

# Department of Environmental Management

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## **House Fiscal Staff Presentation**

FY 2018 Revised and FY 2019 Recommended

FY 2019 - FY 2023 Capital Recommendation

March 28, 2018

# Department Overview

- Agency Responsibilities:
  - Preserving the quality of the environment
  - Maintaining the health and safety of residents
  - Providing environmental assistance to individuals, businesses and municipalities
  - Conducting research
  - Enforcing all environmental laws and regulations

# Summary by Source

	<b>FY 2018 Enacted</b>	<b>FY 2018 Revised</b>	<b>FY 2019 Governor</b>	<b>Change to Enacted</b>
General Revenues	\$39,304,184	\$40,435,079	\$41,222,720	\$1,918,536
Federal Funds	33,399,312	34,487,171	31,763,160	(1,636,152)
Restricted Receipts	17,374,083	17,654,218	17,580,291	206,208
Other Funds	13,873,513	15,972,681	12,904,841	(968,672)
<b>Total</b>	<b>\$103,951,092</b>	<b>\$108,549,149</b>	<b>\$103,471,012</b>	<b>\$(480,080)</b>

# Summary by Category

	<b>FY 2018 Enacted</b>	<b>FY 2018 Revised</b>	<b>FY 2019 Governor</b>	<b>Change to Enacted</b>
Salaries & Benefits	\$50,882,714	\$50,496,474	\$51,182,238	\$299,524
Contract Services	8,314,048	7,652,815	6,946,945	(1,367,103)
Ops	14,727,828	17,443,291	16,367,157	1,639,329
Grants	7,734,976	7,366,907	7,042,070	(692,906)
Capital	22,241,526	25,539,662	21,882,602	(358,924)
Transfers	50,000	50,000	50,000	-
<b>Total</b>	<b>\$103,951,092</b>	<b>\$108,549,149</b>	<b>\$103,471,012</b>	<b>\$(480,080)</b>

# Undistributed Savings

- FY 2018 enacted budget includes \$25.0 million of statewide savings
  - Undistributed in DOA's budget
- Governor's revised budget has proposals that total \$25.0 million
  - Not all repeat in FY 2019
- Department of Environmental Management
  - FY 2018 - \$1.2 million
  - FY 2019 - \$1.3 million

# Undistributed Savings

Item	FY 2018	FY 2019
Voluntary Retirement Savings	\$0.4	\$0.1
Hearing Officer Elimination	0.1	0.2
Clean Diesel Reduction	0.7	1.0
<b>Total</b>	<b>\$1.2</b>	<b>\$1.3</b>
\$ in millions		

# Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
  - Information technology, capital asset management & maintenance, & HR
- Costs previously budgeted in DOA
  - Methodology on distribution needs review
  - Long term impacts and transparency concerns

# Centralized Services

- Governor's budget allocates costs to user agencies

All Sources	FY 2018	FY 2019
Information Technology	\$1,913,087	\$1,927,856
Human Resources	587,900	595,719
<b>Total</b>	<b>\$2,500,987</b>	<b>\$2,523,575</b>



General Revenues	FY 2018	FY 2019
Information Technology	\$1,902,575	\$1,917,236
Human Resources	587,900	595,719
<b>Total</b>	<b>\$2,490,475</b>	<b>\$2,512,955</b>



# Summary by Source Excluding Internal Service Funds

	<b>FY 2018 Enacted</b>	<b>FY 2018 Revised</b>	<b>FY 2019 Governor</b>	<b>Change to Enacted</b>
General Revenues	\$39,304,184	\$37,944,604	\$38,709,765	\$(594,419)
Federal Funds	33,399,312	34,487,171	31,763,160	(1,636,152)
Restricted Receipts	17,374,083	17,643,706	17,569,671	195,588
Other Funds	13,873,513	15,972,681	12,904,841	(968,672)
<b>Total</b>	<b>\$103,951,092</b>	<b>\$106,048,162</b>	<b>\$100,947,437</b>	<b>\$(3,003,655)</b>

