

Department of Environmental Management

House Fiscal Staff Presentation

FY 2019 Revised and FY 2020 Recommended

FY 2020 - FY 2024 Capital Recommendation

March 27, 2019

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

	FY 2019 Enacted	FY 2019 Revised	FY 2020 Governor	Change to Enacted
General Revenues	\$41,841,215	\$41,032,676	\$45,178,568	\$3,337,353
Federal Funds	31,763,160	31,738,097	32,309,520	546,360
Restricted Receipts	17,580,291	15,695,625	16,332,964	(1,247,327)
Other Funds	17,504,841	10,415,004	9,069,555	(8,435,286)
Total	\$108,689,507	\$98,881,402	\$102,890,607	\$(5,798,900)

Summary by Category

	FY 2019 Enacted	FY 2019 Revised	FY 2020 Governor	Change to Enacted
Salaries & Benefits	\$51,800,733	\$50,060,263	\$53,874,137	\$2,073,404
Contract Services	6,946,945	7,258,395	7,107,895	160,950
Ops	16,367,157	15,881,880	17,200,739	833,582
Grants	7,042,070	6,910,523	6,783,829	(258,241)
Capital	26,482,602	18,720,341	17,874,007	(8,608,595)
Transfers	50,000	50,000	50,000	-
Total	\$108,689,507	\$98,881,402	\$102,890,607	\$(5,798,900)

Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
 - Information technology, capital asset management & maintenance, & human resources
- Costs previously budgeted in DOA
 - 2018 Assembly included costs in user agency budgets
 - Final FY 2018 & FY 2019 budget

Centralized Services

All Funds	FY 2019 Enacted	FY 2019 Revised	Chg. to Enacted	FY 2020	Chg. to Enacted
IT	\$1,936,942	\$1,718,086	\$(269,596)	\$1,618,412	\$(318,530)
HR*	595,719	595,719	-	595,719	-
Total	\$2,532,661	\$2,313,805	\$(296,596)	\$2,214,131	\$(318,530)
IT – GR	\$1,919,322	\$1,651,079	\$(268,243)	\$1,600,792	\$(318,530)

* - HR is funded only from general revenues

- There appears to be disconnect with amounts showing as spent and budget expectation
 - Charges to non-general revenue sources not occurring

Statewide Savings Initiatives

- Governor distributes statewide general revenue savings enacted for FY 2019 in the Department of Administration
 - Prompt Payment - \$0.4 million
 - Vendors voluntarily offer a discount if payments are received within an agreed upon date
 - Contracts - \$3.0 million
 - Effort to reduce costs of certain commodities
 - Food, maintenance, office equipment, telecommunications
 - Insurance - \$0.5 million
 - Reductions in policies for property & crime

Statewide Savings Initiatives

Initiative	FY 2019 Revised	FY 2020
Prompt Payment	\$(17,176)	\$(17,176)
Contract	(175,730)	(206,738)
Insurance	(36,922)	(37,376)
Total	\$(229,828)	\$(261,290)

- Non general revenue savings are not reflected
 - Some savings appear to be applied to ineligible categories

Target Budget

- Budget Office provided general revenue target of \$41.2 million
 - Current service adjustments of \$1.2 million
 - 5.0% reduction of \$1.9 million
- Constrained request \$0.4 million more than the target
 - Offset by revenue initiative of \$0.4 million by raising camping fees

Budget Issues

- Staffing - Overview
- Office of the Director
 - America's Cup
 - Deputy Director
- Bureau of Natural Resources
 - Parks and Recreation
 - Other Initiatives
- Bureau of Environmental Protection
 - Restricted Fund Transfers
 - Other Initiatives
- Capital Development Plan

Staffing - Overview

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	395.0	-
FY 2019 Gov. Rev.	395.0	-
FY 2020 Request	403.0	8.0
FY 2020 Governor	406.0	11.0
FY 2020 Funded FTE	397.2	2.2
Filled as of March 16	380.0	(15.0)
FY 2018 Average Filled	373.5	(21.5)

Staffing - Overview

FY 2020 Governor Recommendation		
	DEM	Statewide
Gross Salaries (in millions)	\$29.9	\$1,249.1
Turnover (in millions)	(0.7)	(42.9)
Turnover %	2.2%	3.4%
Turnover FTE	8.8	529.0
FY 2020 FTE recommended	406.0	15,413.1
Funded FTE	397.2	14,884.1
Filled as of March 16	380.0	14,123.6
Funded but not filled	17.2	760.5

