



Budget Briefing: Environment, Great Lakes, and Energy

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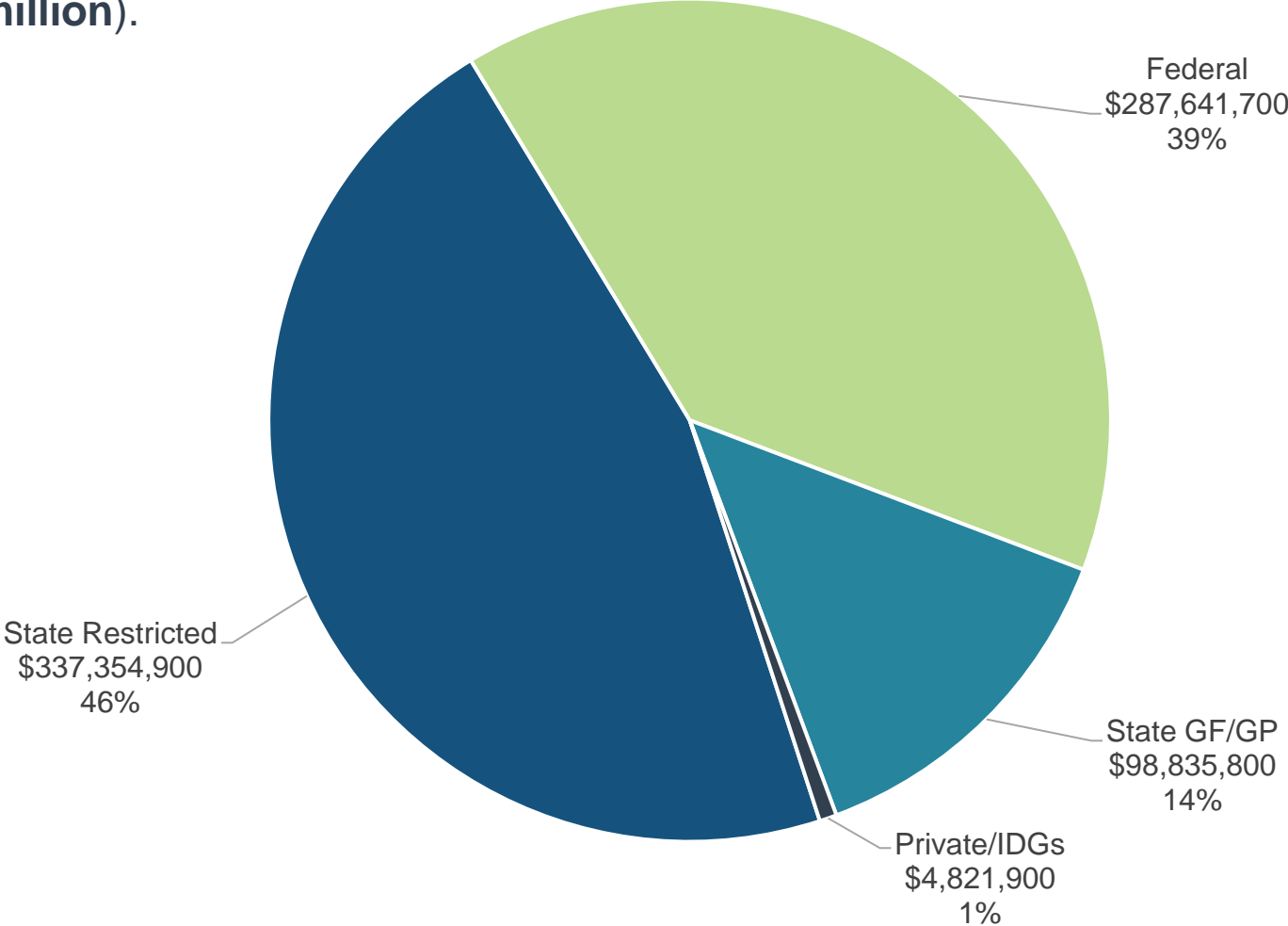
January 2023

FY 2022-23 EGLE Budget

| Fund Source | Funding | Description |
|----------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gross Appropriations | \$728,654,300 | Total spending authority from all revenue sources |
| Interdepartmental Grants (IDG) Revenue | 3,406,400 | Funds received by one state department from another state department, usually for services provided |
| Adjusted Gross Appropriations | \$725,247,900 | Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas |
| Federal Revenue | 287,641,700 | Federal grant or matching revenue; generally dedicated to specific programs or purposes |
| Local Revenue | 0 | Revenue received from local units of government for state services |
| Private Revenue | 1,415,500 | Revenue from individuals and private entities, including payments for services, grants, and other contributions |
| State Restricted Revenue | 337,354,900 | State revenue restricted by the Michigan Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue |
| State General Fund/General Purpose (GF/GP) Revenue | \$98,835,800 | Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature |

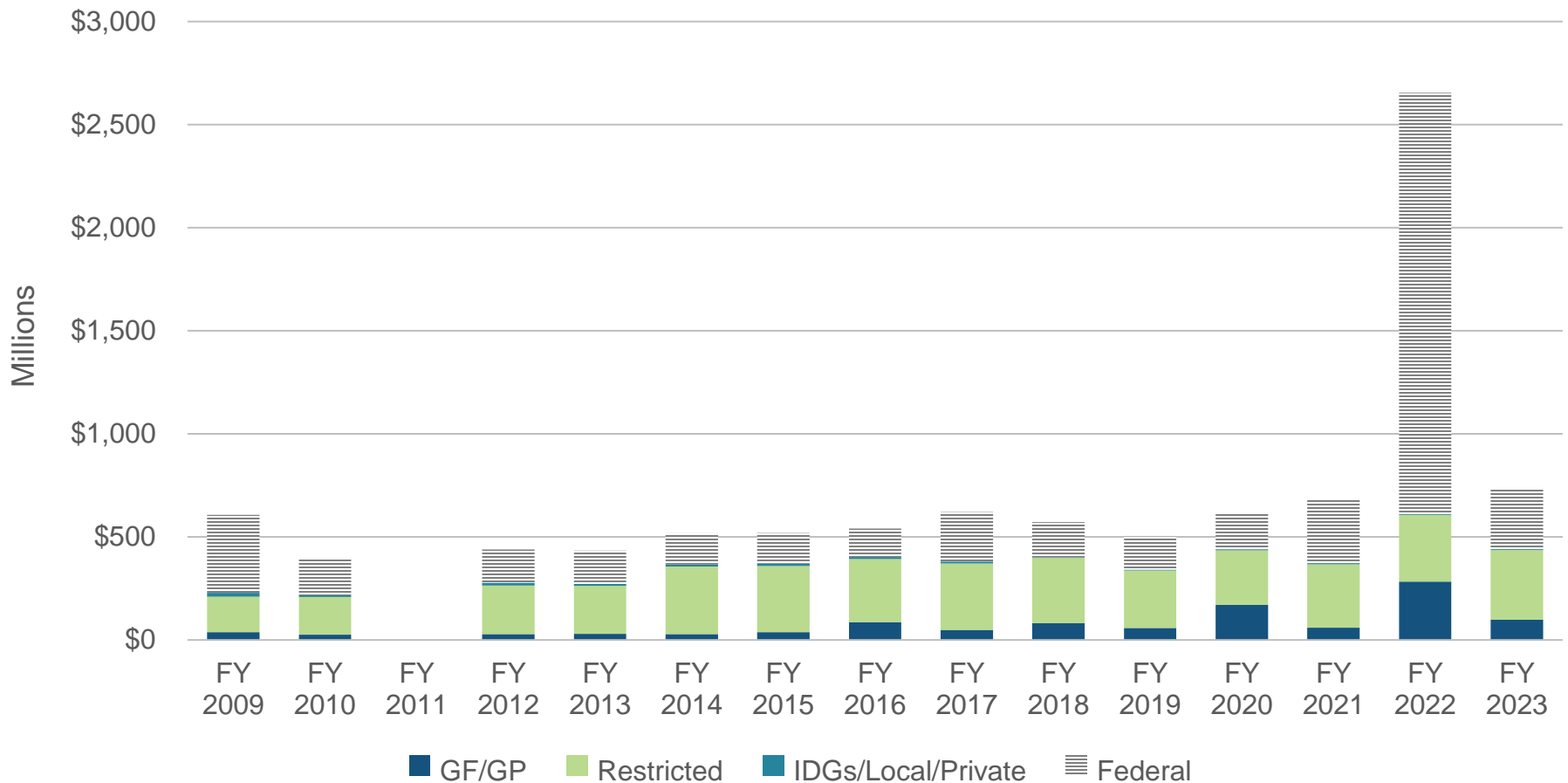
FY 2022-23 Fund Sources

Nearly half of the **\$728.7 million** EGLE budget is funded by state restricted revenue. There are 52 funds that comprise this revenue, four of which make up most of the total: Renew Michigan Fund (**\$74.3 million**), Cleanup & Redevelopment Fund (**\$68.6 million**), Refined Petroleum Fund (**\$62.1 million**), and Underground Storage Tank Cleanup Fund (**\$20.5 million**).



EGLE Funding History

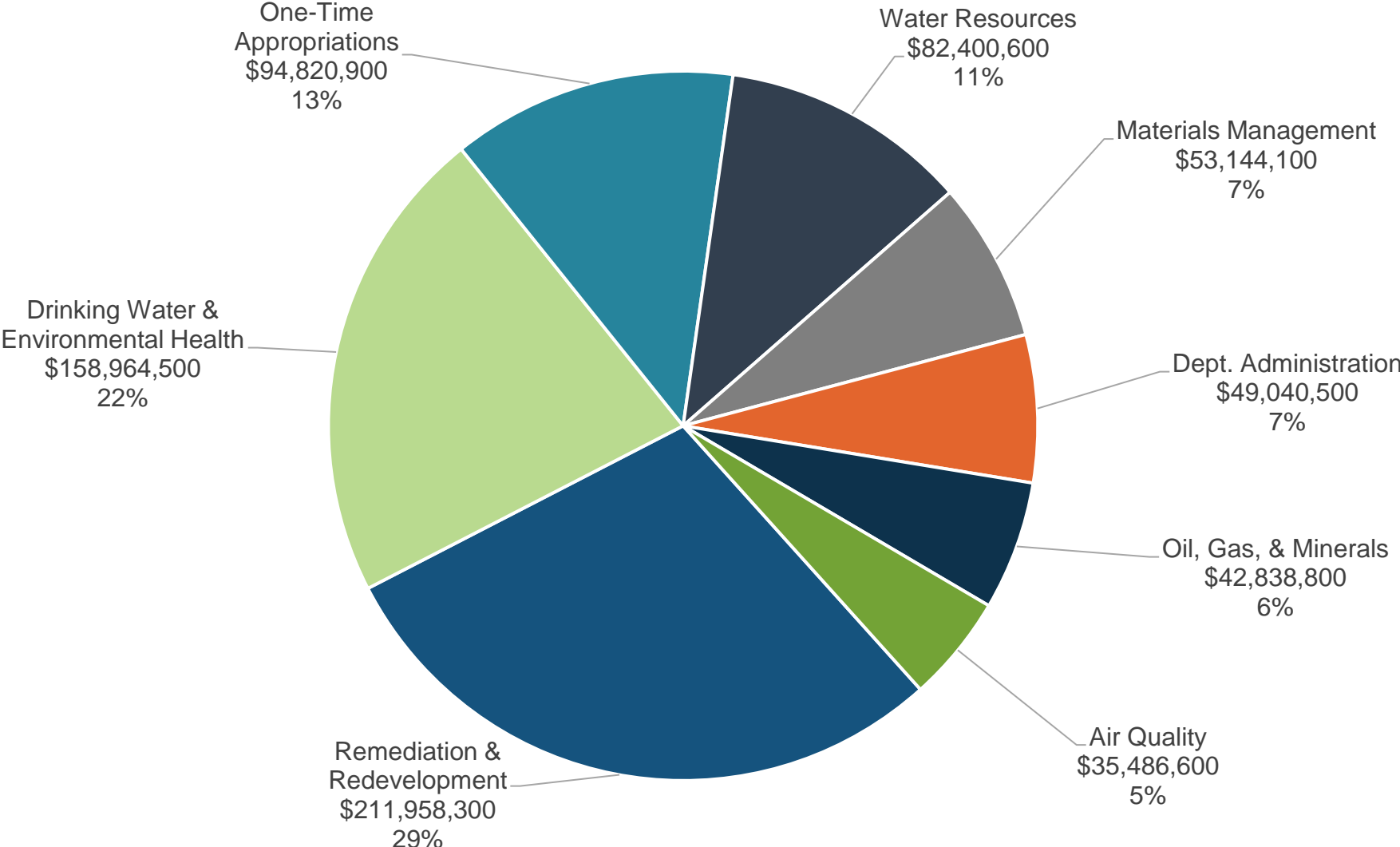
An additional \$95.0 million from the Strategic Water Quality Initiatives Fund increased EGLE’s restricted funding beginning in FY 2013-14. Supplemental appropriations for the Flint water emergency totaling \$45.8 million increased GF/GP in FY 2015-16 on a one-time basis. An additional \$120.0 million in one-time GF/GP for drinking water programs was included in FY 2019-20, and an additional \$1.8 billion in federal COVID funding was included in FY 2021-22.



