



Background Briefing

ENVIRONMENTAL QUALITY

Viola Bay Wild, Senior Fiscal Analyst

January 2011

The fiscal information in this background briefing is based on data through January 1, 2011.

Department of Environmental Quality Budget

On January 17, 2010, the Department of Natural Resources and the Department of Environmental Quality were merged into one new department, the DNRE, in accordance with Executive Order 2009-45.

However, the first Executive Order of Governor Rick Snyder, Executive Order 2011-1, abolishes the DNRE and reestablishes the separate departments of DNR and DEQ.

Unless it is disapproved by the Legislature, this order will officially take effect on March 13, 2011.

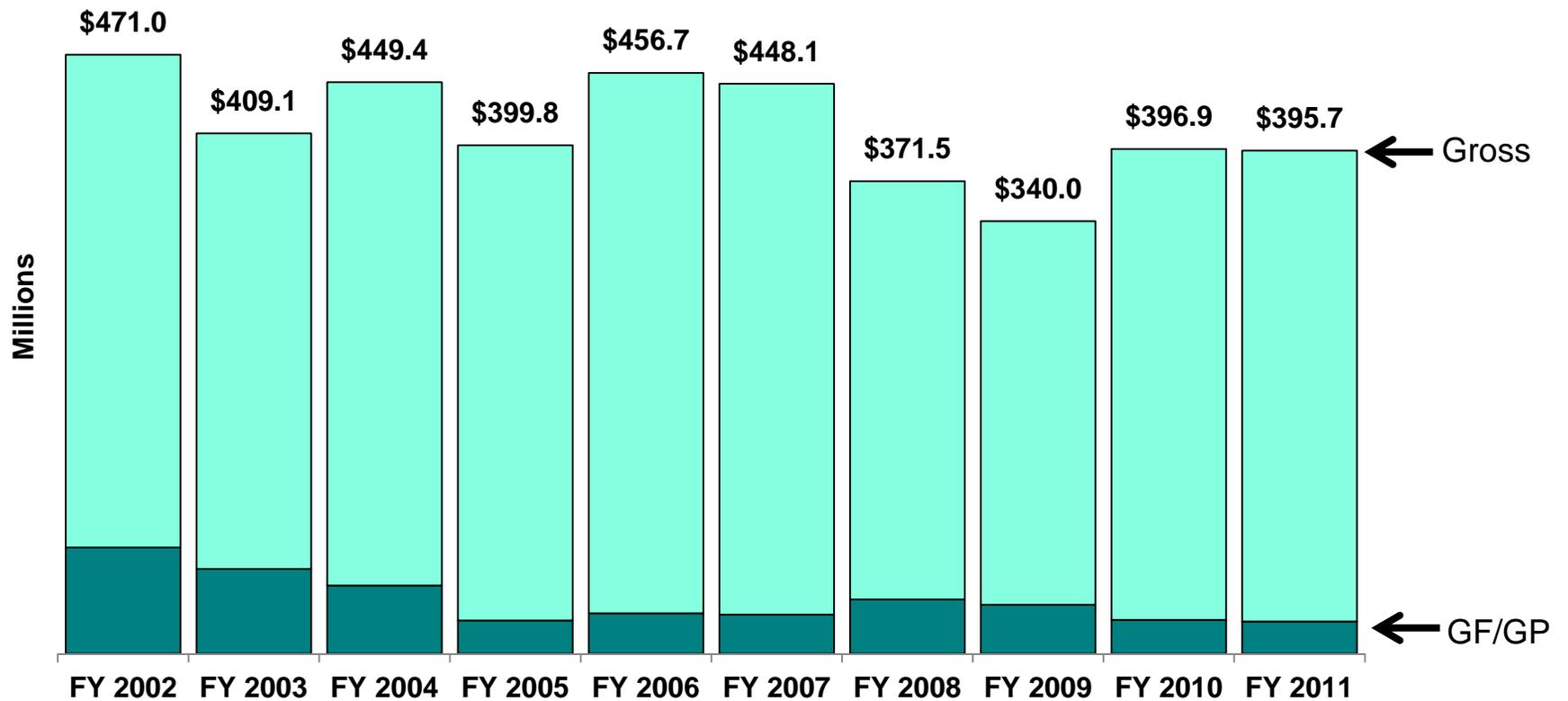
For FY 2010-11, the programs of DEQ are funded jointly with the DNR within the budget of the DNRE by P.A. 189 of 2010. The appropriations summarized in the following are estimates of what DEQ's appropriations are within that statute.

