

ANALYSIS OF THE NEW JERSEY
FISCAL YEAR 2001 - 2002 BUDGET



DEPARTMENT OF ENVIRONMENTAL
PROTECTION

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

APRIL 2001

NEW JERSEY STATE LEGISLATURE

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Questions or comments may be directed to the OLS Environment, Agriculture, Energy and Natural Resources Section (Tel. 609 292-7676) or the Legislative Budget and Finance Office (Tel. 609 292-8030).

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Budget Pages.....C-9 to C-10; C-17; C-22 to C-23; C-27;
C-30; D-161 to D-193; E-9 to E-11

Fiscal Summary (\$000)

	Expended FY 2000	Adjusted Appropriation FY 2001	Recommended FY 2002	Percent Change 2001-02
State Budgeted	\$420,168	\$462,764	\$479,527	3.6%
Federal Funds	37,264	188,703	186,938	(0.9)%
<u>Other</u>	<u>25,862</u>	<u>41,468</u>	<u>38,916</u>	<u>(6.2)%</u>
Grand Total	\$483,294	\$692,935	\$705,381	1.8%

Personnel Summary - Positions By Funding Source

	Actual FY 2000	Revised FY 2001	Funded FY 2002	Percent Change 2001-02
State	2,962	3,087	3,373	9.3%
Federal	125	105	130	23.8%
<u>Other</u>	<u>71</u>	<u>78</u>	<u>77</u>	<u>(1.3)%</u>
Total Positions	3,158	3,270	3,580	9.5%

FY 2000 (as of December) and revised FY 2001 (as of September) personnel data reflect actual payroll counts. FY 2002 data reflect the number of positions funded.

Introduction

The Department of Environmental Protection (DEP) protects and manages the State's natural resources, fish and wildlife; preserves open space for recreation and conservation purposes; monitors the State's rivers, beaches and ocean waters; regulates air and water pollution, radiation, pesticides, 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 recommended General Fund appropriation is \$469.7 million, a net increase of \$16.5 million or 4 percent over the current adjusted funding level.
- ! The total Property Tax Relief Fund - State Aid recommendation for the department is \$9.8 million, an increase of \$300,000 or 3 percent above the current total. The entire increase is in the Payment in Lieu of Taxes program, which is recommended at \$7.4 million.
- ! The **Direct State Services** (DSS) portion of the recommended General Fund appropriation is \$220.5 million, an increase of \$7.8 million or 4 percent over the current adjusted appropriation. Key items or changes in the DSS budget are as follows:
 - ! A new Special Purpose appropriation of \$79,000 is recommended for Wildlife Monitoring to support the Division of Fish and Wildlife in monitoring signs of the West Nile virus in the State's wildlife population.
 - ! The Black Bear Response Team account is recommended at \$1.0 million, an increase of \$827,000, to provide more support for the Division of Fish and Wildlife's bear management activities.
 - ! The Dam Safety Program is recommended at \$1.3 million, an increase of \$930,000, to continue increasing staff size so that more dam inspections can be conducted to facilitate dam repair efforts. This increase also includes \$287,000 in administrative costs previously paid from bond funds.
 - ! In the Division of Science, Research and Technology, the recommendation for the Safe Drinking Water Fund account is \$1.3 million, an increase of \$800,000, to expand the monitoring and analysis of water resources for the watershed management program.
 - ! Two new Special Purpose appropriations, Action Now Projects-Constitutional Dedication and Action Now Projects-Safe Drinking Water Fund, are proposed at \$2.5 million each to support watershed quality improvement projects that would have an immediate positive impact on impaired bodies of waters. The first line item would be supported by dedicated Corporation Business Tax (CBT) revenues, the latter line item by the cited Fund.
 - ! The CBT dedication for the Water Resources Monitoring and Planning account is recommended at \$7.9 million, an increase of \$2.0 million, to enhance support for planning and development activities in the State's 20 watershed management areas. As this increase offsets a decrease of \$1.2 million in a similar GF-funded account, the net increase for this purpose is \$825,000.
 - ! A new Special Purpose appropriation of \$850,000 is recommended for E-Government Software and Hardware Upgrades to expand and upgrade the department's on-line environmental information and government services computer systems.
 - ! Of the General Fund appropriation, the **Grants-In-Aid** recommendation is \$8.9 million, a net increase of \$3.3 million or 60 percent over the current funding level, which includes the following key changes:
 - ! A new grants program, Land Preservation, is recommended at \$8.0 million to provide municipalities and the department with funding to expeditiously purchase property (for open space purposes) that is at immediate risk of being developed.

Key Points (Cont'd)

- ! The recommended Grants-In-Aid budget does not continue \$486,000 in funding for various accounts that were included by the Legislature in the current budget.
- ! A Grants-In-Aid appropriation of \$3.3 million authorized under P.L. 2000, c.170 for Cranford Township Flood Control is not continued in FY 2002.
- ! The Statewide Community Forestry grants program recommendation is \$500,000, a decrease of \$400,000 from its current funding level.
- ! The recommended General Fund appropriation for **State Aid** funding, as detailed below, is \$18.1 million, an increase of \$7.2 million or 66 percent over the current level.
- ! Most of the State Aid increase is attributable to a \$5.0 million recommendation to continue the local recycling grants program for another year. This sum constitutes new State funding, as the current program is supported off-budget by the State Recycling Fund.
- ! Recommended State Aid funding for the Mosquito Control Commission is \$1.3 million, an increase of \$308,000, to provide more research support to county mosquito control agencies in analyzing and controlling the West Nile virus.
- ! The recommended State Aid budget for the Pinelands Commission is \$4.1 million, an increase of \$1.5 million, and consists mainly of two funding initiatives: \$475,000 for microfilming and overhead costs for its current and future offices, and \$798,000 for upgrades and expansion of its information technology systems.
- ! The recommended State Aid funding level for the Pinelands Development Credits program is \$20.0 million, the same amount it is now authorized to receive through budget language. Of the recommended sum, \$13.0 million would be appropriated through budget language.
- ! The **Capital Construction** portion of the recommended General Fund appropriation is \$116.2 million, a net increase of \$13.6 million or 13 percent above the current total. Major funding changes, by Statewide Program, are recommended as follows:
- ! For Natural Resource Management, \$60.0 million is recommended, an increase of \$21.5 million or 56 percent over the current total. \$20.0 million is recommended for Parks Management, \$5.0 million for Fish and Wildlife, and \$35.0 million for Natural Resources Engineering, of which \$25.0 million is for shore protection projects and \$10.0 million for high hazard dam repairs.
- ! Pursuant to recommended budget language that anticipates the enactment of enabling legislation, the \$25.0 million Capital funds recommendation for Parks Management and Fish and Game would be supported by revenues dedicated from State realty transfer taxes.
- ! The Capital funding recommendation for the Palisades Interstate Park Commission is \$800,000, an increase of \$200,000 over the current funding total.
- ! Under Site Remediation, \$46.3 million, a decrease of \$5.5 million, is recommended for two accounts supported by constitutionally dedicated Corporation Business Tax revenues: \$25.5 million for Hazardous Substance Discharge Remediation, and \$20.8 million for Private Underground Tank Remediation.

Key Points (Cont'd)

- ! The recommended Capital appropriation for federally-matched, HR6 flood control projects is \$8.3 million, an increase of \$1.9 million over the current funding level.
- ! Capital funding recommended for the State Mosquito Control Commission is \$810,000, an increase of \$560,000 over the current funding level. These funds will be used to further support the replacement of heavy equipment for county spraying and control programs.
- ! The **Debt Service** portion of the recommended General Fund appropriation, which covers payments for bond interest and redemption costs, is \$106.1 million, a decrease of \$15.4 million or 13 percent from the current year requirement.
- ! **Federal** funding is anticipated at \$186.9 million in FY 2002, a decrease of \$1.8 million or less than one percent under the current authorized total. No new major programs or significant funding changes in current programs are projected.
- ! The **All Other Funds** or off-budget portion of the budget is estimated at \$38.9 million, a net decrease of \$2.6 million or 6 percent below the current adjusted total. No new major programs or significant funding changes in current programs are anticipated.
- ! In the Budget Recommendation's Interdepartmental Accounts section (p. D-514), \$54.0 million is recommended for Solid Waste Management-County Environmental Investment Debt Service Aid, Economic Development Authority, a \$21.0 million increase over the current funding level for a similar State subsidy program. This recommendation anticipates, and is contingent upon, the enactment of legislation that would transfer the current program to the EDA and restructure it to allow bonds to be issued to refinance county solid waste debt.
- ! New Capital Construction budget language recommends up to \$10.0 million for the closure, remediation, and capping of abandoned municipal landfills. Of this amount, \$4.0 million would be derived from the (CBT-funded) Hazardous Substance Discharge Remediation - Constitutional Dedication account; the remaining \$6.0 million would be supplied by the Sanitary Landfill Facility Contingency Fund.

Background Papers

- ! Refinancing County Solid Waste Debt p. 48
- ! State Funding for Dam Safety p. 51

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, and the Pinelands Commission.

There are also two major State-funded programs the DEP helps manage that are funded from the Interdepartmental Accounts budget. First, on Budget Page D-514, under "Solid Waste Management-County Environmental Investment Debt Service Aid, EDA," \$54.0 million is recommended to continue helping counties meet stranded debt costs incurred from the building of solid waste facilities. Second, on Budget Page D-515, 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 Green Acres, farmland preservation and historical preservation programs. The department manages the Green Acres program.

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. 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.

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

Program Description and Overview (Cont'd)

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 supports compliance and enforcement units responsible for laws pertaining to pesticide control, coastal and land use, solid and hazardous waste, air and environmental quality, and water pollution control.

FY 2002 Budget Overview

The department's overall, State-funded budget recommendation is \$479.5 million, of which \$469.7 million is supported from the General Fund (GF). The balance of \$9.8 million is funded from the State Aid portion of the Property Tax Relief Fund. The other major funding sources of the department's budget are Federal funds, recommended at \$186.9 million, and "Other Funds," i.e. off-budget revenues and revolving funds, recommended at \$38.9 million. These four funding sources total \$705.4 million, an increase of \$12.4 million or 2 percent over the current adjusted total of \$692.9 million.

The total General Fund recommendation of \$469.7 million reflects a net increase of \$16.5 million or 4 percent over the FY 2001 adjusted appropriation of \$453.2 million. The appropriation is divided into four funding categories, as summarized below:

Direct State Services

The Direct State Services (DSS) category represents the department's operating budget. Its recommendation of \$220.5 million represents a net increase of \$7.8 million or 4 percent over the current adjusted budget of \$212.8 million. The recommended DSS budget includes one major funding initiative: \$5.0 million for a new program called "Action Now Projects." This program would finance water quality projects in watershed management areas and be supported from two dedicated funding sources, the Safe Drinking Water Fund and the Corporation Business Tax (CBT)-Water Resources dedication. Other significant net increases to existing accounts include \$827,000 for the Black Bear Response Team; \$643,000 for the Dam Safety Program; \$800,000 for water quality monitoring expansion; \$825,000 for additional CBT-funded watershed management planning; and \$850,000 for data management upgrades.

The recommended funding levels of general or "major object" accounts, which support salary costs, materials and supplies, and other non-salary operating expenses, are not, for the most part, significantly different from current adjusted funding levels. One exception is in the Additions, Improvements and Equipment account of the Natural Resource Management statewide program, where an increase of \$911,000, or 79 percent, is recommended. Most of this increase is budgeted to purchase or lease new vehicles and equipment for the Divisions of Parks and Forestry and Fish and Wildlife.

