



ANALYSIS OF THE NEW JERSEY BUDGET

DEPARTMENT OF ENVIRONMENTAL PROTECTION

FISCAL YEAR

2008 - 2009

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF ENVIRONMENTAL PROTECTION

Budget Pages..... C-8; C-15 to C-16; C-27; D-121 to D-152; E-8 to E-10

Fiscal Summary (\$000)

	Expended FY 2007	Adjusted Appropriation FY 2008	Recommended FY 2009	Percent Change 2008-09
State Budgeted	\$466,300	\$480,611	\$421,109	(12.4%)
Federal Funds	\$46,725	\$228,422	\$186,101	(18.5%)
<u>Other</u>	<u>\$31,746</u>	<u>\$73,332</u>	<u>\$72,213</u>	<u>(1.5%)</u>
Grand Total	\$544,771	\$782,365	\$679,423	(13.2%)

Personnel Summary - Positions By Funding Source

	Actual FY 2007	Revised FY 2008	Funded FY 2009	Percent Change 2008-09
State	991	955	856	(10.4%)
Federal	74	62	60	(3.2%)
<u>Other</u>	<u>2,243</u>	<u>2,210</u>	<u>2,213</u>	<u>.1%</u>
Total Positions	3,308	3,227	3,129	(3.0%)

FY 2007 (as of December) and revised FY 2008 (as of January) personnel data reflect actual payroll counts. FY 2009 data reflect the number of positions funded

Key Points

- The total State-funded appropriation, less Debt Service, is recommended at \$351.4 million, a net decrease of \$62.6 million or 15 percent less than the FY 2008 adjusted funding level. Major reductions are attributable to the following factors:
- *Constitutional Dedication of Corporation Business Tax (CBT) revenues:* The total recommended appropriation for all CBT accounts is \$114.6 million, a decrease of \$31.6 million from the FY 2008 adjusted total of \$146.2 million. Except for the recommended elimination of \$2.7 million for Watershed Restoration grants, all other CBT-funded accounts are reduced by 22 percent.
- *Parks Management:* The salary account for this program classification is reduced by \$8.6 million, or 30 percent below its FY 2008 adjusted funding level of \$28.7 million. The Position Data section of the department's budget also reflects this reduction with a decrease of 94 State-supported positions in the Parks Management category.

Key Points (Cont'd)