Note: The American Recovery & Reinvestment Act added \$248.6 million in one-time federal funding FY 2008-09. The Department of Natural Resources and EGLE were combined for FY 2010-11; this funding is included in the budget briefing for DNR.

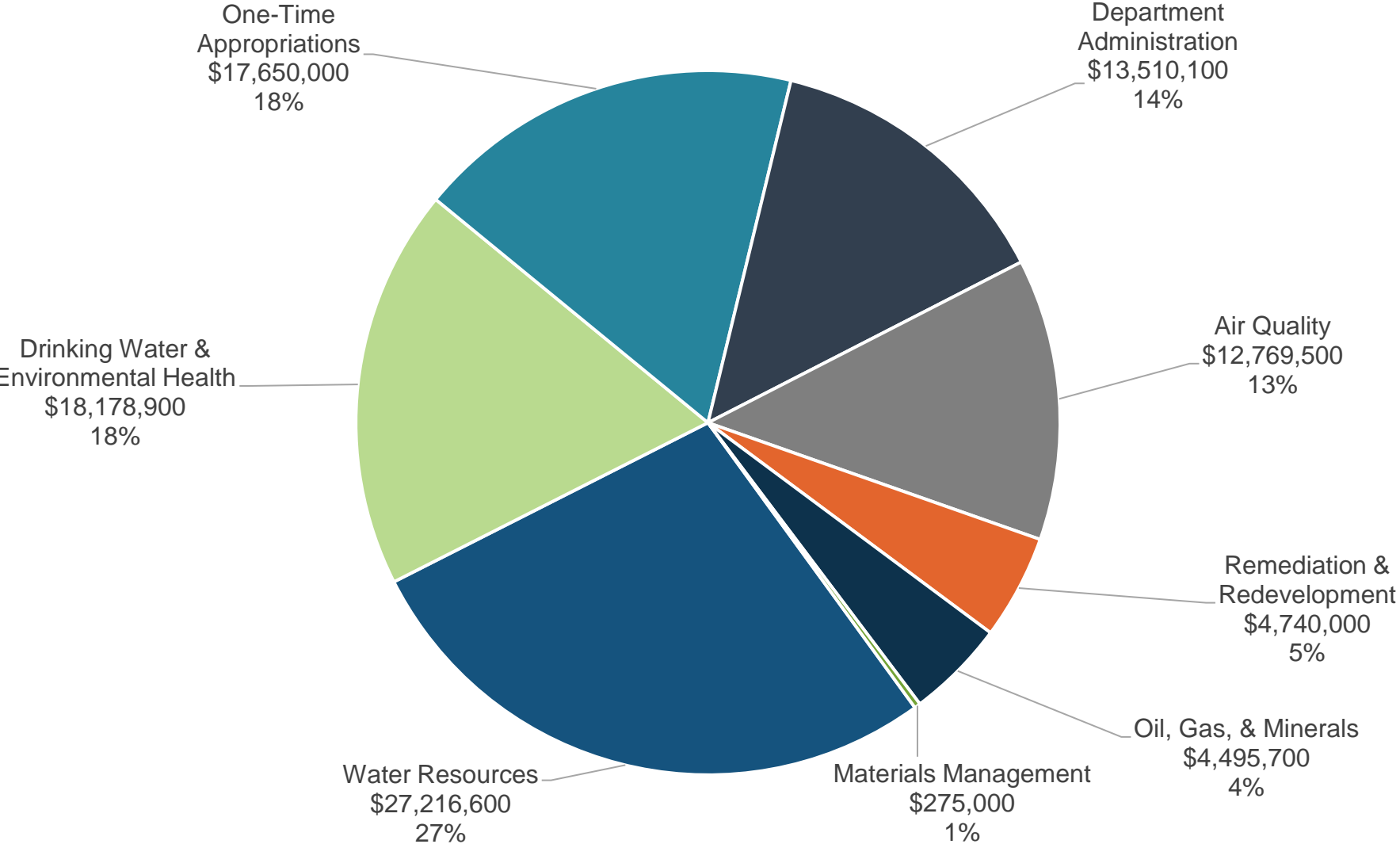
FY 2022-23 Gross Appropriations

More than half of EGLE's **\$728.7 million** budget funds environmental remediation and redevelopment and drinking water and environmental health programs.



