



**ANALYSIS OF THE NEW JERSEY BUDGET**

**DEPARTMENT OF  
ENVIRONMENTAL  
PROTECTION**

**FISCAL YEAR**

**2009 - 2010**

# NEW JERSEY STATE LEGISLATURE

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# DEPARTMENT OF ENVIRONMENTAL PROTECTION

Budget Pages..... C-5 to C-6;C-12 to C-13; C-26; D-113  
to D-142;E-7 to E-8; H-9 to H-10

## Fiscal Summary (\$000)

	Expended FY 2008	Adjusted Appropriation FY 2009	Recommended FY 2010	Percent Change 2009-10
State Budgeted	\$471,713	\$434,178	\$370,092	( 14.8%)
Federal Funds	\$48,303	\$383,263	\$182,458	( 52.4%)
<u>Other</u>	<u>\$33,935</u>	<u>\$73,164</u>	<u>\$81,674</u>	<u>11.6%</u>
Grand Total	\$553,951	\$890,605	\$634,224	( 28.8%)

## Personnel Summary - Positions By Funding Source

	Actual FY 2008	Revised FY 2009	Funded FY 2010	Percent Change 2009-10
State	945	862	842	( 2.3%)
Federal	82	76	63	( 17.1%)
<u>Other</u>	<u>2,210</u>	<u>2,102</u>	<u>2,107</u>	<u>.2%</u>
Total Positions	3,237	3,040	3,012	( .9%)

FY 2008 (as of December) and revised FY 2009 (as of January) personnel data reflect actual payroll counts. FY 2010 data reflect the number of positions funded.

## Key Points

- The total State-funded appropriation, less Debt Service, is recommended at \$327.6 million, a net decrease of \$46.8 million or 12 percent less than the FY 2009 adjusted funding level. Significant budgetary changes are found in the following accounts:
- *Constitutional Dedication of Corporation Business Tax (CBT) revenues:* Due to lower CBT revenue projections, the total recommended appropriation for all CBT accounts is \$87.8 million, a decrease of \$42.5 million, or 33 percent, from the FY 2009 adjusted total of \$130.4 million. Each CBT-funded account is reduced by 33 percent.
- *Parks Management:* Current budget language allocating \$9.0 million from the Shore Protection Fund to supplement the Division of Parks and Forestry's operating budget is eliminated. Consequently, its recommended operating budget is about 22 percent below its FY 2008 expenditure level.

## Key Points (Cont'd)

- *Fire Fighting Costs:* This special purpose line item is recommended at \$2.3 million, a \$500,000 reduction. However, since it received an additional \$1.0 million in both FY 2008 and FY 2009 to replace aging equipment, the account's recommended funding level is still \$500,000 higher than its FY 2007 appropriation.
- *Shore Protection Fund Projects:* A reduction of \$6.25 million, to \$18.75 million, is recommended for this capital construction account, which is supported by dedicated Realty Transfer tax revenues. Recommended budget language (page F-8) is intended to prevent the "poison pill" provision of P.L.1992, c.148 from taking effect, which would lower the annual \$25 million appropriation from the Fund.
- *HR-6 Flood Control:* Capital funding is recommended at \$6.5 million. The current appropriation, also \$6.5 million, is not displayed as a line item in the department's budget because it was allocated from the Long Term Obligation and Capital Expenditure Fund (P.L.2008, c.22). Of the FY 2009 appropriation, up to \$1.0 million is scheduled to be returned to the Property Tax Relief Fund by the end of FY 2009.
- *Office of Climate Change and Energy:* Recommended at \$373,000, this is a new unit created in FY 2009 from the reorganization of the Division of Science, Research and Technology. According to the department, this office was established to address policies related to climate change directed in part by the "Global Warming Response Act" and the Global Warming Solutions Fund, which receives revenues from greenhouse gas emission credits sold by the State. The Fund, in turn, supports the department's responsibilities under these acts. As displayed under Environmental Policy and Planning in "All Other Funds" (page D-126), \$2.8 million is projected from this funding source in FY 2010.
- *Federal Funding:* The department is projected to receive \$182.5 million, a net decrease of \$200.8 million or 52 percent less than the current funding level. This reduction is mostly attributable to \$212.8 million in federal economic stimulus funds allocated to the department in FY 2009 under the American Recovery and Reinvestment Act. Of this amount, \$161.4 million is for the Clean Water State Revolving Fund, \$43.2 million for the Drinking Water State Revolving Fund, \$5.0 million for Leaking Underground Storage Tanks, \$1.7 million for Diesel Emission Reduction, and \$1.6 million for Water Monitoring and Planning.
- New budget language appropriates \$4.7 million from the Sanitary Landfill Facility Contingency Fund to the Department of Human Services (\$3.5 million) and the Division of Juvenile Justice (\$1.2 million) for sewer and water projects at certain facilities.
- Debt Service costs are recommended at \$42.5 million, a decrease of \$17.3 million or 29 percent less than the current funding level. The Administration plans to restructure General Obligation and other debt to achieve these projected savings.
- Under "All Other Funds" (page D-135), \$2.5 million is projected to be generated from new fees assessed to licensees that handle certain radioactive materials regulated by the Nuclear Regulatory Commission. The department has applied for permission to assume these regulatory functions and would use the new fees to support additional program staff for this purpose