- *Forest Resource Management:* The salary account for this program classification is reduced by \$800,000. However, it is offset by proposed budget language that appropriates the same amount to this account from the Motor Vehicle Commission (MVC). The new funding is derived from accrued lease payments owed the department for a MVC facility situated on land owned by the Division of Parks and Forestry.
- *HR-6 Flood Control:* Continued funding for this \$5.8 million capital account is recommended at \$6.5 million, but not as a line item appropriation. Instead, the proposed appropriation is included in the General Language Provisions section of the Budget Recommendation (see page F-7) as part of the "Long Term Obligation and Capital Expenditure Reserve" omnibus appropriation. The department's FY 2009 budget is thereby reduced by \$5.8 million.
- *Recycling Grants:* A supplemental appropriation of \$8 million is included in the present budget to implement the new State Recycling Program established under P.L.2007, c.311. It is not included in the proposed budget because future program funding will be supported by the new recycling tax established under the act. Consequently, budget language that had been appropriating Clean Communities Fund monies for recycling grants over the last few years is not continued in FY 2009.
- *Office of Permit Information and Assistance:* No funding is recommended. This account is currently funded at \$600,000 and supports six employees.
- *Lake Hopatcong Commission:* The current \$400,000 grant that helps support the commission's operating costs is not recommended for renewal.
- *Pinelands Commission:* State Aid supporting this agency's budget is recommended at \$2.6 million, a reduction of \$780,000 or 23 percent below the current appropriation.
- *Highlands Commission:* State Aid supporting this agency's budget is recommended at \$2.4 million, a reduction of \$600,000 or 20 percent below the current appropriation.
- *County Environmental Health Act:* State Aid to county health agencies to conduct various regulatory inspections on behalf of the State is recommended at \$2.7 million, a reduction of \$753,000 or 22 percent less than the current appropriation of \$3.5 million.
- Federal funding is recommended at \$186.1 million, a decrease of \$42.3 million or 19 percent less than the FY 2008 level of \$228.4 million. The estimated reduction is mostly attributable to a \$37 million decrease in funding for Construction Grants under the federal Clean Water Act. These monies help support the N.J. Environmental Infrastructure Financing Program.
- New budget language appropriating \$6 million from the Spill Compensation Fund to support the Passaic River Cleanup Litigation account is recommended. The language also provides for the repayment of this sum from damage claims.
- Debt Service costs are recommended at \$59.7 million, an increase of \$2.9 million or 8 percent over the current funding level.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2007	Adj. Approp. FY 2008	Recom. FY 2009	Percent Change	
				2007-09	2008-09
General Fund					
Direct State Services	\$277,371	\$249,653	\$230,046	(17.1%)	(7.9%)
Grants-In-Aid	4,744	35,947	19,481	310.6%	(45.8%)
State Aid	11,203	11,369	9,236	(17.6%)	(18.8%)
Capital Construction	99,251	117,024	92,611	(6.7%)	(20.9%)
Debt Service	64,663	56,790	59,735	(7.6%)	5.2%
Sub-Total	\$457,232	\$470,783	\$411,109	(10.1%)	(12.7%)
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	9,068	9,828	10,000	10.3%	1.8%
Sub-Total	\$9,068	\$9,828	\$10,000	10.3%	1.8%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$466,300	\$480,611	\$421,109	(9.7%)	(12.4%)
Federal Funds	\$46,725	\$228,422	\$186,101	298.3%	(18.5%)
Other Funds	\$31,746	\$73,332	\$72,213	127.5%	(1.5%)
Grand Total	\$544,771	\$782,365	\$679,423	24.7%	(13.2%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2007	Revised FY 2008	Funded FY 2009	Percent Change	
				2007-09	2008-09
State	991	955	856	(13.6%)	(10.4%)
Federal	74	62	60	(18.9%)	(3.2%)
All Other	2,243	2,210	2,213	(1.3%)	0.1%
Total Positions	3,308	3,227	3,129	(5.4%)	(3.0%)

FY 2007 (as of December) and revised FY 2008 (as of January) personnel data reflect actual payroll counts. FY 2009 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	17.1%	17.3%	17.5%	—	—
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2008</u>	<u>Recomm. FY 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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NATURAL RESOURCE MANAGEMENT

DIRECT STATE SERVICES

Personal Services:

Salaries and Wages	\$47,908	\$36,991	(\$10,917)	(22.8%)	D-128
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These figures represent total funding of all salary accounts within this Statewide Program. Of these totals, the salary account appropriation for the Parks Management program classification is recommended at \$20.0 million, a reduction of \$8.6 million or 30 percent below its FY 2008 adjusted level of \$28.7 million. The Position Data section of the recommended budget (page D-128) also reflects this reduction by showing a decrease of 94 State-supported positions in the Parks Management category.

Special Purpose:

Liberty State Park

Commission	\$11	\$0	(\$ 11)	(100.0%)	D-129
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Natural Lands Trust	\$79	\$0	(\$ 79)	(100.0%)	D-129
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Natural Areas

Council	\$3	\$0	(\$ 3)	(100.0%)	D-129
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The subject accounts provide funding for administrative support supplied by departmental staff for these independent agencies. In FY 2009, it is recommended that this support be budgeted from the Parks Management salary account rather than from Special Purpose accounts.

The Liberty State Park Commission was created by Executive Order to evaluate proposals for park facilities and programs. The Natural Lands Trust was created by the Legislature as an independent agency to preserve land in its natural state and oversee funds for the preservation of natural areas. The Natural Areas Council was created by the Legislature to advise the DEP Commissioner in matters relating to acquiring, maintaining and preserving natural areas.

Black Bear

Management	\$863	\$678	(\$ 185)	(21.4%)	D-129
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This account was established in FY 2008 to support non-lethal methods of limiting black bear interactions with humans through research, public education, outreach and training programs. These methods were developed as an alternative for the December 2006 bear hunt season, which had been cancelled. According to the department, the results of this effort supported its decision to cancel a bear hunt season in 2007. The recommended appropriation is intended to reduce non-salary expenses for this program.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2008</u>	<u>Recomm. FY 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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CAPITAL CONSTRUCTION

Recreational Land Development and Conservation - Constitutional Dedication	\$21,924	\$17,189	(\$4,735)	(21.6%)	D-130
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This appropriation is supported by the constitutional dedication of Corporation Business Tax (CBT) revenues for environmental programs. The subject account supports deferred maintenance, development, and improvement projects in State parks, forests, historic sites and wildlife areas. Annual allocations for this and the department's other CBT-funded accounts are calculated from total CBT revenues collected during the fiscal year. Since CBT revenues are projected to be lower in FY 2009, all CBT-funded accounts in the department's proposed budget reflect a 22 percent funding reduction.

