

New Hampshire Department of Environmental Services

FY 22/23 Budget Presentation for Senate Finance Committee

April 12, 2021



NHDES Mission Statement

... to help sustain a high quality of life for all citizens by protecting and restoring the environment and public health in New Hampshire.

... Recognizing that a strong economy and a healthy environment go hand in hand!

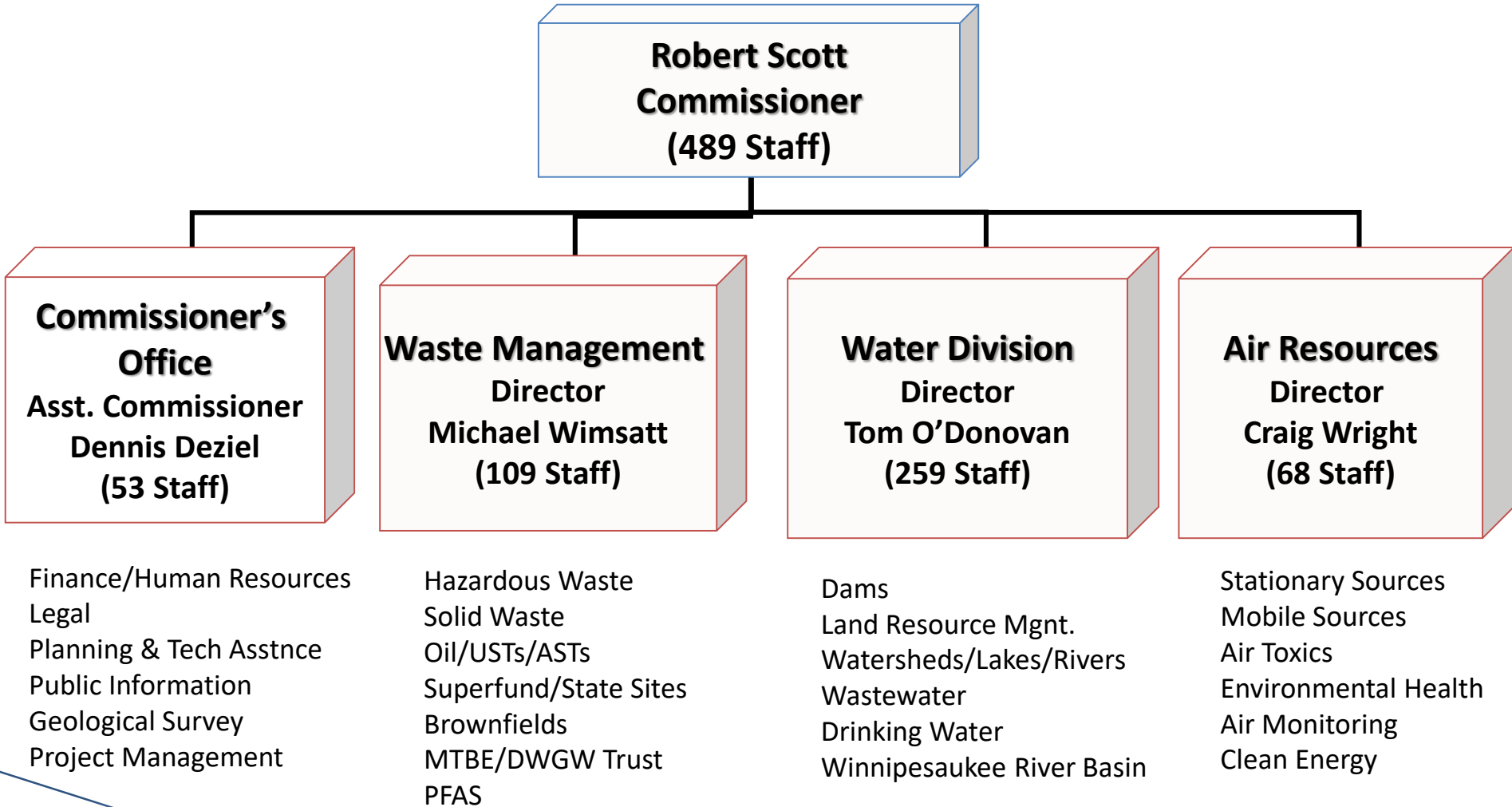


NHDES Core Functions

- **Ensure high levels of water quality for water supplies, ecological balance, and recreational benefits**
- **Manage water resources for future generations**
- **Regulate the emissions of air pollutants and ensure air pollution levels are below federal standards**
- **Foster the proper use and management of materials & waste**
- **Remediate and reuse contaminated sites**
- **Emergency Preparedness and Response**



