

Proposed FY22 DEC Budget Overview

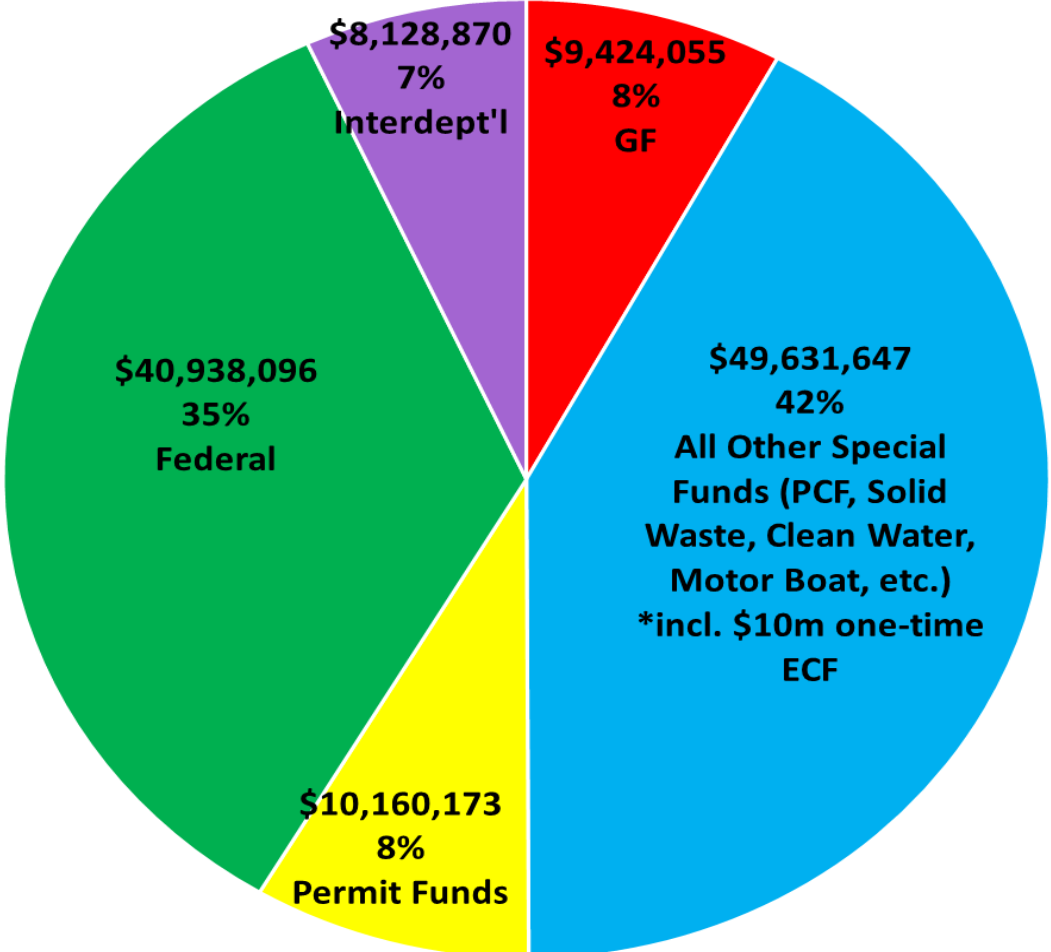
Senate Appropriations Committee
February 19, 2021

Topics Covered

- FY22 Governor's Recommended Budget by Funding Source and by Expenditure
- FY22 Budget Summary
- Positions/Vacancy Savings
- One-time Investments
- Ups and Downs Chart

