

Department Key Budget Issues

The Department of Environmental Conservation (DEC) FY'17 budget reflects a substantial reduction of general funds from FY'16 to FY'17. Within this reduction, we are also managing upward pressures and achieving strategic priorities through a combination of efficiency measures and a reduction in operating costs related to savings we expect to realize due to reduced fuel costs. The budget includes a decline of approximately \$981,000 in general funds due mainly to the labor savings adjustments that occurred during FY'16 (\$722,000) and the annualized general fund share, of the retirement savings (\$286,000).

The additional savings that are anticipated in our special funds and federal funds due to retirements has been reallocated to cover increased operating costs and anticipated budget pressures in FY'17. This shift allows us to avoid further workforce and program reductions. The Agency of Transportation is also proposing a fee modification aimed at enabling the Department to maintain a consistent level of service in our air programs and meet critical strategic air and climate priorities. The Department continues to advance business process improvement strategies to curb against the impacts of these reductions.

Our budget this year will also show an increase in spending authority for our clean water and drinking water state revolving loan programs. We had been using an on-demand spending authority method that required a complex back-office process involving the need to forecast demand several times a year. As a result of a recent Lean event, we discovered that we can radically simplify the process by including the loan programs in our budget.

The Department continues to strive to meet our obligations to protect Vermont's air, water and soil, while providing effective and efficient service to the regulated community and the public.