

ANALYSIS OF THE NEW JERSEY
FISCAL YEAR 2000 - 2001 BUDGET



DEPARTMENT OF ENVIRONMENTAL
PROTECTION

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

MAY 2000

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF ENVIRONMENTAL PROTECTION

Budget Pages..... C-9 to C-10; C-17; C-22 to C-23;
C-27; D-137 to D-166; E-8 to E-10

Fiscal Summary (\$000)

	Expended FY 1999	Adjusted Appropriation FY 2000	Recommended FY 2001	Percent Change 2000-01
State Budgeted	\$392,953	\$436,515	\$416,036	(4.7)%
Federal Funds	31,940	184,296	184,552	0.1%
<u>Other</u>	<u>21,557</u>	<u>39,593</u>	<u>42,069</u>	<u>6.3%</u>
Grand Total	\$446,450	\$660,404	\$642,657	(2.7)%

Personnel Summary - Positions By Funding Source

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change 2000-01
State	2,872	2,942	3,224	9.6%
Federal	134	124	117	(5.6)%
<u>Other</u>	<u>54</u>	<u>70</u>	<u>72</u>	<u>2.9%</u>
Total Positions	3,060	3,136	3,413	8.8%

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

Introduction

The Department of Environmental Protection (DEP) protects and manages the State's natural resources, preserves open space, monitors the State's beaches and ocean waters, regulates air and water pollution and hazardous waste generation, coordinates the remediation of pollution problems, and manages various aspects of solid waste disposal. The department operates many types of remedial, research and regulatory programs, many of which are directly or indirectly supported by revenues generated from general user fees, permit or license fees, penalty and fine charges, special taxes, bond acts, federal funds, and constitutional dedications.

Key Points

- ! The department's total General Fund appropriation is recommended at \$416.0 million, a net decrease of \$20.5 million or 5 percent from the current adjusted funding level.
- ! The **Direct State Services** (DSS) portion of the General Fund appropriation is recommended at \$199.2 million, an increase of \$6.1 million or 3 percent over the current adjusted appropriation. Key items in the DSS budget are as follows:
 - ! A new Special Purpose appropriation of \$350,000 is recommended for the Office of Dredging and Sediment Technology in order to expand and centralize its operating budget.
 - ! An increase of \$415,000 is recommended for the Office of Air Quality Management to increase its monitoring capability and analysis of the State's air toxics infrastructure.
 - ! An increase of \$856,000 is recommended for the Division of Science, Research and Technology to expand its water quality management functions and monitoring of drought conditions at water collection sites throughout the State.
 - ! A new Special Purpose appropriation of \$320,000 is recommended for the Division of Science, Research and Technology to implement the Greenhouse Gas Action Plan, an effort to coordinate new and existing resources to reduce industrial emissions that foster greenhouse gas accumulation.
 - ! A new Special Purpose appropriation of \$3.0 million is recommended for Water Quality Monitoring and Watershed Planning. This sum supplements a \$5.9 million appropriation from dedicated Corporation Business Tax revenues and will support planning efforts in nine watershed management areas.
 - ! An increase of \$1.0 million is recommended for the Land Use Regulation program to pay charges from the Division of Law for more legal services expected during FY 2001.
 - ! An increase of \$500,000 is recommended for the Solid and Hazardous Waste Management program to pay charges from the Division of Law for more legal services expected during FY 2001.
 - ! The Quality Assurance-Lab Certification Program account is recommended at \$1.4 million, an increase of \$497,000 or 55 percent, over its current funding level in order to expand the program staff level for this activity by eight positions.
 - ! The **Grants-In-Aid** portion of the General Fund appropriation is recommended at \$850,000, a decrease of \$843,000 or 50 percent from the current adjusted funding level. Most of the decrease, \$603,000, is attributable to items included by the Legislature in the current budget that are not recommended in FY 2001.
 - ! The two remaining Grants-In-Aid recommendations are \$500,000 for the Statewide Community Forestry Program, which currently receives \$740,000, and \$350,000 for the Black Fly Treatment-Delaware River account, the same amount it now receives.

Key Points (Cont'd)

- ! The **State Aid** portion of the General Fund appropriation is recommended at \$13.3 million, a decrease of \$6.8 million or 34 percent from the current funding level. Of the reduction amount, \$4.8 million represents supplemental appropriations for five local natural resource projects that were included in current General Provision language by the Legislature.
- ! State Aid programs with recommended increases include Payment In Lieu of Taxes, from \$6.3 million to \$7.1 million, and Mosquito Control Research, Administration and Operations, from \$470,000 to \$970,000.
- ! Funding for the State Aid Pinelands Development Credits account is recommended to increase from \$3.0 million to up to \$20.0 million. However, the \$20.0 million appropriation is recommended in budget language rather than as a line item appropriation and is therefore not included in the department's budget totals.
- ! The **Capital Construction** portion of the General Fund appropriation is recommended at \$96.7 million, a decrease of \$9.2 million or 9 percent from the present funding level. Major program area funding is recommended as follows:
 - ! A total of \$33.9 million is recommended for Natural Resource Management projects, a decrease of \$14.8 million or 30 percent below the current adjusted funding level. Both years include \$25.0 million from realty transfer tax revenues for shore protection projects. The recommended balance includes \$7.7 million for Parks Management, \$600,000 for the Palisades Interstate Park Commission, and \$695,000 for the Division of Fish and Wildlife.
 - ! Under the Site Remediation program, \$51.1 million is recommended from dedicated Corporation Business Tax revenues. Of this sum, \$30.2 million is allocated for Hazardous Substance Discharge Remediation and \$20.9 million is for Private Underground Tank Mitigation. Current funding for these two accounts is \$52.8 million.
 - ! The annual appropriation for federally-matched, HR6 flood control projects is recommended at \$6.2 million, an increase of \$1.9 million over the current funding level.
 - ! A new capital appropriation of \$5.0 million is recommended to complete the N.J. Environmental Management System, which encompasses the modernization and coordination of the department's data management systems.
- ! The **Debt Service** portion of the General Fund appropriation, which covers payments for bond interest and redemption costs, is recommended at \$105.9 million, a decrease of \$9.7 million or 8 percent from the current year requirement.
- ! **Federal** funding is anticipated at \$184.6 million in FY 2001, a net increase of \$256,000 or less than one percent over the current authorized total. No new funding initiatives or major program changes are indicated at this time.
- ! The **All Other Funds** or off-budget portion of the budget is estimated at \$42.1 million, a net increase of \$2.5 million or 6 percent over the current adjusted total. The recommended estimate does not include \$1.3 million in Green Acres bond funds used for program administration, as this funding source is being replaced by State monies in FY 2001. Corresponding budget language is also eliminated from the recommended budget.

Key Points (Cont'd)

- ! Current budget language concerning the State Recycling Fund is amended to appropriate the Fund's balance to restore the local recycling grants program.
- ! New budget language is recommended to appropriate up to \$2.4 million from the Sanitary Landfill Facility Contingency Fund to implement a Scrap Tire Pile Management program.
- ! State support for Solid Waste Management-County Environmental Investment Debt Service Aid is continued at \$20.0 million in FY 2001 and is displayed on page D-443 of the Department of the Treasury's recommended budget. This account also received a supplemental appropriation of \$13.0 million during FY 2000 pursuant to budget language that authorized the reappropriation of this previously appropriated sum.
- ! The recommended Interdepartmental Accounts budget includes the second annual \$98.0 million appropriation for the Open Space Preservation Program, as displayed on page D-463. Subsequent legislation will allocate this amount plus any bond-financed revenues pursuant to Garden State Preservation Trust recommendations.

Program Description and Overview

The functions and programs of the Department of Environmental Protection (DEP) are grouped and displayed in the Budget Recommendation within six Statewide Program designations: Natural Resource Management, Science and Technical Programs, Site Remediation, Environmental Regulation, Environmental Planning and Administration, and Compliance and Enforcement. The DEP budget also includes funding for the following independent agencies that are budgetarily located "in, but not of" the department: the Natural Lands Trust, the Palisades Interstate Park Commission, the Hazardous Waste Facilities Siting Commission, the Environmental Infrastructure Trust, the Pinelands Commission, the Mosquito Control Commission, and the Board of Pilot Commissioners.

There are also two major State-funded programs that the department helps manage that are funded outside of the department's budget. First, on Budget Page D-443 of the Department of the Treasury's budget under "Solid Waste Management-County Environmental Investment Debt Service Aid," \$20.0 million is recommended to continue supporting the State Partnership Agreement Program, which was initiated in FY 1998 to help counties meet stranded debt costs incurred from building solid waste facilities. Second, on Budget Page D-463 of the Interdepartmental Accounts budget under "Open Space Preservation Program, Garden State Preservation Trust Fund Account," \$98.0 million is recommended pursuant to the constitutional dedication of sales tax revenues for the open space (i.e. Green Acres), farmland preservation and historical preservation programs.

Budget/Organizational Structure

In the Budget Recommendation, each Statewide Program consists of program classifications. These designations generally correspond to an agency's functional or organizational structure and reflect the operating levels at which specific appropriations are recommended. The following is a brief description of each Statewide Program (with two-digit budget code) and its program classifications as they appear in the Budget Recommendation:

Natural Resource Management (42) is comprised of seven program classifications: Forest Resource Management, Parks Management, Hunters' and Anglers' License Fund, Shellfish and Marine Fisheries Management, Wildlife Management, Natural Resources Engineering, and the Palisades Interstate Park Commission. Organizationally, this portion of the budget funds the Division of Fish and Wildlife, the Division of Parks and Forestry, the Green Acres Office, the Engineering and Construction unit (shore protection, dredging, dam safety, flood control), and the New Jersey portion of the Palisades Interstate Park Commission.