Natural Resources Engineering: HR-6 Flood Control	\$5,790	\$0	(\$5,790)	(100.0%)	D-131
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This account provides State matching funds to leverage federal funding available for flood control projects coordinated through the U.S. Army Corps of Engineers. Its FY 2009 appropriation, recommended at \$6.5 million or 12 percent above the current funding level, is displayed in the General Language Provisions section of the Budget Recommendation (page F-7) as part of the "Long Term Obligation and Capital Expenditure Reserve" appropriation.

SCIENCE AND TECHNICAL PROGRAMS**DIRECT STATE SERVICES**

Special Purpose: Office of Permit Information and Assistance	\$600	\$0	(\$ 600)	(100.0%)	D-135
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This account has been funded since FY 1998 within the Land Use Regulation program classification. While the subject unit did exist when the account was first established, it has changed names over the years during various departmental reorganizations. The account now supports staff in the Office of Permit Coordination and Environmental Review. At this writing, it is unclear whether the recommended savings reflect the elimination of this function or its transfer to non-State funding sources, such as dedicated fees, special revenues or federal funds.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2008</u>	<u>Recomm. FY 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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GRANTS-IN-AID

Lake Hopatcong Commission	\$400	\$	(\$ 400)	(100.0%)	D-136
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This grant provides State support for the operations of the commission, which has received similar grants in previous years because it does not have a stable funding source. To correct this problem, the commission has authorized a boat registration fee to support its operating budget. Although legislation establishing this fee has yet to be enacted, budget language is included in the current and proposed budget that appropriates boat fee revenues for this purpose (if and when the legislation becomes law).

Watershed Restoration Projects	\$2,700	\$0	(\$2,700)	(100.0%)	D-136
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This account supports projects recommended by the State's Regional Stormwater Management committees. It is funded by CBT revenues constitutionally dedicated to the department's Water Resources Monitoring and Planning account, along with matching federal funds. The current appropriation is expected to support projects in Greenwood Lake, Lake Carasaljo, Rockaway River, Cooper River and the Sandler's Woods portion of the Newton Creek. New funding is not recommended due to low CBT collection levels projected for FY 2009.

ALL OTHER FUNDS

Science, Research and Technology	\$2,000	\$0	(\$2,000)	(100.0%)	D-136
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The current amount represents a one-time, off-budget appropriation from the N.J. Clean Energy Fund to support the Ocean/Wind Power Ecological Baseline Study. The study, as recommended by the Blue Ribbon Panel on Development of Wind Turbine Facilities in Coastal Waters, focused on the environmental factors that may be affected by a pilot project to place up to 80 wind turbines in offshore waters. The study is expected to be completed later this year.

SITE REMEDIATION AND WASTE MANAGEMENT

DIRECT STATE SERVICES

Special Purpose: Cleanup Projects Administrative Costs Constitutional Dedication	\$13,155	\$10,314	(\$2,841)	(21.6%)	D-139
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Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2008</u>	<u>Recomm.</u> <u>FY 2009</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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This appropriation is supported by the constitutional dedication of CBT revenues for environmental programs. It pays the administrative costs incurred by the department for site remediation and brownfields projects financed by dedicated CBT revenues appropriated to the capital accounts indicated below. Annual allocations for this and the department's other CBT-funded accounts are calculated from total CBT revenues collected during the fiscal year. Since CBT revenues are projected to be lower in FY 2009, all CBT-funded accounts in the department's proposed budget reflect a 22 percent funding reduction.