Program Description and Overview (Cont'd)

Other notable programmatic changes that moderately increase various salary accounts by a combined total of approximately \$1.0 million reflect staff expansions to carry out the following functions: Implementation of federal rules for municipal stormwater and agricultural runoff; research on septic systems, wastewater treatment, and salt water intrusion; reduction of backlogs in processing water allocation permits in southern New Jersey; data collection for sustainable fisheries and air pollution emissions; and the application of new standards on individual companies to enforce federal Clean Air compliance regulations. More specific staffing data is supplied under the **Positions** heading of this section.

Grants-In-Aid

The total Grants-In-Aid (GIA) budget recommendation is \$8.9 million, a net increase of \$3.3 million or 60 percent over the current adjusted funding level of \$5.5 million. The recommended amount includes a new \$8.0 million program, "Land Preservation," an initiative that would assist municipalities and the State in acquiring land that is at imminent risk of being developed. The total GIA recommendation also reflects the elimination of \$4.3 million in combined funding from various line items included in the current budget through supplemental appropriations, bill enactments, or by the Legislature during last year's budget process.

In addition to the new proposal mentioned above, the recommended GIA budget includes two other accounts. Recommended funding for the Statewide Community Forestry Program account is \$500,000, a decrease of \$400,000 from its current adjusted appropriation. The Black Fly Treatment-Delaware River account is continued at its current funding level of \$350,000. This sum helps support the efforts of the State of Pennsylvania in eradicating this pest from its breeding grounds on the Delaware River.

State Aid

The recommended State Aid budget of \$18.1 million is \$7.2 million or 66 percent greater than the current adjusted total of \$10.9 million. The major portion of this increase, \$5.5 million, is attributable to the initiation of General Fund (GF) support for local recycling grants, which had been traditionally supported through special tax revenues from the State Recycling Fund. In order to restore this grant program, which had been inactive since 1997 when the Solid Waste Recycling Tax expired, language was included in the current budget that authorized the remaining Recycling Fund balances to finance grant awards during FY 2001. In light of the anticipated depletion of the Recycling Fund, State funding is recommended to continue the grant program for another year.

Funding increases are also recommended for the Mosquito Control Research, Administration and Operations account, from \$970,000 to \$1.3 million, to combat the West Nile virus, and for the Pinelands Commission budget, from \$2.7 million to \$4.1 million, to upgrade and enhance various administrative functions. Two other State Aid programs, the Pinelands Development Credits account and the Grants to Local Environmental Commissions account, are recommended at their current funding levels in FY 2002.

Last, the Payment In Lieu of Taxes account recommendation is \$7.4 million, an increase of \$300,000, while the County Environmental Health Act account is recommended at its current funding level of \$2.5 million.

Program Description and Overview (Cont'd)

Capital Construction

The Capital Construction recommendation totals \$116.2 million, an increase of \$13.6 million or 13 percent over the current capital appropriation of \$102.6 million. Key changes are recommended in the Natural Resource Management section of the department's budget, where \$60.0 million is recommended, an increase of \$21.5 million or 56 percent above the current funding level. In addition, new budget language is proposed that authorizes \$25.0 million of the natural resources capital budget to be supported by revenues from the State realty transfer tax, which would require the enactment of enabling legislation. An identical amount from this funding source is also annually dedicated to support the Shore Protection Fund Projects account. Hence, all but \$10.0 million of the \$60.0 million appropriation for natural resources capital projects is recommended to be supported by realty transfer tax revenues. The \$10.0 million balance is recommended from General Fund monies for high hazard dam projects.

Under Site Remediation, \$46.3 million is recommended for programs supported by constitutionally dedicated Corporation Business Tax (CBT) revenues, a decrease of \$5.5 million. Of this sum, the Hazardous Substance Discharge Remediation account would receive \$25.5 million and the Private Underground Tank Remediation account would receive \$20.8 million. Annual funding levels for all CBT-funded accounts are determined by statutory percentages and allocation formulas related to the estimated level of total CBT collections. Periodic adjustments to funding levels based on actual CBT collection rates are usually made later in the fiscal year.

Other significant line items in the department's capital budget include \$8.3 million for HR 6 Flood Control projects, an increase of \$1.9 million over the present appropriation; \$810,000 to the State Mosquito Control Commission for mosquito control equipment to combat the West Nile virus, an increase of \$560,000; and \$850,000 to expand and upgrade the department's on-line computer systems. Last, \$800,000 is recommended for the Palisades Interstate Park Commission's capital budget, an increase of \$200,000, for bridge, overpass and building code repairs.

Debt Service

The department's recommended Debt Service obligation for FY 2002 is \$106.1 million, a decrease of \$15.4 million or 13 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.

Non-State Funds

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 are referred to in this report as **Other Funds**. These accounts contain revenues from special use taxes, bonds, special license plates, wildlife donations, the sale of merchandise or services, and other sources, most of which are itemized on Budget Page C-17 under **Schedule II, Other Revenues**. Revolving Funds accounts, which are also included in this category, are summarized on Budget Page C-27. Off-budget 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.

Program Description and Overview (Cont'd)

In FY 2002, off-budget funding accounts are estimated at \$38.9 million, a net decrease of \$2.6 million or 6 percent below current budgeted levels. While most of the anticipated balances of these accounts are not expected to differ significantly in FY 2002, the bulk of the decrease is attributable to zero funding estimated for the "Shore Protection Fund Projects" account, which is budgeted at \$2.0 million in FY 2001. This account represents local government contributions to State and federally funded shore protections projects. It is assumed that no estimate is included for this item due to uncertainty regarding future contributions for these projects.

Federal Funds

The department anticipates it will receive \$186.9 million in federal funding in FY 2002, a decrease of \$1.8 million from 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 2002 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 the Forest Legacy Program, from \$1.1 million to \$2.0 million; a doubling of the \$1.0 million National Coastal Wetlands Conservation grant; and modest decreases from various grants that are not being continued or are reduced. 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 2002.

As displayed in the Budget Recommendation and in the **Fiscal and Personnel Summary** section of this report, the FY 2000 and FY 2001 position data figures reflect the actual number of employees on the department's payroll at a given point in time, whereas the FY 2002 figures reflect the total number of positions to be funded without regard to vacancy status. The Budget Recommendation lists 3,373 State-funded positions in FY 2002, as compared to the FY 2001 payroll count of 3,087 positions. Total funded positions, including those supported from federal or other non-State accounts, are estimated at 3,580 in FY 2002 as compared to the FY 2001 payroll count of 3,270.

According to data supplied by the Office of Management and Budget, a total of 36 new positions are to be created in response to new or expanding funding initiatives recommended for FY 2002. Major areas in which new State-funded positions are scheduled include the Dam Safety Program (10), Clean Air Compliance Inspection units (8), Water Monitoring units (10), and the Division of Fish and Wildlife's marine fisheries unit (5).

Budget Language

Significant changes are recommended in existing budget language provisions as follows:

- ! Language reimbursing the Division of Fish and Wildlife for costs to cover free hunting and fishing licenses issued to members of the N.J. National Guard is amended to include disabled veterans, pursuant to the enactment of P.L. 1999, c.282.

Program Description and Overview (Cont'd)

- ! Language appropriating State Recycling Fund revenues to the Recycling of Solid Waste account, and which also permits all remaining unobligated balances in the Fund to support local recycling grants, is amended by deleting the section referring to recycling grants. General Fund monies have been recommended for this purpose in a Special Purpose line item.

Major budget language provisions that are not continued concern the appropriation of supplemental monies for fire fighting equipment; bond funds to support dam repair and wastewater treatment program administration; the disposition of capital funds for the Ellis Island rehabilitation project; funds from the Corporation Business Tax (CBT)-supported Hazardous Substance Discharge Remediation account for State-owned underground storage tank cleanups; and funding for Clean Communities program activities.

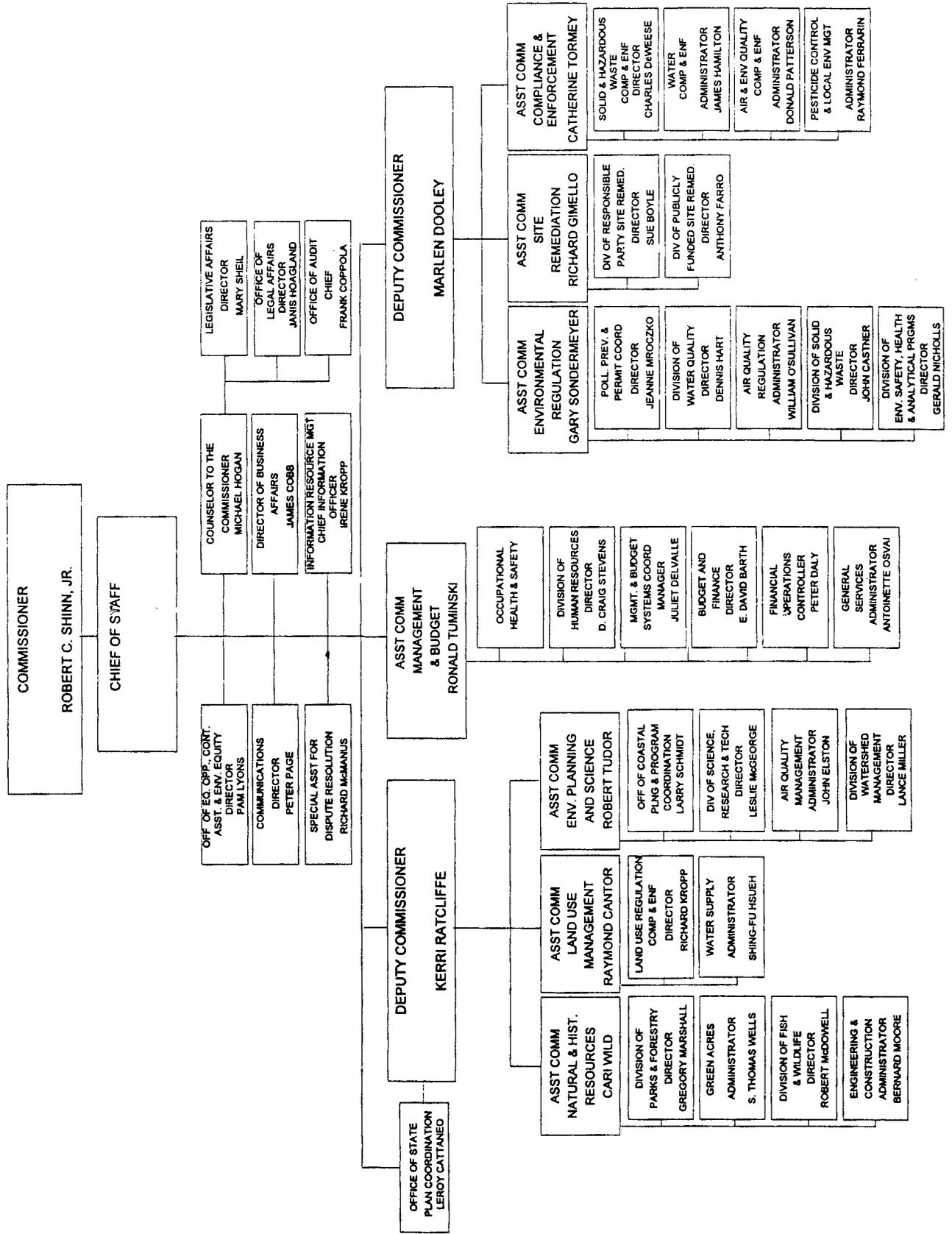
Significant new budget language proposals include:

- ! Authorization to use an unspecified portion of the \$8.0 million proposal for "Land Preservation" for State acquisition of lands that are at risk of being developed.
- ! Authorization for revenues from the State realty transfer tax, pending enabling legislation, to support \$20.0 million in capital projects recommended for the Division of Parks and Forestry, and \$5.0 million in capital projects for the Division of Fish and Wildlife.
- ! Appropriation of \$6.0 million from the Sanitary Landfill Facility Contingency Fund and \$4.0 million from the CBT-supported Hazardous Substance Discharge Remediation account to support a new program to close, remediate or cap abandoned municipal landfills.