# Target Budget

- Budget Office provided general revenue target of \$36.0 million
  - Current service adjustments of \$0.3 million
  - 10.0 % reduction of \$3.6 million
- Constrained request \$0.1 million more than the target
- Recommendation is \$2.7 million above target, excluding centralized services

# Budget Issues

- Staffing
- Office of the Director
- Bureau of Natural Resources
- Bureau of Environmental Protection
- Capital Development Plan
  - Article 5 Question 3

# Staffing

## *Full-Time Equivalent Positions*

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	400.0	-
FY 2018 Gov. Rev.	400.0	-
FY 2019 Request	414.0	14.0
FY 2019 Governor	400.0	-
FY 2019 Funded FTE	391.0	(9.0)
Filled as of March 17	364.0	(36.0)
FY 2017 Average Filled	381.1	(18.9)

# Staffing

FY 2019 Governor Recommendation		
	DEM	Statewide
Gross Salaries (in millions)	\$28.8	\$1,117.1
Turnover (in millions)	(0.6)	(42.9)
Turnover %	2.2%	3.8%
Turnover FTE	9.0	592.0
FY 2019 FTE recommended	400.0	15,426.5
Funded FTE	391.0	14,834.5
Filled as of March 17	364.0	13,875.0
Funded but not filled	27.0	945.3

# Staffing

- FY 2019 - \$51.2 million, \$0.3 million more than enacted
  - Includes current service adjustments offset by \$0.1 million from retirement incentive savings
  - Reflects source shift from federal funds to general revenues
    - Excluding benefit adjustments, general revenues increase by \$0.4 million, federal funds decrease by a similar amount
- FY 2018 Revised - \$0.4 million less
  - Mainly reflects retirement incentive savings

# Staffing by Source

	<b>FY 2018 Enacted</b>	<b>FY 2018 Revised</b>	<b>FY 2019 Governor</b>	<b>Change to Enacted</b>
General Revenues	\$30,232,871	\$29,644,201	\$30,741,147	\$508,276
Federal Funds	11,443,472	11,661,747	11,046,848	(396,624)
Restricted Receipts	8,874,636	8,859,259	9,117,256	242,620
Other Funds	331,735	331,267	276,987	(54,748)
<b>Total</b>	<b>\$50,882,714</b>	<b>\$50,496,474</b>	<b>\$51,182,238</b>	<b>\$299,524</b>