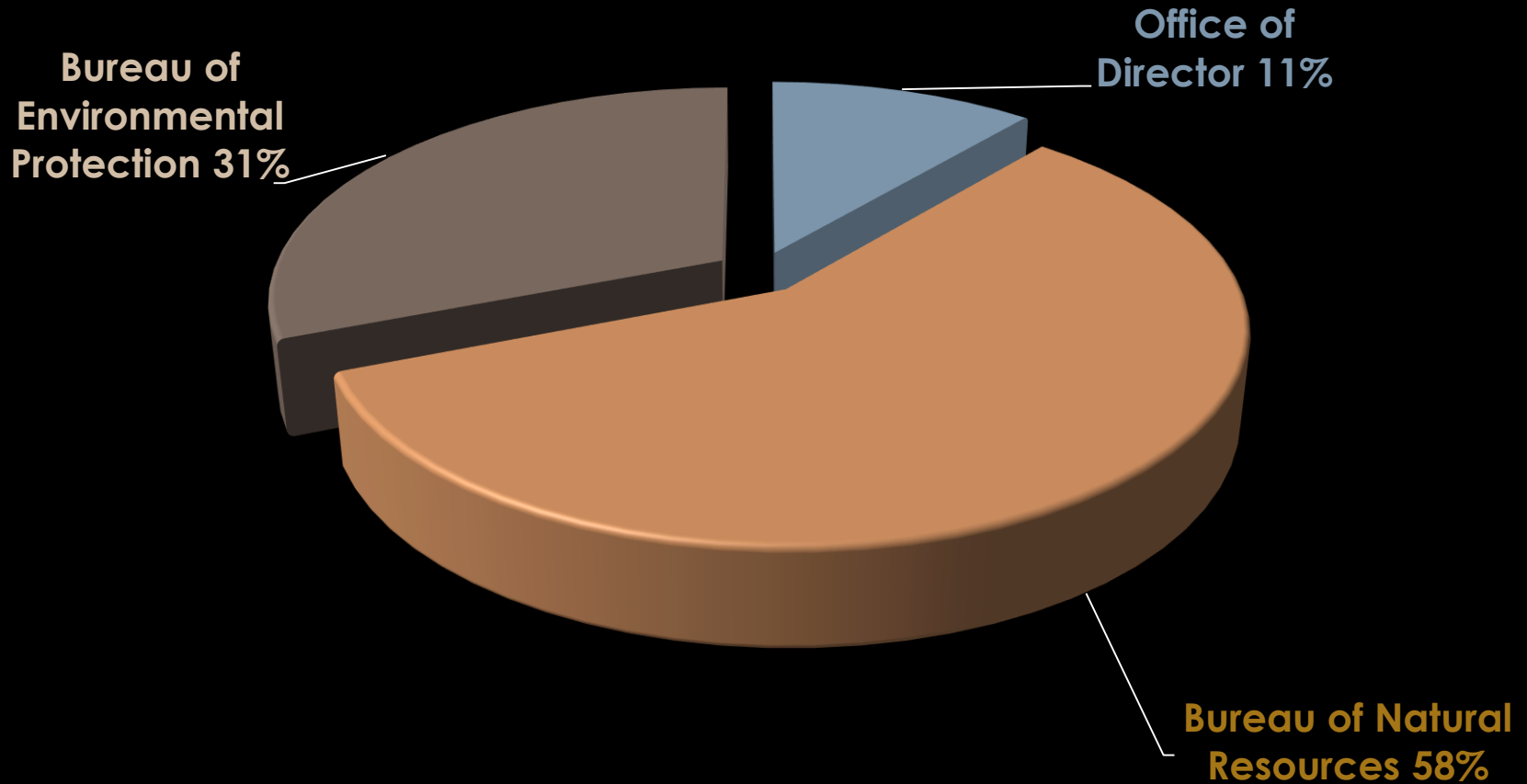
Staffing - Overview

- FY 2020 - \$53.9 million
 - \$2.1 million more than enacted
 - \$2.4 million more from general revenues
 - Includes \$0.2 million less for statewide benefit savings
 - Authorization for 11.0 new positions
 - 3.0 in Environmental Protection
 - 8.0 in Parks and Recreation
 - Restores turnover and new positions in FTE cap
- FY 2019 Revised - \$1.7 million less
 - Turnover savings and \$0.4 million benefit savings

