>Background: This section was added for FY 2009-10.</p>
Sec. 305	<p><u>Refined Petroleum Fund Repayment.</u> 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>Background: This language was added in FY 2007-08 and included in a supplemental appropriations bill.</p>
Sec. 306	<p><u>Refined Petroleum Cleanup Site List.</u> Lists cleanup sites that will be funded during the fiscal year. Not all of these sites are new, as the list contains sites where cleanup had started in a prior fiscal year and is continued during the current fiscal year as a work project.</p> <p>Background: This section is long-standing. The list is updated each year to reflect active projects.</p>
Sec. 310	<p><u>GF/GP Credit Language.</u> Allows the Department to expend GF/GP revenue to meet cash-flow requirements of projects under Parts 52, 193 and 196 of the Natural Resources and Environmental Protection Act. Once bonds are issued, the GF/GP revenue is to be repaid.</p> <p>Background: This section was first included in FY 2012-13.</p>
Sec. 312	<p><u>Study/workgroup on PFCs.</u> Requires the Department to conduct a study and workgroup on the long-term effects of perfluorinated compounds (PFCs) exposure.</p> <p>Background: This section was first included in FY 2016-17.</p>

WATER RESOURCES DIVISION

Sec. 402	<p><u>Water Quality and Use Initiative Spending Plan.</u> Requires the Department to produce a report detailing a plan for the use of appropriations in part one for the Water Quality and Use Initiative. The Initiative is comprised of three items in the Water Resources Division unit: Water Quality and Use Initiative/General, Real-Time Beach Water Quality Monitoring, and Wetlands Program.</p> <p>Background: This section was added in FY 2014-15 along with the Water Quality and Use Initiative.</p>
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Sec. 405 **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: 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. This is a longstanding section.

Sec. 407 **Contaminated Lke and River Sediment Cleanup Carryforward.** This section allows the \$2.3 million appropriated for this purpose to be carried forward as a work project.

Background: Added in FY 2016-17.

Sec. 410 **Western Lake Erie Basin Collaborative Agreement.** Requires a report on the status of the implementation plan for this agreement.

Background: Added in FY 2016-17.

RESOURCE MANAGEMENT DIVISION

Sec. 603 **Stormwater, Asset Management, and Wastewater (SAW) Plan Report.** Requires the Department to produce a summary document for each completed SAW plan funded by a SAW grant awarded by the Department. These summaries are to be posted on a public website, and must be completed by September 30 of the year the plan was completed.

Background: This section was first included in FY 2014-15.

UNDERGROUND STORAGE TANK AUTHORITY

Sec. 701 **UST Authority Work Project Language.** Grants work project status to the \$20.0 million appropriation for the Underground Storage Tank Authority.

Background: First included in the FY 2015-16 budget.

ONE-TIME APPROPRIATIONS

Sec. 801 **Drinking Water Declaration of Emergency Purpose.** Specifies that appropriations for Drinking Water Declaration of Emergency are to change a city's water source and for lab, testing, and staff costs.

Background: First included in the FY 2016-17 budget.

Sec. 803 **Flint Water Crisis Appropriation Report.** Requires a report on expenditures related to two supplementals that provided funding to address the Flint water crisis.

Background: First included in the FY 2016-17 budget.