# Staffing

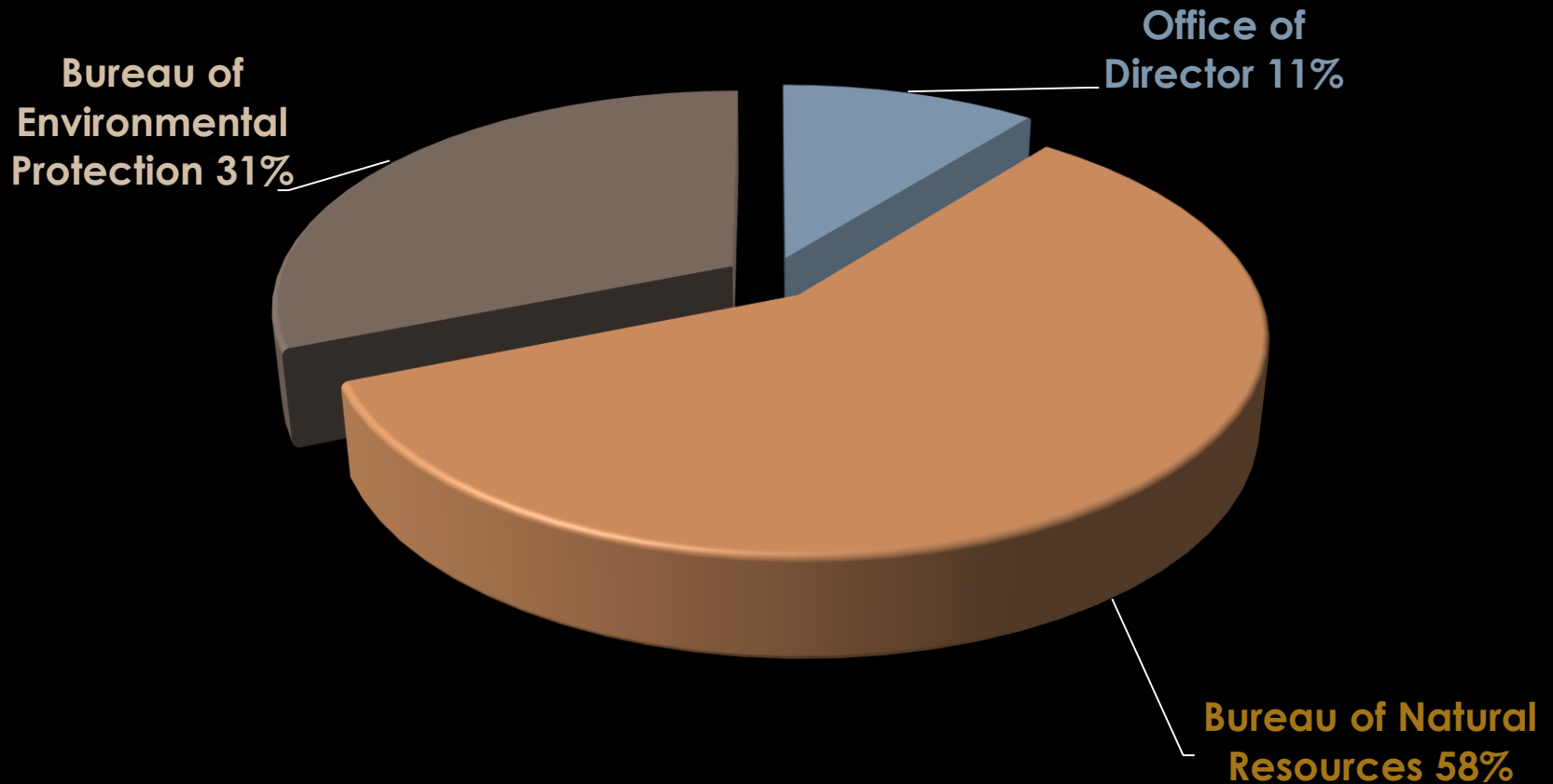
- Hearing Officers - \$0.4 million enacted
  - FY 2018 Revised – Governor recommends eliminating one position, leaving one officer
    - Part of undistributed savings
    - Saves \$53,615 assuming position vacant by March 1
    - Position still filled as of March 22, 2018
  - FY 2019 – elimination of position saves \$0.2 million for the full year
    - Recommendation remains at enacted level of 400.0 FTE



# Staffing

- Food Safety Modernization Positions
  - DEM requests \$0.2 million from general revenues for 2.0 positions for FY 2019
    - FY 2019 - Governor recommends \$0.2 million from federal funds within existing FTE cap
    - FY 2018 Revised – Governor recommends \$0.1 million from federal funds for 1.0 position within current authorization
      - Amount reflects an October 2017 start date
      - Position unfilled as of Governor's budget submission

# Expenditures by Program



# Office of the Director

- Administrative branch of the Department for fiscal, legal, etc.
  - 5 Divisions:
    - Administration
    - Administrative Adjudication
    - Environmental Coordination
    - Legal Services
    - Management Services

# Office of the Director

- Foundry Headquarters Lease
  - FY 2018 Revised - \$46,290 more GR
    - More in FY 2018 to pay electricity from the prior year, not occurring in FY 2019
  - FY 2019 - \$2.7 million, \$162,580 less

	FY 2018 Enacted	FY 2018 Revised	FY 2019
Electricity	\$100,000	\$416,870	\$208,000
Natural Gas	12,222	-	-
Rent and Tax	2,758,358	2,500,000	2,500,000
<b>Total</b>	<b>\$2,870,580</b>	<b>\$2,916,870</b>	<b>\$2,708,000</b>

# Bureau of Natural Resources

- Protects, manages, and restores the state's wide array of historic parks, beaches, recreational facilities, and green spaces
  - Nine divisions:
    - Agriculture
    - Coastal Resources
    - Law Enforcement
    - Forestry
    - Fish and Wildlife
    - Parks and Recreation
    - Planning and Development
    - Marine Resources
    - Narragansett Bay Estuarine Research Reserve