Staffing by Source

	FY 2019 Enacted	FY 2019 Revised	FY 2020 Governor	Change to Enacted
General Revenues	\$31,359,642	\$30,981,244	\$33,726,009	\$2,366,367
Federal Funds	11,046,848	10,482,113	11,026,198	(20,650)
Restricted Receipts	9,117,256	8,518,390	9,040,229	(77,027)
Other Funds	276,987	78,516	81,701	(195,286)
Total	\$51,800,733	\$50,060,263	\$53,874,137	\$2,073,404

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

- America's Cup
 - June 2020 - lead-up event to 2021 final in NZ, America's Cup World Series, held in Newport
 - FY 2020 - \$0.4 million recommended from general revenues
 - For costs associated with hosting event such as security, public safety, sanitation, etc.
 - Governor similarly recommended \$0.8 million for FY 2018 to host Volvo Ocean Race
 - Assembly funded from tourism funds in the Commerce Corporation

Office of the Director

- Deputy Director
 - FY 2020 - \$0.3 million
 - General revenues and indirect cost recovery restricted receipts
 - FY 2019 Revised - \$0.2 million, all restricted receipts
 - Position transferred from DOA
 - Paperwork submitted December 10, 2018 to effectuate transfer
 - Position filled within enacted FTE cap

Office of the Director

- Foundry Headquarters Lease
 - New terms effective for July 2016, 10 years max
 - FY 2019 Revised and FY 2020 - \$2.7 million each
 - Approximately \$50,000 less than enacted
 - Result of including statewide savings
 - Savings of \$162,580 from prior lease terms

	Prior Terms – FY 2018 Enacted	New Terms – FY 2019 Rev. / FY 2020 Rec.
Electricity/Gas	\$12,222	\$208,000
Rent and Tax	2,758,358	2,500,000
Total	\$2,870,580	\$2,708,000

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

- Parks and Recreation Investment
 - DEM released a study on January 14, 2019
 - Conducted by 2 separate consultant firms
 - Study argues that a decline in staffing led to difficulty maintaining facilities
 - Investing in staffing is the solution
 - Governor's proposed FY 2020 budget includes a number of initiatives related to the Division

Fee increases	Operations Funding
Executive Business Office	Seasonal Staff Wages
New Staffing	

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation Staffing
 - Study cites that since 1989 staff for the Division has gone from 123.0 FTEs to 42.0 FTEs
 - Could not verify early year numbers
 - Information available suggests lower staffing
 - Staffing needs decreased following FY 1999
 - Staff collected entrance fees at parks
 - Entrance fees abolished effective FY 1999

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation Funding
 - Governor recommends DEM increase fees
 - Provide funding for new initiatives
 - Camping, beach parking, miscellaneous usage
 - FY 2020 budget assumes \$1.5 million in revenues
 - DEM announced proposals on February 20
 - Through public regulatory process
 - Public hearing sessions to gauge public response have started

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation
 - Overspent in FY 2018 by \$0.8 million,
 - FY 2020 Governor's budget adds funding
 - FY 2019 revised does not, \$0.6 million less

	Staffing	Operations	Total
FY 2018 Final	\$3,616,373	\$3,287,133	\$6,903,506
FY 2018 Spent	\$3,886,529	\$3,837,980	\$7,724,509
FY 2019 Enacted	\$3,989,321	\$3,149,883	\$7,139,204
FY 2019 Revised*	\$4,433,224	\$3,061,519	\$7,494,743
FY 2020 Rec.*	\$5,324,646	\$3,960,429	\$9,285,075

* - FY 2019 revised and FY 2020 recommended include a reallocation of 4.0 positions to the Division

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation Investment

Revenues	Amount	Expenditures	Cost
Beach Fees	\$737,801	New Positions (6.0)	\$506,401
Camping Fees	692,338	Operations Funding	810,546
Misc. Usage Fees	104,757	Beach Community Reimbursement	196,636
		Executive Business Office (2.0)	167,937
Total	\$1,534,896	Total	\$1,681,520

