

FY 2025-26 ENVIRONMENT, GREAT LAKES, AND ENERGY BUDGET

H.B. 4706 (P.A. 22 of 2025): INITIAL APPROPRIATIONS

Article 4



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2024-25 YEAR-TO-DATE*	FY 2025-26 INITIAL APPROPRIATIONS	CHANGES FROM FY 2024-25 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,646.0	1,631.0	(15.0)	(0.9)
GROSS	1,214,802,600	967,719,600	(247,083,000)	(20.3)
Less:				
Interdepartmental Grants Received	4,085,900	4,129,100	43,200	1.1
ADJUSTED GROSS	1,210,716,700	963,590,500	(247,126,200)	(20.4)
Less:				
Federal Funds	618,611,100	464,268,500	(154,342,600)	(24.9)
Local and Private.....	1,364,200	1,404,200	40,000	2.9
TOTAL STATE SPENDING.....	590,741,400	497,917,800	(92,823,600)	(15.7)
Less:				
Other State Restricted Funds.....	329,874,300	327,853,700	(2,020,600)	(0.6)
GENERAL FUND/GENERAL PURPOSE	260,867,100	170,064,100	(90,803,000)	(34.8)
PAYMENTS TO LOCALS	240,318,700	59,133,300	(181,185,400)	(75.4)

*As of October 7, 2025.

Major Boilerplate Changes from FY 2024-25 Year-to-Date:

- 1. Standard Boilerplate.** The Conference included changes to numerous sections, consistent with changes made throughout the other State department budgets.
- 2. Deleted –** The Conference deleted the following sections from current-year boilerplate sections: 236 (Flint Reporting Requirements), 244 (Justice40 Initiative), 303 (Cash Flow Requirements for Bond Financing), 1001-1010 (One-Time Removal).
- 3. Modified –** The Conference modified the following sections: 951 (Lead Service Line Replacement)
- 4. NEW Sections –** The Conference included new boilerplate in the following sections: 248 (Permit Issuance Timeline Report), 305 (Refined Petroleum Fund Repayment), 402 (Permit Application Report), 925 (Geologic Resources Management), 1001 (Document Digitization, Transparency, and Modernization), 1002 (Geologic Resources Management), 1003 (Lead Service Line Replacement), 1004 (MI Geological Survey), and 1005 (Permitting Guidebooks)

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FY 2024-25 Year-to-Date Appropriation	\$1,214,802,600	\$260,867,100		
	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. CSB Technical Adjustments. The Conference included \$16.7 million Gross funding in technical adjustments to account for increased Restricted fund revenues.	16,679,800	0	N/A	N/A
2. Economic Adjustments. Includes \$4,941,200 Gross and \$2,353,800 GF/GP for total economic adjustments.	4,941,200	2,353,800	N/A	N/A
<u>New Programs/Program Increases - NONE</u>				
<u>Eliminations/Reductions</u>				
3. Water State Revolving Funds. The Conference reduced ongoing GF/GP support for this program, and moved those funds to a one-time appropriation. This change reflects the expiration of Federal matching funds for this program that will expire at the end of next year.	(34,000,000)	(34,000,000)	390,000,000	5,000,000
4. Geologic Resources Management. The Conference reduced ongoing GF/GP support for the program, and moved those funds to a one-time appropriation.	(5,000,000)	(5,000,000)	21,531,100	7,962,700
5. Water Infrastructure. The Conference reduced ongoing GF/GP support for water infrastructure improvements by \$4.0 million, and provided a one-time appropriation of \$17.4 million for this purpose (see item below).	(4,000,000)	(4,000,000)	9,601,300	9,601,300
6. Michigan Geological Survey. The Conference reduced ongoing GF/GP support for the program by \$2.6 million, and moved \$2.3 million of those funds to one-time support for the program.	(2,600,000)	(2,600,000)	400,000	400,000
7. Air Quality Programs. The Conference reduced GF/GP support for this program by \$1.0 million.	(1,000,000)	(1,000,000)	38,730,000	15,025,700
8. Drinking Water and Environmental Health. The Conference reduced GF/GP support for this program by \$1.0 million.	(1,000,000)	(1,000,000)	40,273,800	18,600,600
9. Water Resource Programs. The Conference reduced GF/GP support for this line by \$400,000. This line provides staffing and other support for numerous water-related permitting programs.	(400,000)	(400,000)	28,239,600	18,606,700

