

State of Rhode Island and Providence Plantations

# Executive Summary



## Fiscal Year 2015

Lincoln D. Chafee, Governor

**Dedication**

*This year's budget documents are dedicated to the  
Memory of William V. Golas, Jr.  
Sr. Budget Analyst 1987 - 2013*

*The image on the cover of this year's budget document is a Winter Scene of the State House from Artist John Pitocco of Providence and is reproduced by permission of the artist in collaboration with the Rhode Island State Council on the Arts.*

# **Natural Resources**



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# Natural Resources

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## *Summary*

The Natural Resources function includes the Department of Environmental Management and the Coastal Resources Management Council. The Governor recommends total full-time equivalent positions of 428.0 in FY 2014 and FY 2015 for the Natural Resource function. Up to 350 temporary positions may also be used for seasonal support at state parks and beaches. Certain debt service for general obligation bonds issued to finance capital projects for the Narragansett Bay Commission and the Rhode Island Clean Water Finance Agency are appropriated in the Department of Administration, though the agencies themselves are not part of the State Budget.

The Department of Environmental Management manages and protects Rhode Island's public and common natural assets, including land, air and water resources. It manages state-owned lands, including state parks and beaches, forests, port facilities, and fish and wildlife management areas. The Department administers a capital management program financed by general obligation bonds, funds from the Rhode Island Capital Plan Fund, federal funds, restricted receipts and third-party sources (for land acquisition). Capital program activities include: acquiring and developing recreational, open space and agricultural lands; municipal and non-profit grant programs for land acquisition and development; improvements to state-owned ports and recreation facilities; Superfund federal mandates; construction of new state environmental facilities; municipal wastewater facility construction grant programs; and grants to non-governmental entities for specified water quality improvement projects. The Department also monitors the use and quality of state groundwater; regulates discharges and uses of surface fresh and salt water; enforces game, fishing and boating regulations; coordinates a statewide forest fire protection plan; regulates air quality; and monitors the disposal of solid and hazardous wastes.

The Governor's FY 2015 Budget includes a 'Jobs for a Beautiful Rhode Island' initiative. This proposal, a general obligation bond authorization to be placed on the November 2014 ballot, would promote a Beautiful Rhode Island by investing in infrastructure to ensure that our environment can support the growth of tourism and natural resource based economic development. This bond would serve as a catalyst for investment and growth in the sectors most dependent on a healthy, thriving environment by creating jobs, supporting economic growth, providing resiliency and security to our local communities, and ensuring public safety and public resources. The general obligation bond authorization of \$75.0 million would encompass \$40.0 million for the Department of Environmental Management to use for the continuation of land acquisition, rehabilitation, and an array of other 'green' projects; \$20.0 million for clean water infrastructure; and \$15.0 million for water facilities assistance.

The Coastal Resource Management Council seeks to preserve, protect and restore the coastal resources of the state. The Council is administered by sixteen appointed representatives from the public and from state and local government, and is staffed with professional engineers, biologists, coastal policy analysts, marine resources and infrastructure specialists, an aquaculture and dredging coordinator, environmental scientists and administrative support staff. The Council issues permits regarding proposed changes in coastal facilities within an area from three miles offshore to two hundred feet inland from coastal features, including all freshwater wetlands within the coastal zone. The council formulates, amends, and enforces violations of the Rhode Island Coastal Resources Management and Special Area Management plans. The council develops guidelines and advises communities on harbor management plans; develops a Submerged Lands Management Licensing program for public trust areas; designates public rights-of-way to the shore; and serves as the aquaculture coordinator for permitting and planning actions. The Council is the lead agency for all dredging and implements an extensive habitat restoration effort. It also conducts public outreach and public communication campaigns on its programs and activities, and coordinates its programs with other government agencies.

