

# STATE OF CONNECTICUT DEPARTMENT OF ENVIRONMENTAL PROTECTION



State Agency Budget Presentation – February 25, 2011  
Appropriations Committee

Testimony Submitted by Commissioner Amey W. Marrella  
Department of Environmental Protection

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Thank you for the opportunity to speak with you about the Governor's proposed budget for the Department of Environmental Protection for FY2012 and 2013. Since many of your members are new to the Appropriations Committee, and since RBA is an important feature of the Appropriations process, I would like to offer some background comments as grounding for our discussion of the Governor's budget proposal.

**Fiscal Background.** Until FY2010, DEP relied largely on private fees and federal grants to support our operations. General funds represented just 24% of the Department's budget, or approximately \$39 million out of a total budget of \$162 million, and provided the required match for federal grants as well as supplemental funding. The Department maintained multi-million dollar balances in segregated, fee-funded accounts to support a wide variety of services to Connecticut businesses and the public. As part of the FY10-11 biennium budget and various deficit mitigation initiatives, the State swept over \$64 million from DEP's segregated, fee-funded accounts, converted much of DEP's operations to the General Fund budget, and directed DEP fees to the General Fund.

In addition, the Department has generally faced flat levels of federal funding, which has effectively decreased the purchasing power of federal funds since DEP's costs, especially personnel costs per staff, continue to rise. In 2000, the Agency had 266 federally-funded positions. In 2009, with similar funding levels, the Agency had 217 positions funded by federal grant funds.

In a further effort to address the on-going budget crisis, the State has increased fees charged by DEP and other state agencies. These increases generate an additional \$12 million annually in DEP fee related revenue. With the addition of new fees and the increase of existing fees, the Agency contributed approximately \$54 million to the General Fund in FY10.

**What We Do.** The current Department has a broad range of programs and responsibilities. As you will see on our organizational chart, our staff provides vital services to Connecticut through a broad array of programs. For example, DEP staff host safe, accessible recreation for some 8 million visitors to our State Parks and Forests every year, permit a wide range of business and municipal activities in accordance with federal and state requirements, provide stewardship of the State's 230,000 acres of State-owned Forests, Parks, and Wildlife Management Areas, and maintain over 260 State-owned dams.

From a public safety perspective, DEP staff and programs help to ensure that a wide variety of activities are conducted safely, from hunting and shellfish harvesting to public swimming and the operation of medical radiological equipment. Our staff help the State respond to a wide variety of emergencies, from chemical spills to flooding, and safeguard against incidents such as oil spills, radiological dispersion, and boating while under the influence.

Finally, our Department is working with the private sector and other partners to promote sustainable economic growth and green practices. DEP staff have helped to shape Connecticut's acclaimed energy efficiency and conservation programs, support public transit investment, and collaborate with the Department of Economic and Community Development to promote brownfields revitalization. We offer several award programs and green marketing tools to Connecticut businesses to help them promote the many ways in which they are greening their operations, and are developing new initiatives to help the business sector save money and go green.

**Measuring Success.** DEP is pleased to have been one of the early participants in the Appropriations Committee's RBA pilot program. To date, four of our programs have delivered RBA report cards – Long Island Sound Water Quality – Nitrogen Management, Recycling, State Forest Lands Management, and the Production and Distribution of Fish to Enhance Recreational Fishing.

We also know that there is room for improvement in the efficiency and effectiveness with which we deliver the full suite of our services to customers – whether businesses, municipalities, park visitors, sportsmen, the public, or the state's natural resources. DEP is therefore making changes to be more efficient and effective. For example, DEP is now offering online transactions for sportsmen licensing, camping registration, and park passes and moving to "E-gov" in our pollution control and prevention programs. We have responded proactively and comprehensively to cost-saving requests - for example, reducing our fleet by 15%.

