

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23**

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, & ENERGY



Analyst: Austin Scott

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$3,544,900	\$3,406,400	(\$138,500)	(3.9)
Federal	226,889,200	453,641,700	226,752,500	99.9
Local	0	0	0	--
Private	1,411,200	1,415,500	4,300	0.3
Restricted	304,550,000	327,354,900	22,804,900	7.5
GF/GP	153,375,400	218,280,700	64,905,300	42.3
Gross	\$689,770,700	\$1,004,099,200	\$314,328,500	45.6
FTEs	1,467.0	1,543.0	76.0	5.2

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
1. Community Technical, Managerial, and Financial Support for Lead Line Replacement (One-Time)	Gross NA	\$48,000,000
Provides \$48.0 million GF/GP for local grants to replace lead service lines and upgrade water treatment facilities; preference for disadvantaged communities.	GF/GP NA	\$48,000,000
2. Water State Revolving Funds – Federal Infrastructure Act IIJA	Gross \$120,000,000	\$250,369,900
Appropriates \$250.4 million Gross (\$36.4 million GF/GP) for federal Infrastructure Act funding for local water infrastructure projects. The GF/GP funding is appropriated on a one-time basis to be used as match to access federal funding.	Federal 100,000,000	214,000,000
	Restricted 15,000,000	0
	GF/GP \$5,000,000	\$36,369,900
3. Oil, Gas, and Mineral Services – Federal Infrastructure Act IIJA	FTE 59.0	2.0
Appropriates \$31.0 million of federal Infrastructure Act funding and authorizes 2.0 FTE positions for remediation of orphaned oil and gas wells.	Gross \$11,630,900	\$31,000,000
	IDG 220,000	0
	Federal 150,000	31,000,000
	Restricted 6,879,900	0
	GF/GP \$4,381,000	\$0
4. Environmental Sustainability and Stewardship – Federal Infrastructure Act IIJA	FTE 11.0	5.0
Appropriates \$15.8 million of federal Infrastructure Act funding and authorizes 5.0 FTE positions for energy efficiency projects.	Gross \$6,224,000	\$15,800,000
	Federal 3,806,700	15,800,000
	Private 140,000	0
	Restricted 2,277,300	0
	GF/GP \$0	\$0
5. Energy Efficiency Revolving Fund – Federal Infrastructure Act IIJA	Gross NA	\$7,200,000
Appropriates \$7.2 million of federal Infrastructure Act funding for energy efficiency projects.	Federal NA	7,200,000
	GF/GP NA	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
6. High Water Infrastructure Grants (One-Time)	Gross	\$14,325,000	\$20,000,000
Adds \$20.0 million GF/GP for infrastructure grants to address flooding, erosion, and other coastal issues.	GF/GP	\$14,325,000	\$20,000,000
7. Contaminated Site Cleanup (One-Time)	Gross	\$10,000,000	\$10,000,000
Includes \$10.0 million GF/GP for the prioritization and remediation of newly contaminated properties statewide that emerge throughout the year.	GF/GP	\$10,000,000	\$10,000,000
8. Environmental Health	FTE	57.0	7.0
Appropriates \$9.1 million Gross (\$7.4 million GF/GP) and authorizes 7.0 FTE positions to strengthen water supply oversight and support local health departments in monitoring and testing drinking water; also aligns authorization with available federal and restricted funding.	Gross	\$7,351,600	\$9,107,900
	Federal	3,382,000	1,500,000
	Restricted	1,431,000	250,000
	GF/GP	\$2,538,600	\$7,357,900
9. Drinking Water	FTE	68.0	12.0
Appropriates \$1.8 million GF/GP and authorizes 12.0 FTE positions to strengthen water supply oversight and support local health departments in monitoring and testing drinking water.	Gross	\$11,915,600	\$1,799,900
	Federal	6,343,900	0
	Restricted	3,199,100	0
	GF/GP	\$2,372,600	\$1,799,900
10. Air Quality Programs	FTE	187.0	24.0
Appropriates \$4.4 million GF/GP and authorizes 24.0 FTE positions to expand air quality monitoring staff and operations, and to reduce permit review wait times.	Gross	\$30,416,600	\$4,439,800
	Federal	7,493,200	0
	Restricted	14,807,400	0
	GF/GP	\$8,116,000	\$4,439,800