FY 2022-23 GF/GP Appropriations

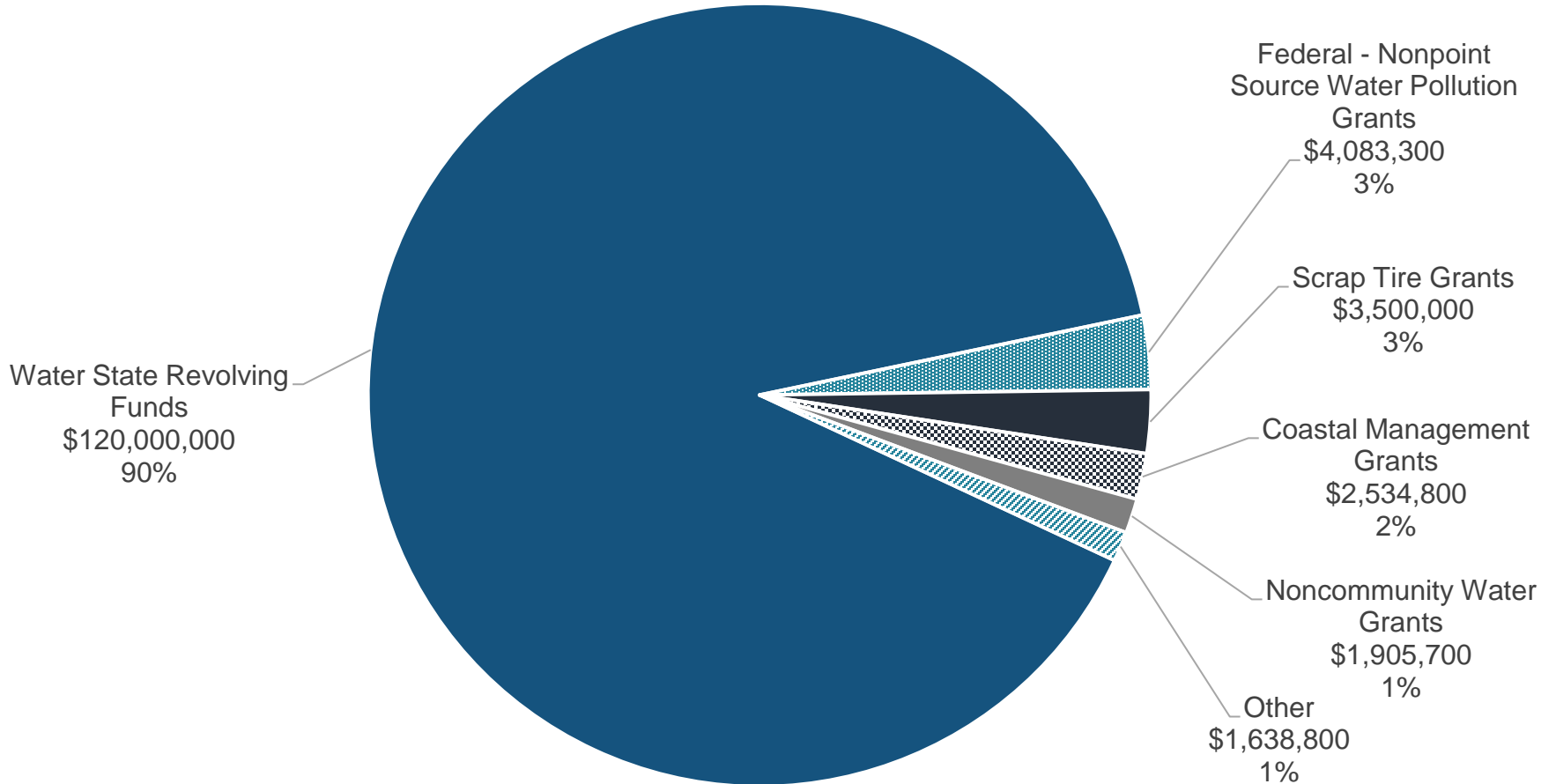
Almost half of GF/GP funds, which total **\$98.8 million**, support water and environmental health programs for the current fiscal year.



Major Budget Topics

EGLE Grant Programs

The FY 2022-23 EGLE budget includes **\$133.7 million** in grant funding for public, private, and nonprofit organizations, most of which is dedicated to water infrastructure projects.



