

Department of Environmental Management

Expenditures By Program	FY2020 Final	FY2021 Enacted	FY2021 Governor	Change from Enacted		FY2022 Governor	Change from 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%
Total	\$84.3	\$109.3	\$109.7	\$25.4	30.2%	\$104.7	(\$4.6)	-4.2%

Expenditures By Source	FY2020 Final	FY2021 Enacted	FY2021 Governor	Change from Enacted		FY2022 Governor	Change from Enacted	
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%
Total	\$84.3	\$109.3	\$109.7	\$25.4	30.2%	\$104.7	(\$4.6)	-4.2%

Authorized FTE Levels	394.0	394.0	394.0	-	-	401.0	7.0	1.8%
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\$ in millions. Totals may vary due to rounding.

The Department of Environmental Management (DEM) is responsible for protecting, managing, and restoring the natural resources of the State. The Department is organized into three divisions: the Office of the Director, the Bureau of Natural Resources, and the Bureau of Environmental Protection.

The Department is charged with supervising and controlling the protection, development, planning, and utilization of the natural resources of the state; the promotion of agriculture and animal husbandry; and, providing for the maintenance of waterways and boating facilities.

MAJOR ISSUES AND TRENDS

The FY2022 Budget includes an all funds decrease of \$4.6 million, or 4.2 percent from the FY2021 Budget as Enacted. The Budget includes a \$3.9 million (9.0 percent) increase in general revenue expenditures, primarily due to the replacement of funds shifted to federal sources due to the pandemic, new investments in the Ports of Galilee and Newport, and additional maintenance and beautification of State parks and beaches. The decrease in federal funds is primarily due to the discontinuation of specific COVID support. The 42.9 percent reduction in other funds is due primarily to the scheduled completion of renovations at the Galilee Piers, and other changes to the Rhode Island Capital Plan (RICAP). As of March 18, 2021, of the 51 employees eligible, 14 employees within the Department had opted to take the Voluntary Retirement Incentive program implemented by the Governor.

The Budget includes revenue the transfer \$1.0 million from the Underground Storage Tank (UST) restricted receipt fund to the general revenue fund in FY2022; however, the Budget does not contain any language to effectuate the transfer. Rhode Island currently has 500 facilities with 1,350 underground storage tanks, all of which pose a potential environmental threat if leakage should occur. The Underground Storage Tank (UST) Clean-up Fund was created in 1994 to provide an effective mechanism for UST owners to comply with financial responsibility requirements, and to insure that the environmental and public health impacts of UST leaks are addressed in an effective and timely manner.

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)
Total	\$4.5	\$4.0

Source: Departmental Environmental Management

Analyst Note: A Governor's Budget Amendment (GBA), dated March 30, 2021, adds language to transfer \$1.0 million from the UST to the State Controller by June 30, 2022.

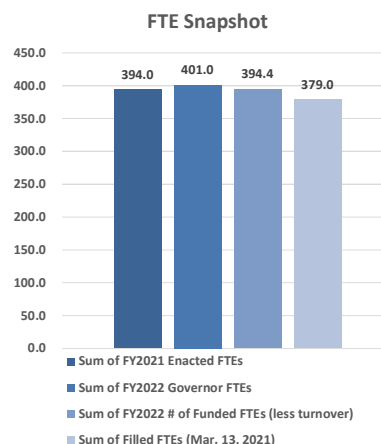
Article 6 allows DEM to set the beach parking fees for facilities in Westerly at a “reasonably determined” amount. Beach parking fees are generally determined by DEM through regulation; however, under current law, the beach parking fees are frozen at 2011 levels until October 1, 2021. Misquamicut is the State’s largest and most popular beach, with over 76.0 percent of the visitors coming from out of state. This beach also has excessive trash problems that require the addition of dumpsters and recycling containers at every exit and an increase in seasonal employees for trash pickup. According to DEM, Misquamicut’s current parking fees are substantially lower than municipal and other beaches in the area and there is strong support from local political and business leaders to increase the parking fee. 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.

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.

Article 7 changes fees related to recreational hunting and fishing, as well as certain agriculture fees, and Article 10 modernizes the commercial fishing licensing system and establishes a dockside program for shellfish packing houses through the Department of Health (DOH)

The Budget authorizes 401.0 FTE positions in FY2022, an increase of 7.0 FTE positions from the FY2021 Budget as Enacted, and 394.0 FTE positions in FY2021, consistent with the enacted level. 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.



OFFICE OF THE DIRECTOR

The Office of the Director includes the Office of Management Services, Legal Services, Administrative Adjudication, and the two central service offices of Human Resources and Information Technology. The Office is responsible for developing and implementing programs to protect the State’s environment, protect citizens from public health threats resulting from pollution, and provide facilities that support outdoor recreational activities.