11. Grants and Records Management	FTE	NA	6.0
Appropriates \$2.9 million GF/GP and authorizes 6.0 FTE positions to create new program to digitize and manage departmental grants and records; \$2.0 million GF/GP is appropriated on a one-time basis.	Gross	NA	\$2,935,400
	GF/GP	NA	\$2,935,400
12. Radiological Protection Program – Legacy Cleanups	FTE	12.0	0.0
Appropriates \$175,000 GF/GP to cleanup legacy contaminated sites.	Gross	\$2,035,500	\$175,000
	IDG	1,720,500	0
	Federal	315,000	0
	GF/GP	\$0	\$175,000
13. Environmental Cleanup and Redevelopment Program – Legacy Cleanups	Gross	NA	\$27,600,000
Establishes new program by appropriating \$27.6 million from the Cleanup and Redevelopment Fund to cleanup legacy contaminated sites.	Restricted	NA	27,600,000
	GF/GP	NA	\$0
14. Refined Petroleum Product Program (One-Time) – Legacy Cleanups	FTE	99.0	0.0
Appropriates \$19.2 million from the Refined Petroleum Fund to cleanup legacy contaminated sites.	Gross	\$35,123,600	\$19,170,900
	Federal	2,105,100	0
	Restricted	33,018,500	19,170,900
	GF/GP	\$0	\$0
15. Contaminated Site Investigations, Cleanup, and Revitalization – Legacy Cleanups	FTE	130.0	16.0
Appropriates \$2.4 million from the Cleanup and Redevelopment Fund and authorizes 16.0 FTE positions to cleanup legacy contaminated sites.	Gross	\$19,079,000	\$2,393,100
	Restricted	18,784,400	2,393,100
	GF/GP	\$294,600	\$0
16. Municipal Assistance	FTE	29.0	4.0
Appropriates \$1.4 million Gross (\$0 GF/GP) and authorizes 4.0 FTE positions to increase loan processing staff and access to federal water infrastructure loans for local communities.	Gross	\$5,007,600	\$1,407,700
	Federal	3,272,900	1,200,000
	Restricted	1,734,700	207,700
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations</u>		<u>FY 2021-22 YTD (as of 2/9/22)</u>	<u>Executive Change from YTD</u>	
17. Environmental Cleanup Support		Gross	\$30,300,000	(\$29,300,000)
Reduces \$29.3 million from the Environmental Response Fund that is no longer needed to perform contaminated site cleanup at former Premcor Refining Group gas station sites.	Restricted	30,300,000	(29,300,000)	
	GF/GP	\$0	\$0	
18. Septage Waste Compliance Grants		Gross	\$275,000	(\$150,000)
Reduces \$150,000 from the Septage Waste Program Fund to align appropriation authority with available revenue.	Restricted	275,000	(150,000)	
	GF/GP	\$0	\$0	
19. Removal of FY 2021-22 One-Time Funding		Gross	\$136,675,100	(\$112,350,100)
Removes \$112.4 million Gross (\$67.4 million GF/GP) for one-time programs included in the FY 2021-22 budget. Programs included the Contaminated Site Emergency Reserve Fund, Dam Safety Emergency Action Fund, Dam Safety Grant Program, Drinking Water Emergency Assistance, Harbor Site Environmental Cleanup, Lead Line Replacement, PFAS Remediation, Sustainable Business Park, Wastewater Retention Basin, Water Infrastructure Improvements for the Nation Act, and Watershed Council Grants; maintains \$10.0 million GF/GP for Contaminated Site Cleanup and \$14.3 million GF/GP for High Water Infrastructure Grants.	Restricted	45,000,100	(45,000,100)	
	GF/GP	\$91,675,000	(\$67,350,000)	
20. Economic Adjustments		Gross	NA	\$4,729,000
Reflects increased costs of \$4.7 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	61,500	
	Federal	NA	1,052,500	
	Private	NA	4,300	
	Restricted	NA	2,433,300	
	GF/GP	NA	\$1,177,400	

Major Boilerplate Changes from FY 2021-22

Sec. 206. Disciplinary Action Against State Employees – DELETED

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs, unless communication is prohibited by law. *(Governor's signing letter stated this section was unenforceable.)*

Sec. 209. GF/GP Lapse – REVISED

Requires report of estimated GF/GP appropriation lapses at close of previous year. Revised due date from November 30 to December 31.