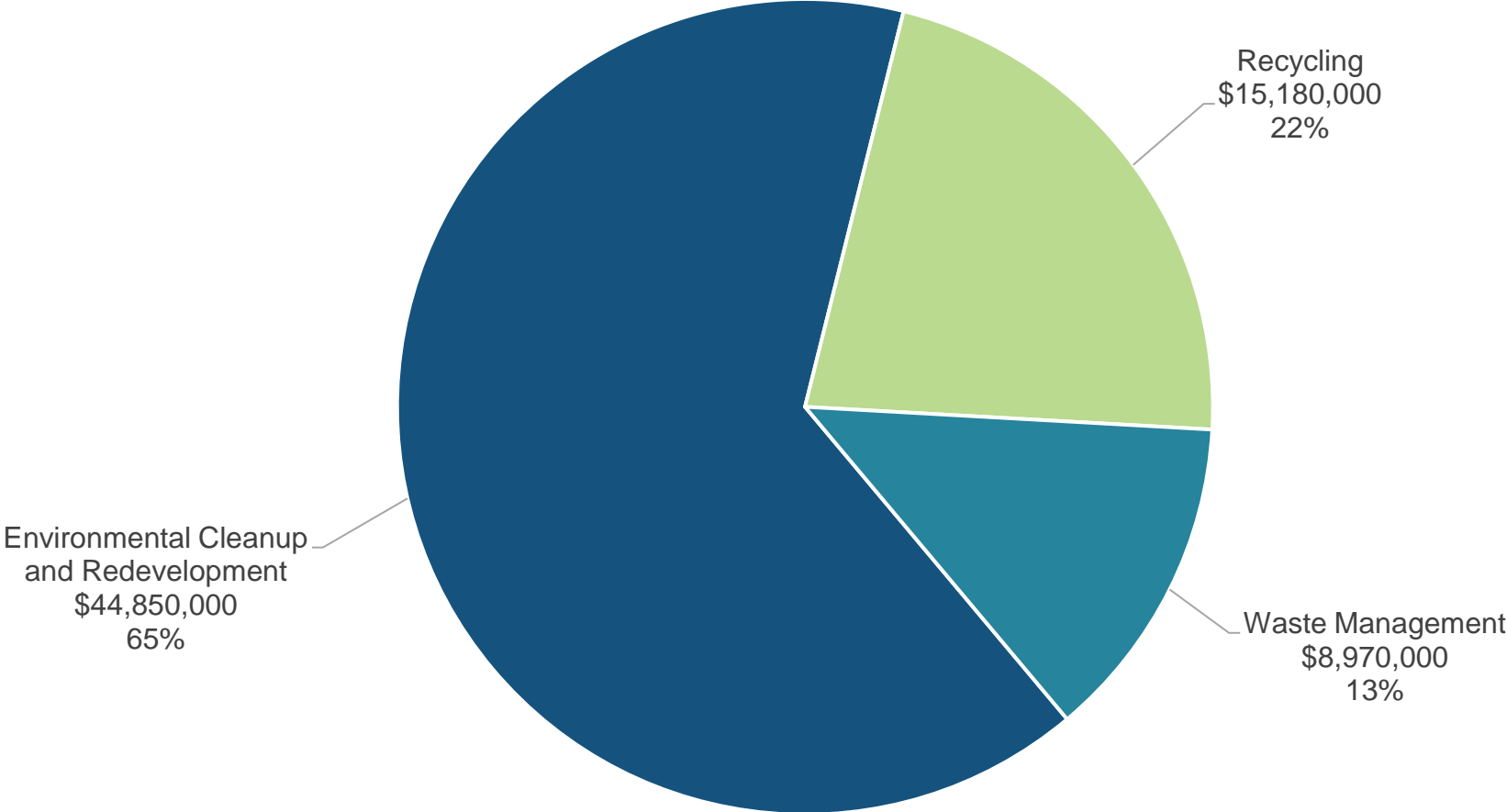
Major Restricted Funds

Restricted funding totals **\$337.4 million** from 52 funds and comprises almost half of the EGLE budget. The Renew Michigan Fund, Refined Petroleum Fund, Cleanup & Redevelopment Fund, and Underground Storage Tank Cleanup Fund make up most of the department’s restricted funding.

| Fund | Revenue Source | Purpose |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Renew Michigan Fund \$74.3 million | Income tax earmark | Non-petroleum cleanups, recycling, waste management |
| Cleanup & Redevelopment Fund \$68.6 million | Unclaimed bottle deposits | Non-petroleum cleanups |
| Refined Petroleum Fund \$62.1 million | One cent per gallon fee paid for each gallon of refined petroleum sold for resale in Michigan | Petroleum cleanups |
| Underground Storage Tank Cleanup Fund \$20.5 million | One cent per gallon fee paid for each gallon of refined petroleum sold for resale in Michigan | Reimbursing underground storage tank owners/operators for cleaning up their respective petroleum leaks originating after 2014 |