# Bureau of Natural Resources

- Parks and Recreation Seasonal Staff
- FY 2019 - \$3.5 million
  - \$0.2 million more than enacted
    - Increased base cost of staffing, based on actual FY 2017 spending
  - Reflects full impact of 2018 wage increase and \$0.40 wage increase for 2019
- FY 2018 Revised - \$0.1 million more
  - Uses FY 2017 spending base

# Bureau of Natural Resources

- Host Beach Communities
- FY 2019 and FY 2018 Revised - \$0.5 million
  - \$56,234 less than enacted
  - Collected fees for daily parking from Memorial Day to Labor Day
    - 27% shared with the host communities
      - Charlestown, Westerly, Narragansett, South Kingstown
  - Based on actual collections during 2017

# Bureau of Natural Resources

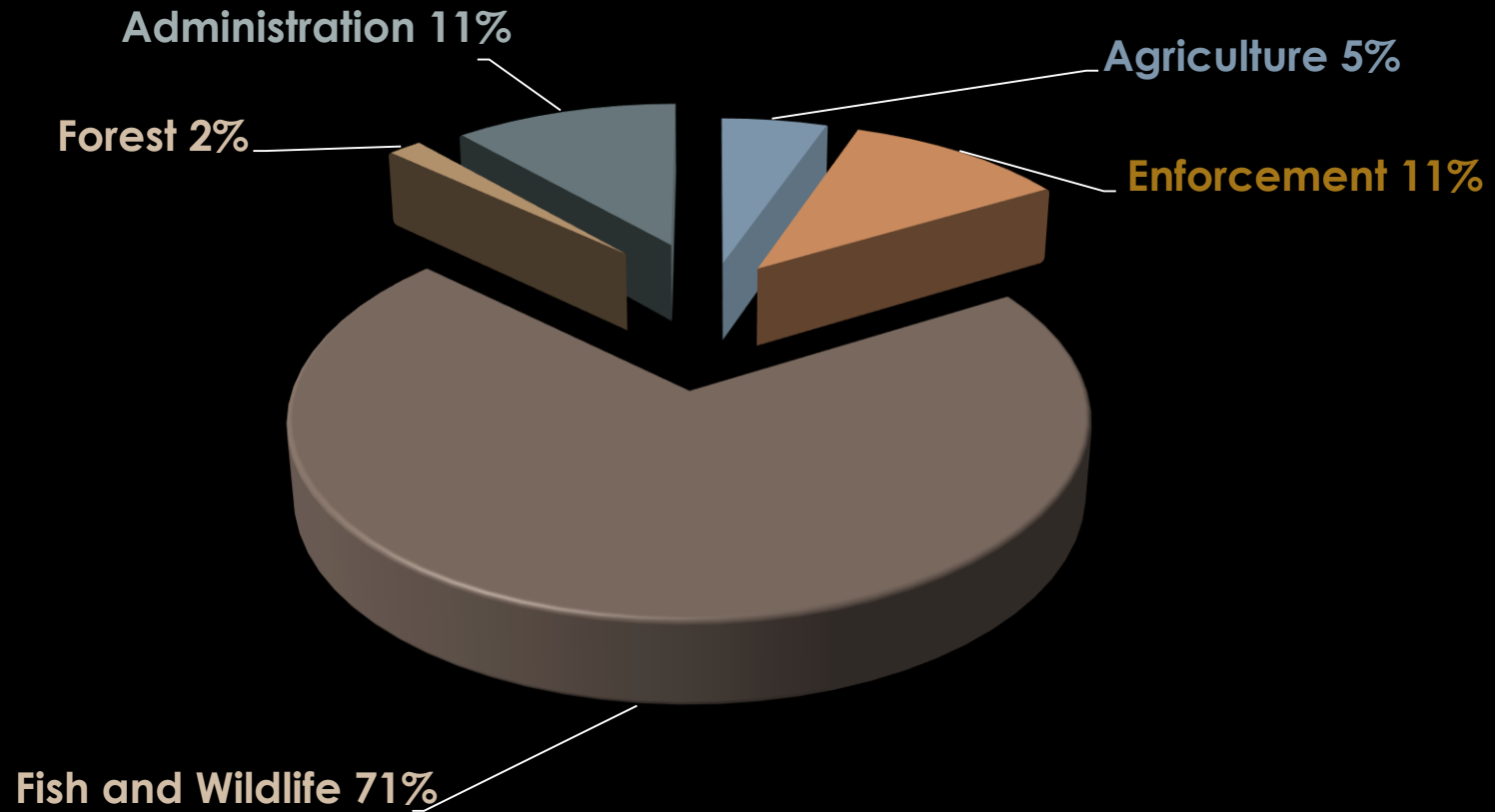
- Local Agriculture and Seafood Grants
  - Enacted level of \$0.1 million
  - Program to allow small businesses in the food sector to receive grants
- Eisenhower House
  - Enacted level of \$0.2 million
  - 2017 Assembly transferred the operations of the House to DEM during FY 2017