**Fiscal and Personnel Summary**

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2008	Adj.	Recom. FY 2010	Percent Change	
		Approp. FY 2009		2008-10	2009-10
<b><u>General Fund</u></b>					
Direct State Services	\$280,379	\$231,011	\$216,286	( 22.9%)	( 6.4%)
Grants-In-Aid	9,352	22,161	14,934	59.7%	( 32.6%)
State Aid	11,429	9,358	9,342	( 18.3%)	( 0.2%)
Capital Construction	94,995	101,913	77,078	( 18.9%)	( 24.4%)
Debt Service	65,730	59,735	42,452	( 35.4%)	( 28.9%)
<b>Sub-Total</b>	<b>\$461,885</b>	<b>\$424,178</b>	<b>\$360,092</b>	<b>( 22.0%)</b>	<b>( 15.1%)</b>
<b><u>Property Tax Relief Fund</u></b>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	9,828	10,000	10,000	1.8%	0.0%
<b>Sub-Total</b>	<b>\$9,828</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>1.8%</b>	<b>0.0%</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$471,713</b>	<b>\$434,178</b>	<b>\$370,092</b>	<b>( 21.5%)</b>	<b>( 14.8%)</b>
<b>Federal Funds</b>	<b>\$48,303</b>	<b>\$383,263</b>	<b>\$182,458</b>	<b>277.7%</b>	<b>( 52.4%)</b>
<b>Other Funds</b>	<b>\$33,935</b>	<b>\$73,164</b>	<b>\$81,674</b>	<b>140.7%</b>	<b>11.6%</b>
<b>Grand Total</b>	<b>\$553,951</b>	<b>\$890,605</b>	<b>\$634,224</b>	<b>14.5%</b>	<b>( 28.8%)</b>

**PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE**

	Actual FY 2008	Revised FY 2009	Funded FY 2010	Percent Change	
				2008-10	2009-10
State	945	862	842	( 10.9%)	( 2.3%)
Federal	82	76	63	( 23.2%)	( 17.1%)
All Other	2,210	2,102	2,107	( 4.7%)	0.2%
<b>Total Positions</b>	<b>3,237</b>	<b>3,040</b>	<b>3,012</b>	<b>( 7.0%)</b>	<b>( 0.9%)</b>

FY 2008 (as of December) and revised FY 2009 (as of January) personnel data reflect actual payroll counts. FY 2010 data reflect the number of positions funded.

**AFFIRMATIVE ACTION DATA**

Total Minority Percent	17.2%	17.4%	17.5%	----	----
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**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2009</u>	<u>Recomm.</u> <u>FY 2010</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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NATURAL RESOURCE MANAGEMENT**DIRECT STATE SERVICES****Hunters' and Anglers'**

<b>License Fund</b>	<b>\$15,014</b>	<b>\$13,169</b>	<b>(\$1,845)</b>	<b>( 12.3%)</b>	<b>D-118</b>
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This program classification supports most of the Division of Fish and Wildlife's budget through various fee and license revenues that are deposited into the Fund and then dedicated to the division for operating expenses. Pursuant to budget language (page D-121), the first \$11 million of the division's budget is payable from the Fund. Any appropriation exceeding that amount is payable from the General Fund. Hence, the FY 2009 appropriation includes about \$4.0 million in General Fund monies while the recommended appropriation would include nearly \$2.2 million, a reduction of \$1.8 million in General Fund support.