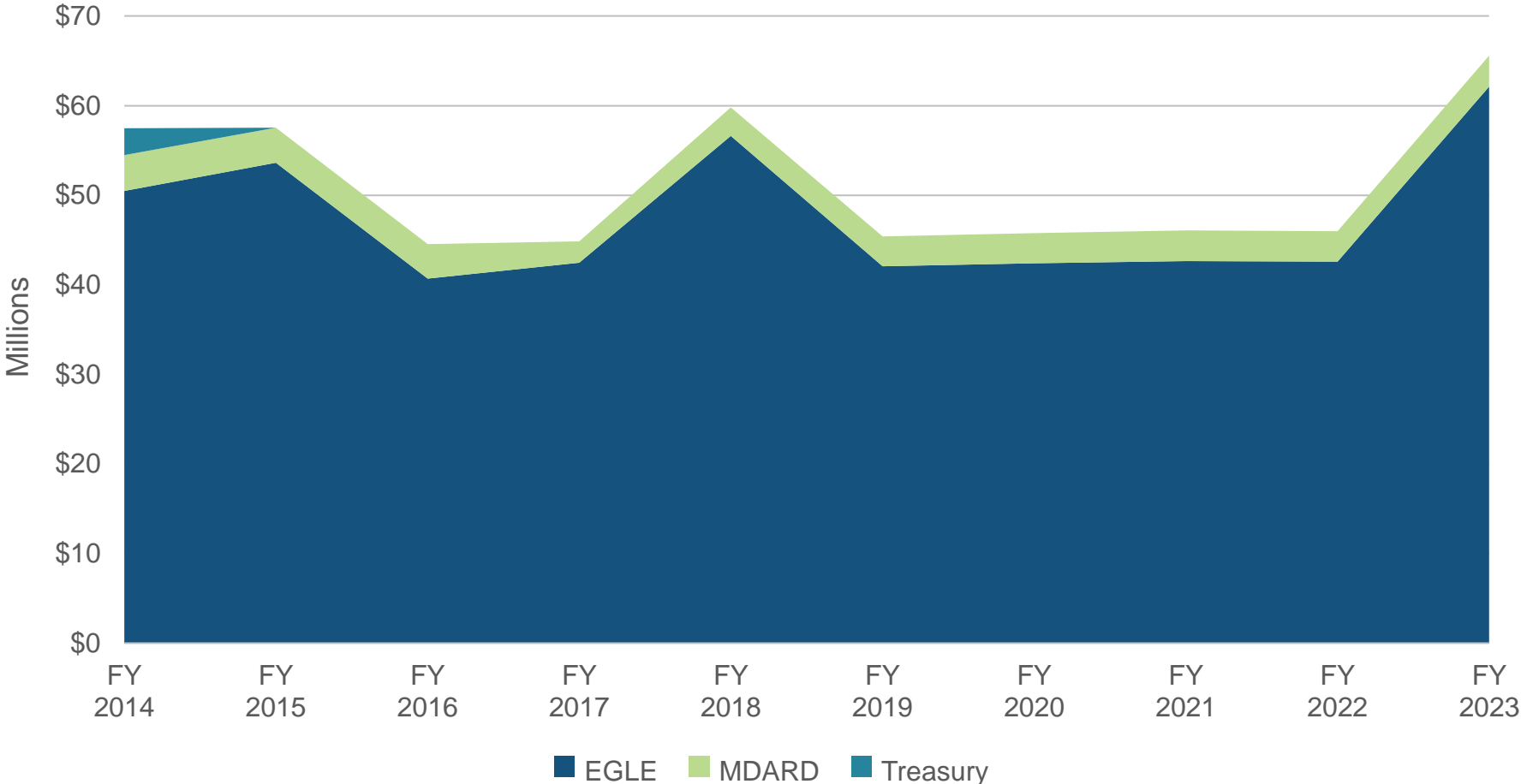
Renewing Michigan's Environment

The Renew Michigan Fund was established in 2018 PA 588 as a replacement for the expiring Clean Michigan Initiative. The fund receives **\$69.0 million** in annual revenue from income tax collections to be used for non-petroleum remediation activities, recycling, and waste management. The fund's specific purposes are defined in statute.



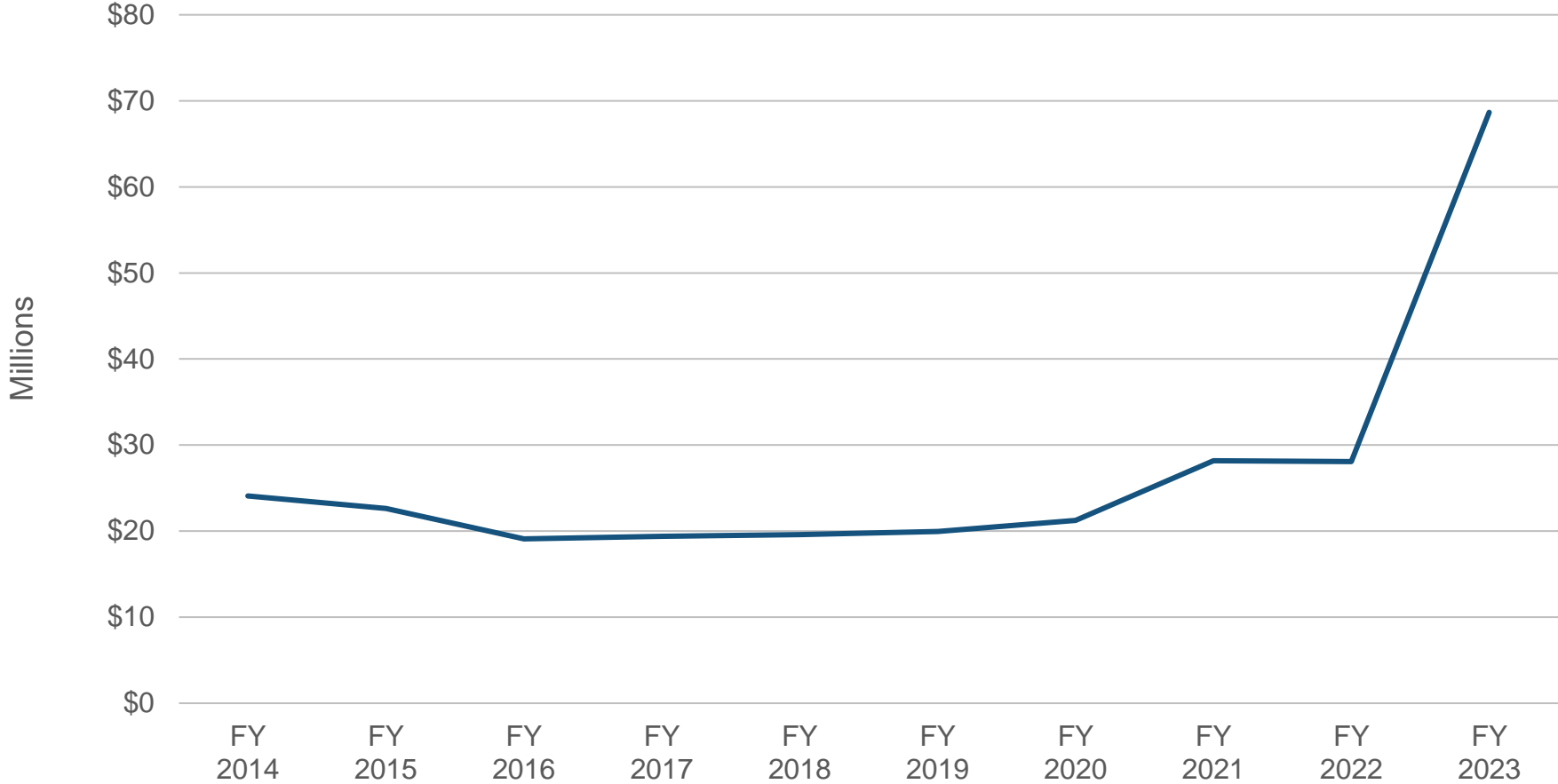
Refined Petroleum Fund (RPF)