# Bureau of Natural Resources

- WWII State Park Transition
  - FY 2019 – enacted level of \$250,000
  - FY 2019 is the fourth year of a five-year initiative to transfer maintenance and operations to Woonsocket
  - Capital project completed in FY 2016
    - Governor's capital recommendation shows \$50,681 to be spent in FY 2018

# Bureau of Natural Resources – Federal Grants



# Bureau of Natural Resources – Federal Grants

- FY 2019 Natural Resources - \$15.9 million
  - \$0.3 million reflects grants received following the budget submission
    - \$0.1 million sturgeon study, \$0.2 million coyote study
  - \$1.3 million less than enacted
    - Removes funding for programs which have ended
      - Pilot Permit Bank Program - \$1.0 million
      - Mitigate Multispecies Fishery Disaster - \$1.0 million
- FY 2018 Revised - \$0.5 million more than enacted
  - Reflects new grants and FY 2017 carry forward funds

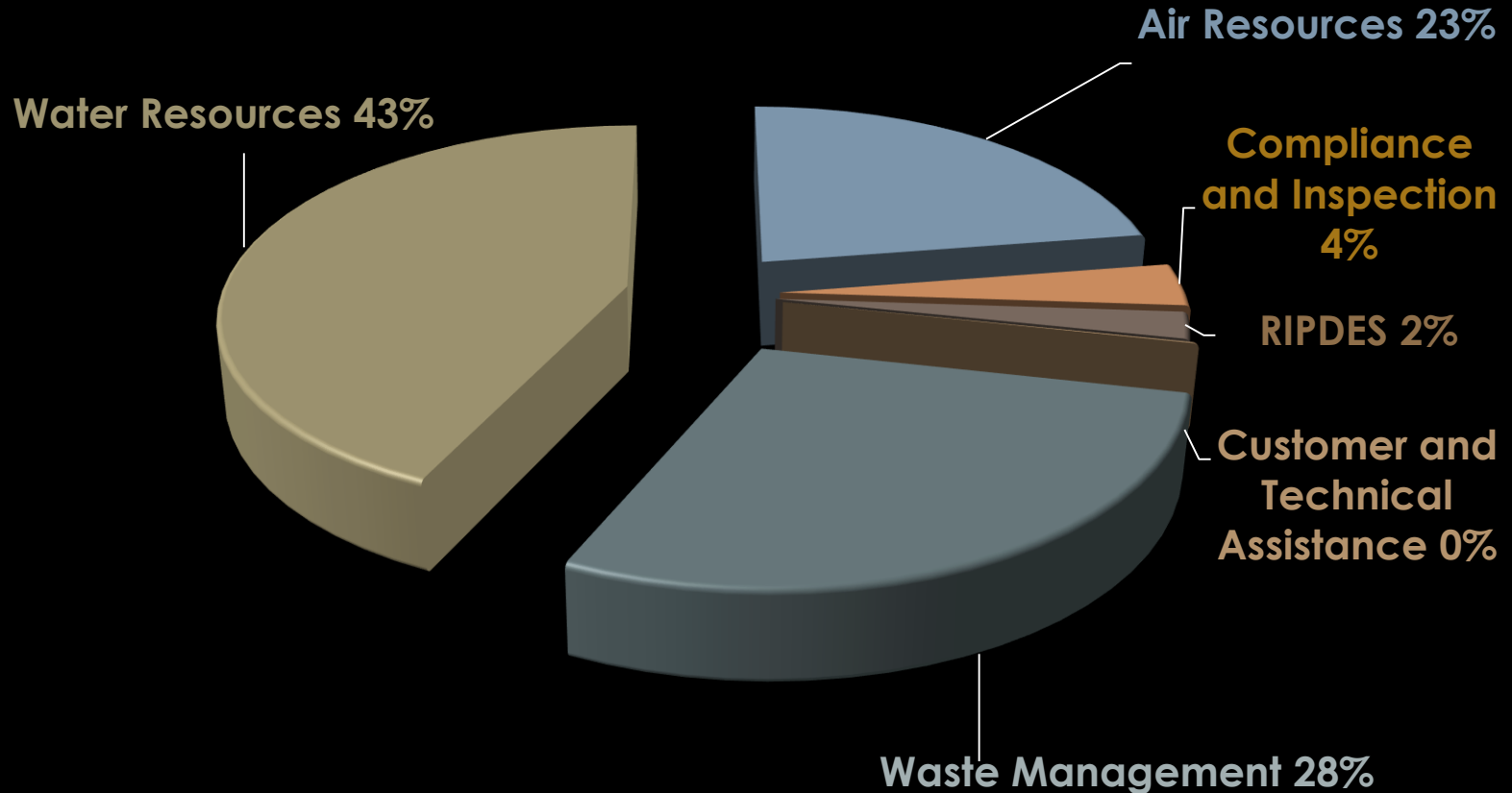
# Bureau of Environmental Protection

- Responsible for preventing and minimizing pollution to environmental resources
- Monitors the quality and oversees the restoration of water, air, and land
  - Six offices:
    - Water Resources
    - Air Resources
    - Waste Management
    - Emergency Response
    - Compliance & Inspection
    - Customer & Technical Assistance

# Bureau of Environmental Protection

- Clean Diesel Program
- FY 2018 Revised – reduced by \$750,000
  - Part of effort to achieve undistributed savings
