Fiscal 2013 Budget Hearing

November 9, 2011

Delaware's Key Environmental Challenges

- Improving air quality
- Ensuring clean water
- Remediating contaminated sites / brownfields
- Improving state's preparedness for flooding
- Providing world-class outdoor experiences
- Protecting and restoring wildlife habitat
- Ensuring clean, reliable, cost-effective power

Recent Accomplishments & Investments

Brownfield Remediation

- FY 12 Bond Bill funds used to remediate 23 Brownfield Sites, ranging from Habitat for Humanity Housing to a Bank and a Wawa, with $1.4 mil spent to date.
- ROI $17.50 for every $1 invested

Clean Water Investments

- **Clean Water Infrastructure:** More than $100M of construction projects underway through CWSRF
- Working with Finance and DHSS to more effectively leverage water investments
- **Conservation Cost Share Program**: $1.5M State funds leveraged $7M+ federal funds

Redevelopment of Strategic Sites

Phase I of NVF - demolition of the office and zinc plant - is complete

Phase II of NVF - demolition of buildings on the main plant site – has begun

Project has leveraged $2.0 million in Federal funding to date

The critical properties necessary to fulfill the vision of the Auburn Valley Master Plan have been purchased or conserved.

Preparedness for Flooding

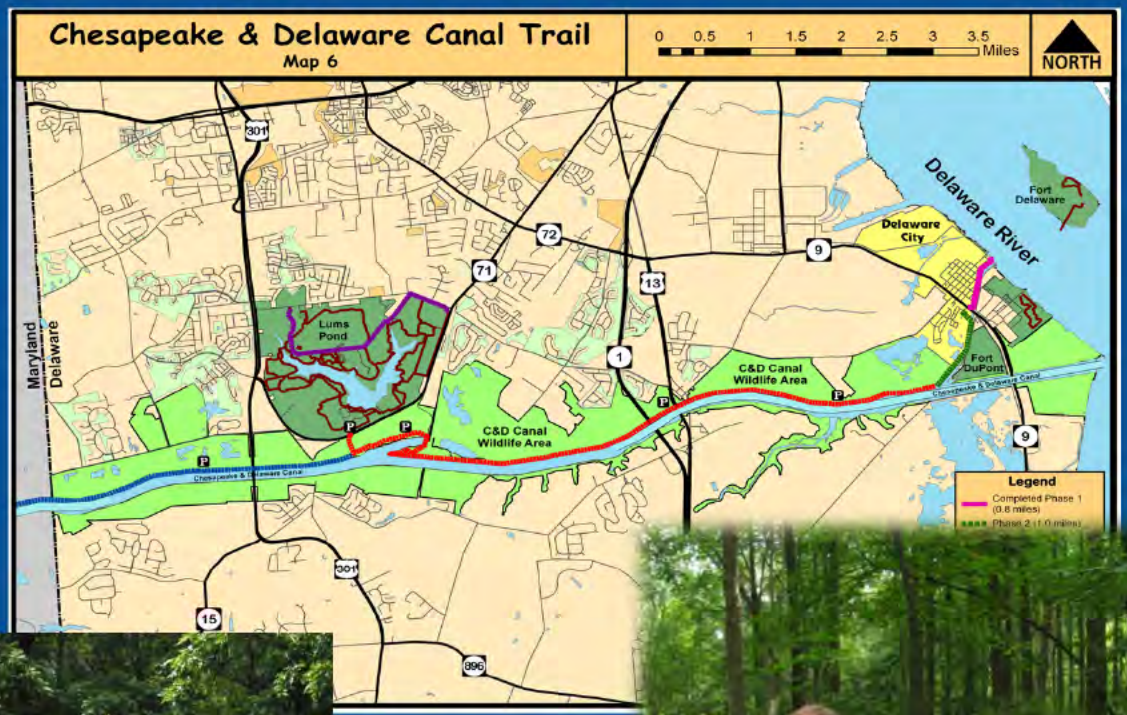
Dikes/Levee Repair and Prevention

- Currently working with the NCC Conservation District to select and award by December 9th the consultant to provide engineering design plans for 5 NCC Dikes - Buttonwood, Broad, Gambacorta, Army Creek & Red Lion

Providing world-class outdoor experiences

Governor's Statewide Trails Initiative:

- Interconnected trails across all three counties
- Initiative supports job creation, community links, recreation, transportation, healthy families



Celebrating a Century of Conservation Success

Oyster Planting - 2011

RADFORD Artificial Reef Deployment – 2011
Photo by Gary Cooke

Oyster & Reef Restoration Projects

Active Oyster Harvest - 1924

Recreational Fishing Boat - 1976

Celebrating a Century of Conservation Success

Habitat Restoration Site - 2011

Marine Patrol Boat MP Oscar - 2011

Modern Helicopter Application - 2011

Reflecting on the Past ~ Moving Into the Future

Duck Hunters Wilmer Flood and Joseph Mardara – 1940's

Warden Sapp with the Bennett children - 1957

Thermal Fogger – 1970's

Consolidation and Efficiencies

Permitting & Regulatory:

- Meeting and exceeding Governor Markell's permitting turnaround targets providing predictable 15-day preliminary review and 60-day technical review for most applications:
  - Wetlands/Subaqueous: 2 day initial review; 97% technical review completed within 60 days for public notice
  - Wells: 90% issued within 30 days, 95% in 60 days
  - Small on-site septic: evaluations completed in <10 days
  - LEAN reviews to achieve reduced air permitting turnaround times of 50% (and eliminated backlog), reduced brownfield remediation process time by nearly 45%

Consolidation and Efficiencies

More efficient operations:

- Office of Natural Resources and Office of Environmental Protection sharing resources to fulfill mission
- Financial consolidation to improve coordination and reduce costs
- Developing Multimedia Teams
- Improving user-friendliness of environmental/business data
- Laboratory coordination between DNREC and DHSS

Efficiency Efforts Through the Reorganization of DNREC's Fleet Management:

- Reduced fleet miles 68%+ (exceeding EO18 goal of 15%) – avg. weekly usage down from 62,334 in FY08 to 19,680 in FY11
- Pooling vehicles to establish sites statewide at field locations resulting in significant increase in internal use of vehicles and reducing the number of daily Fleet rentals
- Utilizing Fleet Services' partnership with Delaware Department of Corrections Prison Industries for vehicle maintenance on agency-owned assets, providing 60-65% cost avoidance on standard market services

Economic and Budget Challenges

- Preparing for Anticipated Reductions to Federal Programs
- Expanding Clean Water Infrastructure
- Improving Delaware's Preparedness & Critical Infrastructure
- Expanding Access to Natural Areas / Ecotourism
- Supporting Healthy Families / No Child Left Inside

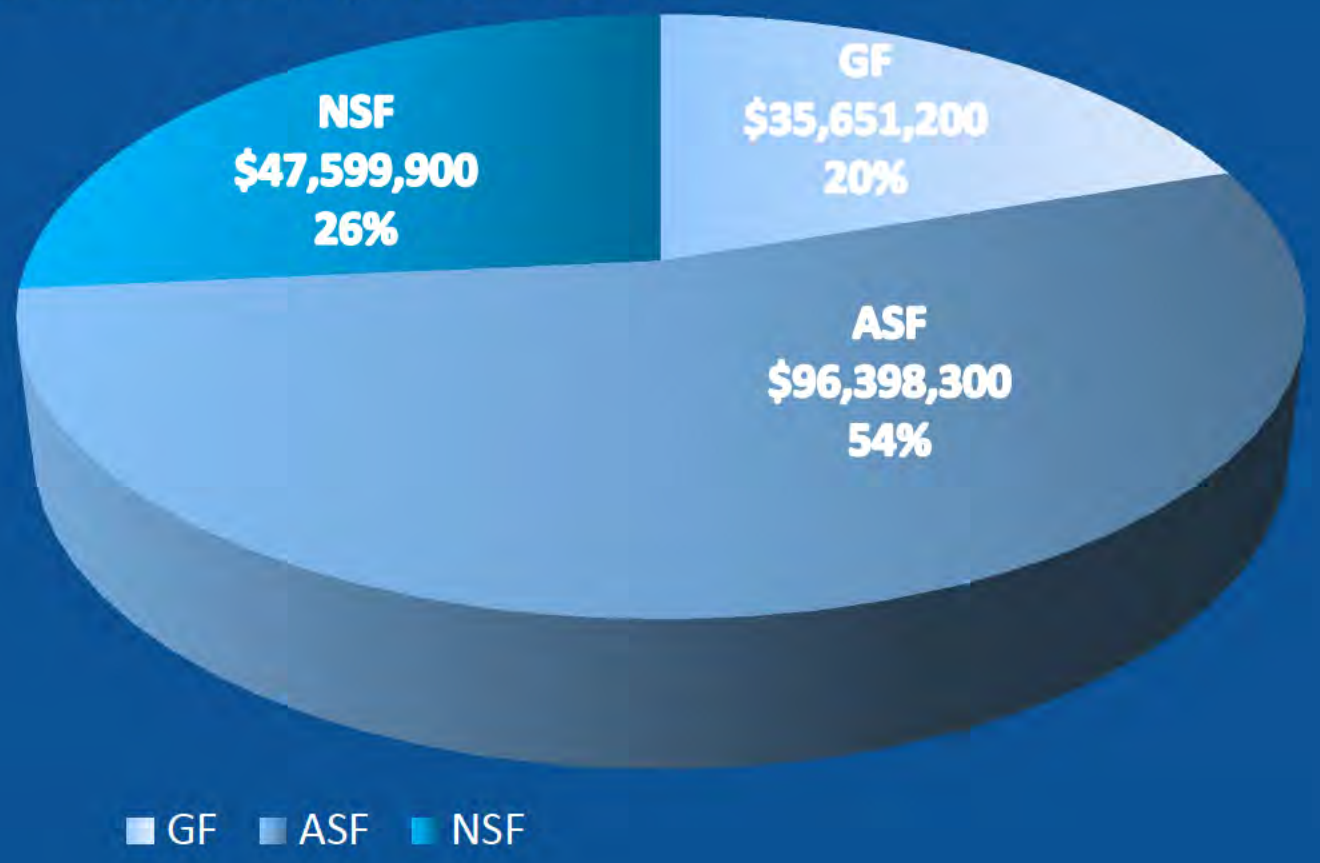
Preparing for Federal Cuts in Fiscal 2013