More detailed information concerning these and other proposed budget language changes can be found in the **Language Provisions** section of this report.

Organization Chart

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION



Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2000	Adj. Approp. FY 2001	Recom. FY 2002	Percent Change	
				2000-02	2001-02
General Fund					
Direct State Services	\$214,277	\$212,759	\$220,520	2.9%	3.6%
Grants-In-Aid	1,502	5,536	8,850	489.2%	59.9%
State Aid	21,171	10,864	18,070	(14.6)%	66.3%
Capital Construction	71,124	102,601	116,185	63.4%	13.2%
Debt Service	112,094	121,481	106,079	(5.4)%	(12.7)%
Sub-Total	\$420,168	\$453,241	\$469,704	11.8%	3.6%
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	9,523	9,823	----	3.2%
Sub-Total	\$0	\$9,523	\$9,823	----	3.2%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$420,168	\$462,764	\$479,527	14.1%	3.6%
Federal Funds	\$37,264	\$188,703	\$186,938	401.7%	(0.9)%
Other Funds	\$25,862	\$41,468	\$38,916	50.5%	(6.2)%
Grand Total	\$483,294	\$692,935	\$705,381	46.0%	1.8%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2000	Revised FY 2001	Funded FY 2002	Percent Change	
				2000-02	2001-02
State	2,962	3,087	3,373	13.9%	9.3%
Federal	125	105	130	4.0%	23.8%
All Other	71	78	77	8.5%	(1.3)%
Total Positions	3,158	3,270	3,580	13.4%	9.5%

FY 2000 (as of December) and revised FY 2001 (as of September) personnel data reflect actual payroll counts. FY 2002 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	13.7%	14.2%	14.3%	----	----
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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NATURAL RESOURCE MANAGEMENT**DIRECT STATE SERVICES**

Special Purpose:	\$1,905				
Fire Fighting Costs	\$1,000 S	\$1,905	(\$1,000)	(34.4)%	D-167

The \$1.0 million supplemental appropriation displayed above was authorized by language included in the current budget by the Legislature to enable the State Forest Fire Service to purchase needed fire fighting equipment. This amount was credited to the account by the Director of the Division of Budget and Accounting in September, 2000. This language provision is not included in the Budget Recommendation.

Greenway Mapping Municipal Assistance	\$150	\$0	(\$150)	(100.0)%	D-167
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This appropriation was included in the current budget by the Legislature to support efforts by Green Acres staff and municipalities in identifying and developing regional connections to disparate parks and open space areas in order to maximize regional recreational needs and availability.

Wildlife Monitoring - West Nile Virus	\$0	\$79	\$79	—	D-167
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The recommended amount would support the Division of Fish and Wildlife in implementing a program to monitor and track occurrences of the West Nile virus in the State's wildlife population. Funding would support one position and related costs.

Wildlife Habitat Conservation	\$60	\$0	(\$60)	(100.0)%	D-167
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In order encourage better land use decisions at the local level, this appropriation was included in the current budget by the Legislature to support efforts by the Division of Fish and Wildlife to provide information to municipalities and counties regarding the location of endangered species.

Black Bear Response Team	\$200	\$1,027	\$827	413.5%	D-167
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The recommended increase is intended to expand the Division of Fish and Wildlife's efforts to minimize contact between the State's growing bear population and the public through education, training, and other bear management strategies.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2001</u>	<u>Recomm.</u> <u>FY 2002</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Dam Safety	\$386	\$1,316	\$930	240.9%	D-167

The recommended increase includes \$643,000 to support the salary costs of 10 new employees needed for the Dam Safety Program to meet its growing obligation to conduct dam inspections and project reviews of high hazard and significant hazard dams throughout the State. Heightened program activity has been influenced by \$19.5 million in appropriations for dam repairs over the last two years, plus a recommended appropriation of \$10.0 million in capital funding for this purpose in FY 2002.

The balance of the recommended increase, \$287,000, would be used to cover administrative costs for dam projects that are partially or fully financed from two bond acts. These costs had traditionally been supported by bond monies in the account described below.

Dam Repair					
Administrative Costs	\$287	\$0	(\$287)	(100.0)%	D-167

As mentioned above, this account helps support the Dam Safety Program by paying the administrative costs of projects funded under 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. The Administration has recommended that such future costs be supported from the State-funded Dam Safety account.

Additions, Improvements and Equipment	\$1,151	\$2,062	\$911	79.1%	D-167
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The increase is recommended to purchase or lease various vehicles and equipment for the Divisions of Parks and Forestry and Fish and Wildlife, as well as provide \$246,000 in increased debt service costs associated with master lease financing of new parks vehicles bought in FY 2000.

GRANTS-IN-AID

Statewide Community Forestry Program	\$900	\$500	(\$400)	(44.4)%	D-168
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This program was established by the Legislature in the FY 2000 budget with an appropriation of \$900,000 and renewed at the same level in FY 2001. The program provides municipalities and counties with matching grants to support tree planting on publicly owned or controlled lands. A portion of this amount also funds matching grants to help municipalities implement the Community Stewardship Incentive Program, under which local tree management plans are developed pursuant to the State Community Forestry Management Plan.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2001</u>	<u>Recomm.</u> <u>FY 2002</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Civil War Monument Replacement- Hackettstown	\$100	\$0	(\$100)	(100.0)%	D-168

This appropriation was included by the Legislature in the current budget to finance the cost of replacing the Civil War monument located in Hackettstown, Warren County.

Hudson River Waterfront Walkway	\$550	\$0	(\$550)	(100.0)%	D-168
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This account supports the Hoboken City portion of the Hudson River Walkway Project, a 17-mile public access walking path along the Hudson River waterfront from the George Washington Bridge to the Bayonne Bridge. The account was established in FY 1998 with a \$2.0 million appropriation for the Liberty State Park portion of the project, which has since been completed. The current amount was transferred to this account in October, 2001 from two Capital accounts, as cited by footnote (c) on Budget Pages D-169 and D-171, to help finance the current phase of the project in Hoboken.

Land Preservation	\$0	\$8,000	\$8,000	—	D-168
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According to the Administration, this appropriation represents a major Open Space Preservation initiative that would provide grants to municipalities so they can expeditiously acquire lands that are at imminent risk of being developed. Such lands would then be permanently preserved for recreation or conservation purposes. This recommendation is accompanied by proposed language (see page D-172) that authorizes the transfer of "..... such sums as are necessary....." from this account to DEP Capital accounts to enable the State to acquire available land in an accelerated manner for the same purposes.

De-Snagging of Peckman River	\$300	\$0	(\$300)	(100.0)%	D-168
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This appropriation was included in the current budget by the Legislature to help finance the costs of clearing debris from portions of the Peckman River that flow in Passaic and Essex counties. The project is intended to alleviate chronic flooding conditions in those areas.

CAPITAL CONSTRUCTION

One major change is recommended concerning a funding source of this portion of the department's Capital budget: The establishment of a stable funding source, called the State Lands Stewardship Investment Fund, that would support Capital projects related to the maintenance and enhancement of State parks, forests and historic sites, as well as the development of new facilities on State lands preserved over the next decade through the million-acre Open Space Preservation program. It is proposed that legislative action be taken to create this Fund and credit it with \$25 million annually from State realty transfer tax revenues, much like the annual appropriation of \$25 million from this

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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funding source for shore protection projects. New language is included in the Budget Recommendation (see Budget Page D-172) that dedicates the use of these tax revenues for this purpose. Enabling legislation is currently being considered for this purpose.

The projects to be supported by these dedicated funds are listed in the Capital Construction section of the department's Natural Resource Management budget. The total cost of these projects corresponds to the totals cited in the proposed language and pending legislation, i.e. \$20.0 million for Parks and Forestry projects, and \$5.0 million for Fish and Wildlife projects.

With regard to significant changes or new line items in this Statewide Program, listed below are Capital line items that are grouped into three general categories: Current appropriations that are not continued; current appropriations that are continued; and new project recommendations.

Bureau of Forestry:***Forest Nursery**

Education Center	\$100	\$0	(\$100)	(100.0)%	D-168
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Bureau of Parks:***Leonardo Marina**

Enhancement	\$170	\$0	(\$170)	(100.0)%	D-168
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Liberty State Park-

Liberty Walkway	\$250	\$0	(\$250)	(100.0)%	D-169
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***Belleplaine State Park-**

Water Supply	\$50	\$0	(\$50)	(100.0)%	D-169
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Improvement

***Administrative/**

Maintenance

Facilities-Renovation,

Rehabilitation &

Maintenance

	\$400	\$0	(\$400)	(100.0)%	D-169
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Recreational Areas-

Development,

Rehabilitation,

Improvement and

Repair

	\$1,000	\$0	(\$1,000)	(100.0)%	D-169
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***Waterloo Village**

Urgent Needs	\$300	\$0	(\$300)	(100.0)%	D-169
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***Steuben House**

Restoration	\$70	\$0	(\$70)	(100.0)%	D-169
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***Liberty State Park**

	\$800	\$0	(\$800)	(100.0)%	D-169
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Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Ellis Island	\$1,000	\$0	(\$1,000)	(100.0)%	D-169
Div. of Fish & Wildlife: Roof Replacement- Fish Hatchery	\$70	\$0	(\$70)	(100.0)%	D-170
Wildlife Management Roof Replacement	\$100	\$0	(\$100)	(100.0)%	D-170
Critical Repairs- Rockport Game Farm, Pequest Educational Center	\$40	\$0	(\$40)	(100.0)%	D-170
Storage Buildings- Wildlife Management Regional	\$125	\$0	(\$125)	(100.0)%	D-170
Demolition of Unused Structures	\$250	\$0	(\$250)	(100.0)%	D-170
Shellfish and Marine Fisheries Management: Marine Fisheries Field Office Improvements	\$110	\$0	(\$110)	(100.0)%	D-170
Natural Resource Engineering: *Maintenance Dredging of Shrewsbury River Channel	\$200	\$0	(\$200)	(100.0)%	D-170

These projects and project categories, totaling \$5,035,000, are not recommended for further funding in FY 2002. The noted (*) line items were included by the Legislature in the current budget.

Bureau of Parks: Historic Preservation/ Renovation-Buildings, Structures and Monuments	\$3,100	\$6,500	\$3,400	109.7%	D-168
Sanitary Facilities	\$1,050	\$1,100	\$50	4.8%	D-168

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Buildings- Rehabilitation and Renovation	\$450	\$1,200	\$750	166.7%	D-169
Site Areas/Facilities- Development, Rehabilitation and Repair	\$950	\$2,100	\$1,150	121.1%	D-169
Overnight Facilities- Development, Rehabilitation, Improvement and Repair	\$200	\$400	\$200	100%	D-169
Day Use Areas- Development, Rehabilitation, Improvement and Repair	\$450	\$1,100	\$650	144.4%	D-169
Demolition of Unused Structures	\$500	\$250	(\$250)	(50.0)%	D-169
Road, Bridge and Parking Area Repairs	\$700	\$1,250	\$550	78.6%	D-169
Dam Repairs and Inspections	\$450	\$2,500	\$2,050	455.6%	D-169
Health, Safety and Environmental Compliance	\$650	\$1,000	\$350	53.8%	D-169

The line items listed above received appropriations totaling \$8.5 million in FY 2001. The total recommendation for these projects is \$17.4 million, an increase of \$8.9 million or 105 percent.