  - DEM conducted grant round for program in May 2017, no grants awarded as of December
  - Program's purpose was to reduce emissions from heavy-duty diesel engines operating on state roads and help companies improve supply chain efficiency
- FY 2019 – eliminated, \$1.0 million savings

# Bureau of Environmental Protection – Federal Grants



# Bureau of Environmental Protection – Federal Grants

- FY 2019 Environmental Protection – \$4.6 million
  - \$0.1 million less than enacted
    - Adjusts funding for programs based on expected availability
  - FY 2018 Revised - \$0.4 million more than enacted
    - Reflects FY 2017 carry forward funds

# Capital Development Plan

- Governor recommends \$281.2 million in total project costs
- \$99.8 million in five-year period
  - State and local recreation
  - Land acquisition
  - State infrastructure
- Fund Sources: RICAP, federal funds, general obligation bonds, private funding, and insurance proceeds



# Capital Development Plan

Capital Projects				
Project	Status	Cost	Source	End Date
Coastal Resiliency	New	\$5.0	GO	Post FY 2023
Wastewater Facility Resiliency	New	\$5.0	GO	Post FY 2023
Brownfields Remediation	Revised	\$14.0	GO	FY 2022
Dams Repair	Revised	\$10.2	RICAP, GO	FY 2022
Farmland Acquisition	Revised	\$9.5	GO	FY 2022
Fort Adams Trust	Revised	\$4.4	RICAP, GO	FY 2023
Local Land Acquisition	Revised	\$19.0	GO	FY 2023
Local Recreation	Revised	\$19.5	GO	Post FY 2023
Marine Infrastructure	Revised	\$5.8	FF, RICAP	FY 2023
State Bikeways	Revised	\$15.0	GO	FY 2023