- U.S. Environmental Protection Agency
  - EPA Clean Water State Revolving Fund for water infrastructure: House budget recommends reducing Clean Water and Drinking Water State Revolving Funds (SRF) to FY08 levels
- U.S. Department of Interior
  - Department of Interior: H.R. 2584 cuts funds for State Wildlife Grants by 64% from $62 million to $22 million
  - Moreover, the bill increases the state matching requirement for these grants from the current ratio 65:35 to a 1:1 ratio
- U.S. Department of Energy
  - State Energy Program: House proposed 50% cut to FY11 funding
  - Weatherization Assistance Program: House -81% change from FY11

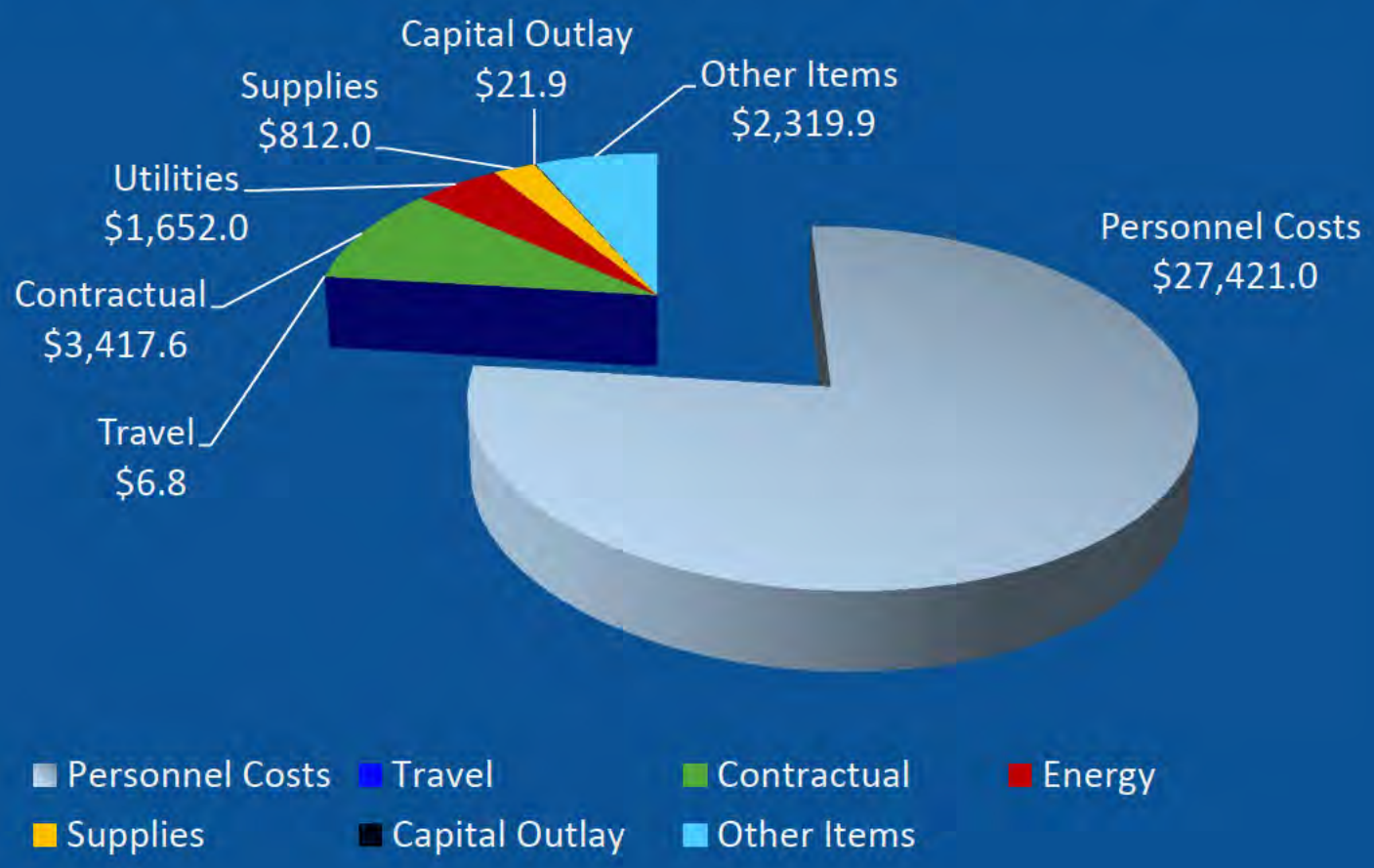
Source: FY 2012 Appropriations Update: Where Things Stand, Federal Funds Information for States, Budget Brief 11-15, October 25, 2011.