Annual appropriations from the RPF hovered around **\$57.0 million** from FY 2010-11 through FY 2014-15. Beginning in FY 2015-16, the Underground Storage Tank Cleanup Fund receives the first **\$20.0 million** in fee revenue, with the remainder being deposited to the RPF. Additional one-time fund balance was appropriated in FY 2017-18 and FY 2022-23.



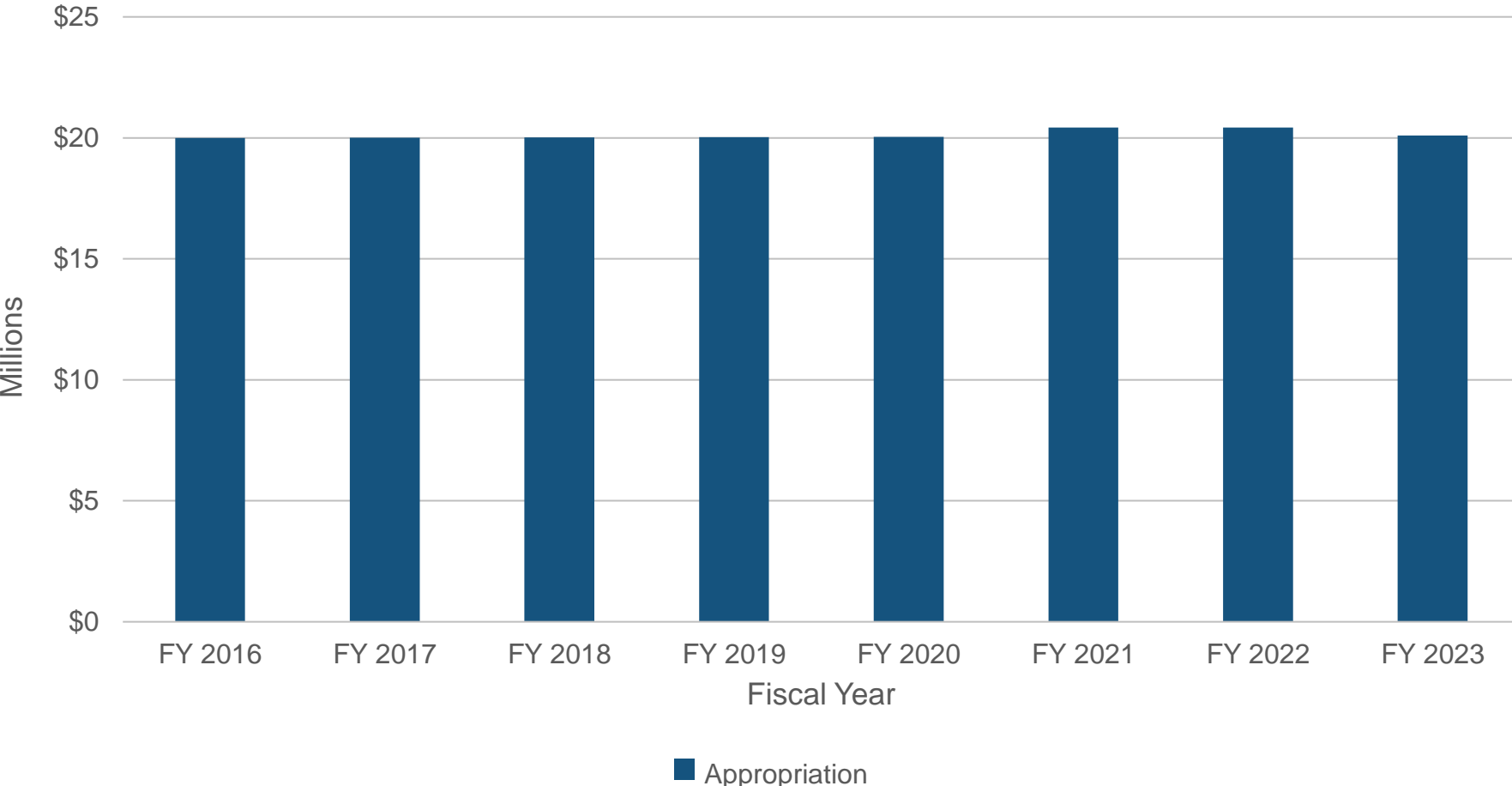
Cleanup and Redevelopment Fund (CRF)

The Cleanup and Redevelopment Fund receives revenue from unclaimed bottle deposits. This revenue supports environmental remediation and redevelopment efforts at sites contaminated by pollutants other than petroleum. Appropriations from the fund are tied to available revenue, so program support fluctuates with increases and decreases in revenue. Revenue increased as unclaimed deposits spiked post COVID-19.