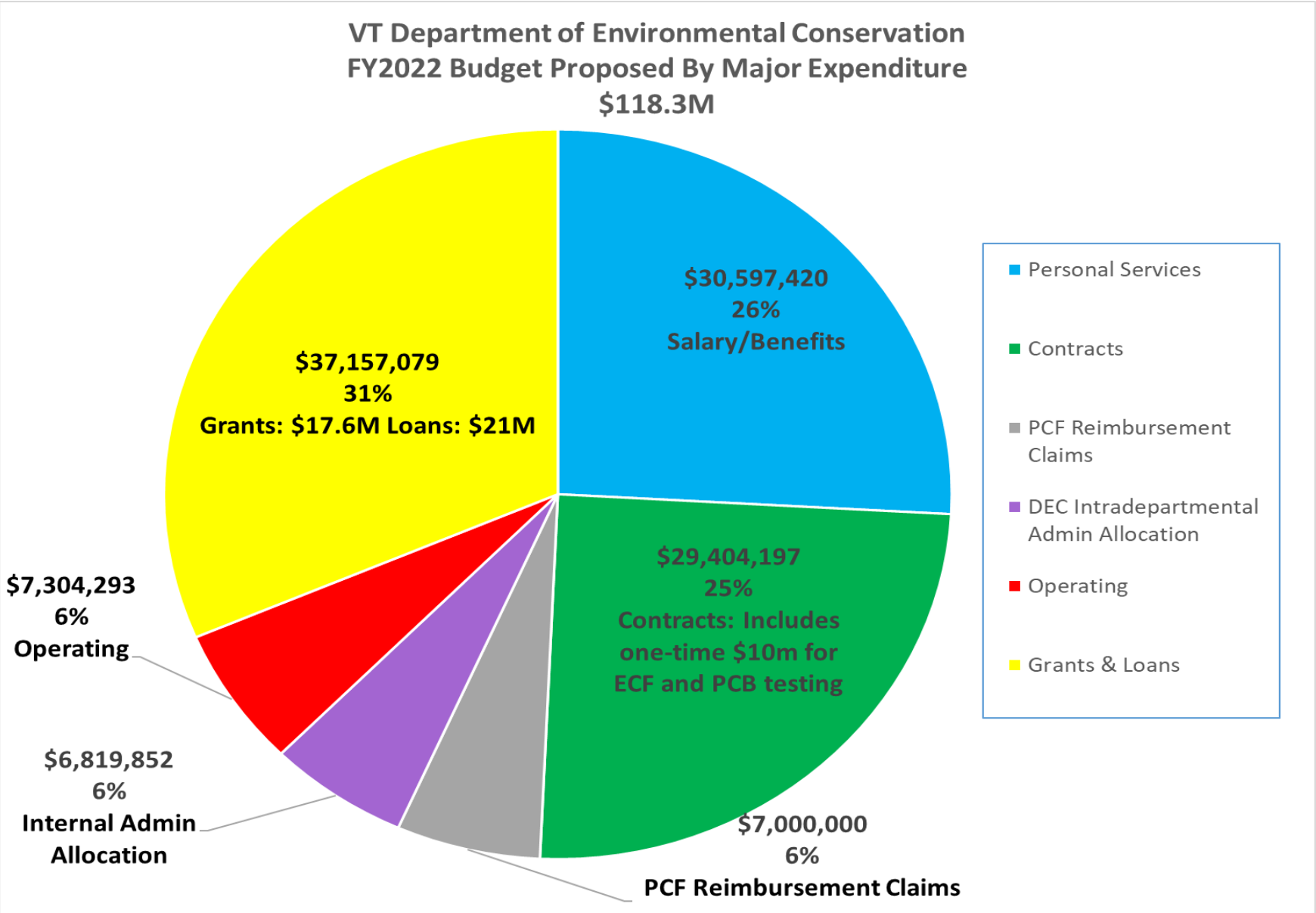
FY22 Proposed Budget by Funding Source

VT Department of Environmental Conservation
FY2022 Budget Appropriated By Major Funding Source w/Permit Fund Splits
from Special Funds
\$118.3M



- General Funds
- Special Funds
- Fund 21295 - Permit Fund
- Federal Funds
- Interdepartmental

FY22 Proposed Budget by Expenditure



FY22 Proposed Budget Summary

- Annualized salary and benefit (Pay Act) increase of \$287k across all DEC funding sources
- Budgeted vacancy savings for FY22 at \$1.35m across all funding sources
- Reduction of five vacant positions within various programs to help absorb ongoing operational costs along with level to declining revenues
- Overall change in annual adjustments related to pass-through grants and contracts for a net increase of \$3.8m (i.e., Lake Champlain Basin Program Grant, Clean Water Fund, etc.)
- Decrease of \$335k in various operating expenditures across all the DEC
- Transfer of \$50k to ANR-CO for portion of position for ANR Diversity, Equity and Civil Rights
- Transfer of DEC Legal Services positions to the ANR Central Office to provide increased flexibility at the ANR level for allocating legal resources as needed back to departments (net neutral to the DEC)

FY22 Positions/Vacancy Savings

- Total FY22 Budgeted Vacancy Savings: \$1.35m
- Two vacant positions not budgeted, and position numbers transferred to ANR Central Office
 - Legal Services Position
 - AID BTI Position → ANR DEI/Civil Rights/EJ Position (with only \$50k GF)
- Three vacant WSMD positions not budgeted

One-Time DEC Investment Proposals

- Brownfields (shared with ACCD) - \$25m to clean up contaminated sites
- Environmental Contingency Fund - \$10m to ensure longevity of the fund and to provide funding for PCB testing in schools
- Clean Water Fund - \$1.05m beyond original FY22 planned budget due to one-time increase in projected property transfer tax surcharge revenue
- Permit Navigator Phase Two - \$1m to expand the capacity of the system for staff to be able to track interactions with applicants and manage workflows

One-Time Investments (DEC-Adjacent)

- \$25m in weatherization
 - \$4m additional over two years to DCF to weatherize more low-income housing units
 - \$5m to BGS to provide for a revolving loan fund for municipalities to make energy efficiency improvements
 - \$16m to Vermont Housing Finance Authority to develop innovative financing strategies to help more low- and moderate-income Vermonters be able to afford projects and to support workforce training needs
- \$10m in low- and moderate-income community solar projects
- \$5m in EV incentives, cash for clunkers, charging infrastructure, etc.