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation Funding
 - Beach Fee Increases
 - Budget assumes \$0.7 million in revenue
 - Nets to \$0.5 million, \$0.2 million more for communities
 - Recommended increase approx. 33%

	Resident			Non-Resident		
	Current	Proposed	Change	Current	Proposed	Change
Weekday	\$6	\$8	\$2	\$12	\$16	\$4
Weekend	\$7	\$9	\$2	\$14	\$18	\$4
Season	\$30	\$40	\$10	\$60	\$80	\$20

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation Funding
 - Camping Fee Increases
 - Budget assumes \$0.6 million in revenue
 - DEM proposes to create tiers of fees depending on site amenities
 - Increases range from approx. 28% - 50%
 - Tier 1 – waterfront/full hookups, Tier 3 – no utilities

	Resident			Non-Resident		
	Current	Proposed	Change	Current	Proposed	Change
Tier 1	\$14-\$20	\$30	\$10-\$16	\$20-\$35	\$60	\$25-\$40
Tier 2	\$14-\$18	\$25	\$7-\$11	\$20-\$25	\$50	\$25-\$30
Tier 3	\$14	\$18	\$4	\$20	\$36	\$16

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation Funding
 - Miscellaneous Usage Fee Increases
 - Budget assumes \$0.1 million in revenue
 - Department proposal includes various increases
 - Table, pavilion, and field rentals at multiple facilities
 - Chapel rentals at Colt State Park
 - Equestrian area and golf at Goddard Park
 - Overnight parking at Fort Adams

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation
- Executive Business Office – FY 2020
 - 2.0 new FTE, \$0.2 million from general revenues
 - Purpose of fundraising, event planning, and securing sponsorships
 - Similar to FY 2018 merchandising proposal
 - \$0.1 million recommended and 1.0 FTE
 - Not approved by Assembly

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation
- Other New Staff – FY 2020
 - 6.0 new FTE, \$0.5 million from general revenues
 - 5.0 maintenance staff, 1.0 admin. assistant
 - Reflects effort to increase maintenance and upkeep at parks and beaches

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation
- Operations Funding – FY 2020
 - Governor recommends \$4.0 million from general revenues
 - For operations and maintenance costs of the Division
 - Reflects actual spending from FY 2018
 - FY 2019 revised recommendation does not include additional funding

Bureau of Natural Resources – Parks and Recreation

- Parks and Recreation
- Seasonal Staff Wage Increase – FY 2020
 - Governor recommends \$0.1 million additional funding from general revenues
 - Consistent with proposal included in Article 13, H-5151 to increase minimum wage to \$11.10
 - Funds reflect impact on wages of seasonal workers

