

Department of Environmental Management

House Fiscal Staff Presentation

FY 2021 Revised and FY 2022 Recommended Budgets

FY 2022 - FY 2026 Capital Recommendation

May 19, 2021

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 2021 Enacted | FY 2021 Rev. | FY 2022 Gov. | Chg. to Enacted |
|------------------|----------------------------|-------------------------|-------------------------|----------------------------|
| General Revenues | \$42.8 | \$42.6 | \$46.6 | \$3.9 |
| Federal Funds | 35.5 | 35.0 | 32.7 | (2.8) |
| Restricted Rec. | 16.6 | 18.1 | 17.1 | 0.5 |
| Other Funds | 14.4 | 14.1 | 8.2 | (6.2) |
| Total | \$109.3 | \$109.7 | \$104.7 | \$ (4.6) |

\$ in millions

Summary by Category

| | FY 2021 Enacted | FY 2021 Rev. | FY 2022 Gov. | Chg. to Enacted |
|---------------------|----------------------------|-------------------------|-------------------------|----------------------------|
| Salaries & Benefits | \$52.5 | \$50.7 | \$54.9 | \$2.5 |
| Contract Services | 7.5 | 8.0 | 8.3 | 0.7 |
| Operating | 19.6 | 21.1 | 18.8 | (0.8) |
| Grants | 6.5 | 7.1 | 6.5 | 0.1 |
| Capital | 23.2 | 22.8 | 16.2 | (7.0) |
| Operating Transfers | 0.1 | 0.1 | 0.0 | (0.0) |
| Total | \$109.3 | \$109.7 | \$104.7 | \$(4.6) |

\$ in millions

Staffing - Overview

| FY 2022 Governor | | |
|------------------------------|--------|-----------|
| | DEM | Statewide |
| Gross Salaries (in millions) | \$34.9 | \$1,153.8 |
| Turnover (in millions) | (0.9) | (55.4) |
| Turnover % | 2.6% | 4.8% |
| Turnover FTE | 10.4 | 724.9 |
| FY 2022 FTE recommended | 401.0 | 15,089.2 |
| Funded FTE | 390.6 | 14,364.3 |
| Filled as of April 10 | 382.0 | 13,785.9 |
| Funded but not filled | 8.6 | 578.4 |

Staffing - Overview

- \$50.7 million & 394.0 FTE in FY 2021
 - \$1.8 million less than enacted
 - \$0.2 million from turnover savings & \$1.6 million from excluded CRF funding
- \$54.9 million & 401.0 FTE in FY 2022
 - \$2.5 million more than enacted
 - Restores one-time Workshare savings & excess turnover
 - Current service adjustments
 - \$0.2 million for 7.0 new FTE in Bureau of Natural Resources

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

| Category | FY 2021 Enacted | FY 2021 Revised | FY 2022 Gov. | Chg. To Enacted |
|---------------------|--------------------|--------------------|-----------------|--------------------|
| Salaries & Benefits | \$5.5 | \$5.5 | \$5.7 | \$0.2 |
| Contracted Services | 0.2 | 0.3 | 0.3 | 0.1 |
| Operating | 4.7 | 4.9 | 5.0 | 0.2 |
| Grants | 0.6 | 1.1 | 0.6 | 0.0 |
| Total | \$11.1 | \$11.8 | \$11.7 | \$0.6 |

\$ in millions

Office of the Director

- Governor recommends \$7.5 million from general revenues
 - \$0.3 million more from general revenues
 - Current service budget
 - Centralized services & utilities
- All other sources of funds is \$4.2 million
 - \$0.3 million more than enacted
 - Current service adjustments
 - Increased Regional Greenhouse Gas Initiative costs

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

| Category | FY 2021 Enacted | FY 2021 Revised | FY 2022 Gov. | Chg. To Enacted |
|---------------------|-----------------|-----------------|---------------|-----------------|
| Salaries & Benefits | \$21.1 | \$20.8 | \$21.9 | \$0.9 |
| Contracted Services | 3.0 | 3.0 | 3.1 | 0.2 |
| Operating | 2.5 | 2.6 | 2.6 | 0.1 |
| Grants | 3.3 | 3.5 | 3.2 | (0.1) |
| Capital | 0.7 | 0.7 | 0.4 | (0.3) |
| Total | \$30.6 | \$30.6 | \$31.3 | \$0.8 |

\$ in millions

Bureau of Environmental Protection

- Governor recommends \$13.1 million from general revenues
 - \$0.7 million more from general revenues
 - Mostly for staffing
 - Current service budget
 - Eliminates one-time Workshare savings and excess turnover included in enacted budget