GRANTS-IN-AID

Recycling Grants	\$8,000 S	\$0	(\$8,000)	(100.0%)	D-140
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This is a supplemental appropriation authorized under P.L.2007, c.311, which established a new State Recycling Program. Its purpose is to cover program implementation costs and fund a round of recycling grants until sufficient revenues are collected from the new recycling tax established under the act. When fully operational, the recycling tax is expected to generate about \$19 million annually for local grants and \$15 million annually for related recycling and solid waste management activities. The act also provides for the repayment of the supplemental appropriation from recycling taxes at a rate of \$1 million annually.

CAPITAL CONSTRUCTION

Hazardous Substance Discharge Remediation-- Constitutional Dedication	\$27,770	\$21,773	(\$5,997)	(21.6%)	D-140
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Hazardous Substance Discharge Remediation Loans & Grants-- Constitutional Dedication	\$36,540	\$28,649	(\$7,891)	(21.6%)	D-140
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These appropriations are supported by the constitutional dedication of CBT revenues for environmental programs. The first account finances hazardous site cleanups not generally supported by responsible parties. The second account provides loans and grants primarily for brownfields redevelopment projects that are jointly administered by the N.J. Economic Development Authority and the department.

Annual allocations for this and the department's other CBT-funded accounts are calculated from total CBT revenues collected during the fiscal year. Since CBT revenues are projected to be lower in FY 2009, all CBT-funded accounts in the department's proposed budget reflect a 22 percent funding reduction.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2008</u>	<u>Recomm. FY 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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ENVIRONMENTAL REGULATION

GRANTS-IN-AID

Diesel Risk Mitigation Fund	\$24,847	\$19,481	(\$5,366)	(21.6%)	D-144
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This appropriation is supported by the constitutional dedication of CBT revenues for environmental programs. The subject account funds the Diesel Emissions Reduction Program, which encourages the use of ultra-low sulfur diesel fuel, regulates vehicle idling, and provides grants to retrofit publicly-owned or contracted diesel powered vehicles. Annual allocations for this and the department's other CBT-funded accounts are calculated from total CBT revenues collected during the fiscal year. Since CBT revenues are projected to be lower in FY 2009, all CBT-funded accounts in the department's proposed budget reflect a 22 percent funding reduction.

FEDERAL FUNDS

Public Wastewater Facilities	\$65,000	\$28,000	(\$37,000)	(56.9%)	D-145
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This account receives federal Construction Grants funding under the federal Clean Water Act to help support the N.J. Environmental Infrastructure Financing Program. The program provides loans to local governments to improve or upgrade water and wastewater treatment plants, combined sewer overflow connections, brownfield remediation and other related projects. The funding decrease reflects a projected reduction in program funding at the national level.

ENVIRONMENTAL PLANNING AND ADMINISTRATION

DIRECT STATE SERVICES

Personal Services: Salaries and Wages	\$19,078	\$17,447	(\$1,631)	(8.5%)	D-147
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These figures represent total funding of all salary accounts within this Statewide Program. Of these totals, the salary account appropriation for the Regulatory and Governmental Affairs program classification is recommended at \$1.3 million, a reduction of \$525,000 or 28 percent below its FY 2008 adjusted level of \$1.8 million. According to the Office of Management and Budget, this reduction is attributable to the downsizing of the Office of Communications, the Office of Intergovernmental Affairs, and the Office of Public Records.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2008</u>	<u>Recomm. FY 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
STATE AID					
Administration and Operations of the Highlands Council	\$3,000	\$2,400	(\$ 600)	(20.0%)	D-148
Administration, Planning and Development Activities of the Pinelands Commission	\$3,398	\$2,618	(\$ 780)	(23.0%)	D-148

Both accounts support the operating budgets of the respective commissions. The Highlands Council reduction reflects, in part, a projected decrease in costs incurred for its Master Plan preparation, which is scheduled to be finalized this summer. The Pinelands Commission reduction is attributable to budgetary constraints aimed at lowering operating costs.

COMPLIANCE AND ENFORCEMENT**STATE AID**

County Environmental Health Act	\$3,453	\$2,700	(\$ 753)	(21.8%)	D-151
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This line item provides State Aid to county health agencies under the subject act to conduct various regulatory inspections on behalf of the State. Current budget language also appropriates "excess" Air Permitting Minor Source fees, up to \$1 million, to this account to support county inspections of non-major (air pollution) source facilities. The Budget Recommendation proposes to amend this language by removing the \$1 million limitation mentioned above. Depending on the level of fee revenues collected, this language revision may serve to offset some of the proposed funding reduction.