**Personal Services:**

<b>Salaries and Wages</b>	<b>\$345 S</b>	<b>\$0</b>	<b>(\$ 345)</b>	<b>(100.0%)</b>	<b>D-118</b>
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The current amount represents a supplemental appropriation, pursuant to P.L.1993, c.303 and budget language (page D-121), in the Division of Fish and Wildlife to offset revenue losses associated with the issuance of free waterfowl stamps and hunting and fishing licenses to active members of the State National Guard and disabled veterans. This is an annual appropriation issued during the fiscal year when the revenue loss amount is calculated and certified. Therefore, the recommended amount indicated above does not actually reflect a funding loss, as another supplemental appropriation will be made during FY 2010 for the same purpose.

**Special Purpose:**

<b>Fire Fighting Costs</b>	<b>\$2,759</b>	<b>\$2,259</b>	<b>(\$ 500)</b>	<b>( 18.1%)</b>	<b>D-119</b>
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This account provides funding to buy, upgrade and replace fire fighting equipment used by the State Forest Fire Service and local fire fighting companies that work with the Service in protecting life and property from wildfire within 3.15 million acres of both private and public land Statewide. Since the account received an additional \$1 million in both FY 2008 and FY 2009 to replace aging equipment, its recommended appropriation is still \$500,000 higher than its FY 2007 appropriation.

**CAPITAL CONSTRUCTION**

**Recreational Land  
Development and  
Conservation -  
Constitutional  
Dedication**

	<b>\$19,554</b>	<b>\$13,176</b>	<b>(\$6,378)</b>	<b>( 32.6%)</b>	<b>D-120</b>
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This appropriation is funded by the constitutional dedication of four percent of Corporation Business Tax (CBT) revenues for environmental programs. The subject account supports deferred maintenance, development, and improvement projects in State parks, forests, historic

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2009</u>	<u>Recomm. FY 2010</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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sites and wildlife management areas. Annual allocations for this and the department's other CBT-funded accounts are calculated from total CBT revenues collected during the fiscal year. Since CBT revenues are projected to be lower in FY 2010, all CBT-funded accounts in the department's recommended budget reflect a 33 percent funding reduction.

**Shore Protection**

<b>Fund Projects</b>	<b>\$25,000</b>	<b>\$18,750</b>	<b>(\$6,250)</b>	<b>( 25.0%)</b>	<b>D-120</b>
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The Shore Protection Fund is supported by a dedicated portion of Realty Transfer fees, pursuant to P.L.1992, c.148. These monies are used primarily with matching federal and local monies to finance beach replenishment and other shore protection projects. Although \$25 million is required to be appropriated annually to the Fund (pursuant to the aforementioned act), new language included in the General Fund Provisions section of the recommended budget (page F-8) is intended to override the implementation of the "poison pill" provision of P.L.1992, c.148, thereby allowing the appropriation level to be reduced. This is explained in greater detail in the "Language Provisions" section of this report. According to the department's Overview section of the Budget Recommendation, the Administration believes that previously appropriated, albeit unspent, balances in this account will be sufficient to offset the proposed FY 2010 reduction. As of this writing, \$37.6 million remains unspent and unobligated in this account.

<b>HR-6 Flood Control</b>	<b>\$0</b>	<b>\$6,500</b>	<b>\$ 6,500</b>	<b>—</b>	<b>D-120</b>
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This account provides State matching funds to leverage federal funding available for flood control projects coordinated through the U.S. Army Corps of Engineers. Its FY 2009 appropriation of \$6.5 million is not displayed above because it was allocated from the Long Term Obligation and Capital Expenditure Fund, established pursuant to P.L.2008, c.22. Details of the Fund's allocations are displayed on pages H-36 and H-37 of the Budget Recommendation. It should be noted that this account may not receive its entire FY 2009 appropriation from the Fund. As indicated on page H-37 under "Disposition of Long Term Obligation and Capital Expenditure Fund," and pursuant to P.L.2009, c.22, up to \$1 million of this appropriation is to be transferred to the Property Tax Relief Fund at the end of FY 2009.