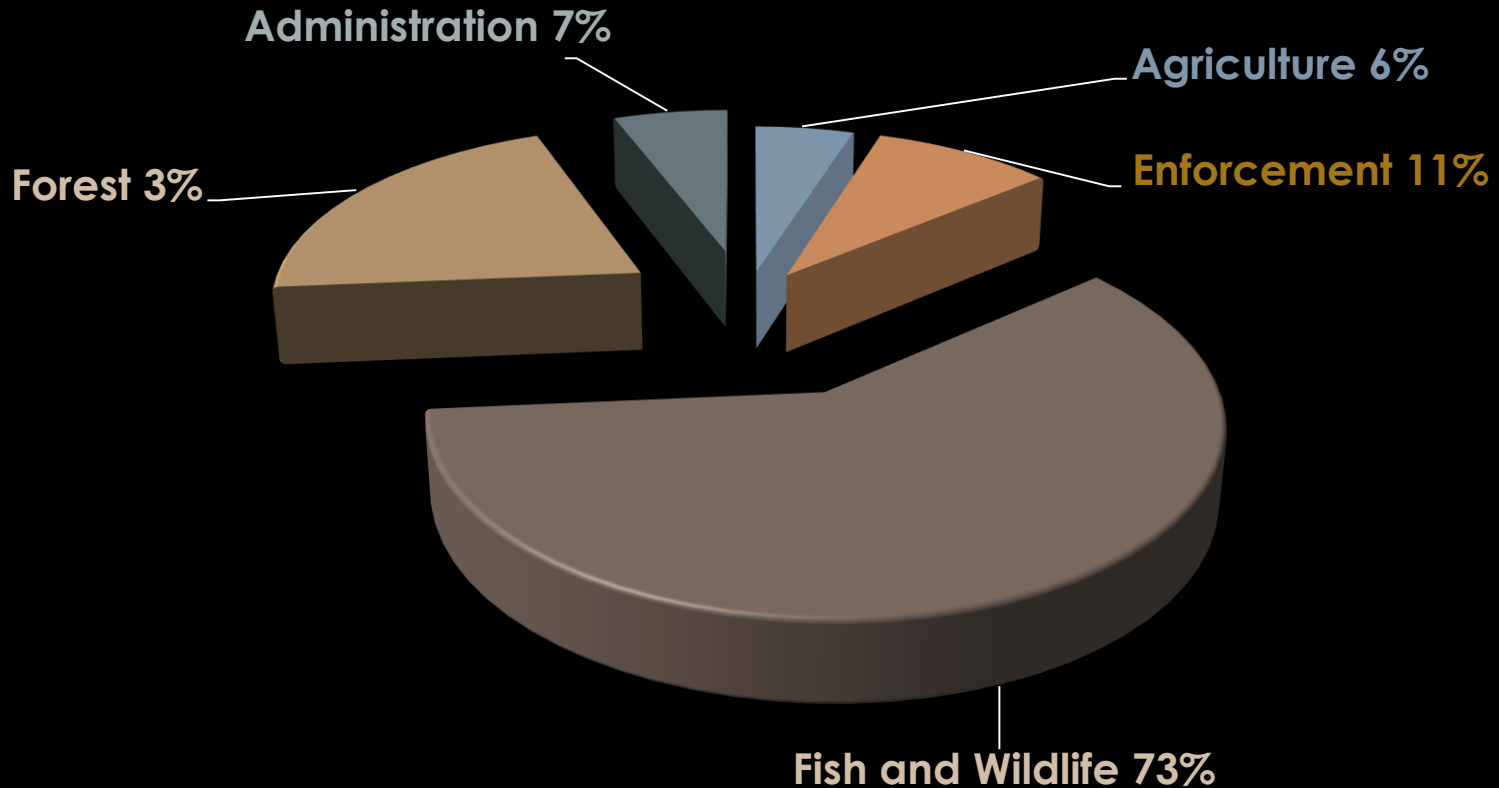
Bureau of Natural Resources

- 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
 - \$0.1 million, \$38,150 less, from restricted receipts
 - Enacted \$50,000 from general revenues
 - 2017 Assembly transferred the operations of the House to DEM during FY 2017

Bureau of Natural Resources

- WWII State Park Transition
 - FY 2020 – enacted level of \$250,000
 - FY 2020 is the last year of a five-year initiative to transfer maintenance and operations to Woonsocket
 - Capital project completed in FY 2016

Bureau of Natural Resources – Federal Grants



Bureau of Natural Resources – Food Safety Modernization

- Food Safety Modernization Act Position
 - \$0.1 million more from federal funds for both FY 2019 and FY 2020 and 1.0 new FTE
 - FTE is included within enacted authorization
 - DEM determined grant could support additional FTE
 - Enacted budget includes \$0.2 million from federal funds and 2.0 positions within enacted FTE cap

Bureau of Natural Resources – Other Federal Grants

- FY 2020 - \$16.1 million
 - \$0.7 million reflects grants received following the enacting of the FY 2019 Budget
 - \$0.2 million more than enacted
 - Recommendation also removes funding to reflect the end of other grants
 - FY 2019 Revised - \$0.1 million more than enacted

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 – OSPAR

- Oil Spill Prevention, Administration, & Response Fund
 - Created 1996 in response to North Cape spill
 - \$0.05 per barrel
 - Out of state petroleum products
 - Annual average collections - \$1.5 million
 - \$10.0 million cap, adjusted for inflation after January 1, 1998, on fee collection
 - \$15.6 million as of January 2019 using CPI

Bureau of Environmental Protection – OSPAR

- Eligible Uses
 - Response, containment, and remediation
 - Response readiness training & equipment
 - Emergency loans to workers affected by a spill
 - Damage compensation for claims that cannot otherwise be compensated by responsible parties

