



STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

REBECCA A. HUMPHRIES  
DIRECTOR

February 25, 2010

The Honorable Michelle McManus, Chair  
Senate Appropriations Subcommittee on  
Natural Resources & Environment  
S-2 Capitol Building  
P.O. Box 30036  
Lansing, Michigan 48909-7536

The Honorable Michael A. Lahti, Chair  
House Appropriations Subcommittee on  
Natural Resources & Environment  
S-1489 House Office Building  
P.O. Box 30014  
Lansing, Michigan 48909-7514

Dear Senator McManus and Representative Lahti:

Pursuant to Section 207 of 2009 PA 118, the restricted revenue report detailing the fund balances, Fiscal Year 2008-2009 actual revenues and expenditures, and estimated revenues and expenditures for Fiscal Year 2009-2010 for the Department of Natural Resources, is attached. The revenues, expenditures, and fund balances for Fiscal Year 2009-2010 are projected based on current, known information. As circumstances change, these estimates will be updated and posted to the Internet.

If you have any questions regarding the report, please feel free to contact me.

Sincerely,

Sharon M. Schafer, Chief  
Budget and Support Services  
517-335-3276

James M. Kasprzak, Chief  
Financial and Business Services Division  
517-241-7427

Attachment

cc: Senate Appropriations Subcommittee Members  
House Appropriations Subcommittee Members  
Mr. Bob Emerson, State Budget Director, DMB  
Mr. Josh Sefton, Senate Fiscal Agency  
Ms. Viola Bay-Wild, House Fiscal Agency  
Mr. Jacques McNeely, DMB  
Ms. Jennifer Harrison, DMB  
Ms. Rebecca Humphries, Director, DNRE  
Ms. Mindy Koch, Resource Management Deputy, DNRE  
Mr. Joseph D. Frick, DNRE  
Mr. Mark Bouvy, DNRE  
Ms. Dawn Fedewa, DNRE

**DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT  
FORMER DEQ RESTRICTED FUND BALANCES  
FISCAL YEAR ENDED 9/30/09**