NH Department of Environmental Services



Significant Department-Wide Activities

- ▶ Water/Air/Soil contamination
 - PFAS, Arsenic, etc
- ▶ Infrastructure
 - DWGTF, DWSRF, CWSRF
- ▶ Wetlands and land management improvements
- ▶ Improving data and management systems
- ▶ Addressing Emerging Contaminants

DWGTF – Drinking Water/Groundwater Trust Fund

DWSRF – Drinking Water State Revolving Fund

CWSRF – Clean Water State Revolving Fund



NHDES Budget Highlights

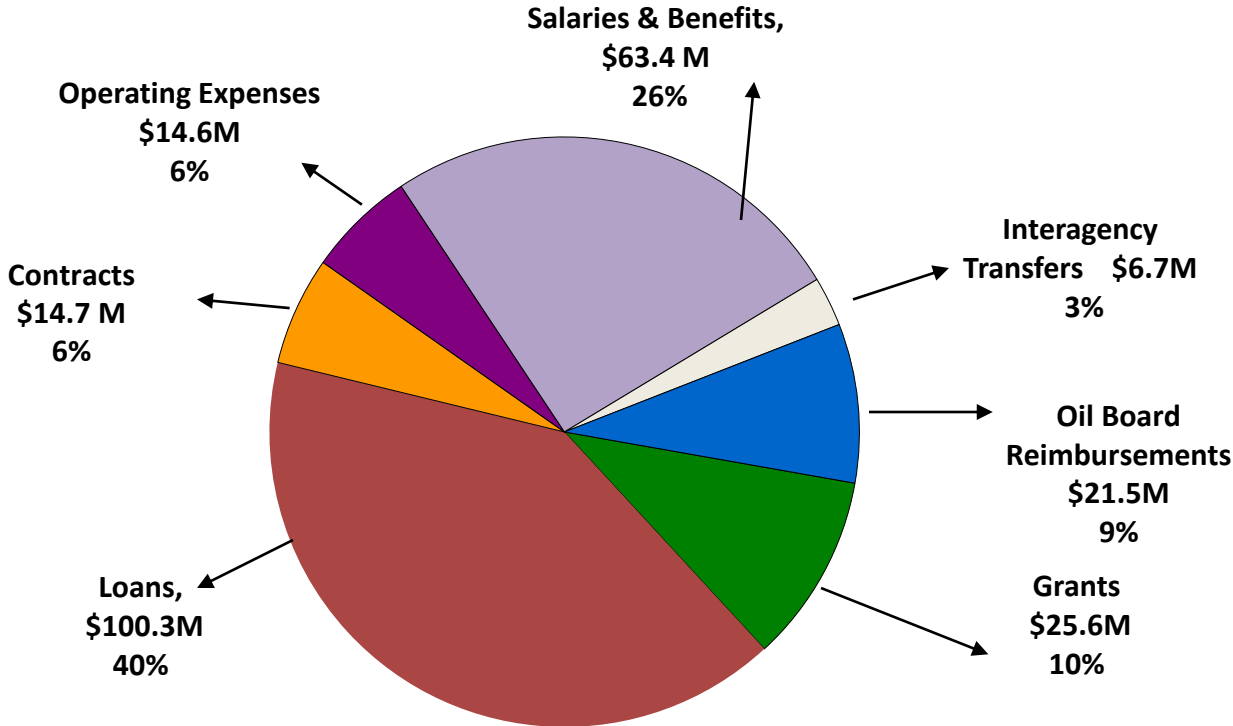
- ▶ Operating Budget: \$246.7 million for FY22 and \$250.8 million for FY23 (reflects House adjustment)
- ▶ 489 authorized positions
- ▶ Annually take 21,000 permit actions, conduct 16,500 inspections
- ▶ Administer 93 types of permits/approvals
- ▶ Implement 35+ state laws
- ▶ Manage over 115 federal grants
- ▶ Manage over 40 Dedicated Fund programs