Bureau of Environmental Protection – OSPAR

Current Law – Fiscal Year	2016	2017	2018	2019*	2020*
Prior Balance	\$4.6	\$4.0	\$3.3	\$2.6	\$1.8
Receipts	1.7	1.5	1.6	1.5	1.5
<i>Total Available</i>	\$6.3	\$5.5	\$5.0	\$4.1	\$3.3
Staffing/Contracted	\$1.5	\$1.3	\$1.6	\$1.4	\$1.7
Operations	0.8	0.6	0.7	0.6	0.6
Grants	0.0	0.2	-	0.4	0.4
<i>Total Expenses*</i>	\$2.3	\$2.2	\$2.3	\$2.4	\$2.6
Balance	\$4.0	\$3.3	\$2.6	\$1.8	\$0.6

* Governor's recommendations including expanded use, \$ in millions

Bureau of Environmental Protection – OSPAR

- Section 17, Article 1, H-5150 requires the transfer of \$1.0 million from the fund by June 30, 2019
 - Average operating deficit of \$0.7 million since FY 2016
 - Estimated FY 2019 balance of \$1.8 million
 - FY 2020 year end balance \$0.6 million
 - Transfer lowers FY 2020 opening surplus and fund will go into deficit with recommended expenses

Bureau of Environmental Protection – OSPAR

- Section 19, Article 5, H-5151 doubles fee to \$0.10 per barrel
- Also expands eligible uses
 - Support compliance and monitoring for stormwater management and brownfields
 - Governor recommends \$0.2 million to fund 3.0 new staff in FY 2020

Bureau of Environmental Protection – OSPAR

- Amendment submitted February 25 to further expand eligible uses
 - Fund a grant program for municipalities or state agencies
 - Projects which increase resiliency of infrastructure on public lands to impacts of climate change
 - In order to protect or enhance natural systems and habitats

Bureau of Environmental Protection – UST

- Created 1994, revenues from one cent per gallon motor fuel when product is sold to owners or operators of UST
 - Previous transfers of \$2.0 million to general fund in both FY 2006 and FY 2008
 - Amended in 2009, one half cent for UST, one half cent for the Intermodal Surface Transportation Fund
 - \$8.0 million cap on fee collection

Bureau of Environmental Protection – UST

- Eligible uses include
 - Reimbursement of claims including property or natural resource damage
 - DEM costs for investigation, remediation, and corrective action activities at sites of a release

Bureau of Environmental Protection – UST

Current Law – Fiscal Year	2016	2017	2018	2019*	2020*
Prior Balance	\$1.7	\$1.4	\$1.9	\$2.3	\$2.5
Receipts	2.0	2.0	2.0	2.0	2.0
<i>Total Available</i>	\$3.7	\$3.3	\$3.9	\$4.3	\$4.4
Staffing/Operations	\$0.2	\$0.3	\$0.3	\$0.3	\$0.3
Grants	2.1	1.1	1.3	1.5	1.5
<i>Total Expenses</i>	\$2.3	\$1.4	\$1.6	\$1.8	\$1.8
Balance	\$1.4	\$1.9	\$2.3	\$2.5	\$2.6

*Governor's recommendations, \$ in millions

Bureau of Environmental Protection – UST

- Section 18, Article 1, H-5150 requires transfer of \$1.0 million from the fund by June 30, 2019
 - Fund has operating surplus
 - \$0.6 million in FY 2018, ending balance of \$2.3 million
 - FY 2019 estimated year-end balance of \$2.5 million without transfer
 - With transfer, estimated balance is \$1.5 million

Bureau of Environmental Protection – UST

Gov Proposal – Fiscal Year	2016	2017	2018	2019*	2020*
Prior Balance	\$1.7	\$1.4	\$1.9	\$2.3	\$1.5
Receipts	2.0	2.0	2.0	2.0	2.0
<i>Total Available</i>	\$3.7	\$3.3	\$3.9	\$4.3	\$3.4
Staffing/Operations	\$0.2	\$0.3	\$0.3	\$0.3	\$0.3
Grants	2.1	1.1	1.3	1.5	1.5
Transfer	-	-	-	1.0	-
<i>Total Expenses</i>	\$2.3	\$1.4	\$1.6	\$2.8	\$1.8
Balance	\$1.4	\$1.9	\$2.3	\$1.5	\$1.6