Fiscal Year 2013 Requested Budget

Total of All Funds: $179,649,400



Fiscal Year 2013 General Fund Budget Request: $35,651,200



FY13 Operating Budget Request

- Proposed General Fund Budget $35,651,200

  Changes from FY12 limited to:

  - Includes 1% GF growth targeted to Energy & Climate and Natural Heritage: $ 348,000
  - Includes Personnel Cost Contingency from State Policy: $ 425,900

- Minor Structural Changes and FTE movements based on program assignments

Natural Heritage

Providing Core Services that protect and restore all wild plants, animals and their habitats in Delaware.

- ***Monitor wild animal and plant health***
- ***Conservation projects with partners that leverage external funding***
- ***Species and habitat information provided to improve permitting efficiency***

Erik Nielson – Photo Credit

Adapt to Federal Reductions in Energy Programs

- Significant cuts proposed to US DOE State Energy Program and Weatherization Assistance Program
- Division will ensure efficient coordination of Federal DOE grants and State energy initiatives (RGGI, Green Energy Fund, Energy Efficiency Investment Fund, and SEU).

FY13 Capital Budget Request

- Investing capital funds to rehabilitate, replace or maintain existing assets, equipment and infrastructure critical to protecting Delaware's environment and natural resources:

Capital Project Summary	FY13 Request
Clean Water Infrastructure	$4,800,000
Improve Delaware Preparedness/ Critical Infrastructure Investments	$7,000,000
Preserve Natural Heritage & Expand Ecotourism	$4,730,000
Support Healthy Families/No Child Left Inside	$5,550,000
Critical Equipment	$2,576,800
Minor Capital Improvement	$740,000
Yard Waste Site Maintenance	$100,000
TOTAL	**$25,496,800**

Clean Water Infrastructure Investments

- **Clean Water Revolving Funds: $1.3M** will leverage $6.5M in capitalization funds for loans from Clean Water Act
- **Water Infrastructure Affordability Grant Funds: $2.0M** to help local communities ensure that infrastructure upgrades are affordable
- **Conservation Cost Share Funds: $1.5M** (leverages $7M) to meet the nutrient load reduction goals.

Improving Delaware's Preparedness

Dikes & Dam Safety Program:

State-owned dams/dikes: $2.5M

- Monitoring and inspections
- Repairs and Maintenance
- Improvements to meet regulations

Improving Delaware's Preparedness

- **Waterway Management and Restoration: $1.0M**
  - Needed to maintain safe navigation as US Army Corps retreats
- **Tax Ditches: $1.5M**
  - Ongoing planning, surveying, engineering, permitting & construction inspections for drainage infrastructure
- **Shoreline Management: $2.0M**

Preserve Natural Heritage & Expand Ecotourism

- **Delaware Bayshore Initiative: $500K**
  - Resource protection
  - Enhance public access
  - Low impact recreation/ecotourism
  - Habitat restoration
  - Connecting local communities

Preserve Natural Heritage & Expand Ecotourism

- **Redevelopment of Strategic Sites (NVF/Ft. DuPont): $2.05M**

- **Renovating Failing Facilities: $2.18M**
  - Critical rehabilitation of failing state-owned buildings

- NVF abandoned site in May 2009

Support Healthy Families / No Child Left Inside

- **Statewide Trails and Pathways: $3.0M**
  - Building a world class interconnected pathways
- **Park Rehabilitation/Critical Facilities: 2.0M**
- **Park Recreational Amenities / Athletic Fields: $550k**

Critical Equipment and Minor Capital Improvement Needs

- $2,576,800 for acquisition/replacement of critical equipment with >10 years useful life
- $740,000 for minor capital improvements to state-owned facilities
- Protect public health and safety
- Stewardship of 85,000+ acres of public land, 16 State Parks, 10 preserves, 16 Wildlife Management Areas, 54 freshwater ponds, marine access areas, waterways
- Support environmental laboratory services