Fiscal Year 2022 Development Form - Department of Environmental Conservation

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
FY 2021 Appropriated Budget	9,549,909	48,914,988	38,170,383	8,346,159	104,981,439
Decrease due to removal of one time funding from Act 154 Sec. B.1100(a)(2) - \$10K of one-time funds for grant to Town of Chittenden for warning sirens for towns near the Chittenden Reservoir in the event it is breached	(10,000)				(10,000)
FY 2021 Appropriated Budget	9,539,909	48,914,988	38,170,383	8,346,159	104,971,439
Net change in salary/benefits from FY21 Restated Budget to FY22 across all funding sources and appropriations	92,105	598,157	(193,646)	(209,259)	287,357
Transfer of one position from Environmental Compliance Division in Management & Support Services appropriation to Watershed Management Division in the Office of Waters appropriation with funding - net neutral	0	0	0	0	0
Reallocation of DEC's FY22 vacancy savings by FTE count across all appropriations - net neutral	0	70,434	0	(70,434)	0
Cut one vacant position in Administration & Innovation Division - Business Transformation Initiative Program (660414) to leverage portion of general fund savings (\$44K~) needed for salary/benefit increases from FY21 Restated Budget to FY22	(44,433)	0	0	0	(44,433)
Transfer of \$50K General Fund to ANR Central Office to fund portion of position for ANR Diversity, Equity and Civil Rights efforts - net neutral within ANR	(50,000)	0	0	0	(50,000)
Cut one vacant staff attorney position in DEC Legal Division (667019) to leverage savings needed for FY22 budget. Position is transferred to ANR Central Office no funding	0	0	0	(134,360)	(134,360)
Cut three vacant positions in DEC's Watershed Management Division: 2 in Wastewater/Direct Discharge Program and 1 in Lakes & Ponds Program (660127, 660447, 660417) to leverage savings needed for salary/benefit increases from FY21 Restated Budget to FY22 (Per guidance from F&M, this needs to be reflected as an increase in vacancy savings in Vantage)	0	(281,102)	0	0	(281,102)
Decrease of salary/benefit costs for the transfer of the DEC Legal Division (7 attorney positions) from DEC to the ANR Central Office - legal services will be delivered under billing model back to DEC - net neutral	0	(43,560)	0	(873,494)	(917,054)
Increase in contracts due to the move of attorneys centralizing them within ANR Central Office - staff costs for legal services will be billed to DEC and paid for as contract line item (act #507200) - net neutral			0	917,054	917,054
Increase in contracts related to a \$10m one-time GF appropriation that will ensure the long-term solvency of the Environmental Contingency Fund as well as help to address emerging issues such as PCB testing in schools.	0	10,000,000	0	0	10,000,000
Net change in contracts due to annual fluctuation in activity and funding: Decrease in GF due to transfer of MOU with the Attorney General's Office to be included in the administrative services spread in Intradepartmental funds (\$-55K); reduction in special funds due to reallocation of \$-20K from contracts to grants in Geology; reduction in e-Waste contracted services (\$-759K), increase in clean water fund contracts (\$918K) and the transfer of (\$-900K~) of the Volkswagen settlement funds from contracts to grants; increase in federal funds due mainly to increase in the U.S. EPA's Lake Champlain Basin Grant for pass through related projects (\$3.37M~) regarding TMDL implementation efforts and increase in Drinking Water SRF federal set-aside funded contract activity (\$353K). See appropriation Budget Development Form report for all appropriation level details.	(55,000)	(325,552)	3,560,095	55,000	3,234,543
Increase in other personal services due to a new grant received from the United Nations Climate Alliance - grant has been received fall of 2020 and is in the AA-1 routing process with AoA/JFC for approval and request for new limited service position that grant is intended to fund	0	103,000	0	0	103,000
DEC Legal Division reduction of related operating costs and funding transferring to ANR Central Office (includes NL lease cost for associated positions) - net neutral within ANR	(50,190)	0	0	0	(50,190)
Transfer of leased office space funding for the Rutland Asa Bloomer Regional Office to ANR Central Office for centralized budget and payment of this entire regional office expense across all of ANR - net neutral within ANR	(10,135)	0	0	0	(10,135)
Net changes in operating costs and related funding sources from FY21 Restated Budget to FY22. See appropriation Budget Development Form report for all appropriation level details.	(3,347)	(97,876)	(336,736)	102,237	(335,722)
Reduction of Internal Service Fund Allocation Charges (ADS SLA Allocation ↓ \$-6,857; DHR Allocation ↓ \$- 1,182; FFS \$16,787; VISION Allocation ↓ \$-10,541; W/C \$14,576; Liability Ins ↓ \$-4,831; Property Ins ↓ \$-2,828)	(5,854)	(1,953)	0	(14,033)	(21,840)
Net change in grants due to annual fluctuation in activity and funding: Increase in special funds due mostly to reallocation for the Volkswagen settlement funds (\$900K) from contracts in FY21 over to grants in FY22 and other annual project activity/funding fluctuations. See appropriation Budget Development Form report for all appropriation level details.	11,000	855,284	(262,000)	10,000	614,284
TOTAL INCREASES/DECREASES	(115,854)	10,876,832	2,767,713	(217,289)	13,311,402
Environmental Conservation FY 2022 Governor Recommend Budget	9,424,055	59,791,820	40,938,096	8,128,870	118,282,841