Sec. 210. Contingency Fund Transfer Authority – REVISED

Provides authority for contingency fund transfers of up to \$3.0 million restricted; authorizes expenditure after legislative transfer to specific line items. Revised to include contingency fund transfer authority of \$30.0 million federal, \$5.0 million restricted, and \$500,000 private.

Sec. 216. FTE Vacancies and Remote Work Report – DELETED

Requires department to report on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely.

Sec. 217. Expending Available Work Project Authorization – DELETED

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. *(Governor's signing letter stated this section was unenforceable.)*

Sec. 218. State Administrative Board Transfers – DELETED

Allows legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds. *(Governor's signing letter stated this section was unenforceable.)*

Sec. 219. Receipt and Retention of Reports – DELETED

Requires department to receive and retain copies of all reports.

Major Boilerplate Changes from FY 2021-22

Sec. 220. Report on Policy Changes Made to Implement Public Acts Affecting Department – DELETED

Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

Sec. 221. Severance Reporting – DELETED

Requires department to report details of severance pay for certain departmental employees.

Sec. 222. COVID-19 Vaccine Disclosure – DELETED

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

Sec. 223. Appropriations for Environmental Cleanup Projects – REVISED

Re-appropriates unspent funding from Cleanup and Redevelopment Fund, leaking underground storage tank funding, bottle deposits funding, CMI – Response Activities Fund, brownfield grants and loans, waterfront grants, and Strategic Water Quality Initiatives Fund for expenditure for any site listed in an appropriation act. Revised to add Contaminated Site Cleanup and Renew Michigan Program to the list of re-appropriations; designates unexpended and unencumbered amounts from the Renew Michigan Fund and from FY 2021-22 General Fund appropriations as "appropriated for expenditure."

Sec. 224. Settlement Fund Revenue Carryforward – REVISED

Authorizes carryforward of up to \$2.5 million of settlement revenues into succeeding fiscal year. Revised to remove the \$2.5 million cap.

Sec. 225. Rule Promulgation – DELETED

Requires report on any policy changes made to implement a public act; prohibits department from adopting a rule that applies to a small business if it has a disproportionate economic impact. *(Governor's signing letter stated this section was unenforceable.)*

Sec. 237. Employee Legal Costs Related to Drinking Water Declaration of Emergency – DELETED

Requires department to be responsible for payment of current and former department employees' legal costs from legal actions taken related to drinking water declaration of emergency. *(Governor's signing letter stated this section was unenforceable.)*

Sec. 238. Permitting Report – DELETED

Requires a report on the department's permitting programs including applications, approvals, denials, and backlogs.

Sec. 302. Contaminated Site Investigations Staffing Costs – DELETED

Limits the department to expending not more than 3% of Contaminated Site Investigations appropriation on administration.

Sec. 305. Refined Petroleum Fund – DELETED

Expresses legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07.

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

Requires list of cleanup sites addressed by Refined Petroleum Product Cleanup Program for the new fiscal year and closed sites from the preceding fiscal year.

Sec. 308. Work Projects – Emergency Cleanup Actions and Refined Petroleum Product Cleanup Program – REVISED

Authorizes unexpended funds appropriated for Emergency Cleanup Actions, Emergency Cleanup Support, and Refined Petroleum Product Cleanup Program to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanups. Revised to designate Environmental Cleanup Support and Brownfields Grants as work projects.

Sec. 312. Work Project – Environmental Cleanup Support – DELETED

Authorizes unexpended funds appropriated for Environmental Cleanup Support to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanup at former Premcor Refining Group gas station sites.

Sec. 315. Environmental Response Fund and Natural Resource Damage Fund Receive and Expend – NEW

Authorizes expenditure of funds from the Environmental Response Fund or Natural Resource Damage Fund upon receipt as outlined by legal decisions; requires a report on this section's preceding fiscal year's expenditures by February 1.

Sec. 351. Superfund Cleanup – DELETED

Earmarks \$10.0 million of appropriation to be used for contaminated site cleanup at the Spartan Chemical site in Kent County; designates unexpended funding as a work project appropriation.

Major Boilerplate Changes from FY 2021-22

Sec. 411. Chapaton Treatment Lagoon Report – DELETED

Requires department to report information and materials needed to permit and regulate Chapaton open-air wastewater treatment lagoon in Macomb County.