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## Natural Resources

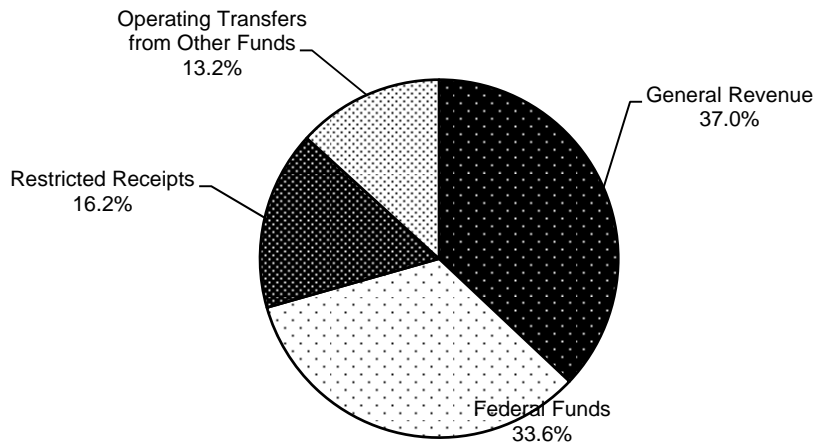
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The Governor's FY 2014 revised budget in all funds for all natural resource agencies is \$112.3 million, a decrease of \$8.6 million from the FY 2014 enacted appropriation of \$120.9 million. Of this amount, \$36.4 million, or 32.4 percent, is from general revenue, \$38.4 million, or 34.2 percent, is from federal funds, \$19.2 million, or 17.1 percent, is from restricted receipts, and \$18.3 million, or 16.3 percent, is from other funds. General revenues decrease by \$568,711, or 1.5 percent, federal funds decrease by \$2.1 million, or 5.2 percent, restricted receipts increase by \$694,953, or 3.8 percent, and operating transfers from other funds decreased by \$6.6 million, or 26.6 percent below the enacted level.

Of the \$112.3 million recommended for Natural Resources in FY 2014, personnel is budgeted at \$57.9 million, or 51.6 percent; operating at \$12.9 million, or 11.5 percent; assistance, grants, and benefits at \$6.4 million, or 5.7 percent; capital improvements at \$35.0 million, or 31.1 percent; and operating transfers at \$50,000, or 0.1 percent.

The Governor's FY 2015 Budget from all funds for Natural Resource agencies is \$100.1 million, a decrease of \$20.8 million from the FY 2014 enacted appropriation of \$120.9 million. Of this amount, \$37.1 million, or 37.0 percent, is from general revenue; \$33.6 million, or 33.6 percent, is from federal funds; \$16.2 million, or 16.2 percent, is from restricted receipts; and \$13.2 million, or 13.2 percent, is from operating transfers from other funds. General revenues increase by \$124,994 or 0.3 percent, federal funds decrease by \$7.0 million, or 17.2 percent, restricted receipts decrease by \$2.3 million, or 12.3 percent, and other funds decrease by \$11.7 million, or 46.9 percent, under the enacted level.