Science and Technical Programs (43) is comprised of seven program classifications: Air Pollution Control, Water Supply and Watershed Management, Water Monitoring and Planning, Science, Research and Technology, New Jersey Geological Survey, Environmental Remediation and Monitoring, and Watershed Management Planning. Organizationally, this part of the budget generally supports the Division of Science, Research and Technology, the Division of Watershed Management, the Office of Coastal Planning and Program Coordination, and the Office of Air Quality Management.

Site Remediation (44) is comprised of three program classifications: Publicly-Funded Site Remediation, Responsible Party Site Remediation, and Environmental Remediation and Monitoring. This segment of the budget is primarily supported by bond funds, dedicated tax revenues, federal funds, and other non-State funding sources to manage the cleanup of sites contaminated by hazardous substances. These activities are carried out by the Division of Responsible Party Site Remediation and the Division of Publicly Funded Site Remediation.

Program Description and Overview (Cont'd)

Environmental Regulation (45) is comprised of seven program classifications: Radiation Protection, Air Pollution Control, Water Supply and Watershed Management, Water Pollution Control, Public Wastewater Facilities, Land Use Regulation, and Solid and Hazardous Waste Management. Organizationally, this section of the budget supports the Division of Environmental Safety, Health and Analytical Programs, the Division of Solid and Hazardous Waste, the Division of Water Quality, the Air Quality Regulation unit, the Office of Pollution Prevention and Permit Coordination, the Hazardous Waste Facilities Siting Commission, and the units concerned with regulating water supply and land use (i.e. waterfront development, CAFRA, wetlands).

Environmental Planning and Administration (46) is comprised of two program classifications: Regulatory and Governmental Affairs, and Administration and Support Services. Organizationally, this portion of the budget funds the Commissioner's Office and all the department's support units that perform administrative, budget, legal, legislative and public information functions.

Compliance and Enforcement (47) is comprised of five program classifications: Air Pollution Control, Pesticide Control, Water Pollution Control, Land Use Regulation, and Solid and Hazardous Waste Management. Organizationally, this part of the budget provides funding to the compliance and enforcement units responsible for the enforcement of laws pertaining to pesticide control, coastal and land use, solid and hazardous waste, air and environmental quality, and water pollution control.

FY 2001 Budget Overview

The department's recommended General Fund (GF) appropriation of \$416.0 million is \$20.5 million or 5 percent less than its FY 2000 adjusted appropriation of \$436.5 million. Notwithstanding an increase of \$6.1 million or 3 percent in Direct State Services (DSS) accounts, the total recommended GF budget reflects decreases of \$843,000 or 50 percent in Grants-In- Aid, \$6.8 million or 34 percent in State Aid, \$9.2 million or 9 percent in Capital Construction, and \$9.7 million or 8 percent in Debt Service payments.

Direct State Services

The recommended DSS or operating budget is \$199.2 million, an increase of \$6.1 million or 3 percent over the current adjusted budget of \$193.2 million. The major component of this increase is \$3.0 million in new funding for Water Quality Monitoring and Watershed Planning, which is intended to supplement Corporation Business Tax (CBT) revenues already dedicated for this purpose. Other major DSS funding increases include \$350,000 for the Office of Dredging and Sediment Technology; \$415,000 for air toxics monitoring enhancement; \$856,000 for water quality monitoring expansion; \$320,000 to implement the Greenhouse Gas Action Plan; \$1.5 million for additional payments to the Division of Law for services rendered; and \$497,000 to expand the staff of the Quality Assurance-Lab Certification Program. The remainder of the recommended DSS budget for regular operating accounts and Special Purpose accounts are the same or differ minimally from current adjusted funding levels.

Grants-In-Aid

The total Grants-In-Aid (GIA) budget is recommended at \$850,000, a decrease of \$843,000 or 50 percent from the current adjusted funding level of \$1.7 million. Most of this reduction, \$603,000, is attributable to various line items included in the current budget by supplemental appropriations, bill enactments, or by the Legislature that are not continued in FY 2001.

Program Description and Overview (Cont'd)

The recommended GIA budget consists of two items. First, the Statewide Community Forestry Program is recommended at \$500,000, a decrease of \$240,000 from its current adjusted appropriation. This program, which is also recommended to receive a DSS appropriation of \$160,000 for administration, was established in the current budget by the Legislature. Second, the Black Fly Treatment-Delaware River program is continued at its current funding level, \$350,000. This sum helps support the State of Pennsylvania in its efforts to eradicate this pest.

State Aid

The recommended State Aid total of \$13.3 million is \$6.8 million or 34 percent less than the current total of \$20.1 million. Of this reduction, \$4.8 million is attributable to one-time supplemental appropriations for five local natural resource projects that are authorized by language in the current budget. The balance of the net decrease does not reflect a funding reduction, but rather a shift of the current \$3.0 million appropriation for Pinelands Development Credits from a line item appropriation to a budget language appropriation. The language appropriation for this account is recommended at \$20.0 million.

Funding increases are recommended for the Payments In Lieu of Taxes program, from \$6.3 million to \$7.1 million, and for the Mosquito Control Research, Administration and Operations account, from \$470,000 to \$970,000. All other State Aid programs, including the administrative account for the Pinelands Commission and funding for counties and municipalities under the County Environmental Health Act, are recommended at their current funding levels in FY 2001.

Capital Funds

The Capital Construction recommendation totals \$96.7 million, a decrease of \$9.2 million or 9 percent from the current Capital appropriation of \$105.9 million. Of this decrease, \$1.7 million less is recommended for the department's two CBT-funded accounts: the Hazardous Substance Discharge Remediation line item is reduced by \$1.1 million, to \$30.3 million, and the Private Underground Tank Remediation line item is reduced by \$570,000, to \$20.9 million. Annual funding levels for all CBT-funded accounts are determined by statutory percentages and allocation formulas related to the level of total CBT collections.

The department's other Capital account that receives annual dedicated funding is Shore Protection Fund Projects. This line item is supported by Realty Transfer tax revenues pursuant to P.L. 1992, c.148, as amended, and is funded at its statutory level of \$25.0 million in FY 2001. The program's funding level was increased by statute from \$15.0 million to \$25.0 million in FY 2000.

The recommended Capital budget includes \$33.9 million to repair and upgrade the infrastructure and facilities in various State-managed natural and historical resource areas, a decrease of \$14.8 million from the current appropriation level of \$48.8 million. A portion of the reduction amount is attributable to the supplemental appropriation of \$9.5 million in FY 2000 for repairs to high hazard dams, pursuant to P.L. 1999, c.347. This portion of the Capital budget also recommends \$1.0 million for improvements to buildings on Ellis Island, \$600,000 for Palisades Park, and \$650,000 for the Liberty State Park projects.

The department's remaining Capital recommendations are \$6.2 million for HR 6 Flood Control projects, an increase of \$1.9 million over the present appropriation; \$165,000 for additional air toxics monitoring equipment; \$250,000 to the New Jersey Mosquito Control Commission for mosquito control equipment replacement; and \$5.0 million to complete the department's computer integration project known as the N.J. Environmental Management System.

Program Description and Overview (Cont'd)

Debt Service

The department's recommended Debt Service obligation for FY 2001 is \$105.9 million, a decrease of \$9.7 million or 8 percent from the current funding level. This change is largely due to the gradual retirement of bonds from older bond acts and the corresponding decrease in principal and interest payments on these bonds.

Off-Budget

The department's off-budget accounts, also called "below the line" accounts, are displayed under the "**All Other Funds**" funding source designation in the Budget Recommendation (and in this report under "**Other Funds**"). These accounts contain revenues from special use taxes, bonds, special license plates, wildlife donations, the sale of merchandise, and other sources as displayed and itemized on Budget Page C-17 under "**Schedule II, Other Revenues.**" These monies are appropriated directly to the department for program support, usually through budget language, but are not calculated or counted as on-budget appropriations due to the uncertainty of the amounts ultimately generated or needed for such support.

In FY 2001, the department's off-budget funding levels are estimated at \$42.1 million, a net increase of \$2.5 million or 6 percent over the FY 2000 level. This increase is mostly attributable to an additional \$580,000 anticipation of hunting and fishing license revenues (due to the enactment of P.L. 1999, c.282, which raised license fees), plus an additional \$2.2 million in cost recovery revenues anticipated for the Hazardous Discharge Site Cleanup Fund. The former monies would support the operations of the Division of Fish and Wildlife, while the latter amount would support the operations of the Division of Responsible Party Site Remediation. The recommended total does not include \$1.3 million in bond monies currently appropriated to support Green Acres administration. This function will be wholly supported by State funds beginning in FY 2001.

Federal Funds

The department anticipates it will receive \$184.6 million in federal funding in FY 2001, an increase of \$256,000 over the current appropriation level. This estimate will likely be revised later in the budget process as more information on the proposed federal budget for Federal FY 2001 becomes available. As displayed on Budget Pages C-22 and C-23, the department receives federal funding for over 70 separate programs and activities. Notable changes include an anticipated increase in Superfund Grants, from \$25.0 million to \$30.35 million, and about \$5.1 million in various grants not being continued. No other significant changes in existing items and no new major funding initiatives are indicated.

Positions

According to the "Budget In Brief" and other data made public by the Administration concerning the Budget Recommendation, no State or federally-funded department employees are scheduled to be laid off due to salary account or program reductions in FY 2001.

As displayed in the Budget Recommendation and in the **Fiscal and Personnel Summary** section of this report, the FY 1999 and FY 2000 position data figures reflect the actual number of employees on the department's payroll at a given point in time whereas the FY 2001 figures reflect the total number of positions to be funded without regard to vacancy status. The Budget Recommendation lists 3,224 State-funded positions in FY 2001, as compared to the FY 2000 payroll count of 2,942 positions. The total number of positions, including those funded from federal or

Program Description and Overview (Cont'd)

other non-State accounts, are estimated at 3,413 in FY 2001, as compared to the FY 2000 payroll count of 3,136.