Bureau of Parks:

Barnegat Lighthouse Exterior Coating	\$0	\$500	\$500	—	D-169
ADA Development- Statewide	\$0	\$1,500	\$1,500	—	D-169
Bulkhead Repair and Rehabilitation	\$0	\$600	\$600	—	D-169

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Div. of Fish & Game:					
Dam Repair, Maintenance and Renovation	\$0	\$1,415	\$1,415	—	D-170
Wildlife Management Areas-Heavy Equipment Replacement	\$0	\$450	\$450	—	D-170
Hackettstown Hatchery Renovation	\$0	\$2,000	\$2,000	—	D-170
Point of Sale License System	\$0	\$800	\$800	—	D-170
Pequest Road Repair	\$0	\$75	\$75	—	D-170
Field Office Computer Network	\$0	\$180	\$180	—	D-170
ADA Sanitary Facility Renovation	\$0	\$80	\$80	—	D-170
Natural Resource Engineering:					
High Hazard Dams	\$0	\$10,000	\$10,000	—	D-170

These line items, totaling \$17.6 million, are new capital funding recommendations. The last item listed, \$10.0 million for High Hazard Dams, actually reflects a continuation of funding that was provided through General Provision language in the FY 2001 Appropriations Act. This language transferred \$10.0 million from unexpended balances appropriated from the "Emergency Disaster Relief Act of 1999" and the Emergency Services Fund (see footnote (d) on Budget Page D-171).

Palisades Interstate Park Commission: Sanitary Facilities- Various Locations	\$200	\$0	(\$200)	(100.0)%	D-169
Parkway Improvements	\$400	\$0	(\$400)	(100.0)%	D-170
Bridge and Pedestrian Overpass Repairs	\$0	\$450	\$450	—	D-170
Building Life/Safety and Code Compliance-Repairs	\$0	\$350	\$350	—	D-170

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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These line items comprise the current and recommended Capital budget for the New Jersey portion of the Palisades Interstate Park Commission. The total recommended amount is \$800,000, an increase of \$200,000 or 33 percent over the current total funding level.

SCIENCE AND TECHNICAL PROGRAMS**DIRECT STATE SERVICES****Special Purpose:****Safe Drinking Water**

Fund	\$530	\$1,330	\$800	150.9%	D-175
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This account provides general administrative support for the department's regulation and management of the State's drinking water programs. It is supported by the cited Fund, which receives dedicated revenues collected from a tax assessed on public drinking water providers. The recommended increase is intended to help support a major expansion of the department's watershed management program by facilitating water quality assessment efforts, which include contracting for analyses of Total Maximum Daily Load (TMDL) factors in each of the State's 20 watershed management areas. Other components of the watershed management expansion efforts are detailed below.

Action Now Projects-**Constitutional****Dedication**

	\$0	\$2,500	\$2,500	—	D-175
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Action Now Projects-**Safe Drinking Water****Fund**

	\$0	\$2,500	\$2,500	—	D-175
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These two appropriations comprise the Action Now Projects program, an initiative that is part of the department's watershed management expansion effort. According to the Administration, this program is designed to finance water intervention projects that would have an immediate impact on water quality and the health of aquatic life. Eligible projects would be identified by watershed area stakeholders and receive program funding based on their readiness to be implemented and the potential for immediate, positive results.

Both accounts would be supported by dedicated revenues, the first listed from the Corporation Business Tax (CBT) and the second from the Safe Drinking Water Fund. The CBT-funded account would be supported from the Water Resources component of the annual CBT dedication for environmental programs.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Water Resources Monitoring and Planning- Constitutional Dedication	\$5,850	\$7,880	\$2,030	34.7%	D-175

This account is supported by constitutionally dedicated monies from the Water Resources component of the Corporation Business Tax and supports watershed management planning, nonpoint source pollution activities, and other water resource programs. A portion of the increase, \$1.2 million, would be used to offset the proposed decrease in the General Fund account for this purpose, as explained below. The balance of the recommended increase, \$825,000, represents another component of the Administration's expansion of watershed management activities. It will primarily be used to expand the planning and development functions of the organizations and stakeholders associated with the State's 20 watershed management areas.

Water Resources Monitoring and Planning	\$3,000	\$1,795	(\$1,205)	(40.2)%	D-175
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This appropriation was established in the current budget to supplement the CBT-funded Water Resources Monitoring and Planning account in order to initiate planning activities in nine watershed management areas that had heretofore not received sufficient funding for this purpose. The recommended amount continues this State-funded support, but at a lower level due to the proposed increase in funding for this purpose from the CBT-funded account.

STATE AID

Morris 2000-Watershed Management	\$75	\$0	(\$75)	(100.0)%	D-175
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This appropriation was included in the current budget by the Legislature to provide Morris 2000, a Morris County-based watershed management organization, with funding to help support the administrative expenses of three of its affiliated stakeholder groups: the Ten Towns Committee, the Rockaway River Watershed Cabinet, and the Whippany River Watershed Action Committee.

CAPITAL CONSTRUCTION

Policy and Planning:

Air Pollution Monitoring Equipment	\$165	\$0	(\$165)	(100.0)%	D-176
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This appropriation was added to the current budget to support the monitoring of airborne toxics that were heretofore not being measured or analyzed. Previously, the department operated only one fully-equipped air toxics monitoring site, in Camden. These funds were used to purchase the necessary equipment, including trailers, to monitor certain air toxics at three other existing sites.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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SITE REMEDIATION

GRANTS-IN-AID

Salem County Utilities Authority	\$86	\$0	(\$86)	(100.0)%	D-179
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This appropriation was included in the current budget by the Legislature to provide a grant to help this agency remove and dispose of illegally dumped or stored tires. The recovered tires were to be chipped and used as a drainage-protective layer in the bottom of a newly constructed landfill.

CAPITAL CONSTRUCTION

Site Remediation:

Hazardous Substance

Discharge

Remediation-

Constitutional

Dedication

\$30,690

\$25,530

(\$5,160)

(16.8)%

D-179

This line item represents the annual appropriation of Corporation Business Tax (CBT) revenues that are constitutionally dedicated for hazardous discharge cleanup projects. Since allocations for this funding category are based on a statutory percentage of CBT revenue collections, the FY 2002 amount is lower due to declining CBT revenue projections. However, the recommended amount could be adjusted later in the budget process as a result of revised revenue projections.

ENVIRONMENTAL REGULATION

DIRECT STATE SERVICES

Special Purpose:

Nuclear Emergency

\$1,805

Response

\$1,090 S

\$1,805

(\$1,090)

(37.7)%

D-183

The amount designated above as a supplemental appropriation consists of \$527,630 in excess anticipated revenues and \$563,300 in State monies. Both amounts are authorized by existing budget language, with the latter sum reflecting compensation to this account for revenues that were inadvertently not credited to it during FY 1999.

1992 Wastewater

Treatment Fund

\$2,896

\$0

(\$2,896)

(100.0)%

D-183

This account supports the department's role in administering the wastewater treatment construction loan programs, which are jointly funded by federal and State monies under the auspices of the N.J. Environmental Infrastructure Trust. As authorized by budget language, the account is supported by bond monies from the 1992 Wastewater Treatment Fund, as established by the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992." Further funding is not recommended

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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because it has been determined that the maximum amount of bond monies that can be allocated for administrative purposes under the act will be reached by the end of FY 2001. To offset this loss, the DSS salary account of the Public Wastewater Facilities program classification is recommended to be increased by the amount listed above.

GRANTS-IN-AID

Cranford Township Flood Control	\$3,250 S	\$0	(\$3,250)	(100.0)%	D-184
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This supplemental appropriation was authorized by P.L. 2000, c.170 to provide a 50 percent matching grant to Cranford Township, Union County, for the construction of the Cranford Northeast Quadrant Flood Control Project to help control flooding from the Rahway River.

STATE AID

Recycling Grants	\$---(b)	\$5,500	\$5,500	—	D-184
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Footnote (b) on Budget Page D-185 states that "Funding for Recycling Grants in fiscal 2001 is appropriated directly from the State Recycling Fund." This refers to language included in the current budget that authorized all remaining sums in the Recycling Fund, approximately \$5.6 million, to be distributed as "tonnage" grants to municipalities or counties pursuant to existing State Recycling statutes. This language was intended to temporarily restore the recycling grants program, which had not been funded since 1997, when the Solid Waste Recycling Tax expired. The recommended appropriation would essentially support another round of grants, this time using State funds rather than those from the nearly-depleted State Recycling Fund.

CAPITAL CONSTRUCTION

Water Supply Management: Flood Control HR 6 Projects	\$6,241	\$8,285	\$1,917	44.3%	D-185
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This appropriation is used to match federal funding for flood control projects authorized under the federal "Water Resources Development Act of 1986." The recommended increase will draw down additional federal funds for eligible projects in FY 2002.

ENVIRONMENTAL PLANNING AND ADMINISTRATION

DIRECT STATE SERVICES

Special Purpose: E-Government Software & Hardware Upgrades	\$0	\$850	\$850	—	D-187
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This sum is recommended to support the expansion and upgrading of the department's on-line

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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computer systems. According to the Administration, these upgrades are designed to enhance the availability of environmental data to the public and to assist staff in implementing on-line operations in various programs such as Worker and Community Right to Know, and Oil Spill Prevention.

STATE AID

**Mosquito Control,
Research,
Administration and
Operations**

	\$970	\$1,278	\$308	31.8%	D-188
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In order to continue the State's efforts in tracking and controlling the West Nile virus, an additional \$308,000 is recommended for the State Mosquito Control Commission to provide more support to county mosquito control agencies for vector surveillance, testing and mosquito analysis. A Capital appropriation increase is also recommended in conjunction with this effort.

**Administration,
Planning and
Development Activities
of the Pinelands
Commission**

	\$2,654	\$4,127	\$1,473	55.5%	D-188
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Of the recommended increase, \$798,000 would be used to upgrade the Commission's computer systems to reduce processing time for construction permit applications; expand the participation of local governments in the implementation of the Pinelands Management Plan; begin a Geographic Information System mapping project; and increase public participation and assistance levels. The balance of the increase, \$475,000, is budgeted for microfilming, structural improvements to the commission's current headquarters, and costs associated with the commission's new office building which is due to open in calendar 2002.

CAPITAL CONSTRUCTION

**Administrative
Operations:
New Jersey
Environmental
Management System**

	\$5,000	\$0	(\$5,000)	(100.0)%	D-188
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This sum was appropriated 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.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2001</u>	<u>Recomm.</u> <u>FY 2002</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Mosquito Control Equipment	\$250	\$810	\$560	224.0%	D-188

This increase, made in conjunction with the State Aid increase recommended for the State Mosquito Control Commission, would be used to replace the heavy mosquito control equipment provided to county mosquito control agencies and to the Rutgers Agricultural Experiment Station.

Language Provisions

NATURAL RESOURCE MANAGEMENT

2001 Appropriations Handbook2002 Budget Recommendations

p. B-72

There is appropriated an amount up to \$1,000,000 for non-salary accounts in Forest Resource Management, subject to the approval of a plan to be submitted by the Department of Environmental Protection to the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

This provision was included in the current budget by the Legislature to provide additional funds to the State Forest Fire Service to purchase needed fire fighting equipment. The cited amount was credited as a supplemental appropriation to the Special Purpose, Direct State Services (DSS) account "Fire Fighting Costs" by the Director of the Office of Management and Budget in September, 2000. This account also received an appropriation of \$1.9 million in the FY 2001 Appropriations Act, the same amount recommended in FY 2002.

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p. B-72

The unexpended balance as of June 30, 2000 in the New Jersey Women's Heritage Trail account is appropriated.