**ALL OTHER FUNDS**

<b>Parks Management</b>	<b>\$6,616</b>	<b>\$8,658</b>	<b>\$ 2,042</b>	<b>30.9%</b>	<b>D-121</b>
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Of the projected increase in these appropriated revenue accounts, \$480,000 is derived from the first-time appropriation of permit review fees projected to be collected during FY 2010 by the Delaware and Raritan Canal Commission. These monies will be used by the commission for administrative support, pursuant to P.L.2007, c.142. The projected amount is also attributable to an increase of \$1.38 million in the Miscellaneous Excess Receipts account, which receives revenues from State parks and marina facilities that support the Parks Management budget. This type of appropriation occurs, in conjunction with budget language, when a revenue level exceeds the anticipated revenue level displayed in the Budget

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2009</u>	<u>Recomm.</u> <u>FY 2010</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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Recommendation. This is normally identified in budget language by the phrase "... receipts in excess of the amount anticipated."

SCIENCE AND TECHNICAL PROGRAMS**DIRECT STATE SERVICES**

Special Purpose:  
Water Resources  
Monitoring and  
Planning-  
Constitutional  
Dedication

	\$19,554	\$13,176	(\$6,378)	( 32.6%)	D-125
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This appropriation is funded by the constitutional dedication of four percent of Corporation Business Tax (CBT) revenues for environmental programs. The subject account supports various water-related activities managed by the department and also provides funds to the Department of Agriculture for nonpoint source pollution programs. Annual allocations for this and the department's other CBT-funded accounts are calculated from total CBT revenues collected during the fiscal year. Since CBT revenues are projected to be lower in FY 2010, all CBT-funded accounts in the department's proposed budget reflect a 33 percent funding reduction.

Office of Climate  
Change and Energy

	\$553	\$373	(\$ 180)	( 32.5%)	D-125
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This new office was created from the reorganization of the Division of Science, Research and Technology. According to the department's Overview section of the Budget Recommendation, the office "... facilitates the department-wide effort to address mitigation and adaptation policies related to climate change." These efforts are directed in part by the provisions of the "Global Warming Response Act," P.L.2007, c.112 and the Global Warming Solutions Fund, established under P.L.2007, c.340. The Fund receives revenues from greenhouse gas emission credits sold by the State and provides fiscal support for the department's responsibilities under these acts, as noted below under "All Other Funds." The reduction noted here will be offset by these revenues.

**FEDERAL FUNDS**

Water Supply

	\$65,354	\$22,500	(\$42,854)	( 65.6%)	D-126
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This account receives federal monies for the Drinking Water State Revolving Fund (DWSRF), which provides financing for most of the State's major water supply projects and related activities. The FY 2009 amount includes a one-time allocation of \$43.2 million in federal



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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2009</u>	<u>Recomm.</u> <u>FY 2010</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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economic stimulus funding under the federal American Recovery and Reinvestment Act (ARRA) of 2009. It is therefore not reflected in the DWSRF's projected appropriation for FY 2010.

**ALL OTHER FUNDS**

Environmental Policy and Planning	\$1,839	\$2,786	\$ 947	51.5%	D-126
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This account is supported by revenues from the Global Warming Solutions Fund and is used to meet the department's administrative expenses in managing certain programs and activities financed by the Fund. Its projected increase anticipates greater revenue generation from the sale of greenhouse gas emission credits in FY 2010.

SITE REMEDIATION AND WASTE MANAGEMENT**DIRECT STATE SERVICES**

Special Purpose: Cleanup Projects Administrative Costs Constitutional Dedication	\$11,732	\$7,906	(\$3,826)	( 32.6%)	D-129
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This appropriation is supported by the constitutional dedication of four percent of CBT revenues for environmental programs. The subject account pays the administrative costs incurred by the department for site remediation and brownfields projects financed by dedicated CBT revenues appropriated to the capital construction accounts indicated below. Annual allocations for this and the department's other CBT-funded accounts are calculated from total CBT revenues collected during the fiscal year. Since CBT revenues are projected to be lower in FY 2010, all of the department's CBT-funded accounts reflect a 33 percent funding reduction.