**How it is Financed**

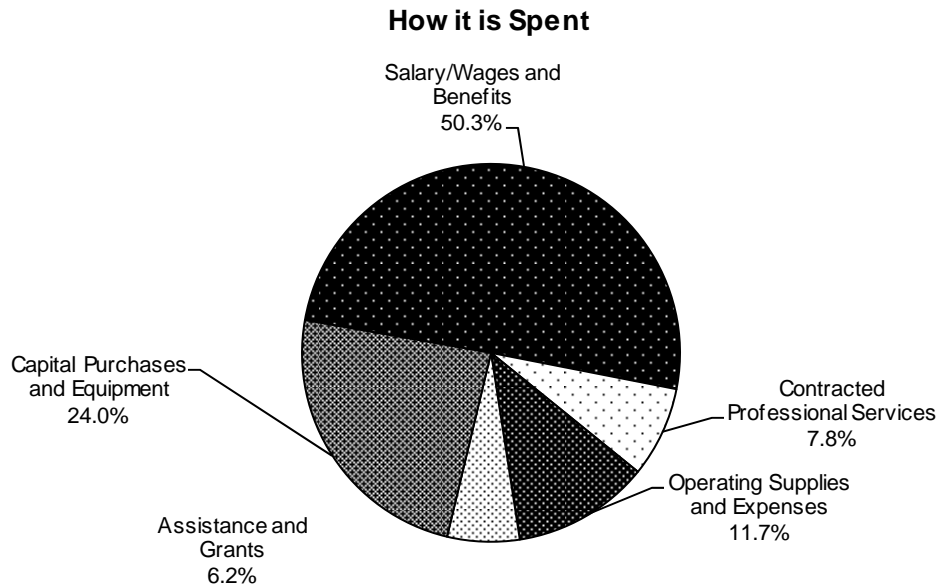


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# Natural Resources

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Of the \$100.1 million recommended for Natural Resources for FY 2015, personnel is budgeted at \$58.1 million, or 58.0 percent; operating at \$11.7 million, or 11.7 percent; assistance, grants, and benefits at \$6.2 million, or 6.2 percent; capital improvements at \$24.0 million, or 24.0 percent; and operating transfers at \$50,000, or 0.1 percent.



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# Natural Resources

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## *Environmental Management*

The Governor's revised FY 2014 Budget for the Department of Environmental Management is \$107.5 million, including \$34.2 million in general revenue, \$36.1 million in federal funds, \$18.9 million in restricted receipts, and \$18.3 million in other funds. This represents a total decrease of \$8.7 million from the enacted budget of \$116.2 million. Funding changes include reductions of \$553,116, or 1.6 percent, in general revenue expenditures; \$2.3 million, or 5.9 percent, in federal funds expenditures; and \$6.7 million, or 26.8 percent, in other funds. There is an increase of \$819,935, or 4.5 percent, in restricted receipts.

The reduction of \$553,116 in general revenue appropriations includes a net savings of \$157,940 for employee benefits due to rate changes in medical health insurance and retiree health and a medical contract savings. There is department-wide personnel turnover savings of \$65,799 and a reduction of \$19,650 for contract services. Other major changes within the Department include a reduction of \$264,227 for operating expenditures and \$45,500 for grants and benefits.

The Governor's federal funds recommendation includes a reduction of \$2.3 million from the FY 2014 enacted level. The majority of this reduction, or \$2.6 million, is related to contract services, which brings spending more in line with historical levels. The recommendation also includes decreases of \$401,640 in capital purchases and equipment, \$187,118 for salaries and benefits, and \$105,000 in grants and benefits. There is an increase of \$986,143 in operating expenditures.

The Governor's recommendation for restricted receipts totals \$18.9 million in FY 2014, an increase of \$819,935 from the enacted FY 2014 Budget of \$18.1 million. This increase includes an additional \$416,488 for salaries and benefits, most of which is in the Bureau of Environmental Protection in the Compliance and Inspection division. Other major changes to restricted receipts include an addition of \$138,206 for contract services, \$156,490 for grants and benefits, and \$117,430 for capital purchases and equipment.

The Governor's recommendation for other funds totals \$18.3 million in FY 2014, which is a decrease of \$6.7 million from the enacted FY 2014 Budget. There is a reduction of \$2.5 million for retro-fit heavy duty diesel vehicles funded by the Department of Transportation. Rhode Island Capital Plan Fund financing includes a shift of \$2.6 million from FY 2014 to FY 2015 for the World War II Park Facility, a shift of \$1.4 million from FY 2014 to FY 2015 for the Natural Resources Office/ Visitors Center, and a total reduction of \$945,955 for shifts of funding to out years for the Recreation Facilities Improvement project, Blackstone Valley Bike Path, and Newport and Galilee Pier Upgrades.