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
10. Unfilled, Unfunded FTE Reductions. The Conference reduced the number of unfilled, unfunded full-time equivalent positions in the following numbers and program areas: (3.0) Air Quality Programs, (3.0) Municipal Assistance, (3.0) Contaminated Site Remediation and Redevelopment; (3.0) Water Resource Programs, (2.0) Water Quality Programs, (1.0) Material Management Programs.	0	0	0	0
<u>One-Time Appropriations</u>				
11. Water State Revolving Funds. The Conference included one-time GF/GP for this program to be used for Federal match under the Infrastructure Investment and Jobs Act. Absent a change to Federal appropriations, the availability of these matching funds will cease after FY 2025-26.	34,000,000	34,000,000	34,000,000	34,000,000
12. Water Infrastructure. The Conference included \$17.4 million one-time GF/GP for water infrastructure improvements.	17,400,000	17,400,000	17,400,000	17,400,000
13. Document Digitization, Transparency, and Modernization. The Conference included 5.0 million one-time GF/GP for a new IT process and contract services to digitize 51 terabytes of Department documents for public access and permitting use. This appropriation would provide a portion of the original request for \$39.0 million for this purpose.	5,000,000	5,000,000	5,000,000	5,000,000
14. Geologic Resource Management. The Conference moved \$5.0 million ongoing GF/GP support for this program to a one-time appropriation.	5,000,000	5,000,000	5,000,000	5,000,000
15. Michigan Geological Survey. The Conference moved \$2.3 million ongoing GF/GP support for this program to a one-time appropriation.	2,300,000	2,300,000	2,300,000	2,300,000
16. Permitting Guidebooks. The Conference provided funds for the department to work with various technical experts to produce guidebooks to assist the regulated community with permitting.	300,000	300,000	300,000	300,000
17. Removal of FY 2024-25 One-Time and Supplemental Appropriations. The Conference removed one-time and supplemental items from the FY 2024-25 budget. This includes: drinking water infrastructure (\$35.3 million), clean fuel and charging infrastructure (\$30.0 million), water infrastructure projects (\$17.0 million), water infrastructure initiative (\$10.0 million), lead service line replacement (\$8.0 million), solar array project (\$3.0 million), microplastics research (\$2.0 million), drinking water intake	(109,000,000)	(109,000,000)	0	0

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
monitoring program (\$1.5 million), Water Use Advisory Council recommendations (\$1.2 million), and wetlands mapping (\$1.0 million).				
Other				
18. Water Use Programs Internal Transfer. The Conference included a net-zero shift from the ground water data collection line and water quality programs line to the Geological Resources Management Division. In total, this would shift 10.0 FTEs and \$3.6 million within the department.	0	0	N/A	N/A
Total Changes.....	(\$71,379,000)	(\$90,646,200)		
FY 2025-26 INITIAL APPROPRIATIONS	\$1,143,423,600	\$170,220,900		