The largest concentration of new State-funded positions is scheduled for the Green Acres Office in the Division of Parks and Forestry, where about 75 positions currently funded from bond monies will be transferred to State salary accounts as a result of the dedicated funding under the Open Space Preservation Initiative. Other areas in which new positions will be funded include the Quality Assurance-Lab Certification Program (eight additional positions), and the Division of Fish and Wildlife, where 15 positions will be added to primarily replace staff lost to attrition over the last several years. Additional funding is expected to be available as a result of hunting and license fee increases effectuated by the passage of recent legislation (P.L. 1999, c.282).

Budget Language

Significant changes are recommended for the following budget language provisions included in the current budget:

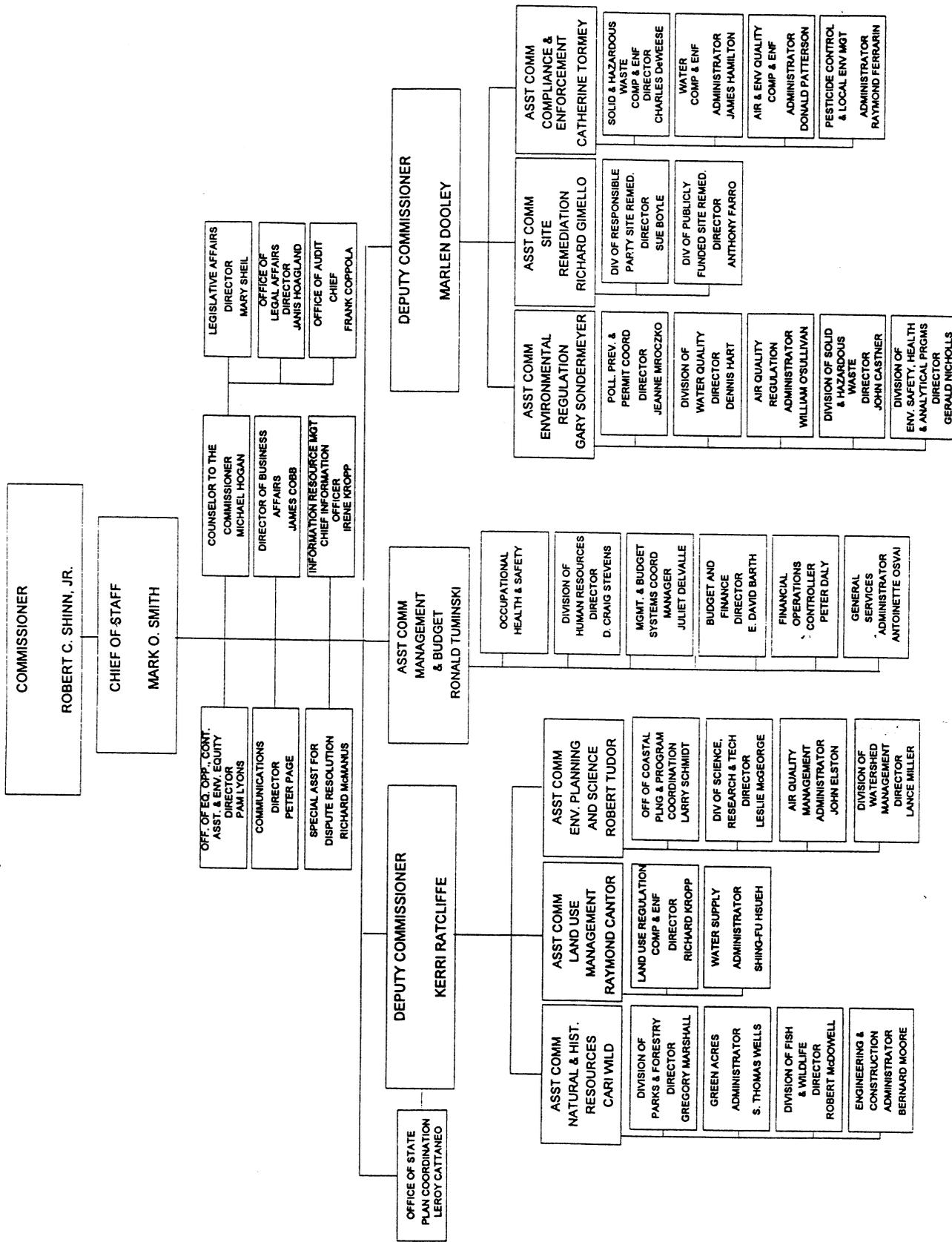
- ! Language appropriating responsible party cost recovery revenues to support the Underground Storage Tank account is amended to include an additional \$461,000 from this source to meet the program's supplemental salary costs, fringe benefits and indirect costs. These expenses are presently supported by State funds.
- ! Language appropriating State Recycling Fund revenues to support the Recycling of Solid Waste account is amended to authorize all remaining unobligated balances in the Fund to restore the recycling grants program for municipalities and counties. The Administration estimates that \$5.0 million will be made available for this purpose.
- ! Language directing the expenditure of funds from the Pinelands Development Credits account is amended to appropriate \$20.0 million to this account to buy these credits. This would increase and replace the current \$3.0 million line item appropriation for this account, which is not recommended as a line item appropriation in FY 2001.

Present budget language that is not continued in the recommended budget includes provisions concerning the appropriation of bond funds to support the Green Acres Office; the disposition of Capital funds for the Ellis Island rehabilitation project; the supplemental appropriation of State funds for the HR 6 Flood Control account; and carry forward authority for the Black Fly Treatment-Delaware River program.

New budget language proposals include carryforward authority for the Statewide Community Forestry Program, and an appropriation of \$2.4 million from the Sanitary Landfill Facility Contingency Fund to support a new Scrap Tire Pile Management Program. This activity, which would be jointly operated by the DEP and the Department of Corrections, would use prison inmates to collect and dispose of scrap tires throughout the State.

Organization Chart

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION



Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 1999	Adj. Approp. FY 2000	Recom. FY 2001	Percent Change	
				1999-01	2000-01
<u>General Fund</u>					
Direct State Services	\$199,296	\$193,153	\$199,243	0.0%	3.2%
Grants - In - Aid	2,534	1,693	850	-66.5%	-49.8%
State Aid	9,662	20,072	13,312	37.8%	-33.7%
Capital Construction	76,830	105,944	96,721	25.9%	-8.7%
Debt Service	104,631	115,653	105,910	1.2%	-8.4%
Sub-Total	\$392,953	\$436,515	\$416,036	5.9%	-4.7%
<u>Property Tax Relief Fund</u>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Sub-Total	\$0	\$0	\$0	0.0%	0.0%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$392,953	\$436,515	\$416,036	5.9%	-4.7%
Federal Funds	\$31,940	\$184,296	\$184,552	477.8%	0.1%
Other Funds	\$21,557	\$39,593	\$42,069	95.2%	6.3%
Grand Total	\$446,450	\$660,404	\$642,657	43.9%	-2.7%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change	
				1999-01	2000-01
State	2,872	2,942	3,224	12.3%	9.6%
Federal	134	124	117	-12.7%	-5.6%
All Other	54	70	72	33.3%	2.9%
Total Positions	3,060	3,136	3,413	11.5%	8.8%

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	13.5%	13.7%	14.2%	----	----
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2000</u>	<u>Recomm.</u> <u>FY 2001</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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NATURAL RESOURCE MANAGEMENT**DIRECT STATE SERVICES****Special Purpose:****Expenses of the****Delaware and Raritan****Canal Commission****\$393****\$212****(\$181)****(46.1)%****D-143**

In the FY 2000 Appropriations Act, the Legislature increased this line item by \$208,000 over the original recommended level of \$181,000 to enable the Commission to meet increased staffing and operating expenses. The recommended amount would restore this account's budget to the approximate funding level maintained in previous years.

New Jersey Women's**Heritage Trail****\$70 S****\$0****(\$70)****(100.0)%****D-143**

This supplemental appropriation was authorized by P.L. 1999, c.237, which directed the State Historic Preservation Office in the Division of Parks and Forestry to use this sum to identify and document, in collaboration with the Alice Paul Centennial Foundation, historic sites in New Jersey that are associated with women who have been important in State or national history.

Endangered Species**Tax Check-Off****Donations****\$349****\$225****(\$124)****(35.5)%****D-143**

These monies, which are donated by taxpayers through the special tax check-off box on annual State income tax returns, are dedicated to the Division of Fish and Wildlife's budget to support its endangered species programs. According to **Schedule I, State Revenues** (page C-9) of the Budget Recommendation, \$225,000 in revenues from this source are estimated to be donated in both FY 2000 and FY 2001. The recommended appropriation reflects the estimated donation level cited in Schedule I.

**Office of Dredging
and Sediment****Technology****\$0****\$350****\$350****—****D-143**

This unit was originally created within the Office of the Assistant Commissioner for Site Remediation in response to the enactment of the "Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration and Delaware Bay Area Economic Development Bond Act of 1996" (P.L. 1996, c.70). The unit is responsible for evaluating and issuing permits for coastal dredging projects, as well as for the beneficial disposal and reuse of dredged materials. According to the Office of Management and Budget (OMB), this appropriation highlights the budget for this activity, which had previously been supported from other program budgets within the department.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2000</u>	<u>Recomm.</u> <u>FY 2001</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
GRANTS-IN-AID					
Statewide Community Forestry Program	\$740	\$500	(\$240)	(32.4)%	D-143

This new program was included by the Legislature in the current budget with an appropriation of \$900,000. The program is designed to provide municipalities and counties with matching grants to support tree planting on publicly owned or controlled lands. A portion of this amount is also earmarked for matching grants to help municipalities implement the Community Stewardship Incentive Program, under which local tree management plans would be developed pursuant to the State Community Forestry Management Plan.