DEQ Program Areas

Major DEQ programs do the following:

- **Administer cleanup and reuse of contaminated properties**
- **Protect water quality of surface waters and local water supplies**
- **Administer environmental protection programs and regulate disposal of hazardous and non-hazardous wastes and products**
- **Monitor air pollution emissions and regulate through air quality permits**

DEQ: Gross Appropriations

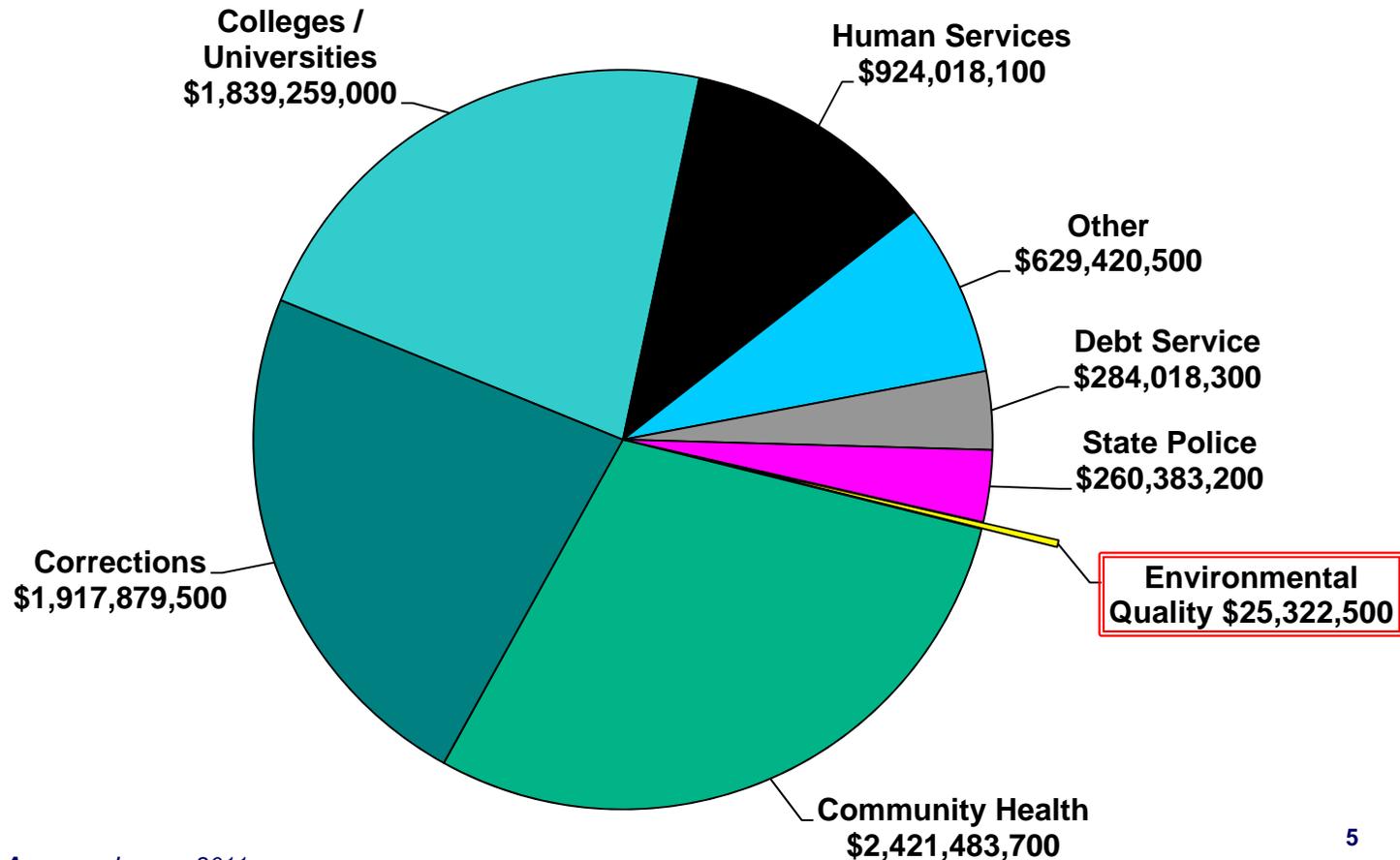


FY 2009 amount does not include \$248.6 million in one-time American Reinvestment and Recovery Act (ARRA) funding; FY 2010 and FY 2011 both include \$50.0 million new federal funding for the Great Lakes Restoration Initiative.