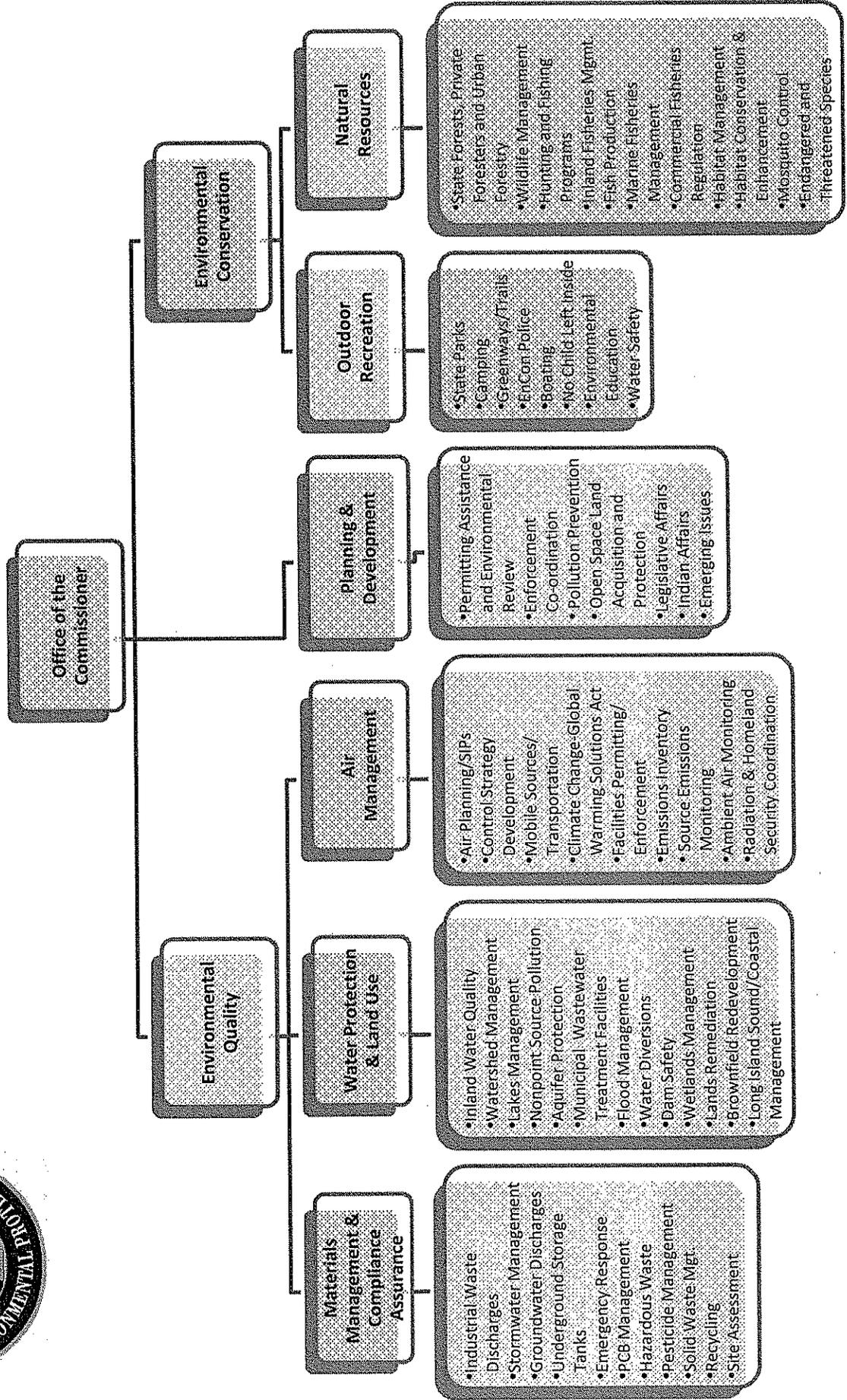
Most significantly, we launched our LEAN Initiative in 2008, achieving dramatic processing time efficiencies in a wide range of programs. LEAN is a process improvement approach that identifies and minimizes wasted time and effort. Through a week-long exercise, staff teams identify needed improvements and develop a one-year plan to implement the improvements. We have offered you a two-page handout on our LEAN story, and encourage you to look at the handout and related website materials. To date, over 200 staff have participated in 30 LEAN teams that include permitting, inspection and enforcement in air, waste, and water pollution control programs, trout stocking, boating safety, requisition and purchasing, health and safety, information management, radiation registration, natural diversity database review and forest management. And we continue to look for ways to improve through LEAN, while recognizing that it takes substantial staff time to identify and implement improvements.