Fund Description	FY09 Beg.			FY09 Ending		Reserves		FY09 Ending Unreserved Balance
	Cash Balance	Revenues	Expenditures	Cash Balance	Encumbrances	Work Projects		
Above Ground Storage Tank Fees	192,458	443,724	410,415	225,767		0		225,767
Air Emission Fees	2,057,828	9,810,910	10,012,103	1,856,635		0		1,856,635
Aquifer Protection Revolving Fund	5,825	(2,233)	3,592	0		0		0
Campground Fund	25,300	261,356	237,179	49,477		0		49,477
Cleanup & Redevelopment Fund	19,336,051	8,785,051	10,337,923	17,783,180	1,542,072	12,915,822		3,325,286
Cleanup & Redevelopment Trust Fund	3,771,058	1,025,953	0	4,797,011		0		4,797,011
Community Pollution Prevention Fund	5,170,137	1,041,227	911,554	5,299,811	141,065			5,158,745
Electronic Waste Recycling Fund	0	6,000	0	6,000		0		6,000
Environmental Education Fund	11,549	247,532	157,095	101,986		0		101,986
Environmental Pollution Prevention Fund	1,463,864	1,353,805	1,033,672	1,783,997	35,000			1,748,997
Environmental Protection Fund	13,386,447	1,168,774	5,506,584	9,048,637	1,489,272			7,559,365
Environmental Response Fund	17,268,116	8,090,363	5,289,863	20,068,615	248,018			19,820,598
Fees and Collections	0	311,672	292,730	18,942		18,942		0
Great Lakes Protection Fund	1,714,669	92,470	645,237	1,161,901		0		1,161,901
Groundwater Discharge Permit Fees	882,207	1,364,233	1,182,176	1,064,264		0		1,064,264
Haz Materials Transport Permit Fund	1,270,496	218,121	244,317	1,244,300	11,000			1,233,300
Infrastructure Construction Fund	19,834	6,700	13,581	12,953		0		12,953
Land and Water Permit Fees	2,248,803	2,474,459	1,411,659	3,311,602		0		3,311,602
Landfill Maintenance Trust Fund	76,164	6,062	0	82,225		0		82,225
Landfill Maintenance Trust Fund - Corpus	500,000	0	0	500,000		0		500,000
Medical Waste Emergency Response	533,582	207,106	271,454	469,233		0		469,233
Metallic Mineral Surveillance Fund	83,054	38,922	23,090	98,886		0		98,886
Michigan Clean Air Fund	344,275	127,259	0	471,534		0		471,534
Mineral Well Regulatory Fee	83,791	149,859	123,530	110,120		0		110,120
Natural Resources Damages	3,093,801	862,846	622,707	3,333,939		0		3,333,939
Nonferrous Metallic Mineral Surveillance	0	5,027	5,027	0		0		0
NPDES Fees	1,340,501	2,956,443	2,852,875	1,444,069		0		1,444,069
Oil & Gas Regulatory Fund	12,366,674	5,503,840	8,620,903	9,249,611		6,000		9,243,611
Orphan Well Fund	2,186,147	1,081,956	1,285,782	1,982,320	144,336			1,837,984
Private Funds	203,715	138,095	99,640	242,170		217,186		24,985
Public Swimming Pool Fund	207,403	554,104	569,882	191,625		31,480		160,145
Public Utility Assessments	0	305,696	305,696	0		0		0
Public Water Supply Fund	989,565	3,781,297	3,575,592	1,195,270		0		1,195,270
Publication Revenue	73,875	1,605	2,193	73,287		0		73,287
Refined Petroleum Fund	37,574,164	51,957,106	57,583,032	31,948,238	22,247,889	20,306,732		(10,606,383)
RETAP - Retired Engineer Tech Asst Fund	6,035,417	61,030	1,508,954	4,587,493		0		4,587,493
Saginaw Bay & River Restoration	0			0				0
Sand Extraction Fee Revenue	131,877	64,831	18,067	178,641		0		178,641
Scrap Tire Regulatory Fund	1,874,612	3,964,306	2,729,287	3,109,630	1,756,324			1,353,306
Septage Waste Contingency Fund	73,952	0	14,715	59,237		0		59,237
Septage Waste License Fee	322,062	485,548	403,140	404,470		33,980		370,490
Settlement Funds Responsible Party Pay	925,597	2,867,690	3,083,361	709,926		154,230		555,696
Sewage Sludge Land Application Fee	93,487	653,176	706,729	39,934		0		39,934
Soil Erosion & Sedimentation Control	71,786	15,428	41,391	45,823		0		45,823
Solid Waste Management Fees	3,436,224	134,036	0	3,570,261		0		3,570,261
Solid Waste Program Fees	2,552,250	3,345,672	4,407,873	1,490,049		79,673		1,410,376
State Site Cleanup Fund	7,809,610	88,440	1,128,235	6,769,815	2,334,027			4,435,788
Stormwater Permit Fees	691,889	1,693,184	1,276,675	1,108,398		0		1,108,398
Underground Storage Tank Fees	1,304,325	1,847,259	1,927,764	1,223,820		0		1,223,820
Waste Reduction Fee Revenue	3,543,468	3,031,277	2,842,945	3,731,800		625		3,731,176
Wastewater Operator Training Fees	1,346	122,131	93,941	29,537		0		29,537
Water Analysis Fees	186,041	2,570,755	2,645,508	111,288		44,246		67,042
Water Quality Protection Fund	315,498	84,739	188,085	212,152		3,363		208,789
Water Use Reporting Fee	398,126	218,721	56,344	560,503		0		560,503
<b>158,248,919</b>	<b>125,625,564</b>	<b>136,704,098</b>	<b>147,170,385</b>	<b>30,538,727</b>	<b>33,222,554</b>	<b>83,409,104</b>		

**DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT  
FORMER DEQ RESTRICTED FUND BALANCES  
PROJECTIONS FOR FISCAL YEAR ENDING 9/30/10**