DEQ Share of State GF/GP

DEQ makes up 0.3% of the total state GF/GP budget

FY 2010-11 GF/GP Total = \$8,301,784,800

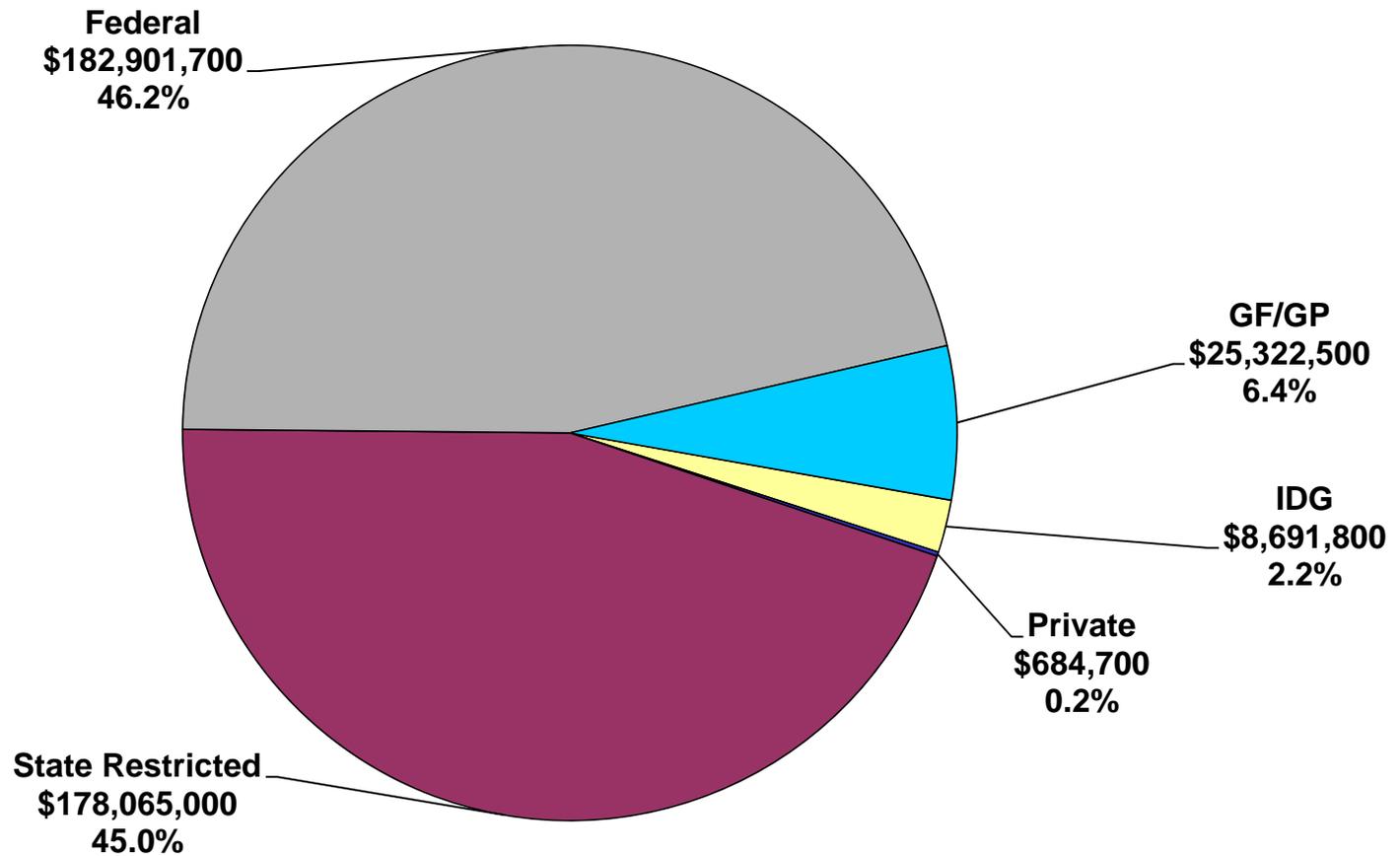


SOURCES OF FUNDING

DEQ Funding Sources

State restricted funds and federal revenue represent over 90% of funding in the DEQ budget.

FY 2010-11 Gross = \$395,665,700



DEQ Revenue

- For FY 2010-11, the DEQ budget totals \$395.7 million. Of that amount, only 6.4% is GF/GP funding (\$25.3 million).
- 45.0% of funding is from state restricted revenue (mainly license and permit fees).
- The largest restricted fund appropriation is from the Refined Petroleum Fund -- \$37.1 million.
- From FY 1999-2000 to FY 2010-11, GF/GP funding has decreased by 74%: from \$96.3 million to \$25.3 million.
- Both FY 2009-10 and FY 2010-11 include \$50.0 million of new federal funding for a new program, the Great Lakes Restoration Initiative.