Office of the Director	General Revenue
FY2021 Enacted	\$7,197,864
Target and Other Adjustments	294,599
FY2022 Governor	\$7,492,463

BUREAU OF NATURAL RESOURCES

The Bureau of Natural Resources is comprised of six divisions which manage the State’s marine, freshwater, and upland resources. The Bureau administers the State’s agriculture programs, state land

acquisitions, and local matching grant programs for outdoor recreation. The Bureau is also responsible for enforcing state laws and regulations governing hunting and fishing, public safety in state parks, and recreational boating; and for administering, maintaining, and operating eight state parks, five campgrounds, seven state beaches, a golf course, the East Bay and Blackstone Bike Paths, and 40,000 acres of state-owned forests. Furthermore, the Bureau is responsible for oversight of all land leases and capital assets of port facilities and commercial fishing piers in Narragansett and Newport.

Bureau of Natural Resources	General Revenue
FY2021 Enacted	\$22,708,134
<i>Target and Other Adjustments</i>	<i>471,079</i>
Enforcement/Criminal Investigation Personnel	1,654,674
Ports of Galilee and Newport (3.0 FTE positions)	537,109
Parks Initiative (4.0 FTE positions)	430,684
Adjustment for One-time COVID Funding	(335,000)
Beach Parking Fees: Payments to Host Communities	190,315
FY2022 Governor	\$25,656,995

Enforcement/Criminal Investigation Personnel **\$1.7 million**

In FY2020 and FY2021, personnel costs in the Enforcement Division were shifted to federal Coronavirus Relief Funds, artificially reducing the budgeted amount in the FY2021 Budget as Enacted. In addition, the FY2022 Budget shifts the personnel costs for the Criminal Investigation Division in to the Enforcement account. The increase relative to the FY2019 Actual Expenditures for both Divisions is \$399,859, an annual average increase of 4.3 percent.

Ports of Galilee and Newport (3.0 FTE positions) **\$537,109**

The Budget provides an increase of \$537,109 over the FY2021 Budget as Enacted for investments in the Ports of Galilee and Newport. From 2019 to 2021, the value of seafood landings at the Port of Galilee has grown from \$42.2 million to \$68.0 million. The Division of Coastal Resources currently has 4.0 FTE positions, and out of total budget of about \$700,000, only \$50,000 is for building and grounds maintenance for the Port of Galilee, Newport Pier 9, and other state piers. Of the total increase, \$266,109 provides a full year of funding for 3.0 new FTE positions including a Chief Implementation Aide (\$105,717), an Assistant Superintendent of State Piers (\$85,858), and a Senior Maintenance Technician (\$74,534). The remaining \$271,000 will be used 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.

Parks Initiative (4.0 FTE positions) **\$430,684**

The Budget provides an increase of \$430,684 in personnel costs in the Parks and Recreation Division and 4.0 new FTE positions, relative to the FY2021 Budget as Enacted. As part of the Transforming State Parks Initiative the FY2020 Budget as Enacted invested new revenue from increased user fees based on recommendations from the 2018 report, *Rhode Island State Parks Organization Management and Operations Study*, created in consult with CHM Governmental Services and PROS Consulting. To continue the investment in state parks, the Budget provides \$219,459 in salaries and benefits for new FTE positions. The positions includes 1.0 FTE senior Civil Engineer position (\$77,709), 1.0 FTE Plumber Supervisor (\$55,731), 1.0 FTE Senior Maintenance Technician (\$51,374), and 1.0 FTE Senior Reconciliation Clerk (\$34,645). The Senior Maintenance Technician is budgeted to begin in January 2022, while the remaining three positions are budgeted to begin in October 2021. The remaining \$211,225 represents a 4.2 percent increase over the FY2021 Budget as Enacted to provide for step and benefit rate increases.

Adjustment for One-time COVID Funding **(\$335,000)**

The Budget reduces operating costs for safety expenses within the Division of Parks and Recreation to reflect one-time expenses related to the pandemic. In the FY2021 Budget as Enacted, additional operating

funding was provided for expenditures necessary to operate State beaches and parks in compliance with public health and social distancing guidelines, such as PPE, hand sanitizer, cleaning supplies, signage about social distancing and other safety protocols, as well as other purchases related to COVID-19.

Beach Parking Fees: Payments to Host Communities

\$190,315

The Budget includes an increase of \$190,315 in beach parking fees paid to host communities. Article 6 allows the Department of Environmental Management (DEM) to set the beach parking fees for facilities in Westerly at a “reasonably determined” amount. Beach parking fees are generally determined by DEM through regulation; however, under current law, the beach parking fees are frozen at 2011 levels until October 1, 2021.