No comparable language.

Explanation

This provision was included in the current budget by the Legislature to carry forward any unexpended balances from the subject DSS account into FY 2001. This program was established in FY 2000 pursuant to P.L. 1999, c.237, which appropriated \$70,000 to the department to identify and study historic sites associated with women in order to develop a New Jersey Women's Heritage Trail. All remaining funds are expected to be spent by the end of FY 2001.

Language Provisions (Cont'd)

2001 Appropriations Handbook

2002 Budget Recommendations

p. B-72

The unexpended balance as of June 30, 2000 in the Delaware and Raritan Canal Commission, Canal Corridor, Base Maps account is appropriated. No comparable language.

Explanation

This carryforward language is not recommended because all remaining funds are expected to be spent by the end of FY 2001. The DSS account was established by the Legislature in FY 1998 with an appropriation of \$65,000 to support the Commission's objective of developing canal corridor base maps.



2001 Appropriations Handbook

2002 Budget Recommendations

p. D-171

No comparable language. The unexpended balance as of June 30, 2001 in the Greenway Mapping Municipal Assistance account is appropriated.

Explanation

The recommended carryforward language refers to a DSS account that was included in the current budget by the Legislature with an appropriation of \$150,000. These funds support efforts by the Green Acres Office and municipalities in identifying regional connections to disparate parks and open space areas to maximize regional availability to park areas. No funding is recommended for this account in FY 2002.



2001 Appropriations Handbook

2002 Budget Recommendations

p. D-171

No comparable language. The unexpended balance as of June 30, 2001 in the Black Bear Response Team account is appropriated.

Explanation

The referenced DSS account was originally established by the Legislature in the FY 2000 Budget to address the growing problem of bear contacts with the public. The recommended FY 2002 appropriation of \$1.0 million is \$827,000 higher than the FY 2001 funding level.



Language Provisions (Cont'd)

2001 Appropriations Handbook

p. B-73

Pursuant to section 2 of P.L.1993, c.303, (C.23:3-1f), there are appropriated such sums as may be necessary to offset revenue losses associated with the issuance of free hunting and fishing licenses to active members of the New Jersey State National Guard. The amount to be appropriated shall be certified by the Division of Fish, Game and Wildlife and is subject to the approval of the Director of the Division of Budget and Accounting.

2002 Budget Recommendations

p. D-171

Pursuant to section [2] 1 of P.L.1993, c.303, (C.23:3-1[f]e), as amended by P.L.1999, c.282, there are appropriated such sums as may be necessary to offset revenue losses associated with the issuance of free hunting and fishing licenses to active members of the New Jersey State National Guard and disabled veterans. The amount to be appropriated shall be certified by the Division of Fish, Game and Wildlife and is subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The recommended changes reflect the enactment of P.L.1999, c.282, which provides that disabled veterans are eligible to receive free hunting and fishing licenses. The amended language therefore authorizes that any revenue loss associated with the issuance of such licenses to disabled veterans shall be certified and reimbursed to the Division of Fish and Wildlife.

2001 Appropriations Handbook

p. B-73

The amount hereinabove for the Dam Repair Administrative Costs account 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 these funds.

2002 Budget Recommendations

No comparable language.

Explanation

This language refers to the bond-funded account that supports the administrative costs of projects financed from the two cited bond acts. Since bond funds permitted for administration are expected to be depleted during FY 2001, future administrative costs will be paid from the State-funded Dam Safety account, which is recommended to increase by \$930,000 to \$1.3 million in FY 2002.

Language Provisions (Cont'd)

2001 Appropriations Handbook

2002 Budget Recommendations

p. B-73

The unexpended balance as of June 30, 2000 in the Gettysburg National Military Park account is appropriated. No comparable language.

Explanation

This carryforward language was included in the current budget by the Legislature. It refers to a Grants-In-Aid account established in FY 2000 pursuant to P.L. 1999, c.267 which appropriated \$55,335 to restore and maintain N. J. Civil War regimental monuments in Gettysburg National Military Park. The language is not continued because all available funds have been expended.

2001 Appropriations Handbook

2002 Budget Recommendations

p. D-172

No comparable language.

The unexpended balance as of June 30, 2001 in the Hudson River Waterfront Walkway account is appropriated.

Explanation

The recommended carryforward language refers to a Grants-In-Aid account that received a transfer of \$550,000 from several Capital accounts during FY 2001 to support the Hoboken City portion of the Hudson River Walkway Project, a 17-mile public access walking path along the Hudson River waterfront from the George Washington Bridge to the Bayonne Bridge. No additional funding is recommended for this account in FY 2002.

2001 Appropriations Handbook

2002 Budget Recommendations

p. D-172

No comparable language.

The amount hereinabove for Land Preservation is available solely for the purpose of acquiring lands, for recreation and conservation purposes, that are likely to be developed. Such sums as are necessary may be transferred to Capital Construction for the purpose of State acquisition of lands at risk of development, subject to the approval of the Director of the Division of Budget and Accounting.

Language Provisions (Cont'd)

Explanation

This language refers to a proposed Grants-In-Aid program in which \$8.0 million would be provided for grants to municipalities to acquire land quickly, for recreation or conservation purposes, that is at imminent risk of being developed. The proposed language not only clarifies the parameters of this initiative, but authorizes the department to become a participant by allowing an unspecified portion of this amount to be transferred from this account to Capital accounts in the event the State needs to acquire such lands in an accelerated manner for the same purpose.

2001 Appropriations Handbook

2002 Budget Recommendations

p. B-73

From the amount hereinabove for Ellis Island, up to \$1,000,000 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.

Language Provisions (Cont'd)

Explanation

This language refers to a Capital account and clarifies the utilization of \$1.0 million appropriated in FY 2001 to this account for the Ellis Island building restoration project. No additional funding is recommended for this line item in FY 2002.



2001 Appropriations Handbook

No comparable language.

2002 Budget Recommendations

p. D-172

The amounts hereinabove for the Division of Parks and Forestry totaling \$20,000,000 and the Division of Fish and Wildlife totaling \$5,000,000, are payable from the receipts of the portion of the realty transfer fee dedicated to the State Lands Stewardship Investment Fund.

Explanation

The recommended Capital language refers to a major budget initiative that would establish a stable funding source for the maintenance and enhancement of State parks, forests and historic sites, and the development of new facilities on State lands preserved over the next decade through the million-acre Open Space Preservation program. In order to finance this objective, it is proposed that action be taken to dedicate \$25 million annually from the State realty transfer tax for this purpose, much like the annual appropriation of \$25 million from this funding source for shore protection projects.

Although the enabling legislation to dedicate these funds has been introduced but not enacted as of this writing, the recommended language assumes that such legislation has been or will be enacted by the beginning of the new fiscal year. The projects to be supported by these dedicated funds are listed in the Capital Construction section of the department's Natural Resource Management budget and their combined funding corresponds to the totals cited in the language.



Language Provisions (Cont'd)

2001 Appropriations Handbook

No comparable language.

2002 Budget Recommendations

p. D-172

Of the amount hereinabove for High Hazard Dams, such sums as are necessary may be transferred to Grants-In-Aid for the repair of non-State owned dams, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This Capital language recommends that an unspecified portion of funds in the subject account be used for the repair of privately-owned dams or dams owned by local governments. This account received \$10.0 million in FY 2001 (see next Explanation) and is recommended to receive the same amount in FY 2002.

2001 Appropriations Handbook

No comparable language.

2002 Budget Recommendations

p. D-172

The unexpended balance as of June 30, 2001 for public and private dam repair, made available through a transfer to the Department of Environmental Protection from the unexpended balances in accounts established pursuant to the "Emergency Disaster Relief Act of 1999," and from the Emergency Services Fund allocation for Hurricane Floyd, is appropriated.

Explanation

The recommended Capital language refers to a transfer authorized by General Provision language in the current Appropriations Act that provided up to \$10.0 million from unexpended balances in the two funding sources cited above for the repair of high hazard and significant hazard dams (see footnote (d) on Budget Page D-171). These funds were transferred to the High Hazard Dams account and would be carried forward into FY 2002 pursuant to the recommended language.

Language Provisions (Cont'd)

2001 Appropriations Handbook

2002 Budget Recommendations

No comparable language.

p. D-172

Federal monies in the amount of \$2,500,000 from the federal Land and Water Conservation Fund shall be allocated for local park development.

Explanation

This language is recommended to ensure that the cited amount will be used for local park development. The Budget Recommendation estimates that \$5.0 million will be appropriated from the National Park Service to this account in FY 2002.

SCIENCE AND TECHNICAL PROGRAMS

2001 Appropriations Handbook

2002 Budget Recommendations

No comparable language.

p. D-176

Notwithstanding the provisions of P.L.1983, c.443 (C.58:12A-12 et seq.) or any other law to the contrary, the amount appropriated hereinabove for Action Now Projects - Safe Drinking Water Fund is appropriated from the Safe Drinking Water Fund.

Explanation

The recommended language refers to one of two new DSS line items that comprise the "Action Now Projects" program, a new \$5.0 million watershed management initiative. The other new line item is supported by dedicated Corporation Business Tax revenues. The cited account is recommended to receive \$2.5 million to support one-half of this new program, which is designed to finance water intervention projects that would have an immediate impact on water quality and the health of aquatic life. The Safe Drinking Water Fund is a trust fund supported by revenues derived from taxes assessed on public drinking water providers.

Language Provisions (Cont'd)

SITE REMEDIATION

2001 Appropriations Handbook

2002 Budget Recommendations

p. B-77

Of the amount hereinabove appropriated for Hazardous Substance Discharge Remediation - Constitutional Dedication, such sums as are necessary, as determined by the Director of the Division of Budget and Accounting, shall be made available for site remediation costs associated with State-owned underground storage tanks.

No comparable language.

Explanation

The referenced Capital account, which is supported by constitutionally dedicated revenues from the Corporation Business Tax (CBT) to finance remediations of contaminated sites, is currently funded at \$30.7 million and the FY 2002 recommendation is \$25.5 million. This language authorizes an unspecified portion of this appropriation to finance remediation projects that occur at State-owned underground storage tank sites. Up to \$10 million annually has been transferred from this account for this purpose. The language is not continued because additional funding for such projects is not needed during FY 2002.



2001 Appropriations Handbook

2002 Budget Recommendations

p. D-180

No comparable language.

Of the amount hereinabove appropriated for Hazardous Substance Discharge Remediation - Constitutional Dedication, \$4,000,000 shall be made available for the closure, remediation, and capping of abandoned municipal landfills which meet the requirements of the constitutional dedication.

p. D-180

No comparable language.

Notwithstanding the provisions of P.L.1981, c.306 (C.13:1E-100 et seq.), there is appropriated from the Sanitary Landfill Facility Contingency Fund up to \$6,000,000 for the closure, remediation, and capping of abandoned municipal landfills, subject to the approval of the Director of the Division of Budget and Accounting.

Language Provisions (Cont'd)

Explanation

These two Capital language provisions are recommended to establish funding sources for a new program that addresses the longstanding problem of closing the 300 or more abandoned municipal landfills that currently exist statewide. The Capital account cited in the first language provision is funded by constitutionally dedicated revenues from the Corporation Business Tax (CBT) that are used to finance remediations of contaminated sites. This account received \$30.7 million in FY 2001 and is recommended to receive \$25.5 million in FY 2002.

The funding source cited in the second language provision is a trust fund supported by taxes and penalties levied upon owners or operators of sanitary landfill facilities. This fund pays direct and indirect damage claims filed by property owners who have been adversely affected by the operation or closure of any sanitary landfill.