DEPARTMENT APPROPRIATIONS

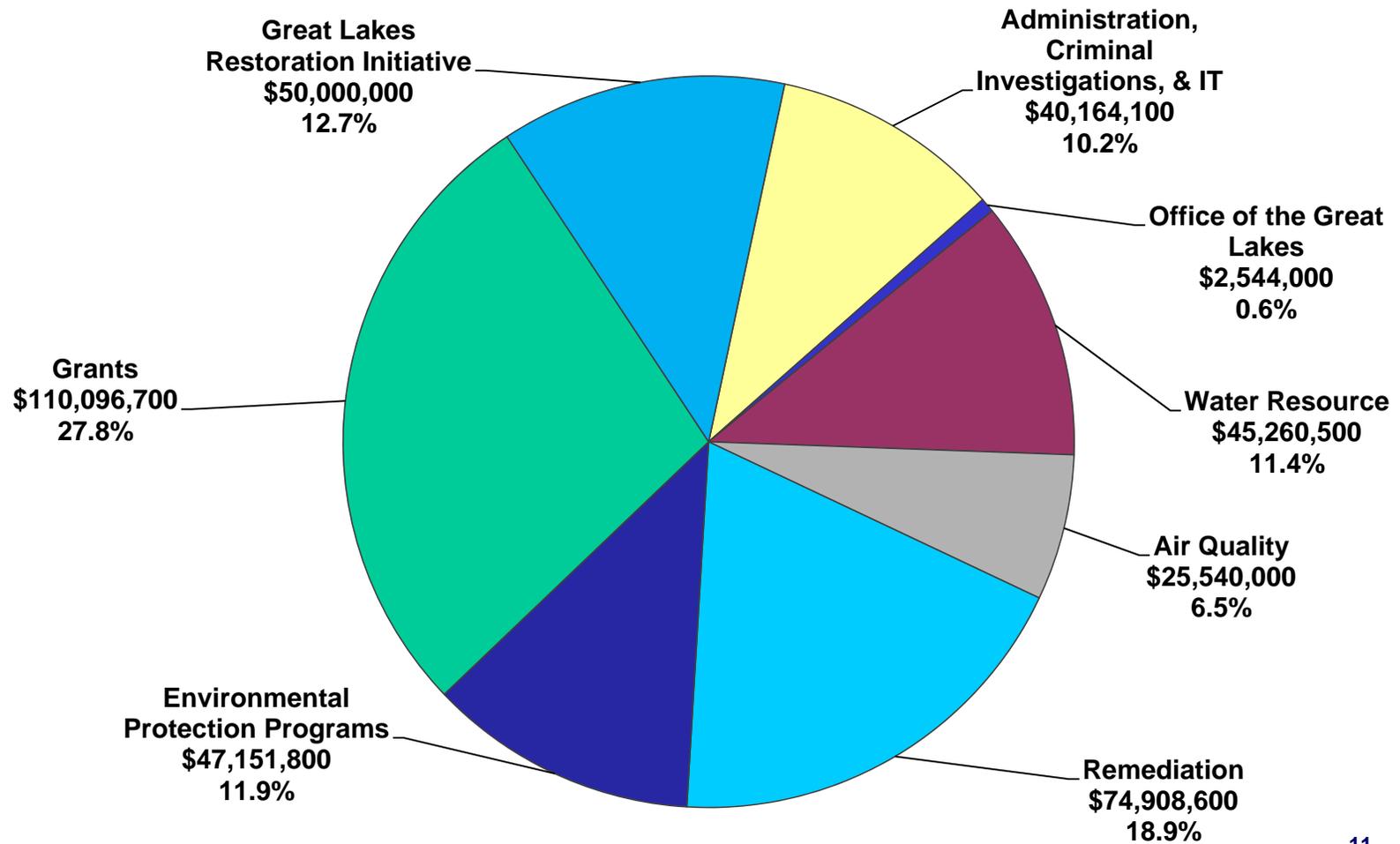
DEQ Appropriations

The DEQ budget is allocated into the following major spending areas:

- Administration/ Criminal Investigations/ IT
- Office of the Great Lakes
- Water Resource
- Air Quality
- Remediation (Environmental Cleanups)
- Environmental Protection Programs
- Grants
- Great Lakes Restoration Initiative

