

DEEP facing reductions in both federal and state budgets

By Jan Ellen Spiegel
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Facing potentially dramatic budget cuts on two fronts, Connecticut's commissioner of the Department of Energy and Environmental Protection says the agency will need to remake its business model to continue to do its job.

In a particularly sobering presentation to an annual gathering of environmental advocates, Daniel Esty made it clear that the pain from a series of expected state budget cuts would be exacerbated by anticipated federal ones — money that the department has relied heavily on for many years.

Gov. Dannel P. Malloy's budget rescissions last month have already stripped nearly \$1.5 million from DEEP's budget and more are all-but guaranteed in the coming weeks and next year.

"As tough as our budget situation is in the state circumstances," Esty said. "I believe it's facing an even more severe crunch in Washington."

Nearly a third of DEEP's operating budget comes from the federal government and between the potential for falling off the "fiscal cliff" and inevitable budget cuts — a bleak budget outlook could start to look even bleaker in the coming months.

"I think we are going to have to re-prioritize and explore what is the core of the mission of environmental protection in the state," Esty said. "It's going to require a broader transformation of how we do business broadly not just in state government but in particular how we do business in our department and it's going to mean we have to think creatively and try to be quite transformative in how we do regulation, in how we finance our efforts including our land conservation efforts and how we engage with partners."

In fiscal year 2012, 27 percent, or \$51 million, of DEEP's \$187 million budget came from the federal government. That money included funding for 194 positions (down from about 265 a decade ago), which is about 17 percent of the department's staffing.

"In preparation for this we've delayed some refills," Dennis Thibodeau, DEEP's chief of fiscal administrative services, said of vacant staff positions. "We have a lot of uncertainty in front of us and there are not a lot of other resources available."

The \$51 million presently comes through more than 140 federal grants (the total value of them is about \$312 million with many running over several years) in nine different

agencies. The biggest single chunk — about 47 percent of the federal funding — comes from the Environmental Protection Agency. Second is from the Department of the Interior’s Fish and Wildlife Service, providing 28 percent. The biggest single grant, \$10 million a year, is the EPA’s Performance Partnership Grant. It’s generally used for programs that support requirements under the federal Clean Air and Clean Water Acts.

The Department of Interior money largely goes to conservation programs. If sequestration occurs in the absence of an agreement to avert a fiscal cliff scenario, much of that money will be withheld for a year. Other than that, the department is bracing for the 8.2 percent across-the-board cuts for eligible grant programs as part of sequestration.

“For every \$1 million we receive, \$82,000 would be cut,” said Dan Moylan, DEEP’s grant and contract manager. But he said there were no specifics yet and he stopped short of predicting there would be layoffs.

Esty last week indicated that conservation could be one of the hardest hit areas. He suggested ideas like an EZ Passstyle system to get into parks as a means to cut staff costs along with greater Internet management of them. Another major cut is likely to involve pass-through funding — money that DEEP funnels to cities, towns and regional planning agencies.

This story originally appeared at CTMirror.org, the website of The Connecticut Mirror, an independent, nonprofit news organization covering government, politics and public policy.