One of the top priorities of the Department of Environmental Management is improving customer service. A critical component of this effort is the Department's Lean Government Initiative to reduce waste, standardize processes, and produce clear, predictable, and reliable regulations, while maintaining environmental protection standards. The next phase of the Lean effort, including development of a permit application center and the streamlining of processes in the Natural Resources program, is underway in FY 2014 and continues into FY 2015.

The Governor's FY 2015 budget for the Department of Environmental Management is \$95.8 million, which includes \$34.9 million in general revenue, \$31.8 million in federal funds, \$15.9 million in restricted receipts, and \$13.2 million in other funds. This represents a total decrease of \$20.4 million from the FY 2014 enacted budget of \$116.2 million and includes an increase of \$113,787 or 0.3 percent, in general revenue expenditures; a decrease of \$6.6 million, or 17.2 percent, in federal funds expenditures; a decrease of \$2.1 million, or 11.9 percent, in restricted receipts; and a decrease of \$11.7 million, or 46.9 percent, in other funds.



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The increase of \$113,787 in general revenue appropriations from the enacted FY 2014 Budget primarily reflects additional financing for personnel for salary increases due to step increases and statewide benefit adjustments. On a categorical basis, general revenue increased by \$408,334 for personnel expenses and \$8,570 for capital purchases and equipment. These increases were somewhat offset by reductions of \$240,072 for operating expenses, \$42,455 for grants and benefits, and \$20,600 for contract services.

The Governor's recommendation for federal funds totals \$31.8 million in FY 2015 and reflects a decrease of \$6.6 million from the enacted FY 2014 Budget of \$38.4 million. This recommendation includes a reduction of \$3.1 million for contract services, which brings spending more in line with historical levels. Capital purchases and equipment decreases by \$4.3 million and includes decreases of \$2.7 million for the Rhode Island Commercial Fishing Infrastructure; \$600,000 for Wildlife Development; and a total of \$1.0 million for Outdoor Recreation Projects and North American Wetlands Conservation, which reflects the expiration of funding for these grants. Other changes to federal financing includes an increase of \$196,495 for salaries and benefits, a decrease of \$193,227 for operating expenses, and an increase of \$742,003 for grants and benefits.

The Governor's recommendation for restricted receipts totals \$15.9 million in FY 2015, which is a decrease of \$2.1 million from the enacted FY 2014 Budget of \$18.1 million. The majority of the change in restricted receipts is related to a decrease of \$2.2 million in capital purchases and equipment for the Fort Adams project, which was a grant provided by Sail Newport in FY 2014 to undertake construction of a Sailing Training Facility, which is expected to be completed by the end of the fiscal year. Further changes to restricted receipts include increases of \$109,430 for other capital purchases and \$259,363 for personnel expenditures and decreases of \$71,200 for contract services, \$13,762 for operating expenditures, and \$230,357 for grants and benefits.

The Governor's recommendation for other funds totals \$13.2 million in FY 2015, which is a decrease of \$11.7 million from the enacted FY 2014 Budget of \$24.9 million. The major changes for the Department include decreases in Rhode Island Capital Plan Fund resources of \$3.0 million for Recreational Projects, \$2.2 million for the Galilee Pier projects, \$2.5 million for Rocky Point, \$1.4 million for Fort Adams Sailing Infrastructure, and a total of \$1.2 million for Dam Repair, Fort Adams Rehabilitation, and Blackstone Valley Bike Path, as projects are either completed or funding is brought in line with annual requirements. These reductions reflect the culmination or near completion of projects. There is also a reduction \$2.8 million for Retrofit Heavy-Duty Diesel Vehicles, which is provided by the Department of Transportation. The Governor's recommendation includes funding of \$625,100 from the Rhode Island Capital Plan Fund for the Natural Resource Office/Visitor's Center and a new telephone system for the Department. Also included in the recommendation for other funds is an increase of \$743,850 for DOT Recreational Projects.

In FY 2015, the Department will continue its focus on improving facilities and increasing enjoyment and use of public lands. This effort is augmented by the Department's successful Great Outdoors Pursuit program, which attracts thousands of Rhode Islanders to the Department of Environmental Management's public lands each year.