Language Provisions

NATURAL RESOURCE MANAGEMENT

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No comparable language.

p. D-132

The unexpended balance at the end of the preceding fiscal year in the Recreational Land Development and Conservation – Constitutional Dedication administrative account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The subject account was initially included in the FY 2008 budget and is supported by the constitutional dedication of Corporation Business Tax (CBT) revenues for environmental programs. It provides capital funding for deferred maintenance, development, and improvement projects in State parks, forests, historic sites and wildlife areas. The proposed language permits any unspent monies remaining in this account at the end of FY 2008 to be “carried forward” or reappropriated for expenditure in FY 2009.

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No comparable language.

p. D-132

There is appropriated to the Delaware and Raritan Canal Commission such sums as may be collected from permit review fees pursuant to P.L.2007, c.142, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The subject commission, an independent agency “in but not of” the department, is funded from the Division of Parks and Forestry operating accounts. The enactment of P.L.2007, c.142 authorizes the commission to charge fees for the review of applications for a proposed governmental, public or private project within its jurisdiction. While the act also permits the commission to retain these fee revenues for operations support, the recommended language clarifies this provision within the context of the Appropriations Act.

Language Provisions (Cont'd)

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No comparable language.

p. D-132

There is appropriated to the Department of Environmental Protection from penalties collected under the "Safe Dam Act," P.L.2005, c.228 (C.58:4-6 et seq), such sums as may be necessary to remove dams that may be abandoned, have disputed ownership or are not in compliance with current inspection requirements or repair.

Explanation

The recommended language authorizes penalty assessments collected under the subject act to be appropriated directly to the department for the stated purposes. At present, these revenues are deposited into the General Fund.

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No comparable language.

p. D-132

In addition to the amount hereinabove appropriated for Forest Resource Management, there is appropriated \$800,000 from the Motor Vehicle Commission.

Explanation

The proposed language appropriates \$800,000 to offset a General Fund reduction for the same amount recommended in the salary account of the State Forestry Service. This sum is derived from accrued lease payments owed the department for a Motor Vehicle Commission inspection facility (in Lawrence Township, Mercer County) situated on land owned by the Division of Parks and Forestry.

Language Provisions (Cont'd)

SCIENCE AND TECHNICAL PROGRAMS

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p. B-67

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The amount hereinabove appropriated for the Safe Drinking Water Fund account is appropriated from receipts received pursuant to the "Safe Drinking Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.), together with an amount not to exceed \$1,289,000, for administration of the Safe Drinking Water program and the Private Well Testing program, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

The amount hereinabove appropriated for the Safe Drinking Water Fund account is appropriated from receipts received pursuant to the "Safe Drinking Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.), together with an amount not to exceed **[\$1,289,000]** \$1,279,000, for administration of the Safe Drinking Water program **[and the Private Well Testing program]**, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

Explanation

The major difference between the existing and recommended provision is the elimination of the reference to the administrative support of the Private Well Testing program. The program, which is also supported by Well permits/Well drillers/Pump installers license fees authorized for this purpose through budget language, is currently budgeted at \$800,000. In FY 2009, the department expects the program to be mainly supported by Well permits/Well drillers/Pump installers license fees.

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p. B-68

Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amounts appropriated hereinabove, there is appropriated to the Department of Environmental Protection from the Clean Energy Fund the amount of \$2,000,000 for an Ocean/Wind Power Ecological Baseline Study.

No comparable language.

Explanation

The current language refers to an off-budget appropriation for a study that was recommended by the Blue Ribbon Panel on Development of Wind Turbine Facilities in Coastal Waters. The study focused on the environmental factors that may be affected by a pilot project to place up to 80 wind turbines in offshore waters. It is expected to be completed later this year.

Language Provisions (Cont'd)

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p. B-68

Of the amounts appropriated for the Stormwater Management Grants program, such sums as are necessary or required may be transferred to the Water Resources Monitoring and Planning – Constitutional Dedication special purpose account, subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

This language is not continued because the cited program will no longer be active in FY 2009. It was initiated in FY 2004 to help municipalities comply with new federal mandates for stormwater management. Since then, \$12 million from dedicated CBT revenues has been appropriated and distributed to participating municipalities for this purpose.