* Governor's recommendations \$ in millions

Bureau of Environmental Protection – Clean Diesel

- Clean Diesel Program
 - Funded by 2016 Assembly
 - Included \$2.0 million from general revenues
 - Purpose to reduce emissions from heavy-duty diesel engines operating on state roads and help companies improve efficiency
 - 2017 Assembly reduced funding to \$1.0 million
 - No grants had been provided

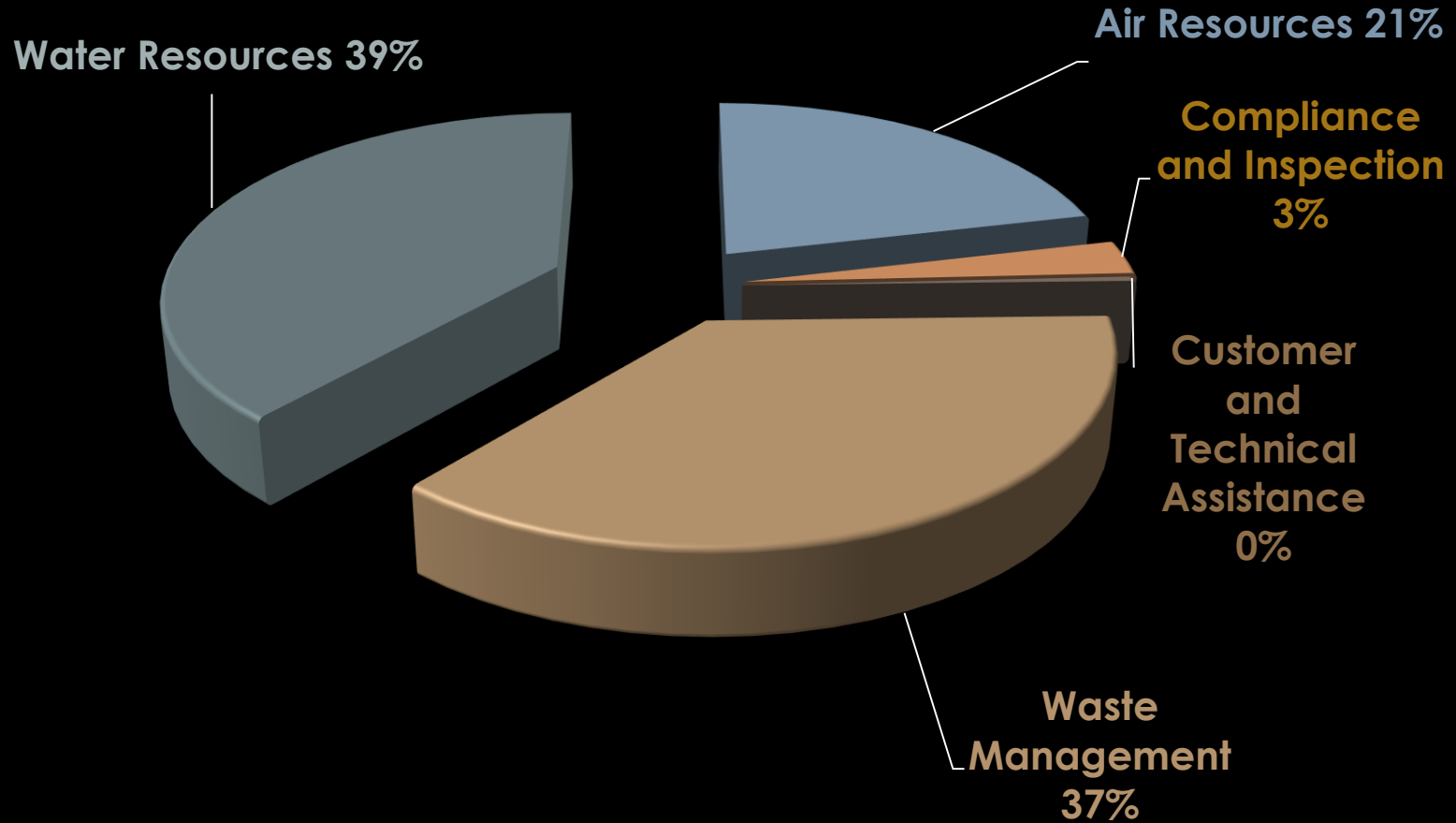
Bureau of Environmental Protection – Clean Diesel