In response to Public ACT 10-158, the DEP has issued a comprehensive Permitting Assessment Report that summarized our permit program improvements to-date and identified over 40 additional process improvements and over 20 programmatic changes that should be implemented to improve the timeliness of DEP action on individual permit applications. We are now tracking our progress in implementing the Report's many recommendations. We gave you the Report's executive summary as a handout, and the full report is available on-line at DEP's website.

**The Governor's Proposed Budget.** The Governor's budget proposal for Fiscal Year 2012-2013 carries on the important work of the Department while expanding the role of our agency. The new Department of Energy and Environmental Protection offers an exciting opportunity to integrate these two vital policy functions. While DPUC and DEP have made efforts to confer for several years now, given the critical links between environmental and energy policy, the Governor's consolidation proposal offers the opportunity for much more regular and effective collaboration on energy and environmental policy. Should you have any specific questions about the Governor's proposal, or the work of the current Department of Environmental Protection, I would be happy to answer them at this time. Thank you for the opportunity to address the Appropriations Committee.



# Connecticut Department of Environmental Protection





# Department of Environmental Protection

## LEAN – managing in a world of “do more with less”

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### What is LEAN?

A process improvement approach that identifies and minimizes wasted time and effort. Through a week-long exercise, staff teams identify needed improvements and develop a one-year plan to implement the improvements.

### Benefits of LEAN

- Empower staff to identify and implement the improvements, not management alone.
- Become more efficient, without lowering our environmental requirements.
- Promote tracking of performance indicators and use of visuals so staff adhere to standard processing time.
- Increase the value of DEP’s services to customers.
- Embrace a continuous improvement philosophy, bringing about cultural changes.

### Added Value of LEAN

As more innovative and efficient practices are implemented through LEAN, DEP is able to use staff resources to more effectively meet our obligation to protect and preserve the environment and natural resources of this state. Improving and streamlining our processes allows DEP to:

- Address backlogs and stay current
- Improve the quality of our work
- Better meet the needs of our “customers”
- Address new challenges and tackle emerging issues
- Promote environmental sustainability

### DEP LEAN Projects and Value Stream Mapping

30 projects undertaken as of January, 2011 that addressed processes related to environmental quality and conservation as well as business administration. Areas that have undergone LEAN projects include permitting, inspection, and enforcement in air, waste, and water pollution control programs, trout stocking, boating safety, requisition and purchasing, health and safety, information management, radiation registration, natural diversity database review and forest management.

Value Stream Mapping (VSM) is a tool used in the LEAN process. VSM is a mapping method used to document the Current State and the desired Future State of information and material flows.

- VSM was used to compare Current State versus desired Future State; this type of analysis enables a determination of the percent reduction in process steps resulting from more efficient delivery of services.

View more information on the LEAN Initiative and DEP’s *LEAN and Green* video at [www.ct.gov/dep/lean/](http://www.ct.gov/dep/lean/)

# State of Connecticut Department of Environmental Protection Permitting Assessment Report

Amey W. Marrella, Commissioner

September 30, 2010

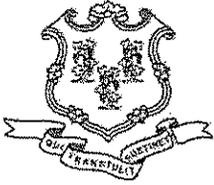
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## Mission of the Department of Environmental Protection

*“ the General Assembly hereby declares that the policy of the state of Connecticut is to conserve, improve and protect its natural resources and environment and to control air, land and water pollution in order to enhance the health, safety and welfare of the people of the state. ... as trustee of the environment for the present and future generations. ... in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Connecticut residents.”*

<http://www.ct.gov/dep/>



Amey W. Marrella  
*Commissioner*

STATE OF CONNECTICUT  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

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September 30, 2010

Governor M. Jodi Rell  
Executive Office of the Governor  
State Capitol, 210 Capitol Avenue  
Hartford, Connecticut 06106

Sen. Edward Meyer, Co-Chair      Sen. John McKinney, Ranking Member  
Rep. Richard Roy, Co Chair      Rep. Clark Chapin, Ranking Member  
Environment Committee  
Room 3200, Legislative Office Building  
Hartford, Connecticut 06106

Dear Governor Rell and Members of the General Assembly:

In compliance with the requirements of Public Act 10-158, the Department of Environmental Protection (DEP) submits this Permitting Assessment Report.