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p. B-68

The amount hereinabove appropriated for Watershed Restoration Projects shall be provided from revenue received from the Corporation Business Tax, pursuant to the "Corporation Business Tax Act (1945), "P.L.1945, c.162 (C.54:10A-1 et seq.), as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution.

No comparable language.

Explanation

This account supports projects recommended by the State's Regional Stormwater Management Committees. It is funded by CBT revenues dedicated to the department's Water Resources Monitoring and Planning account, along with matching federal funds. The language is not continued because new funding is not recommended for this account due to low CBT collection levels projected for FY 2009.

Language Provisions (Cont'd)**SITE REMEDIATION AND WASTE MANAGEMENT****2008 Appropriations Handbook****2009 Budget Recommendations****p.-B-70**

There is appropriated from the Clean Communities Program Fund such sums as may be available to meet the following requirements: 1) 25% of the estimated annual balance up to \$4,000,000, as determined by the Director of the Division of Budget and Accounting, to the State Recycling Fund established pursuant to section 5 of P.L.1981, c.278 (C.13:1E-96); 2) \$300,000 of the estimated annual balance to the Department of Environmental Protection for an organization under contract with the Department which meets the requirements pursuant to subsection d. of section 6 of P.L. 2002, c.128 (C.13:1E-218); and 3) the balance, as determined by the Director of the Division of Budget and Accounting, of the Clean Communities Program Fund established pursuant to section 5 of P.L. 2002, c.128 (C.13:1E-217) for the purposes set forth in subsections a., b., c., and d. of that section.

No comparable language.

Explanation

This language clarifies the funding formula that appropriates up to \$4 million from the Clean Communities Program Fund for recycling grants, along with other Fund allocations. The Clean Communities Fund is supported by the State litter tax. While State recycling efforts have been supported by this funding source since FY 2004, its traditional funding source had been the State recycling tax, which expired in 1997.

The language is no longer needed because a new State recycling tax and grants program have been established pursuant to the enactment of P.L.2007, c.311. When fully operational, the new recycling tax is expected to generate about \$19 million annually for local recycling grants and \$15 million annually for related recycling and solid waste management activities. In addition, the act appropriated \$8 million from the General Fund in FY 2008 to finance the new recycling grant program until sufficient recycling taxes are collected.

Language Provisions (Cont'd)**2008 Appropriations Handbook****2009 Budget Recommendations****p. B-70**

Receipts deposited to the Resource Recovery Investment Tax Fund and the Solid Waste Services Tax Fund are appropriated. No comparable language.

Explanation

This language is not continued because both of the subject taxes are no longer active. The Resource Recover Investment Tax expired 10 years ago and the Solid Waste Services Tax was recently repealed under P.L.2007, c.311.

2008 Appropriations Handbook**2009 Budget Recommendations****p. D-141**

No comparable language.

Notwithstanding the provisions of any other law or regulation to the contrary, there is appropriated from the New Jersey Spill Compensation Fund an amount of \$6,000,000 for the direct and indirect costs of legal and consulting services associated with litigation related to the Passaic River Cleanup. Future cost recoveries from this litigation, not to exceed \$6,000,000, shall be reimbursed to the New Jersey Spill Compensation Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The recommended language authorizes a new funding source to support and repay the investigative and litigation costs associated with the State's pursuit of compensation from various companies for polluting the Passaic River and Newark Bay during the past 20 years. In the FY 2007 State Budget, \$12 million was appropriated from the General Fund to the Passaic River Cleanup Litigation account for this purpose, with \$3.8 million in unspent funds reappropriated in FY 2008.

Language Provisions (Cont'd)

ENVIRONMENTAL REGULATION

2008 Appropriations Handbook

2009 Budget Recommendations

p. B-72

Receipts in excess of the amount anticipated from fees and permit receipts from the Title V Operating Permits, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

The current language is not continued in FY 2009 because, according to the department, permit fee revenues have been steadily declining due to a corresponding decline in toxic air emissions by the regulated community. As a result, no "excess receipts" or unexpended balances in this account are projected in FY 2009, thereby negating the need for this language.

COMPLIANCE AND ENFORCEMENT

2008 Appropriations Handbook

2009 Budget Recommendations

No comparable language.

p. D-151

Receipts in excess of the amount anticipated for Pesticide Fees are appropriated to the Department of Environmental Protection, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The proposed language authorizes any pesticide fee receipts collected in excess of the amount anticipated, estimated at \$4.4 million in FY 2009, to be appropriated to the department for program support. These revenues are currently deposited into the General Fund.

