



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 565 (as introduced 6-24-21)

Sponsor: Senator Jon C. Bumstead

Senate Committee: Appropriations

Date Completed: 10-19-21

CONTENT

The supplemental includes \$2.5 billion in Restricted and Federal funding to address issues related to water including infrastructure, dams, lead, PFAS, waste water, drinking water, and wetlands.

Table 1

Budget Area	Gross	Federal	Restricted	GF/GP
Agriculture/Rural Dev.	\$15,000,000	\$15,000,000	\$0	\$0
Environ., Gt Lakes, Energy	2,485,000,000	2,195,000,000	290,000,000	0
TOTAL	\$2,500,000,000	\$2,210,000,000	\$290,000,000	\$0

FISCAL IMPACT

The bill provides fiscal year (FY) 2020-21 line-item appropriations of \$2,500.0 million Gross, \$2,210.0 million Federal (from the Coronavirus State Fiscal Recovery Fund), and \$290.0 million Restricted (from the Great Lakes Water Quality Bond). The funding would go to a large variety of efforts to address water-related issues, in particular water quality and dam safety concerns. [Table 2](#) summarizes the details of the appropriations in the supplemental.

FY 2020-21 BOILERPLATE LANGUAGE SECTIONS-PART 2

Sec. 201. General. Records amount of total State spending and payments to local units of government.

Sec. 202. General. Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

Sec. 203. General. Directs that, if the State Administrative Board transfers funds appropriated in the Act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

Sec. 301. Agriculture and Rural Development. Allocates \$10.0 million from the Agriculture Pollution Prevention Fund to incentives and cost sharing to assist farmers and landowners with implementing conservation, risk reduction, and natural resource protection with a focus on the Western Lake Erie basin. Allocates \$5.0 million from the Fund as a grant program to conservation districts to increase services for those seeking assistance from the Michigan Agriculture Environmental Assistance Program. Tie-bars the funding to the enactment of Senate Bill 494.

Sec. 401. Environment, Great Lakes, and Energy. Tie-bars part 1 funding for Clean Water Infrastructure to the enactment of Senate Bills 319 and 320.

Sec. 402. Environment, Great Lakes, and Energy. Tie-bars part 1 funding for the Emergency Dam Safety Grant Program, Emergency Dam Safety Action Fund, and Dam Risk Reduction Revolving fund line items to the enactment of Senate Bill 470.

Sec. 403. Environment, Great Lakes, and Energy. Allocates \$100.0 million of the funding in the Drinking Water Program line to a grant program for water suppliers to connect adjacent water systems or to allow two or more systems to consolidate. Allocates \$50.0 million of the program in the line for private well resources including grants to private well owners to connect to an adjacent community water system in case of contamination or failure, to private well owners to replace a well or increase its depth in the case of contamination or failure, and to local health departments to provide free or low-cost testing to private well owners, including testing for coliforms, nitrates and nitrites, arsenic, and other contamination. Allocates \$200.0 million as a work project to be used as the State's 20% match for the Federal drinking water revolving fund.

Sec. 404. Environment, Great Lakes, and Energy. Tie-bars part 1 funding for Failing Septic System Loans to the enactment of Senate Bill 319.

Sec. 405. Environment, Great Lakes, and Energy. Directs that \$3.0 million of the funds appropriated for Geologic Data Collection be made available annually to the United States Geologic Survey to conduct data collection and mapping to expand geologic information in up to 25 targeted areas in the State. Tie-bars part 1 funding for Geologic Data Collection to the enactment of Senate Bill 488.

Sec. 406. Environment, Great Lakes, and Energy. Directs that part 1 funding for Healthy Hydration be used to award grants to schools for the installation of filtered drinking water stations, with a 30% match required. Tie-bars part 1 funding for Healthy Hydration to the enactment of Senate Bills 184 and 185.

Sec. 407. Environment, Great Lakes, and Energy. Directs that part 1 funding for Lead Line Replacement be used to award grants to water supplies to cover service line replacement costs related to the State's lead and copper rule. Requires a 50% match from applicants. Directs that at least 25% of the appropriation be spent in rural communities with a population not more than 10,000 people.