The Governor's recommendation for the FY 2015 Budget includes a proposal for 'Jobs for a Beautiful Rhode Island,' which would permit a \$75.0 million general obligation bond authorization to be placed on the November 2014 ballot. This initiative would promote economic growth, expand the job market in the areas of agriculture and the fishing industry, enhance the attractiveness of our State, and provide safer communities by investing in the infrastructure of Rhode Island. The Department would use \$40.0 million of this bond authorization for continued development in open space and land protection, farmland preservation and acquisition, local land acquisition and recreation development, lake recreation and restoration, distressed community recreation grants, facilities improvements, marine infrastructure and

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pier development, brownfield remediation, 'green' infrastructure, flood prevention, local agriculture and seafood grants, and a shellfish management and restoration facility.

The Governor recommends 399.0 FTE positions for the revised FY 2014 and FY 2015 budgets, which is consistent with the FY 2014 enacted budget.

### *Coastal Resources Management Council*

The Governor's revised FY 2014 Budget for the Coastal Resources Management Council is \$4.8 million. This includes \$2.2 million of general revenue, \$2.3 million of federal funds, \$250,000 in restricted receipts and \$50,000 from the Rhode Island Capital Plan Fund. General revenue decreases by \$6,241, while federal funds increase by \$26,690, from the enacted level. General revenue personnel expenditures are level funded for 18.0 FTE positions, and include a net reduction of \$13,202 for planning and contract adjustments in medical benefits and retiree health.

Federal funds increase by \$60,430 in the federal funded portion of personnel (11.0 FTE positions) and operating expenditures. Funding for six other federal grants decrease by \$33,720. Two grants (Narragansett Bay Habitat Restoration Planning and R.I. River Ecosystem Restoration) reflect revised expenditure scheduling, including the latter, which is funded by American Recovery and Reinvestment Act stimulus funds to construct four fish ladders and remove two dams. The budget also includes three federal grants that fund development work for the Northeast Regional Ocean Council, classification of marine habitats in other New England states, and planning work on coastal and marine habitat adaptation to rising sea levels. In addition, the Governor recommends expenditure schedule revisions of the Aquatic Invasive Species federal grant (a \$6,007 increase).

The Governor recommends \$250,000 in restricted receipt expenditures for the Coastal and Estuary Habitat Restoration Program and Trust fund from the Oil Spill Prevention, Administration and Response Fund, to be spent on specific projects to rehabilitate coastal habitats. The Governor recommends Rhode Island Capital Plan Fund financing of \$50,000 to construct a secure boat storage facility. The South Coast Restoration Project, to include the Charlestown Breachway Hazard Mitigation project, has been transferred to Federal Emergency Management Agency federal funds and state match funds from the Rhode Island Capital Plan Fund, under the Hurricane Sandy Clean-Up project in the Rhode Island Emergency Management Agency.

In the FY 2015 budget, the Governor recommends \$4.2 million, including \$2.2 million of general revenue, \$1.8 million of federal funds, and \$250,000 in restricted receipts. The general revenue budget increases by \$11,207 from the enacted budget, reflecting statewide target adjustments, including revisions in retirement, statewide benefit assessments, health benefit and retiree health rates, as well as reductions reflecting medical contract savings. Federal Funds decrease by \$357,980 from the enacted level, reflecting primarily the expected completion of work on the River Ecosystem Restoration and the Marine Habitat Characterization federal grants (a \$432,536 decrease) and revised expenditure estimates for the Narragansett Bay Habitat Restoration project (a \$120,819 increase).

The FTE position authorization for the Council is unchanged at 29.0 FTE positions for FY 2014 and FY 2015. The staff includes engineers, environmental scientists, coastal policy analysts, marine resources and infrastructure specialists, an aquaculture and dredging coordinator, as well as administrative support staff.