Language Provisions (Cont'd)**DEPARTMENT-WIDE****2008 Appropriations Handbook****p. B-76**

Receipts in excess of the amount anticipated for Air Pollution, Clean Water Enforcement, Land Use, Solid Waste, and Hazardous Waste fines are appropriated for the expansion of compliance, enforcement and permitting efforts in the Department, subject to the approval of the Director of the Division of Budget and Accounting.

2009 Budget Recommendations**p. D-152**

Receipts in excess of \$7,210,000 anticipated for Air Pollution, Clean Water Enforcement, Land Use, Solid Waste, and Hazardous Waste fines, not to exceed \$1,500,000, and the unexpended balance at the end of the preceding fiscal year are appropriated for the expansion of compliance, enforcement, and permitting efforts in the Department, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The amended language adds specific limitations to the amount of excess fine receipts that can be appropriated to the department (rather than to the General Fund) for the stated purposes. It also adds a "carry forward" provision to allow unexpended balances remaining in this account at the end of FY 2008 to be reappropriated for the same purpose in FY 2009.

Discussion Points

1. The Budget Recommendation seeks to reduce State employee levels through early retirement, attrition, program consolidation, management efficiencies, elimination of funded vacancies and targeted layoffs. Only 10 percent of positions vacated through these actions will be allowed to be refilled.

- **Question:** By division, how many employees are eligible for the early retirement initiative? By division, how many funded vacancies are expected to be eliminated and what are the expected savings? To the extent that new employees cannot be hired to fill 90 percent of lost positions, what services or programs are likely to be most effected? Will any of these reductions affect the department's monitoring and oversight of contracts, and its efforts to claim or maximize federal reimbursements?

2. The enactment of P.L.2007, c.246 updated the penalty and enforcement provisions of various environmental laws, which resulted in the revision or increase of existing violation charges as well as the creation of new penalty categories. There have been recent reports by newspapers and public interest groups concerning inadequate levels of compliance and enforcement efforts by the department. For example, in August 2007, the State Auditor reported that the department collected about \$21,000 of a potential \$10 million in fines over the last two years from chemical companies that failed to report on-site chemicals pursuant to the Worker and Community Right to Know Act. In response to most reports of this nature, the department generally cites understaffing as the main cause of its enforcement shortcomings.

- **Question:** Please provide a listing of total fines and penalties actually collected by the department in FY 2007 and anticipated for FY 2008, including the disposition of these monies. If possible, please highlight the fines collected that are or will be affected by the provisions of P.L.2007, c.246. In light of the department's apparent understaffing in some of its compliance and enforcement units, how will P.L.2007, c.246 affect its ability to carry out enforcement responsibilities under the act?

3. Funding for the Office of Permit Information and Assistance account, currently budgeted at \$600,000, is not recommended in FY 2009. This Special Purpose line item has been funded since FY 1998 within the Land Use Regulation program class.

- **Question:** Please describe the current functions of this office or its successor. Please explain the disposition of monies from this account, including the number and location of staff it supports. What impact will the loss of this appropriation have on the department's ability to help the public with permit information and assistance?

4. The most significant change in the department's recommended operating budget is the \$8.9 million, or 22 percent funding reduction in Parks Management. Most of this reduction, \$8.6 million, or 30 percent, is reflected in the Parks salary account. The Position Data section of the recommended budget also shows a reduction of 94 positions in Parks Management.

- **Question:** Please identify the operating units where staff reductions (representing filled positions) will likely be implemented. To the extent possible, please describe how these reductions will affect the operation of the State Park system. How will the funding reduction affect the department's ability to receive federal funds, as well as maintain State Parks once capital projects funded by constitutionally dedicated Corporation Business Tax revenues are completed?

Discussion Points (Cont'd)

5. The Division of Fish and Wildlife's salary account is recommended at \$8.2 million, a reduction of \$1.2 million or 12 percent below its current adjusted appropriation. This account is part of the Hunters' and Anglers' License Fund appropriation, which is about 75 percent supported by dedicated revenues from hunting and fishing license fees. The Position Data section of the department's recommended budget indicates a reduction of three positions from the Hunters' and Anglers' License Fund category.