Sec. 409. Environment, Great Lakes, and Energy. Tie-bars part 1 funding for Public Health Risk Reduction Grants to the enactment of Senate Bill 320.

Sec. 411. Environment, Great Lakes, and Energy. Directs that part 1 funding for Waste Water – Clean Water Infrastructure Grants be awarded for design/construction projects to address sewer overflows and correct illicit connections to municipal drainage systems. Requires that at least \$40.0 million of the appropriation be allocated for grants to communities with a population not more than 5,000 where the majority of people rely solely on individual septic systems for the design and construction of community wastewater facilities.

Sec. 412. Environment, Great Lakes, and Energy. Directs that part 1 funding for Waste Water – Small Community Septic Replacement Grants be allocated for grants to communities with a population not more than 5,000 where the majority of people rely solely on individual septic systems for the design and construction of community wastewater facilities.

Sec. 413. Environment, Great Lakes, and Energy. Directs that part 1 funding for the PFAS Remediation Grant Program be used to award grants to PFAS remediation projects at sites with no identified responsible party to address water contamination issues due to PFAS.

Sec. 414. Environment, Great Lakes, and Energy. Directs that part 1 funding for Wetland Mitigation Grants be awarded to assistant wetland mitigation efforts including wetland mitigation banking credits. Requires a 20% match from applicants. Directs that grants would provide assistance to those with approved wetland mitigation requirements resulting from the permitting process in the Natural Resources and Environmental Protection Act. Includes a requirement that the grant agreement include a requirement that the grant be repaid, within 90 days of being informed to do so, with annual interest not to exceed 8.0%, if the permitting process does not result in the issuance of a wetland mitigation permit.

Sec. 415. Environment, Great Lakes, and Energy. Makes the following allocations from the part 1 funding for the Michigan Water Use Advisory Council: 1) \$2.1 million for creation of the Michigan hydrologic framework; 2) \$485,000 to install and develop a groundwater monitoring well network; 3) \$350,000 for steamflow gauges; 4) \$250,000 for the Michigan integrated water management database; 5) \$200,000 in cooperation with MSU Extension to develop and implement an educational program for agriculture water use efficiency; 6) \$55,000 to update key aquifer properties for the Water Withdrawal Assessment Tool and \$50,000 to update the Tool's user interface; 7) \$50,000 for analysis and planning for long-term data collection; 8) \$50,000 for a report on water conservation programming needs as compared to existing State and Federal programs; and 9) \$40,000 for transitional probability geostatistical mapping in Cass and Calhoun Counties. Creates a work project for the funding.

Table 2

Department/Program	Gross	Federal	Restricted	GF/GP
Agriculture and Rural Development				
Agriculture pollution prevention fund	<u>\$15,000,000</u>	<u>\$15,000,000</u>	<u>\$0</u>	<u>\$0</u>
Total Agriculture and Rural Development	\$15,000,000	\$15,000,000	\$0	\$0
Environment, Great Lakes, and Energy				
Clean water infrastructure	\$235,000,000	\$0	\$235,000,000	\$0
Dam risk reduction revolving loan fund	650,000,000	650,000,000	0	0
Drinking water program	400,000,000	400,000,000	0	0
Emergency dam safety action fund	15,000,000	15,000,000	0	0
Emergency dam safety grant program	15,000,000	15,000,000	0	0
Failing septic system loans	35,000,000	0	35,000,000	0
Geologic data collection	15,000,000	15,000,000	0	0
Healthy hydration	85,000,000	85,000,000	0	0
Lead line replacement	600,000,000	600,000,000	0	0
Michigan water use advisory council recommendations	5,000,000	5,000,000	0	0
PFAS remediation grant program	100,000,000	100,000,000	0	0
Public health risk reduction grants	20,000,000	0	20,000,000	0
SAW program grants	100,000,000	100,000,000	0	0
Clean water infrastructure grants	200,000,000	200,000,000	0	0
Wetland mitigation grants	<u>10,000,000</u>	<u>10,000,000</u>	<u>0</u>	<u>0</u>
Total Environment, Great Lakes, and Energy	\$2,485,000,000	\$2,195,000,000	\$290,000,000	\$0
Total FY 2020-21 Supplemental Appropriations	\$2,500,000,000	\$2,210,000,000	\$290,000,000	\$0

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.