FY 2022 -- Uses of Funds

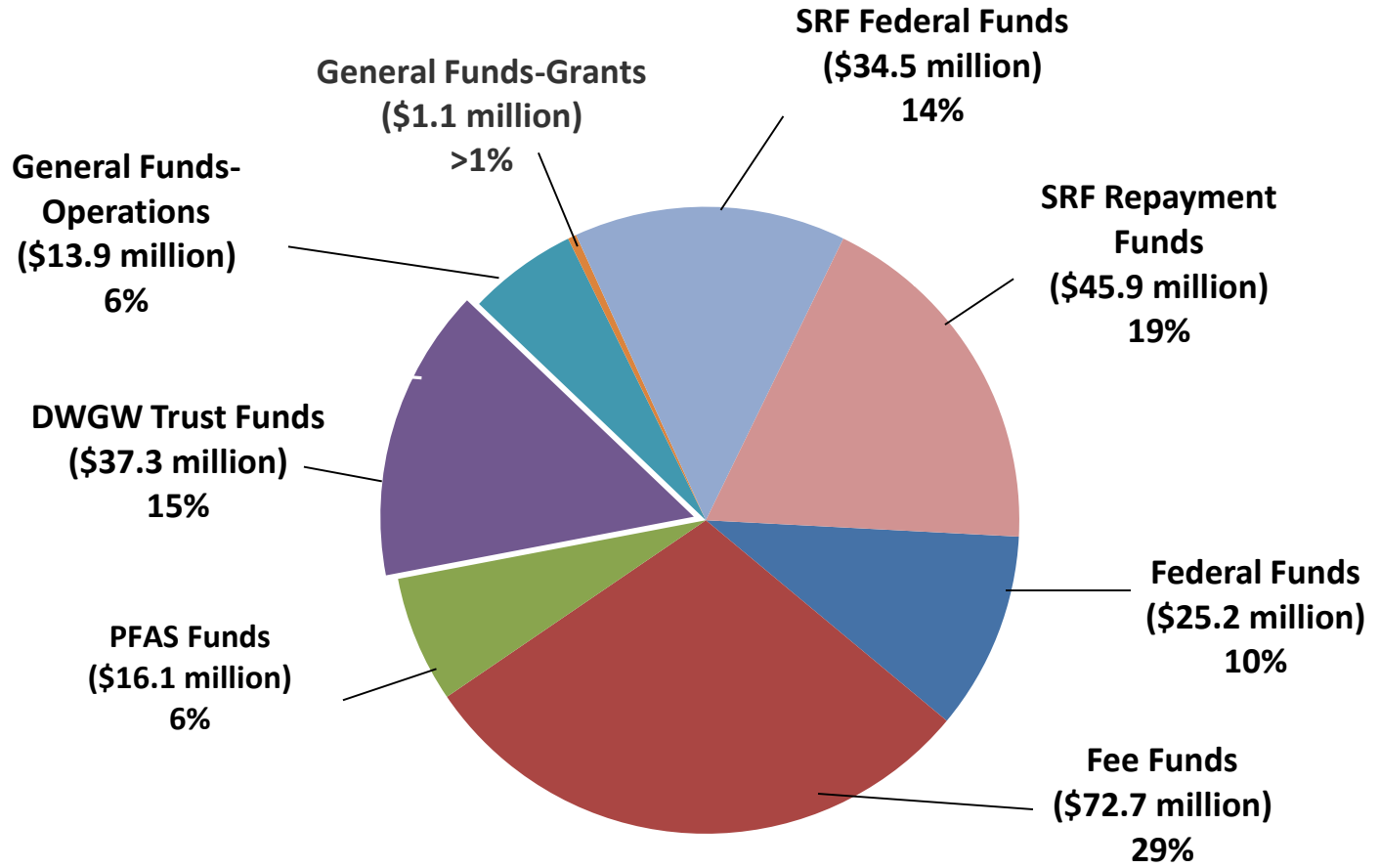
DES FY 2022 Total Budget (\$246.7Million)