- Clean Diesel Program
 - Governor's revised FY 2018 recommendation reduced funding to \$250,000
 - Part of effort to achieve undistributed savings
 - FY 2019 recommendation eliminated funding
 - 2018 Assembly concurred
 - \$1.0 million in savings
 - DEM conducted grant round in May 2017
 - Awards were disbursed during the second half of FY 2018

Bureau of Environmental Protection – Clean Diesel

- Clean Diesel Program
 - Governor recommends \$62,500 in FY 2019 revised recommendation
 - Reflects final contract to South Kingstown
 - DEM would have overspent if disbursed last year
 - No funding recommended for FY 2020

Bureau of Environmental Protection – Federal Grants



Bureau of Environmental Protection – Federal Grants

- FY 2020 - \$5.0 million
 - \$0.4 million more than enacted
 - Adjusts funding for programs based on expected availability
 - FY 2019 Revised - \$0.4 million more than enacted
 - Reflects FY 2018 carry forward funds
 - Major grant topics
 - Air Pollution – 5 grants for \$1.4 million
 - Brownfields – 2 grants for \$0.7 million
 - Water Pollution Management – 4 grants for \$1.9 million

Capital Development Plan

- Governor recommends \$262.4 million in total project costs
- \$101.6 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

- Recreational Facilities Improvements and Historic State Park Development
 - Total recommendation = \$58.6 million
 - Five-year period = \$15.2 million
 - Funds improvements at state parks and facilities
 - Governor's budget does not contemplate a future general obligation bond
 - Parks study mentions possible bond

Capital Development Plan

- Natural Resources Offices
 - Governor recommends \$5.0 million over FY 2023 and FY 2024; \$0.2 million in current year
 - Approved plan would have already begun construction, finished by FY 2020
 - Ongoing litigation relative to state authority to construct project

Capital Development Plan

Capital Projects

Project	Status	Cost	Source	End Date
Blackstone Valley Park Improvements	Revised	\$1.7	RICAP	FY 2019
Brownfields Remediation	Revised	\$14.0	GO	FY 2022
Dam Repair	Revised	\$9.9	RICAP, GO	FY 2024
Farmland Acquisition	Revised	\$9.5	GO	FY 2022
Local Land Acquisition	Revised	\$18.5	GO	FY 20223
Local Recreation	Revised	\$19.5	GO	FY 2024
Marine Infrastructure	Revised	\$7.1	RICAP, FF	FY 2024
Natural Resources Office	Revised	\$5.7	RICAP	FY 2023
Recreational Facilities	Revised	\$54.6	FF, RICAP, GO	FY 2024
State Bikeways	Revised	\$15.0	GO	FY 2023

\$ in millions

Capital Development Plan

Capital Projects				
Project	Status	Cost	Source	End Date
State Land Acquisition	Revised	\$16.5	GO	FY 2021
Fish and Wildlife Maintenance Facility	Ongoing	\$0.7	FF, Other Funds	FY 2019
Flood Prevention	Ongoing	\$3.0	GO	FY 2020
Fort Adams Trust	Ongoing	\$4.7	RICAP	FY 2024
Fort Adams Sailing Improvements	Ongoing	\$13.2	RICAP, Other Funds	FY 2019
Historic State Park Development	Ongoing	\$4.0	GO	FY 2021
Narragansett Bay and Watershed Restoration	Ongoing	\$12.5	GO	FY 2021
Newport Piers	Ongoing	\$1.7	RICAP	FY 2019

\$ in millions

Capital Development Plan

Capital Projects				
Project	Status	Cost	Source	End Date
Roger Williams Park and Zoo	Ongoing	\$18.0	GO	FY 2021
State Building Demolition	Ongoing	\$0.2	RICAP	FY 2019
Stormwater Pollution Prevention	Ongoing	\$3.0	GO	FY 2020
Coastal Resiliency and Public Access Projects	Approved	\$5.0	GO	FY 2024
Wastewater Treatment Facility Resilience Improvements	Approved	\$5.0	GO	FY 2024

\$ in millions

Department of Environmental Management

House Fiscal Staff Presentation

FY 2019 Revised and FY 2020 Recommended

FY 2020 - FY 2024 Capital Recommendation

March 27, 2019