At DEP, we understand that timely action on permits is a key component of the State's role in promoting sustainable economic growth. While we have worked hard in the past few years to be more efficient and effective, we recognize there is still a great deal of work to do.

We welcomed enactment of Public Act 10-158 because it sets a path to improve the timeliness of permit programs while preserving our state's protective environmental standards. It is critical to sustain our commitment to these standards, as they exist to protect public health, natural resources and the quality of life we enjoy in our state.

DEP permits are required for numerous activities because permits are the primary mechanism used to implement both federal and state laws. As prescribed by Public Act 10-158, this report takes a comprehensive look at 25 individual permit programs and identifies process improvements, programmatic changes, and additional staffing and resources that will help to improve the timeliness of DEP action on permit applications.

This comprehensive Permitting Assessment Report reflects the hard work of many people throughout the Department, and the valuable input of many stakeholders. The report describes numerous opportunities to continue to improve DEP permitting processes and achieve the permitting time frame goals set forth in Public Act 10-158.

## **I. Executive Summary**

Public Act 10-158 requires the Department of Environmental Protection (DEP) to evaluate individual permitting programs and identify “the process improvements, additional resources, staffing and programmatic changes” needed to meet the law’s time frame goals.

Specifically, Public Act 10-158 requires DEP to assess the feasibility of:

- Deciding within 60 days whether there are deficiencies in an application (referred to as the sufficiency review); and
- Completing, within 180 days after the sufficiency determination, the technical analysis necessary to issue a formal notice of tentative determination to approve or deny a permit.

Public Act 10-158 contains additional provisions and the Department’s responses to these provisions are detailed in the full report.

### **A. Permitting Assessment Process**

The Department is responsible for managing federal delegated regulatory programs, such as the Clean Air Act and the Clean Water Act, as well as various state programs. The primary mechanism for implementing these programs is the issuance of permits. A permit sets the conditions that allow an entity to perform a regulated activity – such as generating air emissions or wastewater discharges – in a manner that protects public health and the environment.

In performing the required assessment of the Department’s individual permitting programs, the DEP:

- Reviewed the recommendations outlined by Governor Rell’s 2010 Permitting Task Force;
- Revisited the findings from previous permit streamlining efforts (1993 and 1997);
- Applied efficiency principles from the Department’s LEAN initiative, which was launched in 2008;
- Analyzed historic time frames for conducting sufficiency and technical reviews; and
- Evaluated best practices in other permit programs and other jurisdictions.

- The outreach associated with this assessment was very useful. DEP needs to continue to do more to reach out to the business community and other stakeholders.

#### **D. Permitting Recommendations**

In response to Public Act 10-158 the Department offers many recommendations to achieve more timely decisions on permit applications while assuring continued environmental improvement.

**Process Improvements** – steps that can be taken without statutory or regulatory changes (e.g., new procedures and forms):

- Expand the use of pre-application meetings with applicants;
- Prioritize applications for projects having significant positive economic impact as defined by Section 3 of Public Act 10-158, in coordination with the Department of Economic and Community Development's Permit Ombudsman;
- Continue to apply LEAN and process improvement approaches;
- Improve data collection and quality;
- Provide clear direction when requesting additional application information; and
- Develop simpler processes for permit renewals where no changes are needed.

Each permit program area developed specific process improvement recommendations that build off the list above. Some examples include:

- Air: develop streamlined application forms and permit template, enhance outreach and technical assistance;
- Water Discharges: implement LEAN efficiencies across all NPDES programs, improve application instructions and enhance stakeholder communications; and
- Waste: develop and update standard operating procedures, develop templates and checklists to expedite permit modifications.

In all, the Department recommends more than 40 process improvements.