Note: 65% of all Funds are pass through in the form of grants,



FY 2022 -- Sources of Funds

DES TOTAL BUDGET = \$246.7 Million

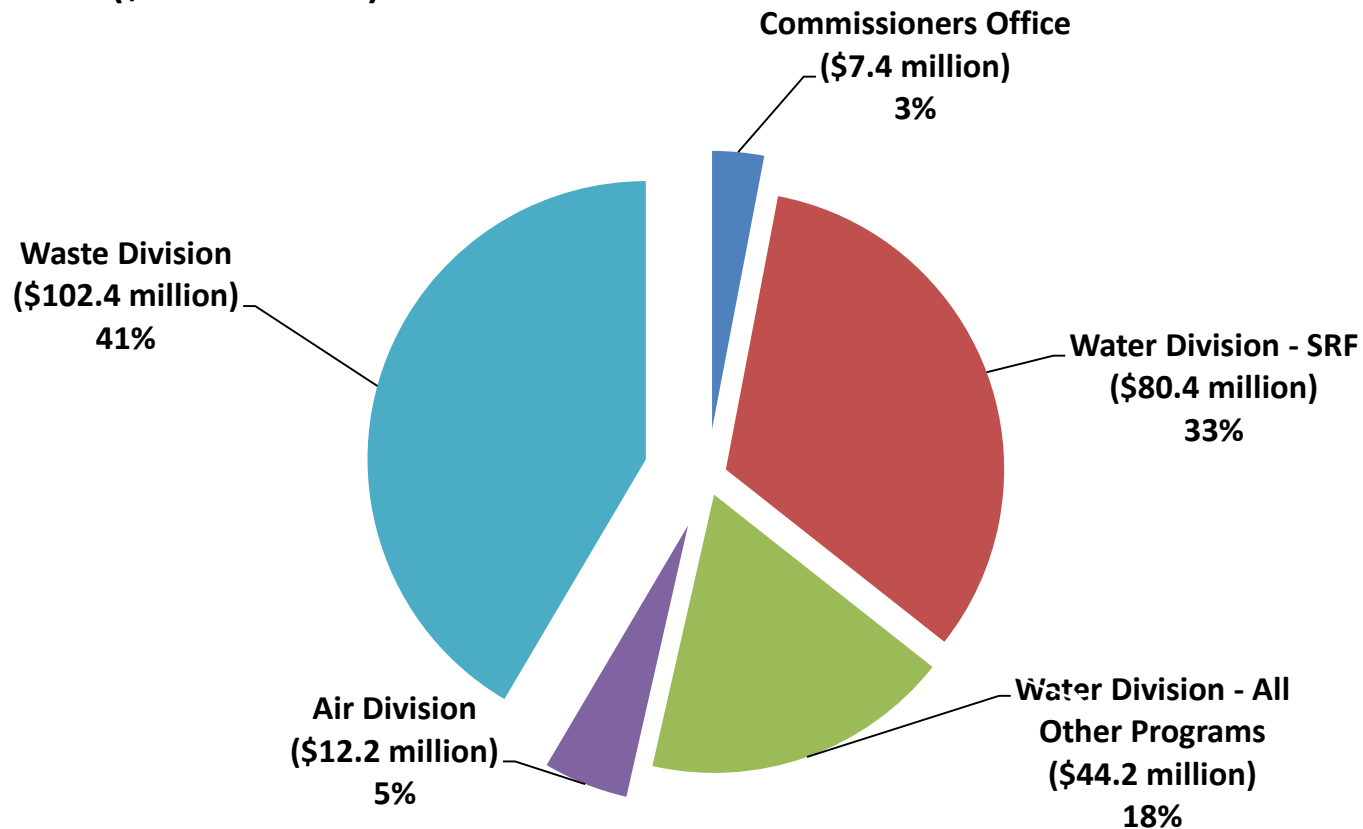


(SRF = State Revolving Fund)

(DWGW = Drinking Water/Ground Water)