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

| Category | FY 2021 Enacted | FY 2021 Revised | FY 2022 Gov. | Chg. To Enacted |
|------------------------|--------------------|--------------------|-----------------|--------------------|
| Salaries & Benefits | \$25.8 | \$24.4 | \$27.3 | \$1.4 |
| Contracted Services | 4.3 | 4.7 | 4.8 | 0.5 |
| Operating | 11.4 | 12.6 | 10.4 | (1.0) |
| Grants | 2.5 | 2.5 | 2.7 | 0.2 |
| Capital | 22.5 | 22.1 | 15.7 | (6.7) |
| Total | \$66.6 | \$66.3 | \$60.9 | \$ (5.7) |

\$ in millions

Bureau of Natural Resources

| FY 2022 Governor | Change to Enacted | |
|--|--------------------------|------------------|
| Initiative | General Rev. | All Funds |
| Current Service Adjustments | \$0.4 | \$(1.3) |
| Parks & Recreation | 0.5 | 0.5 |
| Port Operations | 0.5 | 0.5 |
| CRF Law Enforcement Costs | 1.6 | - |
| Federal Grants | - | (0.4) |
| Burlingame Campground fees (tech. accounting chg.) | - | 1.1 |
| Capital | - | (6.2) |
| Total | \$ 3.0 | \$ (5.7) |

\$ in millions

Natural Resources – Current Service Adjustments

- Governor recommends \$46.5 million
 - \$11.0 million from general revenues
 - \$0.4 million more than enacted for salaries & benefits
 - Current service
 - Eliminates one-time savings included in enacted budget
- All other funds is \$35.6 million
 - \$1.3 million less than enacted
 - Expired federal grants

Natural Resources - Parks and Recreation

- Governor includes \$13.1 million from general revenues - \$0.5 million above enacted
 - \$5.4 million for salaries & benefits
 - \$0.2 million for 4.0 new positions
 - Maintenance technician, plumber, clerk, & civil engineer
 - \$0.2 million for current service adjustments
 - \$3.7 million for parks, beaches, & campgrounds
 - same as FY 2021
 - \$4.3 million for seasonal staff
 - \$0.1 million more than enacted
 - Current service

Natural Resources – Port Operations

- Port Operations
 - Responsible for management & maintenance of Ports of Galilee & Newport
 - Governor's budget includes \$1.2 million from general revenues
 - \$0.5 million more than enacted
 - 3 new positions, 1 maintenance & 2 administrative
 - Additional maintenance projects
 - Governor includes \$0.1 million in new general revenue by raising the parking fees at Galilee
 - Increased by regulation

Natural Resources – CRF Law Enforcement Costs

- Coronavirus Relief Fund use extended to December 31, 2021
 - \$1.6 million in enacted budget for eligible law enforcement expenses
 - Excluded in Governor's revised recommendation
 - GBA submitted in April to correct the exclusion
 - Governor's budget does not assume any CRF funding beyond FY 2021

Natural Resources – Burlingame Campground Fees

- Governor proposes converting Burlingame fees escrow account to restricted receipts
 - Bureau collects fees for daily & overnight usage
 - Fees collected by a vendor
 - Previously held in escrow account which did not show up in the operating budget giving the appearance of an increase – but adjustment is technical
 - Proposal in Article 2 Section 6
 - Heard on March 31
 - Budget includes \$1.1 million to pay for the vendor

Capital Development Plan

- Governor recommends \$325.0 million in total project costs
- \$147.1 million in five-year period
 - State and local recreation
 - Land acquisition
 - State infrastructure
- Fund Sources: RICAP, federal funds, general obligation bonds & insurance proceeds

Capital Development Plan – Notable Projects

- Recreational Facilities Improvement
 - Total project costs = \$101.4 million
 - State parks, beaches, campgrounds, & other facilities
 - Includes \$33.0 million from bond funding approved in March special election
- Bikeways
 - \$15.0 million from 2016 & 2018 Green Economy Bonds
 - \$2.0 million for two years from DOT reimbursements for bike path repairs and construction
 - \$1.3 million from RICAP for Blackstone Valley Park Improvements

Capital Development Plan - Notable Projects

- Galilee Piers
 - Total recommendation = \$35.7 million
 - 2020 Assembly added \$6.0 million for FY 2021 to address structural damage repairs at the northern bulkhead
 - As of May, in the design phase
 - Other projects include repairing collapsed pier, repairing old piers, new fencing and utility upgrades
 - One third of the repairs to piers complete

