



Senate Fiscal Office

04.29.21

## FY2022 Budget DEM and Related Articles

### Article 6, Section 6: Beach Parking Fees

- The article allows DEM to set the beach parking fees for facilities in Westerly at a "reasonably determined" amount
- The actual fees will be determined through the public regulatory process
- The increase in revenue would support additional staffing and maintenance.
- The article is estimated to generate an additional \$621,634 in beach parking fees beginning in FY2022. Of this total, 27.0 percent (\$167,841) would be remitted to the host community, Westerly, and 73.0 percent (\$453,793) would be retained by the State as general revenue.
  - *Analyst Note: A Governor's Budget Amendment, dated April 19, 2021, adjusted the revenue estimate downward by \$26,262, from a total of \$621,634 to \$595,372. This adjustment results in projected revenue of \$434,622 to the State and \$160,750 for the host community.*

Beach Parking Fees at Misquamicut

	Current	Article 6	Change
resident weekday	\$6.00	\$10.00	\$4.00
resident weekend	\$7.00	\$15.00	\$8.00
nonresident weekday	\$12.00	\$20.00	\$8.00
nonresident weekend	\$14.00	\$30.00	\$16.00
resident senior weekday	\$3.00	\$10.00	\$7.00
resident senior weekend	\$3.50	\$15.00	\$11.50
nonresident senior weekday	\$6.00	\$20.00	\$14.00
nonresident senior weekend	\$7.00	\$30.00	\$23.00

## Article 7: The Environment

- The article increases fees paid by manufacturers or distributors to register pesticide, commercial feed, and commercial fertilizer products.
- Repeals the requirement that hunting and fishing regulations promulgated by the Department of Environmental Management (DEM) only remain in effect for one year after the date of effectiveness
- Changes fees related to recreational hunting and fishing licenses

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## Article 7: Fiscal Impact

- The article is projected to increase general revenue generated from the collection of registration fees for pesticide products, commercial feed, and commercial fertilizer by \$1.4 million.
- Changes to recreational hunting and fishing license fees are projected to increase restricted receipts by \$62,960 in FY2022. The article proposes three hunting and fishing fee increases over an eight-year period

Fishing and Wildlife Fees Increased Restricted Receipts	
FY2022	\$62,960
FY2026	187,840
FY2029	314,433

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## Article 7: Agricultural Fees

- The article increases fees paid by manufacturers or distributors to register pesticide, commercial feed, and commercial fertilizer products. The fee are deposited as general revenue. According to DEM, the increased fees would align with neighboring states.

Agriculture Fee Increases					Regional Agriculture Fees			
Fee	Current	Proposed	Change	Projected Revenue	RI			
					Proposed	MA	CT	
Pesticide Product	\$200	\$300	\$100	\$842,900	Pesticide Product	\$300	\$300	\$188
Commercial Feed	60	100	40	460,640	Commercial Feed	100	100	80
Commercial Fertilizer	72	100	28	103,992	Commercial Fertilizer	100	250	75
<b>Total Revenue</b>				<b>\$1,407,532</b>				

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## Article 7: Recreational Fishing and Hunting

- Most fees increase, junior hunting license fees decrease, and license fees for the disabled and those over 65 years of age remain free.
- Repeals requirement that fishing regulations only remain in effect for one year.
- According to DEM, the changes bring Rhode Island Fishing and Wildlife fees more in line with neighboring states.
- The fee collections provide the state match for federal funds used to administer the State's fish and wildlife programs.

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## Article 10: Fishing Modernization

- Increases party and charter boat license fees
- Modernizes the commercial fishing licensing system
- Establishes a dockside program for shellfish packing houses

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## Article 10: Fiscal Impact

- The new dockside program is projected to increase general revenue by \$366,300 in new licensing fees; however, the cost of the 3.0 new FTE positions needed to manage the program and the additional operating costs are estimated to completely offset the new revenue.
- The increase in party and charter boat licenses is projected to generate an additional \$81,025 in restricted receipts in FY2022, with the commercial licensing fees estimated to generate an additional \$236,025 in restricted receipts beginning in FY2023. The additional resources will be reinvested into the Marine Fisheries program.

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## Article 10: Party and Charter Vessel License

- The article increases the license fee for vessels carrying recreational passengers for marine fishing from a biannual fee of \$25 to an annual fee of \$100 for residents and \$300 for non-residents to better align fees with neighboring states. The change is estimated to generate an additional \$81,025 in restricted receipts annually.

Multistate Commercial Fishing License Fee Analysis (2017)

Type of License	Connecticut	New York	Massachusetts	Rhode Island	Rhode Island
				Current	Proposed
Party and Charter Vessel - Resident	\$315	\$250	\$65 - \$130	\$25/2 years	\$100
Party and Charter Vessel - Non-Resident	315	250	130 - 260	25/2 years	300

Source: Rhode Island Department of Environmental Management

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## Article 10: Commercial Fishing

- Based on the Rhode Island Commercial Fishing License Modernization Initiative, which was designed with input from the industry.
- The four main goals of the restructure include:
  - Maintain a healthy fishing community in the State of Rhode Island,
  - Maintain flexibility for fishermen and allow for diversification of their fishing portfolio,
  - Increase simplicity and understanding of the system for fishermen and seafood dealers, and
  - Increase and support resources for RI's contemporary marine fisheries needs.
- The additional revenue will be used to replace declining federal funds but can also be used to support other commercial fishing industry priorities.