Date Completed: 10-13-25

Fiscal Analyst: Josh Sefton

Item #	Budget Area/Line Items	Gov Changes to FY 2024-25			House Changes to FY 2024-25			Senate Changes to FY 2024-25			Conference Changes to FY 2024-25		
		FTE	GROSS	GF/GP	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP
DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY													
Ongoing Changes													
1	Tipping fee increase	36.0	80,000,000	0									
2	Lead service line replacement		30,000,000	30,000,000				10,000,000	10,000,000		(4,000,000)	(4,000,000)	
3	Dam and flood mitigation grants					20,000,000	20,000,000						
4	CSB technical		16,679,800	0		0	0	16,679,800	0		16,679,800	0	
5	Sewer and water infrastructure upgrade grants					10,000,000	10,000,000						
6	Water resource division fees	41.0	7,312,300	0									
7	Water program staff capacity increase	35.0	5,955,700	5,955,700				18.0	2,977,900	2,977,900			
8	Hazardous waste oversight and fee increase	17.0	5,000,000	0									
9	Underground gas storage fees	3.0	465,500	0									
10	Energy program staff capacity	2.0	370,000	370,000				2.0	370,000	370,000			
11	Water state revolving fund shift from oil, gas, and minerals								4,599,700	4,599,700			
12	Water revolving fund deposit - CIF								40,000,000	0			
13	Water infrastructure risks and reserve - CIF								5,000,000	0			
14	Water SRF fund shift				0	(39,000,000)					(34,000,000)	(34,000,000)	
15	Water resource programs reduction										(3.0)	(400,000)	
16	Michigan geological survey										(2,600,000)	(2,600,000)	
17	Oil, gas, and minerals fund shift							0.0	0	(4,600,000)			
18	Underground storage tank cleanup program reduction				(2.0)	(300,000)	0						
19	Oil, gas, and mineral services reduction				(3.0)	(450,000)	(450,000)				(5,000,000)	(5,000,000)	
20	Municipal assistance FTE reduction										(3.0)		
21	Materials management programs FTE reduction										(1.0)		
22	Contaminated site remediation FTE reduction										(3.0)		
23	Watershed council grants elimination					(600,000)	(600,000)						
24	Material management programs reduction				(8.0)	(1,200,000)	(744,800)						
25	IT services and projects reduction					(2,591,700)	(2,347,500)						
26	Renewing Michigan's environment reduction				(10.0)	(3,155,600)	(2,255,600)						
27	Air quality programs reduction				(28.0)	(4,400,000)	(4,400,000)				(3.0)	(1,000,000)	
28	Contaminated site remediation and redevelopment reduction				(30.0)	(4,500,000)	(294,600)						
29	Drinking water and environmental health reduction				(15.0)	(4,894,400)	(4,894,400)				(1,000,000)	(1,000,000)	
30	Departmental administration and support reduction				(37.0)	(6,524,300)	(3,898,800)						
31	Water quality programs reduction				(116.0)	(17,400,000)	(11,281,300)				(2.0)		
32	Unclassified salaries		29,000	8,300		0	0		29,000	8,300		29,000	
33	Economic adjustments		4,912,200	2,345,500		0	0		4,912,200	2,345,500		4,912,200	
	Subtotal - Ongoing	134.0	150,724,500	38,679,500	(249.0)	(16,016,000)	(40,167,000)	20.0	84,568,600	15,701,400	(15.0)	(26,379,000)	
One-Time Changes													
1	Lead service line replacement (One-Time)		50,000,000	50,000,000							17,400,000	17,400,000	
2	Document management modernization (One-Time)		39,000,000	39,000,000				10,000,000	10,000,000		5,000,000	5,000,000	
3	Deploying electric charging infrastructure (One-Time)		10,000,000	10,000,000				10,000,000	10,000,000				
4	Septic system database (One-Time)		7,000,000	7,000,000					100	100			
5	Water Use Advisory Council recommendation implementation (One-Time)								100	100			
6	Jefferson-Chalmers flood mitigation (One-Time)								100	100			
7	FY 2023-24 unexpended authorization reduction					(75,000,000)	0						
8	Michigan geological survey (One-Time)										2,300,000	2,300,000	
9	Water state revolving funds (One-Time)										34,000,000	34,000,000	
10	Geological resource management (One-Time)										5,000,000	5,000,000	
11	Permitting guidebooks (One-Time)										300,000	300,000	
12	Remove FY25 one-time and supplemental appropriations		(109,000,000)	#####		(109,000,000)	(109,000,000)		(109,000,000)	(109,000,000)		(109,000,000)	
	Subtotal - One-Time	0.0	(3,000,000)	(3,000,000)	0.0	(184,000,000)	(109,000,000)	0.0	(88,999,700)	(88,999,700)	0.0	(45,000,000)	
	TOTAL EGLE	134.0	147,724,500	35,679,500	(249.0)	(200,016,000)	(149,167,000)	20.0	(4,431,100)	(73,298,300)	(15.0)	(71,379,000)	