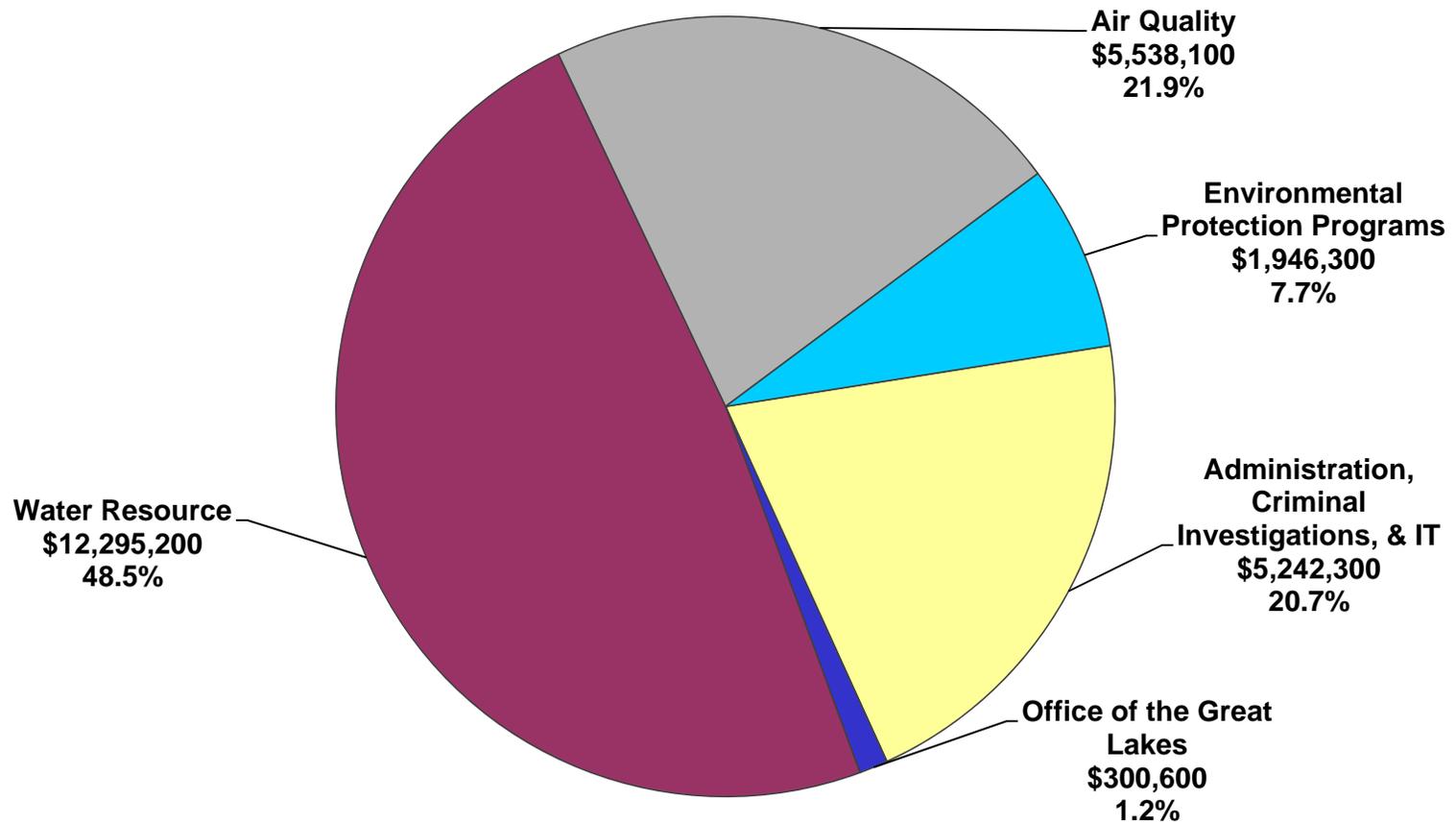
DEQ Appropriations

FY 2010-11 Gross = \$395,665,700



DEQ GF/GP Appropriations by Category

FY 2010-11 GF/GP = \$25,322,500



MAJOR BUDGET ISSUES

DEQ Major Programs

The DEQ budget supports the following major programs:

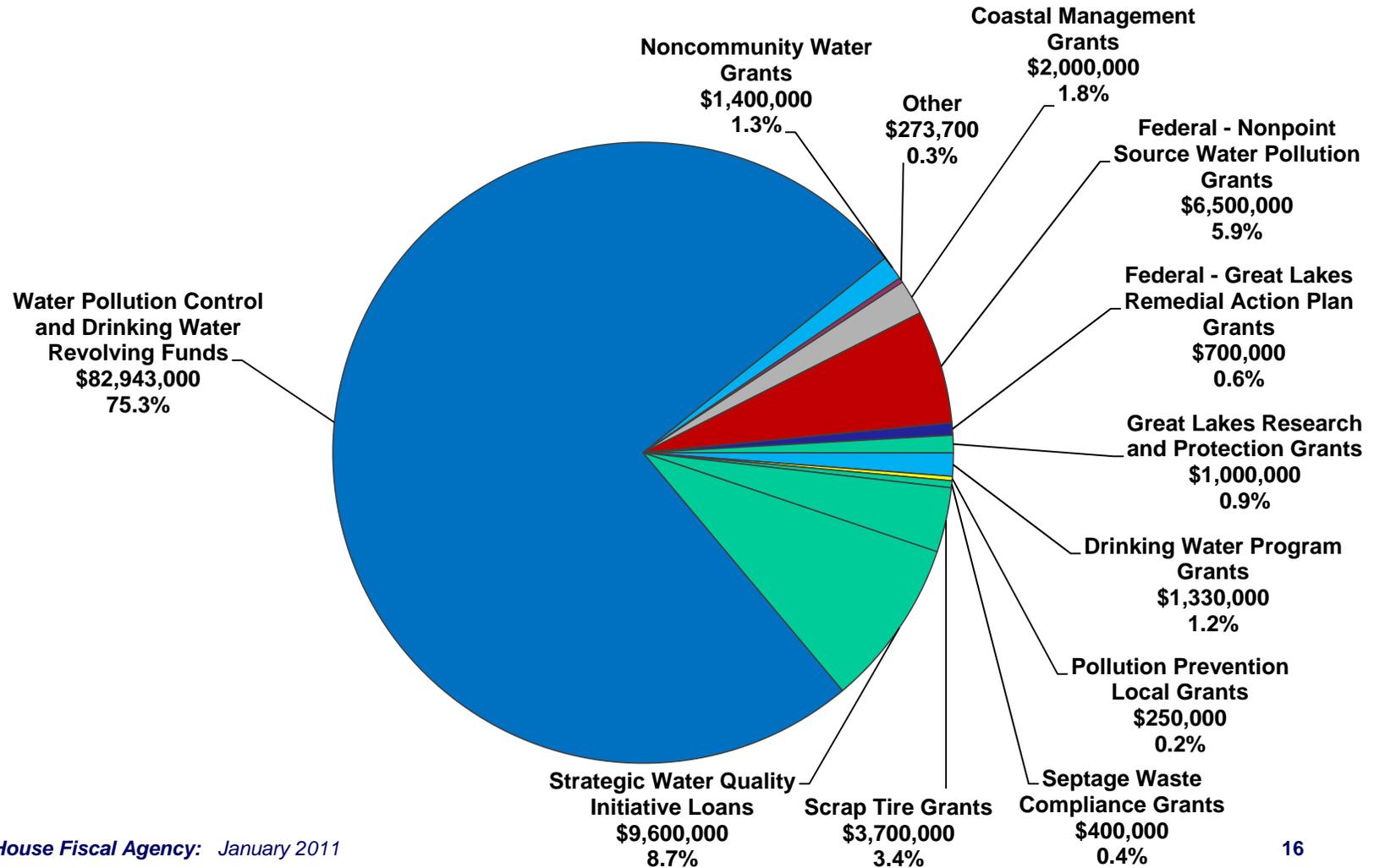
- **Office of the Great Lakes** – lead state agency for the policies and programs to protect and guide the management of the Great Lakes.
- **Surface Water** – protects the water quality of the state’s surface waters, issues permits for the discharge of industrial and municipal waste waters, inspects wastewater treatment facilities, and monitors large scale water withdrawals.
- **Air Quality** – protects the state’s air quality through monitoring air pollution emissions, inspecting emission sources, and issuing air quality permits.
- **Waste and Hazardous Materials** – regulates the disposal of hazardous and non-hazardous solid and liquid wastes, scrap tires, radioactive materials, and the land application of processed solid waste.
- **Environmental Cleanups** – promotes the cleanup and reuse of contaminated properties through response activities at contamination sites and funds the cleanup of leaking underground storage tanks.

DEQ Grants and Loan Programs

- The DEQ awards grants, administers loan programs and distributes payments to local units of government and nonprofit organizations.
- 28% of total department funding is distributed to communities and nonprofit organizations through these programs (\$110.1 million).
- The grant and loan programs receive no GF/GP funding; programs are funded with federal revenue, state restricted funding, and private funds.
- There are 14 environmental grant/loan programs. 75% of the funding is for the Water Pollution Control and Drinking Water Revolving Fund which funds water pollution and drinking water capital project loans.
- Environmental grants also fund pollution prevention programs, Great Lakes research, radon detection programs, septage waste transportation programs, and scrap tire removal.

DEQ Grant Programs

FY 2010-11 Gross = \$110,096,700



**For more information about the
Environmental Quality budget, contact:**

**Viola Bay Wild
vwild@house.mi.gov
(517) 373-8080**