FY 2022 Budget by Division

**DES FY 2022 Total Budget
(\$246.7Million)**



SRF – State Revolving Fund

Budget Comparison by Biennium – Uses of Funds

| Fiscal Year/ | 20/21 | 22/23 | 20/21 vs 22/23 | |
|---------------------|----------------|----------------|----------------|---------------|
| Cost Category | Total | Total | %Change | \$Change |
| Salaries & Benefits | \$ 107,685 | \$ 129,818 | 21% | \$ 22,133 |
| Operating Expenses | 25,089 | 28,735 | 15% | 3,646 |
| Interagency Trfs | 12,380 | 13,464 | 9% | 1,084 |
| Contracts | 24,527 | 29,306 | 19% | 4,779 |
| Grants-SAG | 18,260 | 1,861 | -90% | (16,399) |
| Grants- All Other | 45,986 | 49,540 | 8% | 3,554 |
| Reimbursements | 45,386 | 43,475 | -4% | (1,911) |
| Loans | <u>168,964</u> | <u>201,300</u> | <u>19%</u> | <u>32,336</u> |
| TOTAL | \$ 448,277 | \$ 497,499 | 11% | \$ 49,222 |

Budget Comparison by Biennium – Sources of Funds

| (\$ are shown in thousands) | | | | |
|-----------------------------------|----------------|----------------|----------------|---------------|
| Fiscal Years/ Funding Category | 20/21 Total | 22/23 Total | 20/21 vs 22/23 | |
| | | | %Change | \$Change |
| General Funds | \$ 46,925 | \$ 30,402 | -35% | \$ (16,523) |
| Federal Funds - SRF | 57,290 | 69,310 | 21% | 12,020 |
| Federal Funds - All Other | 39,143 | 51,996 | 33% | 12,853 |
| Other Funds - SRF | 106,851 | 91,941 | -14% | (14,910) |
| Other Funds - DWGW Trust | 65,262 | 74,580 | 14% | 9,318 |
| Other Funds - PFAS | 6,000 | 32,263 | 438% | 26,263 |
| Other Funds - All Other | <u>126,806</u> | <u>147,007</u> | <u>16%</u> | <u>20,201</u> |
| TOTAL | \$ 448,277 | \$ 497,499 | 11% | \$ 49,222 |

Budget Comparison by Phase – Uses of Funds

(\$ shown in thousands)

| COST CATEGORY | Agency | Governor's | House | Agency / Governor | | Governor / House | |
|-----------------------|-------------------|-------------------|-------------------|-------------------|---------------|------------------|--------------------|
| | Phase | Phase | Phase | % change | \$ change | % change | \$ change |
| Salaries & Benefits | \$ 129,421 | \$ 129,817 | \$ 129,817 | 0.3% | \$ 396 | 0.0% | \$ - |
| Operating Expenses | 28,757 | 28,735 | 28,735 | -0.1% | (22) | 0.0% | - |
| Interagency Transfers | 12,931 | 13,464 | 13,464 | 4.1% | 533 | 0.0% | - |
| Contracts | 29,306 | 29,306 | 29,306 | 0.0% | - | 0.0% | - |
| Grants - SAG | 17,447 | 17,447 | 1,871 | 0.0% | - | -89.3% | (15,576) |
| Grants - All Other | 49,531 | 49,531 | 49,531 | 0.0% | - | 0.0% | - |
| Reimbursements | 43,475 | 43,475 | 43,475 | 0.0% | - | 0.0% | - |
| Loans | 201,300 | 201,300 | 201,300 | 0.0% | - | 0.0% | - |
| TOTAL | \$ 512,168 | \$ 513,075 | \$ 497,499 | 0.2% | \$ 907 | -3.0% | \$ (15,576) |
| # Positions | 489 | 489 | 489 | 0.0% | - | 0.0% | - |