Although \$900,000 was appropriated to the cited line item, the adjusted appropriation above displays \$740,000, with the remaining \$160,000 displayed in a separate but identically-named Special Purpose line item in the Direct State Services (DSS) portion of the department's budget (see page D-143). According to Footnote (b) on page D-146, the DSS line items displayed for both FY 2000 and FY 2001 reflect the administrative portions of this program. It should be noted, however, that the department's request to the Joint Budget Oversight Committee to transfer \$160,000 in program funds to the DSS account for this purpose in FY 2000 is currently being held. If this decision stands, the current \$900,000 appropriation would then be used exclusively for program grants. This would not, however, affect the program's FY 2001 recommendations of \$500,000 for grants and \$160,000 for administration.

**Monument Restoration
and Maintenance -
Gettysburg National
Military Park**

	\$55 S	\$0	(\$55)	(100.0)%	D-143
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This supplemental appropriation was authorized by P.L. 1999, c.267 to provide \$16,335 to the National Park Service for the immediate restoration of monuments at Gettysburg Park that commemorate the contributions of soldiers from New Jersey who fought in the Battle of Gettysburg. The balance of \$39,000 is budgeted to meet the future maintenance costs of these monuments.

**Surf City Bulkhead
Project**

	\$100	\$0	(\$100)	(100.0)%	D-143
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**Ocean Township
Bulkhead Project**

	\$100	\$0	(\$100)	(100.0)%	D-143
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These two grants were included by the Legislature in the current budget. The department did not request further funding for these projects in FY 2001.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2000</u>	<u>Recomm.</u> <u>FY 2001</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
STATE AID					
Deer Trail Lake Dam Restoration	\$10 S	\$0	(\$10)	(100.0)%	D-144
This supplemental appropriation was authorized by General Provision language in the current Appropriations Act. The language, which was included by the Legislature, directs that the cited appropriation be made by April 1, 2000 if bond funds are not issued for this project by that date. The inclusion of this item indicates that no bond funds were appropriated by said date.					
CAPITAL CONSTRUCTION					
Bureau of Parks:					
Shore Stabilization -					
Cape May Point	\$100	\$0	(\$100)	(100.0)%	D-144
Dam Repairs and Inspections	\$325	\$0	(\$325)	(100.0)%	D-145
Health, Safety and Environmental Compliance	\$1,250	\$0	(\$1,250)	(100.0)%	D-145
Maintenance and Restoration	\$2,000	\$0	(\$2,000)	(100.0)%	D-145
Div. of Fish and Game:					
Dam Repair, Maintenance and Renovation	\$400	\$0	(\$400)	(100.0)%	D-145
Pequest Hatchery Water Treatment	\$150	\$0	(\$150)	(100.0)%	D-145
Natural Resource Engineering:					
High Hazard Dams	\$9,500 S	\$0	(\$9,500)	(100.0)%	D-145

These projects, totaling \$13.7 million, are not recommended for further funding in FY 2001. The "Maintenance and Restoration" item was included by the Legislature in the current budget. The supplemental appropriation for "High Hazard Dams" was authorized by P.L. 1999, c.347 and is allocated as follows: \$6.0 million for grants and loans to rehabilitate high hazard dams included on the department's Dam Safety Priority List, and \$3.5 million for grants and loans to rehabilitate dams affected by flood waters caused by Hurricane Floyd. The department's request for \$1.5 million for "Health, Safety and Environmental Compliance" was approved by the Commission on Capital Budgeting and Planning but is not included in the Budget Recommendation.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Bureau of Parks:					
Historic Preservation/ Renovation-Buildings, Structures and Monuments	\$3,225	\$1,600	(\$1,625)	(50.4)%	D-144
Sanitary Facilities	\$950	\$1,050	\$100	10.5%	D-144
Buildings- Rehabilitation and Renovation	\$350	\$150	(\$200)	(57.1)%	D-144
Site Areas/Facilities- Development, Rehabilitation and Repair	\$250	\$700	\$450	180.0%	D-144
Overnight Facilities- Development, Rehabilitation, Improvement and Repair	\$500	\$50	(\$450)	(90.0)%	D-144
Recreational Areas- Development, Rehabilitation, Improvement/Repair	\$150	\$1,000	\$850	566.7%	D-145
Day Use Areas- Development, Rehabilitation, Improvement and Repair	\$350	\$450	\$100	28.6%	D-145
Demolition of Unused Structures	\$500	\$400	(\$100)	(20.0)%	D-145
Road, Bridge and Parking Area Repairs	\$500	\$600	\$100	20.0%	D-145
Ellis Island	\$2,000	\$1,000	(\$1,000)	(50.0)%	D-145
Div. of Fish and Game: Demolition of Unused Structures	\$1,000	\$250	(\$750)	(75.0)%	D-145

These line items are recommended at different levels to reflect new phases in project status.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Bureau of Parks:					
Liberty State Park- Liberty Walkway	\$0	\$250	\$250	—	D-144
Liberty State Park- South Overlook- Rehabilitation	\$0	\$400	\$400	—	D-145
Div. of Fish and Game:					
Roof Replacement- Fish Hatchery	\$0	\$70	\$70	—	D-145
Wildlife Management Roof Replacement	\$0	\$100	\$100	—	D-145
Critical Repairs- Rockport Game Farm, Pequest Educational Center	\$0	\$40	\$40	—	D-145
Storage Buildings- Wildlife Management Regional	\$0	\$125	\$125	—	D-145
Office of Shellfish Management:					
Marine Fisheries Field Office Improvements	\$0	\$110	\$110	—	D-145
These line items, totaling \$1.1 million, are new funding recommendations for FY 2001. The Commission on Capital Budgeting and Planning recommended \$150,000 for the Rockport Game Farm project. While the Administration approved the department's request of \$250,000 for the Liberty Walkway project, the Commission did not recommend any funding for this activity.					
Palisades Interstate Park Commission:					
Sanitary Facilities- Various Locations	\$250	\$200	(\$50)	(20.0)%	D-145
Parkway Improvements	\$0	\$400	\$400	—	D-145

These two line items comprise the recommended capital funding budget for the New Jersey portion of the Palisades Interstate Park Commission. The Commission on Capital Budgeting and Planning recommended \$825,000 for sanitary facilities and \$1.2 million for parkway improvements.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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FEDERAL FUNDS

Parks Management	\$24,917	\$22,466	(\$2,451)	(9.8)%	D-145
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The estimated amount for FY 2001 reflects the termination of six grants, totaling \$3.1 million, funded under the federal "Intermodal Surface Transportation Efficiency Act" for projects involving the building or restoration of wilderness trails.

Hunters' and Anglers'

License Fund	\$8,475	\$6,340	(\$2,135)	(25.2)%	D-145
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The estimated amount for FY 2001 reflects the termination of two grants, totaling \$1.0 million each, funded under the federal "North American Wetlands Conservation Act" for the Maurice River Wetlands Conservation project and the Salem River Meadows wetlands project.

ALL OTHER FUNDS

Parks Management	\$3,357	\$1,991	(\$1,366)	(40.7)%	D-146
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The recommended amount reflects the absence of \$1.3 million from Green Acres bond funds that is currently appropriated to the Green Acres Office for administrative expenses. Beginning in FY 2001, all such support will be derived from the General Fund under the DSS appropriation for the line item "Green Acres/Open Space Administration" (see page D-143).

SCIENCE AND TECHNICAL PROGRAMS**DIRECT STATE SERVICES****Services Other Than**

Personal	\$776	\$2,313	\$1,537	198.1%	D-149
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Services Other Than Personal (SOTP) is a major object account comprised of sub-accounts that fund operating service costs such as travel, telephone, postage, data processing, consultants or other similar non-salary expenses. The appropriation is a composite of all the SOTP accounts within this Statewide Program. The recommended appropriation level reflects significant increases in two program classification areas. First, the SOTP budget of the Air Pollution Control program classification is increased by \$415,000 to enhance the monitoring and analytic capabilities of the State's air toxics infrastructure. Consultants will be contracted to develop an ongoing inventory tracking and analysis system for airborne toxics that are currently not measured. A Capital Construction appropriation of \$165,000 to upgrade air monitoring equipment is also recommended as part of this initiative (see below).

Second, the SOTP budget of the N.J. Geological Survey program classification is increased by \$856,000 to expand water quality management functions in order to monitor drought and bacteria more effectively at reservoirs, streams, wells, and other water collection sites. Again, these funds will primarily be used for consultant contracts to perform these tasks.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2000</u>	<u>Recomm.</u> <u>FY 2001</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Special Purpose: Environmental Indicators and Monitoring	\$700	\$900	\$200	28.6%	D-149

In the Division of Science, Research and Technology, this appropriation is used to pay private contractors to collect data needed to develop environmental indicators. These indicators are designed to enhance the department's planning and enforcement capabilities by assessing the progress or status of its programs, thereby aiding in the future allocation of resources. The recommended increase would expand this activity by supporting more data collection studies.

Greenhouse Gas Action Plan	\$0	\$320	\$320	—	D-149
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This new appropriation is proposed to help implement the department's plan to reduce greenhouse gas levels in New Jersey to 3.5 percent below the 1990 levels by 2005. According to the OMB, funding would support new and existing non-salary costs incurred by the Division of Science, Research, and Technology in coordinating this effort throughout the department. According to the Administration, this plan is designed to establish strategies for industries to reduce toxic emissions and support new technologies to facilitate this effort.

Water Quality Monitoring and Watershed Planning	\$0	\$3,000	\$3,000	—	D-149
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This appropriation would supplement the annual appropriation for this activity provided by the constitutional dedication of Corporation Business Tax (CBT) revenues for environmental purposes. These additional funds, which would raise the total funding level for this program to \$8.85 million in FY 2001, would be used to initiate watershed management planning and monitoring activities in the nine watershed areas that have not yet received State assistance for this purpose.

In advance of this recommendation, the department requested in March, 2000 that \$3.0 million from its CBT hazardous substance remediation account be transferred to the CBT water resources account in order to initiate watershed management planning in the same nine watershed areas cited above. This request was subsequently approved by the Joint Budget Oversight Committee.