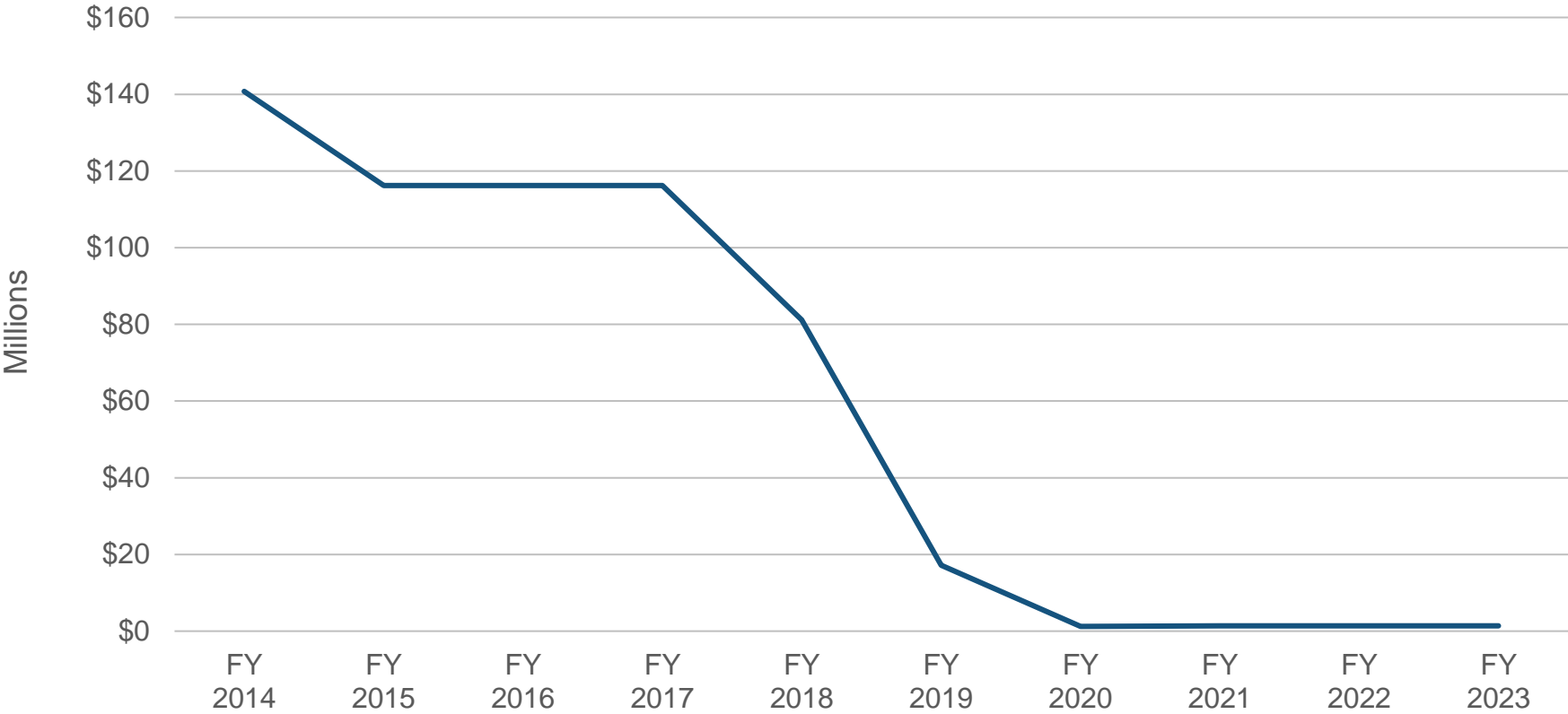
Underground Storage Tank Cleanup Fund (UST)

The UST program provides reimbursements to underground storage tank owners/operators for cleaning up their respective petroleum leaks originating after 2014. The program began in FY 2015-16 with an initial appropriation of **\$20.0 million** and has been basically flat.



Strategic Water Quality Initiatives Fund (SWQIF)

The Great Lakes Water Quality Bond is a **\$1.0 billion** general obligation bond program to help local governments finance sewage treatment projects. Originally, **90%** of bond revenue was deposited to the State Revolving Fund (SRF) and the remaining **10%** was deposited to the SWQIF. However, in 2012 the revenue allocation was revised to **29%** to the SRF and **71%** to SWQIF to give local governments increased access to expanded grant opportunities available through SWQIF. An ongoing decrease beginning in FY 2017-18 is reflected below as bond authority is depleted.



EGLE Funding for PFAS

Appropriations for EGLE totaling **\$90.4 million** (all GF/GP) have been enacted in response to PFAS contamination. The FY 2021-22 EGLE budget included **\$14.5 million** for PFAS contamination remediation grants and **\$4.0 million** for contamination mapping.

| Public Act | Fiscal Year | Gross Appropriation | Purpose |
|-------------|-------------|---------------------|----------------------------------------------------------------------------------------------------------------|
| 2017 PA 201 | 2017-18 | \$11.8 million | Remediation and response activities at 14 confirmed sites (\$7.8 million) and additional sites (\$4.0 million) |
| | | \$1.6 million | Community water supply and sampling |
| | | \$1.5 million | Laboratory equipment and support |
| 2018 PA 618 | 2018-19 | \$4.7 million | Contamination mapping (\$4.3 million) and firefighting foam containment (\$400,000) |
| | | \$4.0 million | Matching grants to local governments for remediation and system connection costs |
| 2019 PA 57 | 2019-20 | \$40.0 million | Grants to drinking water systems for PFAS and other contaminants |
| | | \$4.3 million | Contamination mapping |
| 2020 PA 166 | 2020-21 | \$4.0 million | Contamination mapping |
| 2021 PA 87 | 2021-22 | \$14.5 million | Grants for PFAS contamination remediation |
| | | \$4.0 million | Contamination mapping |

For more information about the Environment, Great Lakes, and Energy budget:

HFA Resources

<http://www.house.mi.gov/hfa/EnvironmentalQuality.asp>

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