ENVIRONMENTAL REGULATION

2001 Appropriations Handbook

2002 Budget Recommendations

p. B-80

<p>In addition to the amount appropriated hereinabove for the Nuclear Emergency Response account, \$563,300 is appropriated from the General Fund, subject to the approval of the Director of the Division of Budget and Accounting.</p>	<p>No comparable language.</p>
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Explanation

The cited DSS account supports the department's nuclear emergency preparedness units and is supported by assessments of electrical utility companies. This language was included in the current budget to compensate for monies authorized to the account during FY 1999 that were never appropriated.

Language Provisions (Cont'd)

2001 Appropriations Handbook2002 Budget Recommendations

p. B-80

The amount hereinabove for the 1992 Wastewater Treatment Fund account is appropriated from the 1992 Wastewater Treatment Fund, created pursuant to 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 \$1,587,000, for costs attributable to the administration of wastewater treatment system projects, subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

The referenced account supports the department's administration of the wastewater treatment construction loan programs, which are jointly funded by federal and State monies under the auspices of the N.J. Environmental Infrastructure Trust. Pursuant to this language, the account currently receives \$2.9 million from the cited bond act. The language is not continued because no funding is recommended for this account in FY 2002 due to the fact that the maximum amount of bond monies that can be allocated for administrative purposes under the bond act will be reached by the end of FY 2001. In FY 2002, this funding source will be replaced by State monies through an increase of \$2.9 million in the Public Wastewater Facilities program classification.

Language Provisions (Cont'd)

2001 Appropriations Handbook

p. B-80

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 \$361,000, 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. 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 paragraph (1) of subsection b. of section 5 of P.L.1981, c.278 (C.13:1E-96).

2002 Budget Recommendations

p. D-186

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 \$[361,000] 365,000, 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. [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 paragraph (1) of subsection b. of section 5 of P.L.1981, c.278 (C.13:1E-96).]

Explanation

The recommended language deletes a provision that was included in the current budget which enabled the local Recycling Grants program to be restored during FY 2001. This particular provision authorized all remaining sums in the State Recycling Fund, approximately \$5.5 million, to be distributed as "tonnage" grants to municipalities or counties pursuant to existing State Recycling statutes. It is eliminated because the Recycling Fund no longer collects recycling taxes and therefore does not have sufficient balances to support another round of grants. However, a State Aid appropriation of \$5.5 million has been recommended for this purpose from the General Fund in FY 2002.



Language Provisions (Cont'd)

2001 Appropriations Handbook2002 Budget Recommendations

p. B-80

Notwithstanding the provisions of P.L.1985, c.533 (C.13:1E--99.1 et seq.) or any other law to the contrary, all sums in the Clean Communities Account Fund, other than the amounts appropriated from the fund for Parks Management to offset the cost of Parks' litter pickup program, to the Department of Transportation to offset the cost of litter pickup along State highways, and \$200,000 to a qualified organization to administer a Statewide public information and education program, shall be distributed as grants to municipalities and counties in accordance with the same criteria used for distribution of grants from the fund pursuant to the fiscal year 1996 appropriations act, P.L.1995, c.164, as determined by the Director of the Division of Budget and Accounting in consultation with the Commissioner of the Department of Environmental Protection.

No comparable language.

Explanation

This provision appropriates revenues from the Clean Communities Account Fund to support the Clean Communities grant program, which uses revenues from the State litter tax to fund municipal or county anti-litter programs. Since the State litter tax expired on December 31, 2000, the language is not continued because the program can no longer be supported by this funding source.

2001 Appropriations Handbook2002 Budget Recommendations

p. B-80

There are appropriated from the State Recycling Fund and the Clean Communities Account Fund such sums as may be required to carry out the provisions of the "Clean Communities and State Recycling Act," P.L.1981, c.278, as amended by P.L.1985, c.533 (C.13:1E--92 et seq.).

No comparable language.

Explanation

As explained above, the expiration of the State litter tax and the depletion of the State Recycling Fund balances preclude the continuation of this language.

Language Provisions (Cont'd)

ENVIRONMENTAL PLANNING AND ADMINISTRATION

2001 Appropriations Handbook2002 Budget Recommendations

p. B-82

The unexpended balance as of June 30, 2000 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 with Pennsylvania. Similar carryforward language is not recommended for FY 2002 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.

2001 Appropriations Handbook2002 Budget Recommendations

p. B-82

Receipts derived from the rental of property acquired pursuant to P.L.1969, c.138 (C.58:21A--1 et seq.); P.L.1970, c.147 (C.58:21B--1 et seq.); P.L.1971, c.165; P.L.1974, c.102; P.L.1978, c.118; P.L.1983, c.354; P.L.1989, c.183; P.L.1992, c.88; and P.L.1995, c.204, and the unexpended balance as of June 30, 2000 of such receipts, not to exceed \$100,000, are appropriated for payments in lieu of taxes on properties and for maintenance of properties. No comparable language.

Explanation

This provision authorizes any rental income generated from properties acquired by the State using Green Acres bond funds to be utilized by either the Payment In Lieu of Taxes (PILOT) program, a Property Tax Relief Fund - State Aid account, or for maintenance costs on these properties. Since another existing language provision concerning the PILOT program guarantees that it will be fully funded according to a statutory formula, this language is no longer deemed necessary.

Language Provisions (Cont'd)

2001 Appropriations Handbook

2002 Budget Recommendations

p. B-82

p. D-189

An amount not to exceed \$20,000,000, which shall include a sum not to exceed \$450,000 for administrative costs, is appropriated for the purchase and permanent retirement of 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.

Same language, except "\$20,000,000" is replaced by "\$13,000,000."

Explanation

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. The current language refers to this State Aid program, which received \$3.0 million in FY 2000 as a line item appropriation and up to \$20.0 million in FY 2001 pursuant to the subject language provision. Of the current authorized amount, \$7.0 million has been appropriated thus far and is displayed as a supplemental appropriation in FY 2001 on Budget Page D-188. As the recommended amount for this line item is also \$7.0 million, the authorized amount in the accompanying budget language is changed to \$13.0 million to maintain the program's \$20.0 million funding level in FY 2002.



2001 Appropriations Handbook

2002 Budget Recommendations

No comparable language.

p. D-189

The unexpended balance as of June 30, 2001 in the Grants to Local Environmental Commissions account is appropriated for grants to municipalities to identify and address urban and environmental challenges, pursuant to the Aid for Urban Environmental Concerns Act, P.L. 1979, c.56 (C.12:1H-1 et seq.).

Explanation

The recommended language refers to a State Aid account that currently receives \$165,000 to provide grants to local environmental commissions to support studies and other related activities. The same amount is recommended in FY 2002. This provision would allow any year-end, unexpended balances to be used for the stated purpose in FY 2002.



Language Provisions (Cont'd)

2001 Appropriations Handbook

2002 Budget Recommendations

p. B-82

There is reappropriated to the Pinelands Commission from the "Pinelands Infrastructure Trust Fund," created pursuant to section 14 of the "Pinelands Infrastructure Bond Act of 1985" (P.L.1985, c.302), an amount not to exceed \$143,000 from the contingency allocations created pursuant to P.L.1987, c.306, for costs attributable to the preparation and development of the Pinelands Master Plan authorized by Section 1c of P.L.1987, c.306, subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

This language was included in the current budget as a one-time reimbursement to the Pinelands Commission for expenses incurred in developing the Pinelands Infrastructure Master Plan.



ENVIRONMENTAL ENFORCEMENT

2001 Appropriations Handbook

2002 Budget Recommendations

p. B-84

The unexpended balance as of June 30, 2000 in the Operation Clean Shores State Aid account is appropriated for State and local costs attributable to the Cooperative Coastal Monitoring Program, Sewerage Infrastructure Improvement Act monitoring of stormwater systems, and integrated Geographical Information System watershed baseline mapping.

No comparable language.

Explanation

The cited State Aid account received \$400,000 in FY 1996 that was placed in "budget reserve" (i.e. frozen) for several years. The current language was introduced in FY 1999 to direct the disposition of these funds. The language is no longer needed because the account is expected to be depleted by the end of FY 2001. The programs cited in this provision are normally supported by the Coastal Protection Trust Fund, which derives its funding from Shore Protection license plate revenues.



Language Provisions (Cont'd)

DEPARTMENT-WIDE LANGUAGE

2001 Appropriations Handbook2002 Budget Recommendations

p. B-85

No watershed management grant using funds appropriated from any source shall be made directly to a watershed management group in which the predominant entity is a holder of a NJPDES permit.

No comparable language.

Explanation

This provision was included in the current budget by the Legislature to limit the influence of wastewater operators or utility authorities on the policy and planning activities of watershed management stakeholder organizations that are receiving State planning assistance from the department. The language is not recommended in FY 2002 because the department believes that no N.J. Pollutant Discharge Elimination System (NJPDES) permit holder is considered to be a predominant entity in any of the State's 20 watershed management areas.



Discussion Points

1. In FY 2002, the Open Space Preservation Program will be entering its third year of operation. As in the previous two fiscal years, \$98 million in constitutionally dedicated funding is included in the Interdepartmental Accounts-Capital section of the Budget Recommendation for this purpose. The Garden State Preservation Trust has indicated that, as of January 2001, about 165,000 acres have been preserved through the Green Acres and farmland preservation programs since May 1997. This is the date the Governor's Council on New Jersey Outdoors issued its Interim Report on stable funding for open space preservation, as well as the starting date cited by Governor Whitman for determining progress toward achieving the State goal of preserving one million acres under the Open Space Preservation Program over a 10 year period.

! *Question:* Of the 165,000 acres preserved since 1997, how many are located in rural, suburban, or urban areas? How many acres are considered farmland? How much has been expended for each category thus far to preserve these acres? Of this sum, please detail the amounts derived from constitutionally dedicated funds, prior Green Acres and farmland preservation general obligation bonds, General Fund appropriations, or other funding sources, such as federal, local or private contributions and Green Trust loan repayments.

2. Although the Open Space Preservation Program and the statutory authority upon which it is based provides for up to \$100 million in bonds to be issued annually (for 10 years) to help finance this initiative, the Garden State Preservation Trust had yet to issue any bonds for this purpose. A financing schedule provided to the Legislature during last year's budget hearings detailed a 10-year, \$1 billion bonding program, with the issuance of between \$59.0 million and \$128.6 million in bonds in each of the 10 years between FY 2000 and FY 2009. This schedule indicated \$108.0 million in bonds being issued in FY 2000 and \$117.3 million issued in FY 2001.

! *Question:* Please provide an updated 10-year and 30-year financing and expenditure schedule for the Open Space Preservation Program using actual financing and expenditure data from FY 2000 and FY 2001. Assuming that the updated schedule will differ from the schedule provided last year, please explain how the differences regarding the years in which bonds will be issued will affect projected debt service obligations during the 20-year (or beyond) debt service schedule.

3. In order to enhance the State's efforts in tracking, studying and controlling incidences of the West Nile virus, the Budget Recommendation includes \$1.9 million in various funding increases that are allocated among the Departments of Agriculture (DOA), Environmental Protection (DEP) and Health and Senior Services (DHSS). Of this amount, the DEP is recommended to receive a total of \$947,000 as follows: \$79,000 to the Division of Fish and Wildlife for "Wildlife Monitoring;" \$308,000 to increase the State Aid budget of the N.J. Mosquito Control Commission to \$1.28 million; and \$560,000 in additional funding for the Mosquito Control Commission's capital budget, which is recommended at \$810,000.

! *Question:* Please provide the program budgets of the three DEP accounts cited above. Please include project scope, objectives, administrative responsibility and the effects on current departmental efforts for these activities. Please explain how the department will coordinate its efforts with those of the DOA, DHSS, and other involved government agencies.