STATE AID

Englishtown Borough Lake Dredging	\$100	\$0	(\$100)	(100.0)%	D-149
Medford Township Lake Restoration	\$200	\$0	(\$200)	(100.0)%	D-149

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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These two appropriations were included by the Legislature in the current budget. The department did not request further funding for these projects in FY 2001.

CAPITAL CONSTRUCTION**Policy and Planning:****Air Pollution**

Monitoring Equipment	\$0	\$165	\$165	—	D-150
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As mentioned above, this appropriation is recommended as part of the air toxics infrastructure initiative designed to monitor airborne toxics that are currently not being measured or analyzed. Currently, the department only operates one fully equipped air toxics monitoring site, in Camden. According to the department, these funds would be used to purchase the necessary equipment, including trailers to house and protect such equipment, to monitor certain air toxics at three other existing sites.

SITE REMEDIATION**GRANTS-IN-AID****Edgewater Park Soil**

Removal	\$70	\$0	(\$70)	(100.0)%	D-152
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This appropriation was included in the current budget by the Legislature to provide a grant to Edgewater Park Township, Burlington county, to remove 2,000 additional tons of contaminated soil from the Cassidy junk yard cleanup project. The cost to remove this extra soil was not covered by the State and county grants provided to the township for this project.

ENVIRONMENTAL REGULATION**DIRECT STATE SERVICES****Services Other Than**

Personal	\$4,078	\$4,962	\$884	21.7%	D-156
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The recommended appropriation reflects a net increase of \$1.0 million for the Land Use Regulation program classification and \$500,000 for the Solid and Hazardous Waste Management program classification. These additional monies are included to cover charges from the Department of Law and Public Safety, Division of Law, for legal services expected to be rendered during FY 2001. Such legal services generally encompass challenges or appeals to proposed or approved rules and regulations related to wetlands, waterfront development, riparian laws, and solid waste issues.

Special Purpose:**Quality Assurance-****Lab Certification**

Programs	\$903	\$1,400	\$497	55.0%	D-156
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Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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This function certifies the analytical capabilities of private laboratories that perform tests and analyses for the State's environmental programs. According to the Office of Management and Budget, the recommended increase will enable the Division of Environmental Safety, Health and Analytical Programs to expand its lab certification program staff by eight positions.

GRANTS-IN-AID

Green Hills School- Site
Redemption and Water
Supply

\$278	\$0	(\$278)	(100.0)%	D-157
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This appropriation was included in the current budget by the Legislature to help the Green Township Board of Education, Sussex county, finance the project costs for a water main extension, related water supply improvements, and the payment of DEP oversight charges.

STATE AID

Hardyston Township-
Walkkill River
Cleanup/Landfill
Remediation for Rail
Yard

\$2500 S	\$0	(\$2,500)	(100.0)%	D-157
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Vernon Township-
Walkkill River
Cleanup/Wastewater
Treatment Plant

\$1,000 S	\$0	(\$1,000)	(100.0)%	D-157
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Ogdensburg Borough-
Walkkill River Basin
Water Quality

\$1,000 S	\$0	(\$1,000)	(100.0)%	D-157
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The supplemental appropriations for these three projects are authorized by General Provision language in the current Appropriations Act. This language, which was included by the Legislature, provides that the sums listed above be appropriated only in the event that these Sussex county projects do not receive similar appropriations from any bond funds before April 1, 2000. The inclusion of these items indicate that no bond funds were appropriated by said date.

CAPITAL CONSTRUCTION

Flood Control HR 6
Projects

\$2,324	\$6,241	\$1,917	44.3%	D-158
\$2,000 S				

This appropriation matches federal funding for flood control projects authorized under the federal "Water Resources Development Act of 1986." The \$2.0 million supplemental appropriation was appropriated by budget language included in the current budget by the Legislature. The recommended increase will draw down additional federal funds for eligible projects in FY 2001.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2000</u>	<u>Recomm.</u> <u>FY 2001</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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ENVIRONMENTAL PLANNING AND ADMINISTRATION**DIRECT STATE SERVICES**

Additions,
Improvements and
Equipment

\$2,364	\$2,828	\$464	19.6%	D-161
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The FY 2001 increase is recommended to purchase or install equipment, or to make necessary building modifications, in conjunction with the completion of the N.J. Environmental Management System project (see below).

STATE AID

Pinelands Development

Credits	\$3,000	\$0	(\$3,000)	(100.0)%	D-161
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Under the "Pinelands Preservation Act" (P.L. 1979, c.111), a Pinelands Development Credit program was established to protect the region's farmland and forests. Transferable development rights, or credits, were assigned to properties in agricultural and preservation zones that had limited on-site development opportunities. Credits assigned to these properties were appraised at market value and could be sold to developers who, in turn, could use these credits to build in designated growth areas elsewhere in the Pinelands. In exchange for selling these credits, landowners would agree to have their property permanently protected by conservation or agricultural easements.

Since its inception, credits offered under this program have not been readily sold by affected landowners because they believe their property has been traditionally undervalued due to the statutory restrictions on land use in the Pinelands. In order to promote the sale of these credits, while at the same time preserving and restoring the value of the land undervalued by Pinelands protection laws, the "Garden State Preservation Trust Act" (P.L. 1999, c.152) authorized a more flexible approach to appraising Pinelands property that could be subject to open space preservation. In effect, this approach focuses on the sale of development credits to the State, rather than to developers, whereby the credits would be valued higher and, once bought, would be retired permanently instead of being resold to developers to use elsewhere.

In order to financially support this approach, the Governor announced that she would support a State commitment of up to \$40.0 million over a three-year period. In the current budget, the \$3.0 million appropriation displayed above provided the first installment of this commitment. In FY 2001, the second installment is found in recommended budget language that appropriates up to \$20.0 million for this purpose ((see the **Language Provisions** section). The Administration estimates that up to 50,000 acres, depending on the market price, could be permanently restricted from development if the full funding commitment of \$40.0 million is realized.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Mosquito Control Research, Administration and Operations	\$470	\$970	\$500	106.4%	D-161

The recommended increase will enable the Mosquito Control Commission to provide greater support for the surveillance and control of mosquito populations, especially those that may be infected by the West Nile virus. Along with the Capital appropriation described below, the Commission allocates most of these monies to county mosquito control units for new or replacement spraying equipment and related logistical support.

Paulinskill Lake Dam Restoration	\$250 S	\$0	(\$250)	(100.0)%	D-161
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This is a supplemental appropriation authorized under General Provisions language that was included in the current budget by the Legislature.

CAPITAL CONSTRUCTION

Administrative Operations: New Jersey Environmental Management System	\$0	\$5,000	\$5,000	—	D-162
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The recommended appropriation is expected to support the completion of this \$23 million, multi-year project, which encompasses the modernization, integration and coordination of most of the department's data management systems. Project funding was previously supported by short-term financing repaid from debt service or interdepartmental accounts.

Mosquito Control Commission	\$120	\$250	\$130	108.3%	D-162
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In conjunction with the aforementioned State Aid increase recommended for the Mosquito Control Commission, this increase is recommended to expedite the replacement of antiquated equipment the Commission provides to counties and the Rutgers' Agricultural Experiment Station.

Language Provisions

NATURAL RESOURCE MANAGEMENT

2000 Appropriations Handbook

2001 Budget Recommendations

p. B-45

The amount hereinabove for the Green Acres Administration account is appropriated from the 1995 New Jersey Green Acres Fund and the 1995 New Jersey Green Trust Fund pursuant to the "Green Acres, Farmland and Historic Preservation and Blue Acres Bond Act of 1995, P.L. 1995," c. 204, together with an amount not to exceed \$1,880,000 subject to the approval of the Director of the Division of Budget and Accounting, for the administration of the Green Acres program.

No comparable language.

Explanation

This language refers to the Direct State Services (DSS) account that supports the unit responsible for administering the Green Acres program. This provision is eliminated because both the administrative and project costs of the Green Acres program will no longer be supported in FY 2001 by the bond acts cited above. This is a direct result of the establishment of the Open Space Preservation Program, which created a long-term, stable funding source for Green Acres projects through the annual dedication of sales tax revenues. Since the program's administrative costs cannot statutorily be derived from this annual dedication, and that all remaining bond funds are expected to be spent by the end of FY 2000, the funding source for the Green Acres Administration account in FY 2001 will be the General Fund. It should also be noted that the supplementary amount cited in the current provision, which covers fringe benefits and indirect costs, will be replaced by funding from Interdepartmental Accounts.



2000 Appropriations Handbook

2001 Budget Recommendations

p. B-46

The amount hereinabove for the Dam Repair Administrative Costs accounts is appropriated from the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," P.L.1992, c.88, together with an amount not to exceed \$160,000 subject to the approval of the Director of the Division of Budget and Accounting, for administrative costs related to this bond fund.

p. D-147

The amount hereinabove for the Dam Repair Administrative Costs accounts is appropriated from the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," P.L.1992, c.88, and the "Natural Resources Bond Act of 1980," P.L. 1980, c.322 together with an amount not to exceed \$185,000 subject to the approval of the Director of the Division of Budget and Accounting, for administrative costs related to this bond fund.

Language Provisions (Cont'd)

Explanation

This language refers to the DSS account that supports the administrative costs of dam repair projects funded from the cited bond act. The recommended language adds the "Natural Resource Bond Act of 1980" as a second funding source for this appropriation, and increases the supplementary appropriation amount that covers the fringe benefits and indirect costs of this activity.



2000 Appropriations Handbook

No comparable language.

2001 Budget Recommendations

p. D-147

The unexpended balance as of June 30, 2000 in the Statewide Community Forestry Program account is appropriated.

Explanation

This provision refers to the Grants-In-Aid (GIA) account that supports the cited program, which was established in the current budget by the Legislature with an appropriation of \$900,000. The recommended language authorizes any unexpended monies remaining in this account at the end of FY 2000 to be reappropriated or carried forward in the same account in FY 2001.