Budget Comparison by Phase – Sources of Funds

FY 2022/2023

(\$ shown in thousands)

| | Agency | Governor's | House | Agency / Governor | | Governor / House | | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|---------------|------------------|--------------------|--|
| | Phase | Phase | Phase | % change | \$ change | % change | \$ change | |
| <u>Funding Categories</u> | | | | | | | | |
| Federal Funds | \$ 121,280 | \$ 121,306 | \$ 121,306 | 0.0% | \$ 26 | 0.0% | \$ - | |
| Other Funds | 345,090 | 345,791 | 345,791 | 0.2% | 701 | 0.0% | - | |
| General Funds | 45,798 | 45,978 | 30,402 | 0.4% | 180 | -33.9% | (15,576) | |
| TOTAL | \$ 512,168 | \$ 513,075 | \$ 497,499 | 0.2% | \$ 907 | -3.0% | \$ (15,576) | |

Summary of HB 2 Sections

| Page # | Section # | Title | Description |
|--------|--------------------------|------------------------------------|---|
| 28 | 60 | PFAS Appropriation Lapse Extension | Extends the end date of the \$6,000,000 appropriation to June 30, 2023 |
| 28-29 | 62 | State Aid Grants as amended | Continues a moratorium on <u>awarding</u> new State aid grants for wastewater, drinking water and landfill closure grants for the biennium |
| | House Amendment Changes: | | Removes the exception provision of awarding new SAG grants for those projects that were substantially complete as of 12.31.19. |
| | | | Suspends all SAG <u>payments</u> for the biennium but allows the department to request funding thru Fiscal and G&C after 12/31/21 if revenues exceed estimates. |
| | | | |

State Aid Grants

- ▶ Governor’s Operating Budget funded existing obligations
- ▶ House Amended Budget unfunded existing Wastewater SAG Grants
- ▶ HB412 & SB127 provides new funds for Drinking Water Systems and additional funding for Wastewater System grants. Both bills are tabled.

| SAG Grants | | FY 22 | FY 23 |
|---------------------------------------|----------------------------------|----------------|----------------|
| Efficiency Budget | | | |
| 442010-1003 | Wastewater | \$8,096,438 | \$7,480,501 |
| 442010-1426 | Drinking Water | 582,445 | 545,225 |
| 444010-5402 | Landfill Closures | <u>375,602</u> | <u>368,194</u> |
| TOTAL | | \$9,054,485 | \$8,193,920 |
| House Finance Budget Amendment | | (8,096,438) | (7,480,501) |
| | Removed wastewater grants | | |
| | | | |
| | | | |

Budget Adjustment Requests

| Account | Funding Source | Pg. # | Title | FY 22 | FY23 |
|-----------------|---|-------|--|-------------|-------------|
| 442010-1003-073 | General Funds | n/a | State Aid Grants-Wastewater | \$8,096,438 | \$7,480,501 |
| 442010-1003-073 | <i>Restore Footnote: This appropriation shall not lapse until June 30, 2023</i> | | | | |
| 442010-1000-030 | General Funds | 400 | Pollution Control Program Equipment - Mercury Analyzer | \$55,000 | -0- |
| 444010-2589-102 | General Funds | 452 | CERCLA Maintenance - Contracts | \$89,000 | -0- |
| 444010-2589-030 | General Funds | 452 | CERCLA Maintenance - Equipment | -0- | \$35,000 |
| 442010-3815-046 | General Funds | 421 | Wetlands – IT Consultants | \$50,000 | \$50,000 |

Budget Adjustment Requests con't

| Account | Funding Source | Pg. # | Title | FY 22 | FY23 |
|------------------------------------|------------------------------------|-------|--|---------------------|---------------------|
| 443010-7879-072 | Federal Funds | 439 | Environmental Health Program – Grants-Federal | \$325,000 | \$250,000 |
| 442010-1430-073 | General Funds | 405 | Lakes Restoration Fund - Grants Non Federal | \$200,000 | \$200,000 |
| 443010-9101-006 | Fees | 443 | State Air Permits | (\$500,000) | (\$500,000) |
| 443010-9101-0000GF | General Funds | 443 | State Air Permits | \$500,000 | \$500,000 |
| 440010-1002-050 440010-1002-060 | 53% General Funds; 47% Other Funds | 389 | Administration-Support – Salaries Part Time - Benefits | \$39,663 \$3,034 | \$39,663 \$3,034 |
| | | | | | |

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