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## Article 10: Shellfish Packing Houses

- Authorizes the Director of the Department of Health (DOH), with the assistance of DEM, to establish a dockside program, including rules and regulations.
- Massachusetts has a similar program, with a fee of \$35,000 per vessel, per year, and is collected from vessels that harvest from specific waters not regularly monitored for biotoxins.
  - The fee is deposited into the Dockside Testing Trust fund and is used for the regulation, monitoring, and testing of shellfish.
- Would require 2.0 FTE Lab Scientist positions and 1.0 FTE Food Specialist. The cost of the FTE positions, in addition to operating costs, would result in increased expenditures of \$366,300, funded by the proposed license fee.

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## UST Fund Transfer Article 1, Section 19 (GBA 3.30.2021)

- The Budget includes revenue from the transfer of \$1.0 million from the Underground Storage Tank (UST) restricted receipt fund to the general revenue fund
- Fund raises about \$2.0 million annually

Underground Storage Tank Trust Fund		
	FY2021	FY2022
Balance Forward	\$4.0	\$4.5
Average Revenue FY2015 - FY2019	2.0	2.0
Budgeted Expenditures	(1.5)	(1.5)
Transfer to General Fund	-	(1.0)
<b>Total</b>	<b>\$4.5</b>	<b>\$4.0</b>

Source: Departmental Environmental Management

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## Department of Environmental Management

Expenditures By Program	FY2020	FY2021	FY2021	Change from		FY2022	Change from	
	Final	Enacted	Governor	Enacted		Governor	Enacted	
Office of Director	\$10.8	\$12.7	\$11.8	\$1.0	9.2%	\$11.7	(\$1.0)	-8.1%
Bureau of Natural Resources	47.1	65.5	66.8	19.7	41.7%	61.3	(4.2)	-6.4%
Bureau of Environmental Protection	26.4	31.1	31.2	4.8	18.1%	31.8	0.6	2.1%
<b>Total</b>	<b>\$84.3</b>	<b>\$109.3</b>	<b>\$109.7</b>	<b>\$25.4</b>	<b>30.2%</b>	<b>\$104.7</b>	<b>(\$4.6)</b>	<b>-4.2%</b>
<b>Expenditures By Source</b>								
General Revenue	\$42.9	\$42.8	\$42.6	(\$0.2)	-0.6%	\$46.6	\$3.9	9.0%
Federal Funds	22.6	35.5	35.0	12.4	54.9%	32.7	(2.8)	-7.8%
Restricted Receipts	12.4	16.6	18.1	5.6	45.4%	17.1	0.5	3.3%
Other Funds	6.4	14.4	14.1	7.6	118.7%	8.2	(6.2)	-42.9%
<b>Total</b>	<b>\$84.3</b>	<b>\$109.3</b>	<b>\$109.7</b>	<b>\$25.4</b>	<b>30.2%</b>	<b>\$104.7</b>	<b>(\$4.6)</b>	<b>-4.2%</b>
Authorized FTE Levels	394.0	394.0	394.0	-	-	401.0	7.0	1.8%

*\$ in millions. Totals may vary due to rounding.*

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## Department of Environmental Management

- The Budget increases parking fees at the state lot in the Port of Galilee. The fees are departmental receipts and deposited as general revenue; however, the amount of the fee is determined through department regulation. Based on prior year parking pass sales, the increase is projected to increase general revenues by \$112,188 annually.

- Parking pass does not guarantee a spot

	DEM - Parking Lot Fees in Port of Galilee			Comp #1	Comp #2
	Current	Article	Change		
Resident Annual Parking Pass	\$150	\$300	\$150	\$500	\$798
Nonresident	250	500	250	500	798
Annual Senior Parking Pass	75	150	75	n/a	n/a
Daily Weekend Parking	10	15	5	15	15
Daily Weekday Parking	10	10	-	10	10

*Source: Rhode Island Department of Environmental Management*

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## Department of Environmental Management

- The Budget authorizes 401.0 FTE positions in FY2022, an increase of 7.0 FTE
  - DEM requested 9.0 new FTES positions for FY2022. Based on the March 13, 2021, FTE report
  - DEM has had an average of 5.4 positions (1.4 percent) unfilled during FY2021.
  - According to DEM, prior to COVID, the Department had 100.0 percent of the FTE's filled; however, the hiring freeze has inhibited the filling of subsequent vacancies.

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## Department of Environmental Management

- Ports of Galilee and Newport
  - \$266,109 for 3.0 new FTE positions
    - Chief Implementation Aide (\$105,717)
    - Assistant Superintendent of State Piers (\$85,858)
    - Senior Maintenance Technician (\$74,534)
  - \$271,000 for surveys of infrastructure, such as bulkhead dive surveys and condition assessments; repairs of buildings and roadways; contracted services, such as plumbing and electrical, grounds maintenance; and equipment

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# Department of Environmental Management

- Parks Initiative
  - \$219,459 for 4.0 new FTE positions
    - Senior Civil Engineer position (\$77,709) - beginning January 2022
    - Plumber Supervisor (\$55,731) - beginning October 2021
    - Senior Maintenance Technician (\$51,374) - beginning October 2021
    - Senior Reconciliation Clerk (\$34,645) - beginning October 2021
  - \$211,225, a 4.2 percent increase over the FY2021 Budget as Enacted, to provide for step and benefit rate increases