For FY 2000, the Budget Recommendation displays \$740,000 in the cited GIA account and the remaining \$160,000 in a separate DSS account. The latter amount would not be subject to the recommended language because it refers only to the GIA account. According to Footnote (b) on page D-137, the DSS account was established to pay the program's administrative costs. However, a request by the department before the Legislature's Joint Budget Oversight Committee to authorize the transfer of program funds to the new DSS account for this purpose is currently being held. If this decision stands, the unexpended balance of the entire \$900,000 appropriation would therefore be subject to the recommended language provision.

Language Provisions (Cont'd)

2000 Appropriations Handbook2001 Budget Recommendations

p. E-5

From the amount hereinabove for Ellis Island, up to \$2,000,000 shall be made available to the National Park Service as "matching funds" for the cost and expense of stabilizing buildings and structures on Ellis Island, New Jersey, in accordance with the "South Side Building Stabilization Plan" of the National Park Service, dated December 1997. The moneys appropriated herein shall be a match, on a dollar for dollar basis, for funds appropriated by the Federal Government, in addition to the \$2,000,000 appropriated in Fiscal Year 1999, and any other private or public moneys made available to the National Park Service to implement the stabilization plan. The State matching funds shall be made available to the National Park Service pursuant to the terms of an agreement by and between the National Park Service and the Commissioner of the Department of Environmental Protection. The agreement shall provide that the State matching funds appropriated herein shall be disbursed to the National Park Service in such amounts, and at such times, as shall be determined by the Commissioner of the Department of Environmental Protection, with the approval of the Director of the Division of Budget and Accounting. The agreement shall also provide that the commissioner shall have reasonable access to documents and records pertaining to the stabilization project, to ensure that the State matching funds are expended as provided herein. The funding agreement may include such other provisions as the commissioner deems appropriate.

No comparable language.

Explanation

This language refers to a Capital Construction account that clarifies the utilization of \$2.0 million appropriated for the Ellis Island building restoration project. This line item is recommended to receive \$1.0 million in FY 2001. While this or similar language is not recommended in FY 2001, the "Budget in Brief" indicates that the recommended amount will be used to match a National Parks Service grant to continue work on the island's dilapidated facilities.

Language Provisions (Cont'd)

SITE REMEDIATION

2000 Appropriations Handbook

p. B-50

The amount hereinabove for the Underground Storage Tanks account is appropriated from responsible party cost recoveries deposited in the Hazardous Discharge Site Cleanup Fund.

2001 Budget Recommendations

p. D-153

Same language, except the following phrase is added at the end: "... , together with an amount not to exceed \$461,000, for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting."

Explanation

This provision refers to the DSS account that supports the administrative costs of this regulatory activity. The recommended language adds a provision that appropriates additional monies from this non-State funding source to pay the fringe benefits and indirect costs of this function. These expenses are currently paid with State funds from Interdepartmental Accounts.

 ENVIRONMENTAL REGULATION
2000 Appropriations Handbook

p. B-53

Notwithstanding the provisions of P.L.1981, c.278 (C.13:1E-92 et seq.), as amended by P.L.1985, c.533, the amount hereinabove for the Recycling of Solid Waste account is appropriated from the State Recycling Fund, together with an amount not to exceed \$375,000, for the administration of the Recycling of Solid Waste 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.

2001 Budget Recommendations

p. D-159

Same language, except the following phrase is added at the end: "All sums remaining in the State Recycling Fund after the provisions of the preceding sentences are met shall be distributed as recycling grants to municipalities or counties according to the provisions of NJSA 13:1E-96, paragraph b(1)." The cited appropriation amount is also changed to "\$361,000."

Explanation

This language refers to the DSS account that pays the administrative costs of the department's recycling programs. The recommended language adds a provision that authorizes all unexpended monies remaining in the State Recycling Fund at the end of FY 2001 to be used for local recycling grants, which have not been awarded since 1997 when the Solid Waste Recycling Tax expired. The "Budget In Brief" indicates that \$5.0 million would be made available for this program.

Language Provisions (Cont'd)

2000 Appropriations Handbook

2001 Budget Recommendations

p. E-5

In addition to the amount hereinabove appropriated for Flood Control HR6 Projects, there is appropriated an amount not to exceed \$2,000,000 subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

This provision refers to the Capital Construction account that provides State matching funds for federal HR6 flood control funding. It was included by the Legislature in the current budget to supplement the current \$2,324,000 appropriation to this account. It is assumed that similar language is not being recommended in FY 2001 because the recommended appropriation level for this line item is substantially increased to \$6,241,000.

2000 Appropriations Handbook

2001 Budget Recommendations

p. D-159

No comparable language.

Notwithstanding the provisions of P.L. 1981, c.306 (C:13E-100 et al.), there is appropriated from the Sanitary Landfill Facility Contingency Fund an amount not to exceed \$2,400,000 for scrap tire pile management and reuse, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This is a new Capital Construction provision that provides funding for the Scrap Tire Pile Management program, an initiative developed by the DEP and the Department of Corrections to purchase mobile tire chipping equipment to be used by State prison inmates to prepare abandoned tires from existing piles for combustion at waste-to-energy incinerators and utility boilers for electric generation. The Sanitary Landfill Facility Contingency Fund is supported by taxes assessed to owners of sanitary landfills and are used to satisfy claims for damages caused by these facilities.

Language Provisions (Cont'd)

ENVIRONMENTAL PLANNING AND ADMINISTRATION

2000 Appropriations Handbook2001 Budget Recommendations

p. C-16

The unexpended balance as of June 30, 1999 in the Black Fly Treatment - Delaware River Account is appropriated. No comparable language.

Explanation

This language refers to a Grants-In-Aid account that supports the State's participation in this bi-state program. Similar carryforward language is not recommended for FY 2001 because it is anticipated that all the monies in this account will be expended by the end of the current fiscal year. The account's current and recommended appropriation level is \$350,000.

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p. D-7

The expenditure of funds appropriated hereinabove for Pinelands Development Credits shall be based on the submission of a spending plan by the Commissioner of the Department of Environmental Protection, subject to the approval of the Director of the Division of Budget and Accounting.

p. D-162

An amount not to exceed \$20,000,000 is appropriated for Pinelands Development Credits, subject to the submission of a spending plan by the Commissioner of the Department of Environmental Protection and subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This provision refers to a State Aid account that received a \$3.0 million line item appropriation from the Legislature in the FY 2000 budget. There is no similar line item recommended for FY 2001. Instead, funding for the stated purpose is appropriated by the recommended language, at a substantially higher level than the present line item amount.

The Pinelands Development Credits program was established to protect the region's farmland and forests. Transferable development rights, or credits, were assigned to properties in agricultural and preservation zones that had limited on-site development opportunities. In order to promote the sale of these credits, as well as preserving land and restoring value to land that was devalued by Pinelands protection laws, the "Garden State Preservation Trust Act" (P.L. 1999, c.152) authorized a more flexible approach to appraise Pinelands property that would be subject to open space preservation. In effect, this approach focuses on the sale of development credits to the State, rather than to developers, whereby the credits would be valued higher and, once bought, would be retired permanently instead of being resold to developers to use elsewhere. The proposed language appropriation would increase the State's ability to purchase and retire these credits.

Discussion Points

1. Under the Natural Resource Management statewide program, a new Special Purpose appropriation of \$350,000 is recommended for "Office of Dredging and Sediment Technology." This unit is currently responsible for evaluating and issuing permits for coastal dredging projects as well as for the disposal or use of dredged materials.

! *Question:* What is the reason for establishing a Special Purpose line item for this office? What is the office's current budget and staff level and how will it be affected by the recommended appropriation? What is this unit's involvement in the current dredging issues concerning the Port Newark/Elizabeth shipping channels and the proposed disposal of dredged materials at the Mud Dump off of Sandy Hook?

2. Within the Science and Technical Programs statewide program, the major object account "Services Other Than Personal" is recommended to increase by \$1,537,000, from \$776,000 to \$2,313,000. According to the "Budget in Brief," \$415,000 of this increase would be applied to the Air Pollution Control program classification to enhance the monitoring and analyzing capabilities of the State's air toxics infrastructure, and \$856,000 would go to the N.J. Geological Survey program classification to expand water quality and drought monitoring functions.

! *Question:* Please describe in detail the objectives and disposition of these recommended increases. Please identify the affected administrative units, including their current budgets and staff levels. Are these increases expected to become a permanent part of the department's budget?

3. In the Science and Technical Programs statewide program, a new Special Purpose appropriation of \$320,000 is recommended for the "Greenhouse Gas Action Plan." According to the "Budget In Brief," these monies would support the department in implementing its plan to reduce greenhouse gas levels in New Jersey to 3.5 percent below the 1990 levels by 2005.

! *Question:* Please summarize the Greenhouse Gas Action Plan, its current budget and staffing requirements, and how this appropriation will affect it. What are the future annual costs of implementing this plan? How is the plan being coordinated with other states, countries and the federal government?

4. Under the Science and Technical Programs statewide program, a new Special Purpose appropriation of \$3.0 million is recommended for "Watershed Quality Monitoring and Watershed Planning." This sum is intended to supplement the \$5.85 million appropriation of Corporation Business Tax (CBT) revenues that are constitutionally dedicated for this activity. According to the Administration, the recommended amount would support watershed planning activities in nine of the State's 20 watershed management areas. In March, 2000 the Joint Budget Oversight Committee approved a request by the department to transfer \$3.0 million from the CBT account that supports hazardous substance mitigation to the aforementioned CBT account for watershed planning. This transfer was requested to initiate the same watershed planning activities in the nine watershed management areas affected by the recommended appropriation.

! *Question:* Please describe the planning activities to be funded by the recommended and transferred appropriations, including costs, timetables, and anticipated results. What is the status of similar planning activities in the other 11 watershed management areas? Once such plans have been developed, what entities will be responsible for implementing and funding them?