Discussion Points (Cont'd)

4. The recommendation for the Black Bear Response Team account is \$1.03 million, an increase of \$827,000, to provide more support for the Division of Fish and Wildlife's bear management activities. The growing bear population and the issue of controlling it through hunting or non-violent measures has prompted the State to devote more money and resources to address this problem. According to newspaper reports, the Division is currently conducting a study to determine if the statewide bear population is large enough to warrant a public hunting season.

! **Question:** Please provide details on the current budget and duties of the Black Bear Response Team and the disposition of the recommended funding increase. What is the cost and funding source of the cited study and what are its preliminary findings? By county, what are the latest bear population figures and reported bear contact incidents?

5. Recommended funding for the Dam Safety account is \$1.32 million, an increase of \$930,000. Of this sum, \$643,000 is allocated to support staff expansion of the Dam Safety Program in order to increase the number of dam inspections and repair project reviews of high hazard and significant hazard dams, as well as regulating inspections of privately owned dams. Heightened program activity has been influenced by \$19.5 million in capital appropriations for high hazard dam repairs over the last two years. In addition, \$10.0 million in capital funding is recommended for this purpose in FY 2002.

! **Question:** How many new employees are scheduled to be hired and how long will it take them to be fully trained? What is the current percentage of completed inspections for high hazard and significant hazard dams? What is the current percentage of inspections for privately owned dams? What impact will these new employees have on the backlog or rate of dam inspections, project reviews, and project startups? With regard to the capital funding that will be available for dam repair, please provide a schedule of high hazard and significant hazard repair projects listing project costs, priorities, ownership, timetables, and other funding sources if applicable.

6. According to the Budget In Brief, the department's total recommended budget for watershed management activities is being increased by \$9.1 million, to \$30.1 million. The increase consists of a new \$5.0 million "Action Now Projects" program funded equally from two new accounts using monies from the Safe Drinking Water Fund and the Corporation Business Tax (CBT) dedication for water resources; \$800,000 more for the current "Safe Drinking Water Fund" account; a net increase of \$825,000 in the CBT account "Water Resources Monitoring and Planning;" and the balance anticipated from new federal funding accounts.

! **Question:** Please provide FY 2001 and FY 2002 program budgets for the accounts cited above. Please include administrative costs, staff responsibility and anticipated environmental impacts. Please provide a list of projects that may be eligible for Action Now funding and include each project's scope, cost, location, and other funding source (if applicable). Given that tax revenues collected annually for the Safe Drinking Water Fund average about \$4.3 million, and that a total of \$5.4 million from the Fund is recommended to support three DSS accounts in FY 2002, how will the Fund continue to support these accounts beyond FY 2002?

7. In the department's FY 2001 Budget, \$5.0 million in capital funds were appropriated to the "N.J. Environmental Management System" account to support the completion of a \$23 million project to modernize, integrate and coordinate most of the department's data management systems. In FY 2002, no further funding for this account is recommended, but \$850,000 is proposed for a

Discussion Points (Cont'd)

new DSS account, "E-Government Software & Hardware Upgrades." According to the Administration, this appropriation would support upgrades designed to enhance the availability of environmental data to the public and to assist staff in implementing on-line operations in various programs such as Worker and Community Right to Know and Oil Spill Prevention.

! *Question:* How was the current \$5.0 million capital appropriation utilized and what impacts has it had on the department's data management systems? Please provide a budget for the recommended DSS appropriation and explain its projected impacts or benefits. How will activities or projects funded from both appropriations interact or relate to each other? How much additional funding, if any, will be needed for data management beyond FY 2002 to complete the goals supported by these two appropriations?

8. A new Grants-In-Aid program, \$8.0 million for "Land Preservation," is recommended to provide grants to municipalities to enable them to expeditiously acquire lands that are at imminent risk of being developed. Such lands would then be permanently preserved for recreation or conservation purposes. This recommendation is accompanied by proposed language that authorizes the transfer of unspecified sums from this account to capital accounts to allow the department to acquire available land in an accelerated manner for the same purposes.

! *Question:* Please provide a projected budget for this program, including administrative costs, manpower needs, program parameters, grant eligibility, matching requirements, and any other pertinent information. Is this program expected to be continued after FY 2002 and, if so, at what funding levels? Please list any projects being considered for support and the amount of acreage they represent? How much money for State acquisitions is anticipated under this program? Will program regulations limit the amount of money that can be annually expended for such acquisitions?

9. The Statewide Community Forestry Program was established by the Legislature in the FY 2000 Budget with a Grants-In-Aid appropriation of \$900,000. It was renewed at the same level in FY 2001 but is recommended at \$500,000 in FY 2002. The program provides municipalities and counties with matching grants to support tree planting on publicly owned or controlled lands. A portion of this amount also funds matching grants to help municipalities implement the Community Stewardship Incentive Program, under which local tree management plans are developed pursuant to the State Community Forestry Management Plan.

! *Question:* Please provide a listing of grants awarded, or to be awarded, under both categories of this program. Please specify grant type, matching share, recipient, and project scope. What are the program's administrative costs and staffing requirements? What will be the expected impact on the program in light of the recommended funding reduction?

10. A State Aid appropriation of \$5.5 million is recommended for "Recycling Grants." According to footnote (b) in the FY 2001 column of this account, current funding for this activity was appropriated from the State Recycling Fund pursuant to budget language included in the FY 2001 Budget. This language permitted all remaining sums in the Recycling Fund, estimated last year at approximately \$5.6 million, to be distributed as "tonnage" grants to municipalities or counties pursuant to existing State Recycling statutes. Previously, recycling grants were last awarded in 1997, when the Solid Waste Recycling Tax expired. The recommended appropriation would essentially support another round of grants, this time using State funds rather than those from

Discussion Points (Cont'd)

the State Recycling Fund, which the Budget Recommendation estimates as having a balance of \$4.5 million at the end of FY 2002.

- !** *Question:* How much money from the State Recycling Fund is expected to be utilized for recycling grants during FY 2001? Please list the grants that will be awarded during FY 2001. Since current budget language authorizes all remaining balances in the Recycling Fund to be used for grants during FY 2001, what accounts for the Budget Recommendation estimate of a \$5.36 million balance in the Fund at the end of FY 2001? Will all or part of this amount be spent for recycling grants in FY 2002?

11. Two new capital language provisions recommend up to \$10.0 million for the closure, remediation, and capping of abandoned municipal landfills. Of this amount, \$4.0 million would be derived from CBT monies in the Hazardous Substance Discharge Remediation - Constitutional Dedication account. The remaining \$6.0 million would come from the Sanitary Landfill Facility Contingency Fund.

- !** *Question:* Please describe how this program was developed and will be implemented. Please specify project criteria, matching requirements or alternate funding sources, administrative costs, and coordination with other State or federally-funded programs. Please provide a list of projects that are likely to be eligible for this funding. Will this program be continued after FY 2002 using the same funding sources and, if so, at what estimated funding levels?

12. In the department's FY 2001 capital budget, language was included that appropriated up to \$2.4 million from the Sanitary Landfill Facility Contingency Fund to establish and support a Scrap Tire Pile Management program. This initiative was developed by the DEP and the Department of Corrections (DOC) and approved by the Commission on Capital Budgeting and Planning. Its objectives were to purchase mobile tire chipping equipment that would be used by State prison inmates to prepare abandoned tires from existing piles for combustion at waste-to-energy incinerators and at utility boilers for electric generation. This program, however, was not implemented. Instead, the department created the Scrap Tire Management Fund Entitlement Program to distribute \$2.4 million for this purpose to counties via a formula based upon each county's road mileage. According to program criteria, these allocations are to assist counties in managing, collecting and disposing of scrap tires and must be used for costs incurred by December 31, 2001. The current language is recommended again, at the same funding level, in FY 2002.

- !** *Question:* What was the basis for changing the program from what was originally proposed? Please provide a list of county allocations made thus far. What types of programs are being implemented by the counties with these funds? What type of program will the recommended language support in FY 2002?

13. Language was included in the current budget by the Legislature to provide up to \$1.0 million in additional funds to the State Forest Fire Service to purchase needed fire fighting equipment. This amount was credited to the DSS account "Fire Fighting Costs" by the Director of the Office of Management and Budget in September, 2000. On page D-167 of Budget Recommendation, this is displayed as a supplemental appropriation for FY 2001. The original FY 2001 appropriation for this account is \$1.9 million, the same amount recommended in FY 2002.

- !** *Question:* Please provide a list of the equipment purchased with these supplemental funds and identify where they will be utilized. Please describe any equipment that is

Discussion Points (Cont'd)

scheduled to be purchased during FY 2002? What additional funds, if any, are needed during FY 2002 to fully meet the replacement and equipment needs of the State Forest Fire Service and its local fire fighting constituencies?

14. Two language provisions concerning the utilization of funds from the Clean Communities Account Fund and the Clean Communities grant program are not continued in FY 2002 because the State litter tax that supports these activities expired on December 31, 2000. Litter tax revenues totaled approximately \$14 million annually and were primarily used to fund municipal and county anti-litter programs. While current budget language appropriating \$725,000 from the Clean Communities Account Fund to the Division of Parks and Forestry for anti-litter activities is continued in FY 2002, a similar provision appropriating \$1.0 million to the Department of Transportation (DOT) is not.

! *Question:* What are the anticipated long-range impacts of the expiration of the litter tax on the Clean Communities program, Parks litter cleanup, the DOT's anti-litter efforts, and other related activities? What other State or non-State funding sources are being investigated to offset the loss of these funds?

15. The "Shore Protection Fund Projects" account annually receives \$25 million in dedicated capital funding from State realty transfer tax revenues pursuant to P.L. 1992, c.148. Individual projects funded from this source are not traditionally listed in the Budget Recommendation. According to P.L. 1997, c.384, the department is required to submit an annual project priority list to the Legislature for its approval prior to the appropriation and expenditure of these funds. This has yet to occur. As of March 20, 2001, this account maintained an uncommitted balance of \$32.7 million, which included \$17.5 million in unexpended funds that were reappropriated from FY 2000.

! *Question:* Please provide the current and projected lists of shore protection projects that will be supported from this account in FY 2001 and FY 2002. Include a breakdown of non-State funding sources, a project completion schedule, and projected expenditures. When is the department expected to begin submitting an annual priority project list for the Legislature's review and approval pursuant to P.L. 1997, c.384?

Background Paper: Refinancing County Solid Waste Debt

In the Interdepartmental Accounts - Grants-In-Aid budget (Budget Page D-514), \$54.0 million is recommended for "Solid Waste Management - County Environmental Investment Debt Service Aid, EDA." While this appears to be a new line item, it is actually a new manifestation of an existing line item displayed on Budget Page D-493 of the Department of the Treasury's State Aid budget, "Solid Waste Management - County Environmental Investment Debt Service Aid," which is currently receiving \$33.0 million. The recommended designation constitutes not only a substantial funding increase, but also anticipates, and is contingent upon, the enactment of legislation that would transfer the current subsidy program to the EDA and restructure it to allow bonds to refinance county solid waste debt. This paper will explore this new financing strategy.

Background

In the aftermath of several 1994 federal court decisions proscribing the State's control over the flow and disposal of solid waste, disposal fees at New Jersey solid waste disposal facilities dropped precipitously. In an effort to maintain tonnage volumes and deter widespread abandonment of publicly built facilities by constituent municipalities or local haulers, most counties and public authorities that operate a publicly-financed solid waste facility have lowered their disposal prices drastically. These reductions were usually effectuated by simply eliminating the debt service component from the disposal fee, diverting sums from reserve accounts or making other short-term fiscal arrangements to subsidize debt service payments.