Fund Description	FY10		Projected Expenditures (1)	Change in Reserves from prior year	FY10
	Beginning Unreserved Balance	Projected Revenues			Proj Ending Unreserved Fund Balance
Above Ground Storage Tank Fees	225,767	550,000	471,500		304,267
Air Emission Fees	1,856,635	9,489,168	10,445,001	0	900,802
Campground Fees	49,477	262,628	193,212	0	118,892
Cleanup & Redevelopment Fund	3,325,286	8,174,475	9,151,122	(1,782,458)	4,131,097
Cleanup & Redevelopment Trust Fund*	4,797,011	(4,500,000)	0		297,011
Community Pollution Prevention Fund**	5,158,745	(3,000,000)	250,000		1,908,745
Electronic Waste Recycling Fund	6,000	190,000	80,000		116,000
Environmental Education Fund	101,986	200,000	159,899		142,087
Environmental Pollution Prevention Fund	1,748,997	1,100,000	1,733,290		1,115,707
Environmental Protection Fund***	7,559,365	8,182,951	9,371,061	(1,489,272)	7,860,527
Environmental Response Fund	19,820,598	1,868,336	10,592,176	751,982	10,344,775
Fees and Collections	0	302,410	302,410		0
Great Lakes Protection Fund	1,161,901	11,619	499,810		673,710
Groundwater Discharge Permit Fees	1,064,264	1,313,178	1,539,485		837,956
Haz Materials Transport Permit Fund	1,233,300	200,000	270,500	(11,000)	1,173,800
Infrastructure Construction Fund	12,953	6,512	19,465		0
Land and Water Permit Fees	3,311,602	2,408,095	2,107,768	0	3,611,929
Landfill Maintenance Trust Fund	82,225	5,000	57,300		29,925
Landfill Maintenance Trust Fund - Corpus	500,000	0	0		500,000
Medical Waste Emergency Response	469,233	350,000	290,000		529,233
Metallic Mineral Surveillance Fund	98,886	40,000	11,299		127,587
Michigan Clean Air Fund	471,534	100,000	0	0	571,534
Mineral Well Regulatory Fee	110,120	140,000	116,983		133,137
Natural Resources Damages	3,333,939	0	0		3,333,939
Nonferrous Metallic Mineral Surveillance	0	75	75		0
NPDES Fees	1,444,069	2,898,566	3,518,092		824,543
Oil & Gas Regulatory Fund	9,243,611	5,000,000	9,235,606	(6,000)	5,014,005
Orphan Well Fund	1,837,984	1,304,220	1,396,818	(144,336)	1,889,722
Private Funds	24,985	333,978	337,685	0	21,278
Public Swimming Pool Fees	160,145	567,398	561,467	(31,480)	197,556
Public Utility Assessments	0	341,575	341,575		0
Public Water Supply Fund	1,195,270	3,550,637	3,870,011		875,897
Publication Revenue	73,287	3,000	1,416		74,871
Refined Petroleum Fund	(10,606,383)	52,199,343	60,983,682	(13,981,226)	(5,409,496)
RETAP - Retired Engineer Tech Asst Fund	<i>Transferred to DELEG as of 10/1/09</i>				
Sand Extraction Fee Revenue	178,641	50,000	14,441		214,200
Scrap Tire Regulatory Fund	1,353,306	3,900,000	5,333,364	(1,756,324)	1,676,266
Septage Waste Contingency Fund	59,237	0	16,043		43,194
Septage Waste License Fee	370,490	432,294	534,216	(33,980)	302,548
Settlement Funds Responsible Party Pay	555,696	1,626,504	2,182,200		0
Sewage Sludge Land Application Fee	39,934	732,022	771,956		0
Soil Erosion & Sedimentation Control	45,823	70,000	83,841		31,982
Solid Waste Management Fees****	3,570,261	(1,350,000)	0		2,220,261
Solid Waste Program Fees****	1,410,376	4,600,000	5,223,717	(79,673)	866,332
State Site Cleanup Fund	4,435,788	85,000	2,334,027	(2,334,027)	4,520,788
Stormwater Permit Fees	1,108,398	1,664,665	1,751,661		1,021,402
Underground Storage Tank Fees	1,223,820	2,000,000	2,241,600		982,220
Waste Reduction Fee Revenue	3,731,176	2,500,000	2,965,203	(625)	3,266,597
Wastewater Operator Training Fees	29,537	120,234	149,770		0
Water Analysis Fees	67,042	2,528,356	2,639,644	(44,246)	0
Water Quality Protection Fund	208,789	81,125	30,000	(3,363)	263,277
Water Use Reporting Fee	560,503	213,709	437,488		336,725
	<b>78,821,611</b>	<b>112,847,072</b>	<b>154,617,879</b>	<b>(20,946,027)</b>	<b>57,996,831</b>

(1) FY2010 projected expenditures do not reflect furlough, banked leave time or proposed retirement savings.

\* CRTF Revenue includes a \$4,000,000 transfer out to the Environmental Protection Fund and a \$1,500,000 transfer out to the Beverage Container Redemption Antifraud Fund (fund held by Mich Dept of Treasury)

\*\* CPPF Revenue includes \$4,000,000 transfer out to the Environmental Protection Fund

\*\*\* EPF Revenue includes transfers in from the Cleanup & Redevelopment Trust Fund and the Community Pollution Prevention Fund

\*\*\*\* Solid Waste Revenue includes a \$1,500,000 transfer from the Management Fees Fund to the Program Fees Fund

**DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT  
FORMER DNR RESTRICTED REVENUE PROJECTIONS**

	Fiscal Year 2008-09				ESTIMATED Fiscal Year 2009-10			
	Beginning Balance	Revenue	Expenditures	Ending Balance	Estimated Revenue	Appropriations	Spending Reductions	Est. Ending Balance (6)
<b><u>Forestry Funds</u></b>								
Forest Development	6,828,600	27,313,900	(31,608,800)	2,533,700	26,017,700	(32,870,500)	5,163,700	844,600
Forest Recreation (1)	(193,600)	1,240,000	(1,018,800)	27,600	1,250,200	(1,560,300)	284,300	1,800
Forest Land User Fund	579,100	316,400	(560,300)	335,200	344,300	(577,800)		101,700
Commercial Forest	86,200	51,300	(50,700)	86,800	35,600	(55,100)		67,300
<b><u>Game and Fish Funds</u></b>								
Game and Fish Protection Trust Fund (2)	6,000,000	13,834,600	(13,834,600)	6,000,000	12,577,200	(12,577,200)		6,000,000
Game and Fish-General Purpose	138,700	60,173,500	(56,512,200)	3,800,000	59,600,400	(60,598,200)		2,802,200
Deer Range Improvement Program	1,515,600	2,449,400	(3,017,500)	947,500	2,396,300	(3,211,600)	182,900	315,100
Turkey	1,329,500	1,519,400	(1,711,200)	1,137,700	1,493,400	(1,927,600)		703,500
Waterfowl License and Fees	268,500	312,000	(111,200)	469,300	291,300	(111,300)		649,300
Fisheries Settlements	1,497,100	574,200	(894,400)	1,176,900	587,300	(913,700)		850,500
Wildlife Resource Protection	406,800	1,200,500	(1,358,700)	248,600	1,188,500	(1,712,500)	282,300	6,900
Youth Hunting and Fishing Ed. and Outreach	188,400	34,500	(15,700)	207,200	34,200	(47,000)		194,400
<b><u>Parks Funds</u></b>								
State Parks Endowment Fund (2)	8,246,700	21,612,400	(25,215,200)	4,643,900	16,354,700	(22,107,700)	1,109,100	0
State Park Improvement Fund (3)	2,033,900	40,162,100	(40,350,100)	1,845,900	39,359,200	(39,523,300)		1,681,800
Michigan Civilian Conservation Corps Endow. (4)	775,200	7,000	(496,800)	285,400	2,000	(287,400)		0
<b><u>Snowmobile and ORV Funds</u></b>								
Off-Road Vehicle Trail Improvement Fund	2,758,500	3,369,200	(4,519,900)	1,607,800	3,261,600	(4,807,000)	87,500	149,900
Snowmobile Trail Improvement Fund	4,838,400	7,475,300	(10,695,300)	1,618,400	8,737,200	(9,993,800)		361,800
Snowmobile Registration Fees	45,200	1,327,600	(1,194,100)	178,700	1,711,300	(2,342,900)	521,900	69,000
Permanent Snowmobile Trail Easement Fund	0	168,400	0	168,400	721,200	(700,000)	700,000	889,600
Safety Education Fund	318,500	228,400	(264,900)	282,000	224,600	(289,600)	15,200	232,200
<b><u>Waterways Funds</u></b>								
Waterways (5)	1,192,000	22,611,800	(20,608,200)	3,195,600	22,541,700	(23,960,100)		1,777,200
Marine Safety Fund	704,300	4,849,900	(5,289,300)	264,900	4,761,700	(6,133,500)	1,106,900	0
<b><u>Miscellaneous Funds</u></b>								
Michigan Natural Resources Trust Fund (2)	48,552,800	86,977,400	(99,870,400)	35,659,800	56,302,400	(56,399,600)		35,562,600
Land Exchange Facilitation Fund	756,300	2,148,800	(2,233,300)	671,800	2,004,700	(6,315,400)	4,783,000	1,144,100
Nongame Fish and Wildlife Trust Fund	243,100	858,100	(848,600)	252,600	530,900	(716,000)		67,500
Recreation Improvement Fund	379,400	1,017,000	(659,700)	736,700	994,800	(1,482,000)		249,500
MacMullan Conference Center	66,500	1,059,800	(1,126,200)	100	947,200	(1,427,600)	480,300	0

(1) The Fiscal Year 2008-09 beginning fund balance is negative due to reserves that are allocated for capital outlay and encumbrances.

(2) The expenditures include the portion to be transferred to permanent investment.

(3) Excludes shooting range revenue.

(4) Fiscal Year 2009-10 assumes a contingency transfer to spend the remaining fund balance.

(5) Beginning in Fiscal Year 2007-08 the Harbor Development and Waterways funds are combined.

(6) FY 2010 ending fund balances do not reflect furlough, banked leave time or proposed retirement savings.