Discussion Points (Cont'd)

5. Within the Environmental Regulation statewide program, the Special Purpose appropriation for "Quality Assurance-Lab Certification Programs" is recommended at \$1.4 million, an increase of \$497,000 over its current budget level. According to the Office of Management and Budget, the increase would be used to expand program staff by eight positions.

! Question: Please describe the functions of this program and explain why program staff needs to be expanded. What are the consequences of not meeting this request?

6. In the Environmental Regulation statewide program, the Recommended Budget amends current budget language concerning the State Recycling Fund by authorizing all unobligated sums remaining in the Fund to be used as recycling grants to municipalities or counties. This action essentially reactivates the Recycling Grants program, which has been dormant since FY 1997 after the Solid Waste Recycling Tax had been allowed to expire. However, on page H-27 of Appendix 1A of the Recommended Budget, the State Recycling Fund table does not appear to reflect the expenditure of recycling grant funds because a balance of \$9.7 million is estimated in the Fund at the end of FY 2001.

! Question: Please describe how these grants will be distributed during FY 2001 and in what amounts? What are the estimated administrative costs of this program and are they expected to be paid from the overall amount made available for grants or will the department absorb these costs in its regular operating budget? Since the "Budget In Brief" indicates that \$5.0 million will be spent for this program, should the budget language be amended to limit the expenditure for the grant program to \$5.0 million?

7. Under the Environmental Regulation statewide program, new budget language is recommended to appropriate up to \$2.4 million from the Sanitary Landfill Facility Contingency Fund to operate a Scrap Tire Pile Management program. This initiative was developed by the DEP and the Department of Corrections to use State prison inmates to prepare abandoned tires for combustion at waste-to-energy facilities. This activity was originally requested by the department as a Capital Construction appropriation and it was subsequently approved by the Commission on Capital Budgeting and Planning.

! Question: Please describe this program, including its objectives, operating budget, staff, estimated revenues, and impacts on the environment. Where are the major scrap tire piles located in New Jersey? How will revenues be utilized?

8. The current \$3.0 million State Aid appropriation for "Pinelands Development Credits" was included in the FY 2000 Budget by the Legislature to enable the State to buy these credits at a higher value than had previously been offered, and to retire them permanently to prevent further development. In the Recommended Budget, funding for this purpose is increased to \$20 million but is appropriated by budget language rather than as a State Aid line item.

! Question: In light of the provisions of the "Garden State Preservation Trust Act" that redefine appraisal criteria for Pinelands property, please explain how the current and recommended appropriations will be offered and sold as compared to past efforts to sell Pinelands credits. What role will the DEP and the Pinelands Development Credit Bank play in the operation of this program? What, if any, impact will the sale and permanent retirement of credits have on the overall strategy and goals of the open space preservation initiative? What future expenditures are expected for this program?

Discussion Points (Cont'd)

9. The current State Aid appropriation for "Mosquito Control, Research, Administration and Operations" is recommended at \$970,000, an increase of \$500,000. A Capital appropriation of \$250,000 for mosquito control equipment is also recommended. These funds support the Mosquito Control Commission as well as the surveillance and spraying efforts of the county mosquito control agencies.

! *Question:* Please describe how the additional funding will be used. How much of the recommended increase is in response to the presence of the West Nile virus? Please explain the State's strategy for dealing with the West Nile virus over the next 18 months.

10. The Interdepartmental Accounts section of the current and recommended Treasury Department budgets each contain a Capital appropriation of \$98.0 million for the Garden State Preservation Trust account to finance the Open Space Preservation Program, which encompasses the Green Acres, farmland preservation and historic preservation programs. The enactment of the "Garden State Preservation Trust Act" (P.L.1999, c.152) provided the framework for implementing and managing the constitutional dedication of funds and financing for these programs.

! *Question:* Please provide the latest 10-year and 30-year expenditure and financing schedule of the Open Space Preservation Program. In terms of project selection, processing and other administrative functions, how has the operation of the Green Acres unit in the DEP been affected by the enactment of P.L.1999, c.152? Please describe the working relationship between the Green Acres unit and the Garden State Preservation Trust thus far.

11. The enactment of P.L.1999, c.282 in December, 1999 raised most of the fees charged by the Division of Fish and Wildlife for hunting, fishing and trapping licenses, permits and stamps. The Division estimated that the act would generate about \$2.6 million in additional revenues for the Hunters' and Anglers' License Fund, which dedicates all such revenues to the Division to support its budget. In the past few years budget shortfalls have caused various services provided by the Division to be eliminated or curtailed, such as the fall trout and the bobwhite quail stocking programs, as well as staffing shortages caused by attrition.

! *Question:* Please list all program, activity or service curtailments effectuated over the last five years, including staff levels, and identify which of these items will be restored as a result of the fee increases. What new activities or staff, if any, will be introduced or supported by the fee increase? Why doesn't the current adjusted or recommended appropriation levels for the Hunters' and Anglers' License Fund, as displayed in the Recommended Budget, reflect the fee increases? What new efforts, if any, will be taken by the Division to control crop and environmental damage caused by deer, geese and bear as a result of the fee increases?

12. In response to a Discussion Point in last year's OLS Budget Analysis concerning the bonded indebtedness of counties and public utility authorities, the department submitted materials indicating that the Cape May County Municipal Utilities Authority (MUA) was eligible for \$4.0 million in loan forgiveness under the provisions of P.L.1998, c.66. This act revised the "Natural Resources Bond Act of 1980" and the "Resource Recovery and Solid Waste Disposal Facility Bond Act of 1985," respectively, to authorize the use of bond monies for grants to assist in the payment of debt service costs incurred in developing solid waste facilities. While the Cape May County MUA was the subject of one such legislative appropriation, a \$15 million loan under P.L.1993, c.285, these bond funds were never actually utilized by the MUA.

Discussion Points (Cont'd)

- ! *Question:* Please identify the loan to the Cape May MUA from which the \$4.0 million sum was forgiven. Please provide an up-to-date listing of the total outstanding debt amounts for solid waste investments for each county or public utility authority. Within the context and parameters of the budget language authorizing debt subsidy grants awarded under the State Partnership Agreement Program, please describe the final criteria used to determine applicant approval and grant size.

Background Paper: New Jersey Community Forestry Program

On page D-143 of the DEP's Budget Recommendation, a total of \$660,000 is appropriated for the "Statewide Community Forestry Program." This sum is divided between two line items: \$160,000 under Direct State Services (DSS) for administration and \$500,000 under Grants-In-Aids. The recommended amounts reflect the second appropriation for this activity, the first being a \$900,000 appropriation included in the current budget by the Legislature during the FY 2000 budget process. This paper will examine the salient features of this program and provide background on other State efforts in protecting the State's community-based trees and forests.

Background

The health of street trees in many New Jersey communities has been declining over the past 20 years due to various factors such as lack of public funds, disease, improper tree selection, poor maintenance methods, and a general lack of awareness. A State Forest Service study issued in 1996 revealed that 30 percent of the State's street trees were in poor health, and 75 percent needed some type of maintenance. The study also found that while 25 percent of these trees were causing sidewalk damage, 2 million potential community tree planting sites were currently available.

In response to these conditions, the "New Jersey Shade Tree and Community Forestry Assistance Act" was enacted on December 5, 1996 (P.L. 1996, c.135). In addition to establishing the State Community Forestry Council, the Act enabled New Jersey's communities to reverse the decline and poor condition of its trees by establishing the concept of a local community forestry program that would be implemented through a State-approved Community Forestry Management Plan. Under this concept, communities are encouraged to seek accreditation or approval under the plan in exchange for immunity from tree-related lawsuits, eligibility for State or federal aid that may become available, and technical assistance or training offered by the State.

The Community Forestry Management Plan

The concept for this plan was based on establishing a general guide to successfully achieve a healthy and safe community forest. The first of two requirements towns or counties must meet to be accredited under the plan is the development and implementation of a local community forestry plan that addresses the attainment of various benefits such as lower tree maintenance and removal costs, shorter response time to citizen requests for tree work, and a reduction in hazardous tree removal situations. Local plans must outline management objectives for five years and must meet minimum State guidelines that fulfill the Act's requirements.

The second requirement involves the completion of the State Training Skills and Accreditation Program, which is offered through the Division of Parks and Forestry. The training program is designed to familiarize individuals with community forestry and shade tree commission issues, plus the legal aspects of managing trees and the recognition of hazardous tree situations. Initially, at least two persons per municipality or county must be accredited through the program in order for the municipality or county to gain approved status under the plan. Regularly scheduled workshops are held throughout the State for this purpose.

State and Federal Funding for Community Forestry Programs

The "Treasure Our Trees" license plate initiative was established under the Act to provide some funding for community forestry programs. The cost of this speciality plate is \$50 plus a \$10 annual renewal fee. A total of \$35 from the fee is dedicated to a non-lapsing fund to provide grants to local governments to develop and implement community forestry plans, and to pay the costs of sending representatives to approved training sessions. As of March, 2000, approximately 1,560

Background Paper: New Jersey Community Forestry Program (Cont'd)

plates have been issued. The Budget Recommendation estimates that \$25,000 in dedicated revenues from plate sales will be generated during FY 2000, with double that amount estimated for FY 2001.

The major portion of State funding in past years for community forestry activities has been in the form of training and technical assistance. Funding is derived from annual appropriations to the regular operating accounts of the State Forestry Service and other related units. The department also received about \$2.3 million from 1991 to 1995 in federal funding from the Small Business Administration to operate a successful Small Business Tree-Planting Program. This program provided matching grants to communities and small businesses to plant trees on publicly owned or controlled property. As discussed below, this program became the model upon which the recently established Statewide Community Forestry Program is based.

The Green Communities Challenge Grants is another federal assistance program that was offered last year by the U.S. Forest Service through the national Urban and Community Forestry Program. A total of \$60,000 was allocated to New Jersey to provide matching grants to local government agencies to support the costs of implementing community forestry management plans.