Sec. 801. Work Project – Renew Michigan Program – NEW

Authorizes unexpended funds appropriated for the Renew Michigan Program to be considered a work project appropriation and carried forward into succeeding fiscal year; program will support environmental cleanup and redevelopment, waste management, and recycling.

Sec. 1001. Work Project – Water State Revolving Funds – NEW

Authorizes unexpended funds appropriated for Water State Revolving Funds to be considered a work project appropriation and carried forward into succeeding fiscal year; program will provide financing of water infrastructure projects.

Sec. 1003. Dam Safety Grant Program – DELETED

Directs expenditure of the Dam Safety Grant Program for projects to mitigate risky dams; requires annual report on program.

Sec. 1004. Dam Safety Emergency Action Fund – DELETED

Directs expenditure of the Dam Safety Emergency Action Fund for EGLE to mitigate risky dams if the dam owner is unwilling or unable to take action; requires annual report on activities of the fund.

Sec. 1005. Water Infrastructure Improvements for the Nation Act – DELETED

Re-establishes the appropriation for the Water Infrastructure Improvements for the Nation program as a work project account; authorizes unspent funds at the end of the fiscal year to be carried forward into the following fiscal year. Funding was originally appropriated in 2017 PA 33.

Sec. 1006. High Water Infrastructure Grants – DELETED

Directs expenditure of funding for High Water Infrastructure Grants for planning and infrastructure grants to local communities for severe weather; caps individual grants at \$500,000 and requires a 20% match.

Sec. 1007. Cooperative Lakes Monitoring Program – DELETED

Directs expenditure of funding for Cooperative Lakes Monitoring Program to continue the program, which helps volunteers monitor local lake water quality and document changes over time.

Sec. 1008. Prior Grant Awards Not Disqualifying Applicants – DELETED

Prevents grant recipients from being disqualified for future grant awards on account of receiving previous grant awards.

Sec. 1009. PFAS Remediation – DELETED

Directs expenditure of funding for grants to drinking water systems for PFAS contaminant remediation or alternate water system connection costs; requires report on expenditures.

Sec. 1010. Wastewater Retention Basins – DELETED

Directs expenditure of funding for Wastewater Retention Basins to increase the storage capacity of wastewater retention basins for combined sewer overflows and infrastructure in Macomb County.

Sec. 1012. Sustainable Business Park – DELETED

Directs expenditure of funding for Sustainable Business Park to support the infrastructure necessary to develop a sustainable business park to replace the need for new landfills in Kent County.

Sec. 1013. Watershed Council Grants – DELETED

Directs expenditure of funding for Watershed Council Grants for grants to watershed councils for education, administration, and conservation efforts; caps individual grants at \$40,000; requires report on grant recipients and grant amounts by April 1.

Sec. 1014. Lead Service Line Replacements – DELETED

Directs expenditure of funding for Lead Service Line Replacements to replace lead service lines and improve drinking water safety in Benton Harbor; designates appropriation as a work project account.

Sec. 1015. Contaminated Site Cleanup – DELETED

Directs expenditure of funding for Contaminated Site Cleanup for the prioritization and remediation of newly contaminated properties statewide that do not qualify for other cleanup funding; designates appropriation as a work project account.

Major Boilerplate Changes from FY 2021-22

Sec. 1016. Contaminated Site Cleanup Contingency Reserve Fund – DELETED

Creates a Contaminated Site Cleanup Contingency Reserve Fund and directs expenditure of fund for the prioritization and remediation of newly contaminated properties statewide that do not qualify for other cleanup funding; requires a legislative transfer for expenditure.

Sec. 1017. Contaminated Site Cleanup Contingency Reserve Fund Transfer – DELETED

Designates \$10.0 million to be transferred into the Contaminated Site Cleanup Contingency Reserve Fund as described in Sec. 1016.

Sec. 1018. Drinking Water Emergency Assistance – DELETED

Directs expenditure of funding for Drinking Water Emergency Assistance to address drinking water systems contamination response and remediation; designates appropriation as a work project account.

Supplemental Recommendations for FY 2021-22 Appropriations

**FY 2021-22
Recommendation**

1. Environmental Sustainability and Stewardship

Appropriates \$6.5 million in available restricted revenue to provide grants to public and private applicants for community energy management services, clean energy manufacturing, and energy policy initiatives.

Gross

\$6,500,000

Restricted

6,500,000

GF/GP

\$0