Articles

- April 1 hearing on environmental initiatives in Governor's budget
 - Article 6 – Fees
 - Sec. 6 : Westerly Recreational Fees
 - Sec. 8 : CRMC Fees
 - Article 7 – Environment
 - Article 10 – Fishing Industry Modernization
 - GBA 1 – Underground Storage Tank Fund Transfer
 - Requested March 30

Article 6 Sec. 6 – Beach Fees

- Section 6 – Westerly Recreational Fees
 - Allows DEM to increase fees for facilities located in Westerly
 - 2019 Assembly froze fees at current level through October 2021
- Budget includes \$0.6 million in new general revenues
 - Assumes changes to weekday and weekend beach parking passes only
 - Regulations would take effect July 1

Article 6 Sec. 6 – Beach Fees

- Section 6 – Westerly Recreational Fees
 - Applies only to Misquamicut State Beach
 - Has the highest percentage of out-of-state visitors in the last 3 years
 - Currently beach parking fees are the same at each state beach
 - There is an offsetting expenditure in DEM budget to pay Westerly its increased share of daily beach pass collections; \$0.2 million

Article 7 – Environment

- Sections 1, 2 & 5 Agriculture Fees

| Registration Fee | Current | Article 7 | MA Fee | CT Fee | Last RI Increase |
|-----------------------|---------|-----------|--------|--------|------------------|
| Commercial Fertilizer | \$72 | \$100 | \$250 | \$75 | 1995 |
| Commercial Feed | \$60 | \$100 | \$100 | \$80 | 2004 |
| Pesticide Product | \$150 | \$250 | \$300 | \$188 | 2007 |

- Estimated to increase general revenues \$1.4 million

Article 7, Sec. 3 & 4 – Hunting and Recreational Fishing

- Section 3 repeals provision that season & bag limits can only be effective for one year
- Section 4 Increases fees
 - Hunting, fishing & combo licenses
 - Permits for deer, wild turkey, stocked game, waterfowl, fur trapping, & trout fishing
 - Take effect in FY 2022, FY 2026, & FY 2029
- Last increase in 2002
- Fee collections used as state match for federal Fish and Wildlife funds

Article 10 – Commercial Fishing Modernization

| Sec. | Topic | GR Impact | RR Impact |
|-------------|----------------------------------|------------------|------------------|
| 1 | Party or Charter Vessel Licenses | \$ - | \$0.1 |
| 2 - 6 | Relating to Commercial Fishing | - | - |
| 7 | Shellfish Dockside Program | 0.4 | - |
| | Total | \$0.4 | \$0.1 |

\$ in millions

Article 10, Sec. 1 – Party or Charter Vessels

- Article 10 Section 1
 - Increases fees
 - From \$25 biennially to \$100 annually for residents
 - Establishes non resident fee of \$300 annually
 - Fees have not been changed since 1998
 - Moves renewal date from end of February to end of December
 - To align with calendar year
 - Similar to yearly harvest data

Article 10, Sec. 2 & 4 - 6 – Commercial Fishing

- Article 10 increases fees for landing & dealing
 - Landing Fees
 - Changes from multiple license types to one standard fee

| Landing Fees | Resident | Non-Resident |
|---------------------|-----------------|---------------------|
| Current | \$200 | \$400 |
| Proposed | \$300 | \$600 |

- Dealing fees increase from \$200 to \$450
 - Still depends on license type

Article 10, Sec. 3 – Commercial Fishing

- Article 10 establishes Multi-purpose Vessel License
 - Enables vessel owners to have any operator engage in commercial fishing aboard their vessel
 - Currently limited to only those who already have a commercial fishing license
 - Becomes effective July 1, 2022, or FY 2023

Article 10, Sec. 3 – Commercial Fishing

- Proposed Licensing Structure
 - Standard Resident or Non-Resident License
 - Further categorized by limited or unlimited sectors
 - Accounts for species type & fishing effort
 - Retains multi-purpose, student & over 65 shellfishing licenses
 - Assumes modern management techniques
 - Examples: electronic reporting and quota monitoring
- Effective July 1, 2022, FY 2023

FY 2022 Budget - UST Fund

- Governor's budget assumes transfer of \$1.0 million from the fund by June 30, 2022
 - Fund has operating surplus
 - \$1.1 million in FY 2020, ending balance of \$4.8 million
 - FY 2022 estimated year-end balance of \$4.9 million without transfer
 - With transfer, estimated balance is \$3.9 million
- GBA requested March 30, 2021
 - New Section 19 in Article 1

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