Owners or operators of publicly financed solid waste facilities all maintain various levels of debt that was incurred from financing the construction of these facilities, as mandated by the now invalid State waste flow rules. This debt is referred to as "stranded" debt, which is defined as debt that can no longer be secured by or be repaid from revenues generated from the facility the debt helped build. As of March 2001, the aggregate principal stranded debt for solid waste facilities in New Jersey totaled \$1,091,738,567. This debt is derived from long-term bonds and project notes, and is mostly underwritten by 20-year to 40-year revenue bonds.

Debt Relief Assistance Plans

Up until now, the State has taken an incremental approach to the problem of solid waste facility debt by appropriating \$20 million annually to subsidize county debt service payments in each of the past four annual appropriations acts. The FY 1998 Appropriations Act provided the initial \$20 million appropriation to fund the State Partnership Agreement Program, an initiative to provide grants to counties and public authorities to meet debt service obligations. Three subsequent State Budgets provided an additional \$60 million in General Fund assistance. As of April, 2001, the State Treasurer has awarded 18 grants totaling \$58,161,835 leaving a balance of \$21,838,165 for future assistance.

In addition to General Fund appropriations, certain bond funds are available through the State Partnership Agreement Program for county debt service relief. On November 3, 1998, voters approved a State referendum that revised the "Natural Resources Bond Act of 1980" and the "Resource Recovery and Solid Waste Disposal Facility Bond Act of 1985." These revisions authorized bond monies from these acts to be used as State grants for counties and public authorities to help them meet debt service costs incurred in developing State-mandated solid waste facilities, including completed, abandoned or canceled projects. Thus far, the State Treasurer has awarded nine grants from these bond acts totaling \$57,014,272; \$15,915,728 is still available.

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

FY 2002 Refinancing Recommendation

As mentioned at the beginning of this paper, the Administration is recommending major changes both in the funding level and policy of State assistance for solid waste debt service relief in FY 2002. This is evidenced by proposed language accompanying the recommended Grants-In-Aid appropriation of \$54 million to the Economic Development Authority (EDA), which directs these monies to "..... pay debt service on debt issued by the EDA to refinance county solid waste debt, pursuant to pending legislation" (see Budget Page D-517). The Administration has outlined in published reports its proposal of a statewide restructuring plan that would authorize the EDA to refinance and lengthen the final maturity of county solid waste debt. If this plan is effectuated through legislation that is currently being considered in both Houses, the current use of bond monies and budgeted appropriations to subsidize debt service obligations would cease, as would the State Partnership Agreement Program.

Under the refinancing proposal, the EDA would make loans to refinance solid waste facility bonds through the issuance of its own bonds and the execution of any agreements with participating counties or public authorities that are necessary to affect the refunding or rescheduling of their solid waste facility bond debt. Any county or public authority refunding or rescheduling its solid waste facility bond debt would be required to provide for the payment of not less than 50 percent of the aggregate debt service for the refunded or rescheduled debt for the duration of the loan. The State would assume up to 50 percent of the aggregate debt service payments of any given participant, depending on the particular county or public authority.

The refinancing proposal authorizes the EDA and the State Treasurer to enter into one or more contracts to secure, in whole or in part, any bonds or refunding bonds or other obligations of the EDA issued to refinance solid waste facility debt. Any State obligation incurred under the contracts, including any State subsidy payments to be made thereunder from the General Fund, are subject to and wholly dependent upon annual appropriations being made by the Legislature.

Under the refinancing proposal, the EDA and the State Treasurer would enter into a solid waste debt loan agreement with a county or public authority, either of whom would have to directly secure the loan to refinance its solid waste facility bond debt. The county or public authority would also negotiate a corresponding deficiency agreement with the State whereby the county would agree to make up any shortfall in scheduled loan repayments owed by the debtor, whether it be the county or the public authority. Currently, 11 counties have guaranteed all or some portion of existing solid waste facility debt incurred by their respective public authorities, while nine public authorities have debt insurance covering their solid waste facility bonds.

The aggregate average annual gross solid waste debt service payment for the next decade is estimated to be \$123,250,731 per calendar year. In effect, those counties and public authorities participating in the EDA refinancing program would be exchanging the remaining 5 - 10 years of scheduled annual debt service payments on their own solid waste revenue bonds for lower loan repayments spread out over 30 years. Further, these counties and public authorities would be substituting State subsidies for all or a portion of their current debt service obligations for a requirement that they provide at least 50 percent of the annual debt service for the rescheduled debt.

The contracts and agreements between the State and participating counties and public authorities for refinancing solid waste debt would contain provisions requiring the borrower to identify the revenue source to be utilized to repay the EDA loan. Implicitly, the stable funding source required to support these loan repayments would be an environmental investment charge

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

(EIC). An EIC is defined as a tax or user charge imposed on county businesses and residents that would be used exclusively to help repay a county's stranded solid waste debt balance. As an alternative to an EIC, the borrower would have to make a commitment to a dedicated line item in the county budget.

If the Administration's solid waste debt refinancing proposal is not enacted into law by the end of FY 2001, a supplemental appropriation from the Legislature would be necessary to provide the State Partnership Agreement Program with funding to continue subsidizing scheduled debt service payments that will be due in several counties during FY 2002.

Background Paper: State Funding for Dam Safety

The FY 2002 Budget Recommendation increases the department's Dam Safety account by \$930,000, or 241 percent, over its current funding level of \$386,000. According to the Administration, \$643,000 of this increase will be used to hire 10 new employees for the department's Dam Safety unit in order to conduct more inspections and project reviews of dams throughout the State. Increased program activity has been spurred by several major storms over the last two years which, in turn, has prompted a significant expansion of capital funding for dam repairs. In addition to \$19.5 million appropriated for this purpose since FY 2000, \$10.0 million in capital funding is also recommended for high hazard dam repairs in FY 2002.

Traditionally, a good portion of the administrative and capital funding for dam safety inspections and dam repairs have been derived from two bond acts: 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. In FY 2002, the Administration recommends that all such administrative costs be supported entirely from the State-funded Dam Safety account, which will use the balance of the increase mentioned above, \$287,000, to offset administrative costs previously provided from these bond acts. This paper will examine the status of the dam safety program and the disposition of past and present capital appropriations for this purpose.

History of the Dam Safety Program

In 1912, the Legislature instituted laws relating to the construction, repair, and inspection of existing and proposed dams. The law was amended in 1981 by the "Safe Dam Act," P.L. 1981, c.249, which led to the promulgation of Dam Safety Standards in May 1985. These regulations are currently administered by the Dam Safety Section of the department's Natural Resources Engineering and Construction unit. The primary goal of the dam safety program is to ensure the safety and integrity of dams in New Jersey in order to protect people and property from the consequences of dam failures. While New Jersey has not experienced a catastrophic dam failure for many years, there have been an increasing number of small dam failures that have been caused largely by lack of maintenance and regular inspections, as well as the advancing age of dam structures.

The Dam Safety Section reviews plans and specifications for the construction of new dams and for the alternation, repair, or removal of existing dams. Engineers from the Section evaluate each project, investigate site conditions and check recommended construction materials. Regulations require dam owners to retain professional engineers to inspect their dams on a regular basis. These investigations are to include a comprehensive review of all pertinent material contained in the department's files, a visual inspection, technical studies when necessary and the preparation of a comprehensive report. The Section also works with the Division of State Police and local or county emergency management officials in the preparation of Emergency Action Plans.

Effects of Recent Storms on State Dams

On September 16, 1999, Hurricane Floyd, although classified a tropical storm by the time it hit New Jersey, dropped significant rainfall on portions of the State, especially in the Raritan River basin. Although none of the State's major dams failed and no loss of life or significant property damage was attributed to dam failures, the storm did damage many of the State's dams. In the weeks following the storm, the Dam Safety Section inspected over 50 dams to assess the impact of the storm. To date, the Section has documented complete failure of three dams and notable damage to 21 additional dams.

Background Paper: State Funding for Dam Safety (Cont'd)

On August 12, 2000, parts of northern New Jersey experienced an unusually heavy rainfall. The areas hit most severely were in Sussex and Morris Counties, with the storm centered over the townships of Sparta, Hopatcong and Jefferson. A total of four dams completely failed as a result of the ensuing floods. On Sept. 13, 2000, the Dam Safety Section, in response to this storm, issued orders to 800 dam owners to perform an inspection of their dams as required by State Dam Safety Standards. Up to that time, numerous privately and publicly owned dams had not been inspected periodically pursuant to these Standards due to various factors such as lack of funds, general neglect, questions regarding ownership or liability, and the State's lack of staff resources to conduct sufficient regulatory oversight.

State Dam Repair Funding History

In order to promote dam rehabilitation, the "Natural Resources Bond Act" was passed in 1980 and provided \$15 million in grant money for the rehabilitation of publicly owned dams. These grants funded the rehabilitation of 23 high hazard dams. In 1992, the State provided an additional \$1.7 million for engineering studies and design of dam rehabilitations for 30 high hazard, publicly owned dams.

A revolving loan program for dam repairs was established in 1992 through the enactment of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act," which created the 1992 Dam Restoration and Clean Water Trust Fund. This fund was credited with \$15 million to finance loans for local government units, private lake associations and private dam owners to help them meet the costs of dam restorations. Private owners were required to have a local government unit as a co-applicant. Municipalities were allowed to reassess properties that benefited from these projects in order to help repay the loans, which had low interest rates with a maturity period of 20 years. The department funded 19 dam restoration projects from the priority ranking list established from the eligible applicants.

At this time, all funds from the Dam Restoration and Clean Water Trust Fund have been allocated. As loans are repaid, the department will likely offer additional application periods in which to distribute these funds.

Recent Funding Initiatives

In response to the storm damage from Hurricane Floyd, legislation was signed on January 10, 2000 (P.L. 1999, c.347) which provided \$6.0 million for the rehabilitation of high hazard dams and \$3.5 million for the rehabilitation of dams affected by flood waters caused by Hurricane Floyd. Funds were awarded to eligible local government units in the form of non-matching grants and to eligible private dam owners, as co-applicants with local government units, in the form of low interest loans. Nearly 10 percent of these funds was made available to the department for an emergency repair fund. Projects funded under the act are listed in Table A.

As previously mentioned, \$10.0 million is recommended in FY 2002 for the department's High Hazard Dams capital account. However, as noted by footnote (d) on Budget Page D-171, the new appropriation is equal to a sum authorized to be transferred to this account pursuant to FY 2001 General Provision language. Specifically, this language authorizes the transfer of up to \$10.0 million from unexpended balances appropriated under the "Emergency Disaster Relief Act of 1999," P.L. 1999, c.262, and the Emergency Services Fund allocation for Hurricane Floyd. As of April 2001, this account has not yet been credited with these funds.

Background Paper: State Funding for Dam Safety (Cont'd)

TABLE A: PROJECTS FUNDED UNDER P.L. 1999, c.347

<u>DAM NAME</u>	<u>LOCATION</u>	<u>OWNER</u>	<u>PROJECT COST</u>
Takeout Dam	Kinnelon, Morris	Borough of Butler	\$1,571,000
Charlotteburg Dam	West Milford, Passaic	City of Newark	\$2,375,000
Canistear Dam	Hardyston, Sussex	City of Newark	\$1,754,000
Kirbys Mill Dam	Medford, Burlington	Township of Medford	\$833,000
Bostwick Dam	Upper Deerfield, Cumberland	Bostwick Lake Commission	\$246,990
Amwell Dam No. 2	West Amwell, Hunterdon	Amwell Valley Conservancy	\$385,000
New Market Dam	Piscataway, Middlesex	Township of Piscataway	\$331,805
West Milford Dam	West Milford, Passaic	United West Milford Lake Assoc.	<u>\$1,128,205</u>
		TOTAL	\$8,625,000

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