***\$ in millions***

# Capital Development Plan

Capital Projects				
Project	Status	Cost	Source	End Date
State Recreation Facilities Improvements	Revised	\$55.5	GO, FF, RICAP	Post FY 2023
Blackstone Valley Park	Ongoing	\$1.4	RICAP	FY 2018
Fish and Wildlife Maintenance Facility	Ongoing	\$0.7	FF, RICAP, Other Funds	FY 2019
Flood Prevention	Ongoing	\$3.0	GO	FY 2019
Fort Adams Improvements	Ongoing	\$13.2	RICAP, Other Funds	FY 2018
Galilee Piers	Ongoing	\$17.3	FF, RICAP	FY 2023
Historic State Park Development	Ongoing	\$5.0	GO	FY 2020

***\$ in millions***

# Capital Development Plan

Capital Projects				
Project	Status	Cost	Source	End Date
India Point Acquisition	Ongoing	\$3.2	GO	FY 2018
Narragansett Bay and Watershed Restoration	Ongoing	\$12.5	GO	FY 2019
Natural Resources Office	Ongoing	\$5.9	RICAP	FY 2019
Newport Piers	Ongoing	\$1.7	RICAP	FY 2018
Rocky Point	Ongoing	\$14.0	GO, RICAP	FY 2018
Roger Williams Park	Ongoing	\$18.0	GO	FY 2021
State Building Demolition	Ongoing	\$0.3	RICAP	FY 2019
State Land Acquisition	Ongoing	\$16.5	FF, RICAP	FY 2021
Stormwater Pollution	Ongoing	\$3.0	GO	FY 2020
World War II Park	Ongoing	\$2.6	RICAP	FY 2018

**\$ in millions**

# Capital Development Plan

- Recommendation includes \$42.4 million from the proposed 2018 Green Economy and Clean Water Bond
  - Hearing on Article 5, Question 3 was February 28, 2018
  - Proposed bond supplants \$11.9 million of previously approved RICAP
    - \$4.8 million for Dam Repair
    - \$6.0 million for State Recreation Facilities
    - \$1.2 million for Fort Adams

# Article 5, Question 3

- Green Economy and Clean Water Bond
  - \$48.5 million for ten different projects
    - Nine are for the DEM, two are new
    - One is for the Infrastructure Bank
  - Invest in recreational and economic facilities
  - Adapt to changing weather conditions
    - Protect coastline, dams, and drinking water
  - Support small farmers
  - Protect open space and clean up contaminated brownfields

# Article 5, Question 3

- 2016 voters approved \$35.0 million of Green Economy bonds:

Green Economy Projects - 2016	
Historic State Park Development	\$4.0
State Open Space	4.0
Brownfields Remediation	5.0
Local Rec. Development Grants	5.0
Local Open Space	4.0
State Bikeway Development	10.0
Stormwater Pollution Prevention	3.0
Total	\$35.0

\$ in millions

# Article 5, Question 3

2018 Green Economy & Clean Water Projects	Amount	Debt Service
Coastal Resiliency & Public Access	\$5.0	\$0.4
Capital for Clean Water and Drinking Water	6.1	0.5
Wastewater Treatment Facility Improvements	5.0	0.4
Dam Safety	4.4	0.4
State Recreation Projects Program	10.0	0.7
State Bikeway Development Program	5.0	0.4
Brownfield Remediation & Development	4.0	0.3
Local Recreation Projects	5.0	0.4
Access to Farmland	2.0	0.2
Local Open Space	2.0	0.2
<b>Total</b>	<b>\$48.5</b>	<b>\$3.9</b>

\$ in millions

# Article 5, Question 3

Previously Approved Bonds with Remaining Funds		
Project	Approved	Balance
State Recreation/Historic Parks - 2016	\$4.0	\$1.2
State Bikeways - 2016	10.0	3.3
Brownfields - 2014/2016	10.0	6.1
Local Recreation Projects - 2016	5.0	3.2
Access to Farmland - 2012/2014	7.5	3.1
Local Open Space – 2012/2016	4.5	4.2
<b>Total</b>	<b>\$41.0</b>	<b>\$21.1</b>

\$ in millions



# Department of Environmental Management

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## **House Fiscal Staff Presentation**

FY 2018 Revised and FY 2019 Recommended

FY 2019 - FY 2023 Capital Recommendation

March 28, 2018