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) retained by the State as general revenue. The Budget also includes an additional \$33,000 in payments to host communities due to increased beach visitation across State beaches.

Analyst Note: A Governor’s Budget Amendment (GBA), dated April 19, 2021, adjusted the revenue from the parking fee change at Misquamicut Beach in Westerly from \$621,634 to \$595,372, in consultation with DEM. Of this total, 27.0 percent (\$160,750) would be remitted to the host community, Westerly, and 73.0 percent (\$434,622) retained by the State as general revenue.

Misquamicut is the State’s largest and most popular beach, with over 76.0 percent of the visitors coming from out of state. This beach also has excessive trash problems that require the addition of dumpsters and recycling containers at every exit and an increase in seasonal employees for trash pickup. According to DEM, Misquamicut’s current parking fees are substantially lower than municipal and other beaches in the area and there is strong support from local political and business leaders to increase the parking fee. The actual fees will be determined through the public regulatory process. The increase in revenue would support additional staffing and maintenance.

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

Bureau of Environmental Protection

The Bureau of Environmental Protection is comprised of six programs which are responsible for regulating and protecting water resources; protecting and improving air resources; regulating the transportation and disposal of solid, medical and hazardous waste, and investigating and remediating unpermitted release of those materials; responding to emergency spills of oil and chemicals that present an immediate danger to public health and environment; and assisting the public by coordinating the review of projects requiring multiple applications and permits, and tracking the status of permitting activities throughout the Bureau.

Bureau of Environmental Protection	General Revenue
FY2021 Enacted	\$12,863,971
<i>Target and Other Adjustments</i>	307,553
Restoration of Workshare Savings	316,392
FY2022 Governor	\$13,487,916

Restoration of Workshare Savings

\$316,392

The Budget restores \$316,392 in general revenue workshare savings for 56 employees within the Division. The FY2021 Budget as Enacted included \$445,936 in general revenue personnel savings throughout the Department from furloughed employees eligible to participate in the State’s Workshare program. Approximately 1,600 state employees participated in the program, which included 92 employees throughout DEM. The Workshare program allowed the State to achieve the savings in the wake of the

devastating financial impact of COVID-19. Through this program, eligible full-time employees were allowed to work 60.0 percent of their regular weekly hours (three business days) from June 14, 2020, to September 5, 2020.

CAPITAL PROJECTS

The Budget includes a total of \$6.4 million in capital expenditures from Rhode Island Capital Plan (RICAP) funds in FY2022 and \$12.3 million in FY2021, a decrease of \$6.2 million and \$350,000, respectively, compared to the enacted budget. The decrease in FY2022 is primarily due to the scheduled completion of projects at Galilee Piers in FY2021. Major RICAP funded projects include:

- \$1.3 million in FY2021 and \$3.2 million in FY2022 for infrastructure and facility improvements at State parks and management areas. The projects include renovations to Colt Stone Barn, construction of a maintenance building at Fort Adams State Park, traffic management plan at State beaches, expansion of camping infrastructure, and updating sanitary provisions at recreational facilities.
- \$9.3 million in FY2021 and \$1.4 million in FY2022 for repairs to the Galilee Piers. The Port of Galilee is home to 170 commercial fishing vessels and provides affordable berthing spaces close to wholesale and retail seafood processing businesses. Since 2009, the Department has rebuilt numerous piers, as well as the southwest and northwest bulkhead. Current work is focused on the North Bulkhead and Docks AA-QQ. The North Bulkhead is more than 50 years old and includes 16 piers along its 1,500 foot length. The piers include berthing for vessels and businesses such as RI Engine, which provides regional vessel services, and Sea Freeze, a fish processing house with worldwide shipping.
- \$90,000 in FY2022 for repairs to “high-hazard” State-owned dams. Beginning in FY2020, most of the funding is shifting to the new general obligation Green Economy Bonds proceeds. Currently, four dams are in some stage of investigation, design, and permitting. Silver Spring Lake is in permitting phase. Stillwater Reservoir is under repair. Browning Mill and Lower Current are in design. The Wyoming Pond Dam is in construction solicitation stage with construction beginning late in spring/summer 2021.
- \$594,191 in FY2021 and \$500,000 in FY2022 for the Blackstone Valley bike path. This project provides funds to the Friends of the Blackstone River for improvements to areas around the Blackstone River Valley focused on enhancing river access and safety, and complimenting the State’s efforts to improve this river corridor. The Friends of the Blackstone River is a non-profit organization, recognized by the Rhode Island Rivers Council and dedicated to making the Blackstone River fishable and swimmable.