Statewide Community Forestry Program

This program was initiated by the Legislature during the budget process and appropriated \$900,000 in the FY 2000 Appropriations Act. Although the Budget Recommendation displays two FY 2000 line items for "Statewide Community Forestry Program", \$160,000 for program administration under the DSS section and \$740,000 under Grants-In-Aid, the entire appropriation still remains in the Grants-In-Aid account. This occurred because the Administration anticipated that \$160,000 would be transferred to the DSS account during FY 2000. This, however, is not likely to transpire due to the Joint Budget Oversight Committee's decision in March, 2000 to indefinitely hold the department's request for this transfer. The program is recommended to receive \$660,000 in FY 2001, of which \$160,000 is appropriated in a separate DSS line item for administrative expenses, mainly the salary and support costs of three staff positions.

This grant program essentially implements several objectives of the State Community Forestry Management Plan pursuant to the "Shade Tree and Community Forestry Act." As mentioned above, this program is modeled after the former Small Business Tree-Planting Program, a federally-supported effort run by the State Forest Service from 1991 through 1995. The primary purpose of this program is to positively impact local areas by planting trees on land owned or controlled by state, county or local governments. Eligible applicants, which can include volunteer organizations or schools, must contribute the required cost share to the project from sources other than the State government. The first round of applications is currently under review by the department.

According to the department, matching grants (70 percent State/30 percent local) up to \$20,000 will be awarded primarily to communities that will utilize small businesses in planting trees on publicly owned or controlled lands. In addition, the program will provide \$150,000 for the Community Stewardship Incentive Program, in which matching grants (75 State/25 local) up to \$10,000 will be awarded to local government agencies to carry out approved plans established under the Community Forestry Management Plan. Such plans can include tree inventory, Arbor Day activities, hazard tree assessment, education programs, and disease management. In both grant programs, the local match can be in cash or in-kind services.

Background Paper: County Solid Waste Facility Debt Status

On page D-443 of the Budget Recommendation, the Department of the Treasury's budget includes a State Aid appropriation of \$20.0 million for "Solid Waste Management-County Environmental Investment Debt Service Aid." This sum represents the fourth consecutive (annual) appropriation for this activity, which is also known as the State Partnership Agreement Program. This program provides financial aid to counties and public utility authorities to help them meet "stranded" debt service payments caused by the court-ordered invalidation of New Jersey's solid waste management system. This paper examines the disposition of this assistance and the status of other State efforts in providing both short and long term financial aid to these entities.

Background

Statewide solid waste stream flow rules, as initially adopted by the DEP in 1982 pursuant to P.L. 1970, c.39, required locally-generated solid waste to be sent to designated landfills, incinerators or transfer stations in each county. In addition, this policy required each county, by the year 2000, to construct and operate at least one solid waste facility within its borders. By 1994, a Statewide, county-based solid waste management system was firmly in place.

However, this system was eventually invalidated by a U.S. Supreme Court decision in 1994 that found New Jersey's waste flow control rules in violation of interstate commerce and contract clauses of the U.S. Constitution. Since the repayment of construction and operating costs of publicly-financed solid waste facilities was based on revenue generation guaranteed through these rules, this decision precipitated the public debt problem the State and counties are now facing.

Court Invalidation Impacts

The invalidation of State solid waste flow rules has significantly affected the financial condition of many counties and public authorities by eliminating the assurance of waste flows to those solid waste facilities built with public funds, thereby jeopardizing the economic viability of these facilities. As a result, the counties and public authorities that financed these facilities through bonded indebtedness are now seeking other means to pay off their collective outstanding debt, which currently amounts to nearly \$1.2 billion (see Table I).

At present, municipalities or local haulers are no longer compelled to transport solid waste to State-designated facilities. Revenue shortfalls have been reported in many counties because constituent municipalities and local haulers are transporting their solid waste to more competitively-priced disposal facilities in nearby counties or to less-costly, out-of-state landfills. In response, some counties have significantly reduced disposal fees while others have proposed or instituted an Environmental Investment Charge, a tax borne by county taxpayers to offset lost fees.

State Assistance Efforts

Thus far, the State has taken several steps in addressing the problem of solid waste facility debt. First, since 1980, the State has appropriated \$173.5 million in bond monies and State funds to help construct solid waste facilities. This sum has included \$90.5 million to construct privately-owned incinerators, \$31.8 million for publicly-owned facilities, and \$7.9 million for smaller solid waste projects. A total of \$43.3 million remains unexpended due to project cancellations.

Second, the State Partnership Agreement Program was established in FY 1998, at \$20.0 million annually, to subsidize county debt service payments for "stranded" solid waste facility debt. Stranded debt is defined as debt secured by revenues generated from tipping fees charged at a solid waste facility. Each annual appropriation is accompanied by budget language detailing the

Background Paper: County Solid Waste Facility Debt Status (Cont'd)

parameters under which the State Treasurer, the DEP, and the Department of Community Affairs shall distribute these funds. One important requirement is that operational audits be conducted for all applicants. To date, the program has distributed \$35,058,342 as follows:

- ! On July 21, 1998, the Union County Utilities Authority received \$13,125,120 to help renegotiate its service agreement with the operator of its incinerator;
- ! On September 1, 1998, the Gloucester County Improvement Authority received \$800,000 toward a \$2.1 million debt service payment due on that date;
- ! On November 13, 1998, the Passaic County Utilities Authority received \$950,000 toward a \$4.1 million debt service payment due on November 15, 1998;
- ! On February 26, 1999, the Atlantic County Utilities Authority received \$1.1 million toward a \$5.2 million debt service payment due on March 1, 1999;
- ! On May 14, 1999, the Passaic County Utilities Authority received \$810,000 toward a \$905,000 debt service payment due on May 15, 1999;
- ! On June 10, 1999, the Bergen County Utilities Authority received \$10,000,000 to help terminate its solid waste contract with the Union County Utilities Authority;
- ! On November 12, 1999, the Passaic County Utilities Authority received \$3,065,450 to pay its entire debt service payment due on November 15, 1999;
- ! On December 1, 1999, the Warren County Pollution Control Authority received \$1,007,772 toward a debt service payment of \$5,097,734 due on that date.
- ! On December 1, 1999, the Camden County Pollution Control Financing Authority received \$2.8 million toward a debt service payment of \$18,296,388 due on that date; and
- ! On February 28, 2000, the Atlantic County Utilities Authority received \$1.4 million toward a debt service payment of \$5.3 million due on March 1, 2000.

Third, in 1998, the State authorized the deferment of repayments of zero-interest loans from the Resource Recovery and Solid Waste Disposal Facility Fund. Under this administrative decision, a deferral of debt service on the loans for a maximum of five years was allowed.

Last, the enactment of P.L.1998, c.66 authorized a referendum (that was approved) to amend the "Natural Resources Bond Act of 1980" and the "Resource Recovery and Solid Waste Disposal Facility Bond Act of 1985." The amendments allowed bond monies to finance grants for counties to pay solid waste facility debt service costs. As a result, about \$73 million in bond monies were made available for this purpose. To date, only one grant for \$15 million has been awarded thus far, to the Bergen County Utilities Authority.

P.L.1998, c.66 also authorized the forgiveness of outstanding balances of loans previously made from these bond acts. Consequently, the repayment of \$103.3 million in zero-interest State loans made to Atlantic, Burlington, Camden, Essex, Gloucester, Union and Warren counties between 1985 and 1993 for the construction of solid waste facilities was forgiven (see Table I).

Background Paper: County Solid Waste Facility Debt Status (Cont'd)

TABLE I
COUNTY SOLID WASTE FACILITY DEBT
(\$000)

Agency Responsible for Debt	Original Debt	Outstanding Debt	State Loan Balance (Forgiven)	Outstanding Debt (Excluding State Loans) As of February, 1999
Atlantic County Utilities Authority	\$95,150	\$88,835	\$6,750	\$82,085
Bergen County Utilities Authority	128,695	105,368	NA	105,368
Burlington County	127,171	106,125	11,000	95,125
Camden County Pollution Control Financing Authority	192,087	184,099	19,120	164,979
Cape May County Municipal Utilities Authority	47,405	36,930	NA	36,930
Cumberland County Improvement Authority	22,370	15,050	NA	15,050
Essex County Utilities Authority	112,000	111,003	43,800	67,203
Gloucester County* Improvement Authority	106,790	73,934	5,150	68,784
Hudson County Improvement Authority	144,625	66,345	NA	66,345
Hunterdon County Utilities Authority	0	0	NA	0
Mercer County Improvement Authority	260,979	127,390	NA	127,390
Middlesex County Utilities Authority	85,000	30,745	NA	30,745
Monmouth County	30,500	23,605	NA	23,605
Morris County Municipal Utilities Authority	9,800	7,182	NA	7,182

Background Paper: County Solid Waste Facility Debt Status (Cont'd)

TABLE I (Cont'd)
COUNTY SOLID WASTE FACILITY DEBT
(\$000)

Agency Responsible for Debt	Original Debt	Outstanding Debt	State Loan Balance (Forgiven)	Outstanding Debt (Excluding State Loans) As of February, 1999
Ocean County	\$7,200	\$1,874	NA	\$1,874
Passaic County Utilities Authority	105,700	88,691	NA	88,691
Salem County Utilities Authority	21,870	9,166	NA	9,166
Somerset County	5,677	5,677	NA	5,677
Sussex County Municipal Utilities Authority	49,355	43,744	NA	43,744
Union County Utilities Authority	296,090	82,770	11,900	70,870
Warren County Pollution Control Financing Authority	119,780	71,684	5,629	66,055
TOTALS	\$1,968,244	\$1,280,217	\$103,349	\$1,176,868

*Includes loan amount owed by Wheelabrator Environmental Systems, Inc.

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Individuals wishing information and committee schedules on the FY 2001 budget are encouraged to contact:

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