- **Question:** Please describe the impact of the proposed salary account reduction on the Division and on its ability to maintain the State's wildlife management areas. In light of the recommended reduction, why does the position data indicate the loss of only three positions?

6. Recent enactments reinstated special tax support for the State Recycling program (P.L.2007, c.311) and established a new "e-waste" program dealing with the disposal of old computers, TV's and other electronic equipment (P.L.2007, c.347). In the recommended budget, the new recycling program is manifested by an \$8 million supplemental appropriation listed under "Recycling Grants" on budget page D-140. It is also reflected by the removal of current budget language that appropriates monies from the Clean Communities Fund to support recycling grants and other related purposes. When fully operational, the new recycling tax is expected to generate about \$19 million annually for local grants and \$15 million annually for related recycling and solid waste management activities.

- **Question:** Please explain how and when the existing recycling grant program will be replaced by the new grant program, including the disposition of available funds from both programs. What are the formula funding differences between the two grant programs? How will the changeover in programs affect staffing levels? How and when does the department plan to utilize the \$15 million in recycling tax revenues earmarked for non-grant activities? What is the implementation status, budget, and staffing requirements of the new e-waste program? How will the Clean Communities program use its former recycling grant funds in FY 2009?

7. Proposed State Aid funding is reduced for the Highlands Council by \$600,000 or 20 percent, and for the Pinelands Commission by \$780,000 or 23 percent. Grants-In-Aid funding for the Lake Hopatcong Commission, currently budgeted at \$400,000, is not recommended in FY 2009.

- **Question:** How will the State Aid reductions and the elimination of the Lake Hopatcong Commission grant affect the operations of these agencies? What impacts, if any, will the impending adoption of the Highlands Master Plan have on the Highlands Council, the DEP, functions of the Department of Agriculture, and the Garden State Preservation Trust Fund?

8. The enactment of P.L.2007, c.338 revised and updated the shellfisheries laws in Title 50 of the Revised Statutes. One of these revisions removed the existing prohibition on aquaculture leasing in the lower Delaware Bay to allow the department to establish up to four Aquaculture Development Zones, where aquaculturists could employ innovative shellfish culture practices. Other revisions include updating clamming and oyster license fee rates and creating a new nonresident commercial shellfish license.

Discussion Points (Cont'd)

- **Question:** Please describe the intended impacts of these revisions in terms of economic benefits, staffing requirements and environmental effects. Please compare the anticipated revenues resulting from the revised laws with current revenue estimates, and describe how these funds will be used within the department.

9. P.L.2007, c.340 was enacted to implement the policies of the "Global Warming Response Act" (P.L.2007, c.112). It created an emissions trading and auction mechanism (i.e., "cap and trade") to help reduce the level of greenhouse gases. Under the act, the department would manage a program that buys, sells or trades allowances, or credits, for electric generating companies to emit greenhouse gases. The first auction of these credits is scheduled in September 2008. Revenues from the sale of emissions credits, which could generate between \$40 million and \$70 million annually, are dedicated to the Global Warming Solutions Fund to support State programs that increase energy efficiency and reduce greenhouse gases. Under P.L.2007, c.340, the department would receive 10 percent of these revenues to support local government efforts to reduce greenhouse gases and another 10 percent to support atmospheric enhancement projects in State forests and tidal marshes.

- **Question:** What is the current status of the department's responsibilities under both acts? Notwithstanding the promulgation of rules expected to be issued this summer, what are some of the options available to the department for expending its designated revenues from the sale of emissions credits? What is the current and projected administrative costs the department may incur under both acts, and will sufficient staff and resources be available to carry out its responsibilities?

10. State Aid for county health agencies, as provided under the County Environmental Health Act (CEHA) line item, is recommended at \$2.7 million, a reduction of \$753,000 or 22 percent below the FY 2008 appropriation of \$3.5 million. This appropriation helps counties enforce State environmental laws on behalf of the department.

- **Question:** Please provide a table indicating the current CEHA allotment each county receives and the allotment they would receive in FY 2009 under the recommended appropriation. Discuss the possible impacts the lower allotments may have on a county's ability to carry out its responsibilities under the CEHA.

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Individuals wishing information and committee schedules on the FY 2009 budget are encouraged to contact:

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