**CAPITAL CONSTRUCTION**

Hazardous Substance Discharge Remediation-- Constitutional Dedication	\$24,769	\$16,691	(\$8,078)	( 32.6%)	D-130
Hazardous Substance Discharge Remediation Loans & Grants-- Constitutional Dedication	\$32,590	\$21,961	(\$10,629)	( 32.6%)	D-130

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2009</u>	<u>Recomm. FY 2010</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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These appropriations are supported by the constitutional dedication of four percent of CBT revenues for environmental programs. The first account finances hazardous site cleanups not generally supported by responsible parties. The second account provides loans and grants primarily for brownfields redevelopment projects that are jointly administered by the N.J. Economic Development Authority and the department.

Annual allocations for this and the department's other CBT-funded accounts are calculated from total CBT revenues collected during the fiscal year. Since CBT revenues are projected to be lower in FY 2010, all CBT-funded accounts in the department's proposed budget reflect a 33 percent funding reduction.

**FEDERAL FUNDS**

<b>Publicly-Funded Site Remediation</b>	<b>\$30,450</b>	<b>\$40,450</b>	<b>\$10,000</b>	<b>32.8%</b>	<b>D-130</b>
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This account represents federal Superfund monies. The recommended increase reflects an anticipated grant award for the Price's Pit remediation project. It should be noted, however, that the Superfund allocations displayed in the current and several past State Budgets do not generally correspond to the actual money received by the department for this purpose. In fact, the department has received no Superfund grants in this particular account since FY 2005, despite the authorized amounts that appear in the State Budget year after year. This occurs because these sums represent allocations the State would receive if such monies were actually appropriated at the federal level, which has not happened since FY 2005. This is not to say that the State receives no Superfund money. In cases where Superfund sites in the State are directly managed and remediated by the Environmental Protection Agency, Superfund monies are used to pay most project costs.

<b>Remediation Management and Response</b>	<b>\$10,523</b>	<b>\$5,700</b>	<b>(\$4,823)</b>	<b>( 45.8%)</b>	<b>D-130</b>
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The FY 2010 decrease is attributable to a one-time allocation of \$4.97 million in federal economic stimulus funding under the ARRA of 2009 for the Leaking Underground Storage Tank remediation account. It is therefore not reflected in the FY 2010 recommendation.

**ALL OTHER FUNDS**

<b>Solid and Hazardous Waste Management</b>	<b>\$1,899</b>	<b>\$2,472</b>	<b>\$ 573</b>	<b>30.2%</b>	<b>D-130</b>
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The recommended amount indicates an increase of \$534,000 in the State Recycling Program's administration account, from \$358,000 to \$892,000. These funds are derived from recycling tax revenues, as authorized under P.L.2007, c.311. According to the department, the projected increase is not actually an increase. Instead, it reflects a delay in the establishment of this account which resulted in the full-year amount for FY 2009 not being properly recorded.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2009</u>	<u>Recomm. FY 2010</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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ENVIRONMENTAL REGULATION**GRANTS-IN-AID**

**Diesel Risk Mitigation  
Fund-Constitutional  
Dedication**

<b>\$22,161</b>	<b>\$14,934</b>	<b>(\$7,227)</b>	<b>( 32.6%)</b>	<b>D-135</b>
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This appropriation is supported by the constitutional dedication of four percent of CBT revenues for environmental programs. The subject account funds the Diesel Emissions Reduction Program, which encourages the use of ultra-low sulfur diesel fuel, regulates vehicle idling, and provides grants to retrofit publicly-owned or contracted diesel powered vehicles. Annual allocations for this and the department's other CBT-funded accounts are calculated from total CBT revenues collected during the fiscal year. Since CBT revenues are projected to be lower in FY 2010, all CBT-funded accounts in the department's proposed budget reflect a 33 percent funding reduction.

**FEDERAL FUNDS**

**Public Wastewater  
Facilities**

<b>\$189,400</b>	<b>\$28,000</b>	<b>(\$161,400)</b>	<b>( 85.2%)</b>	<b>D-135</b>
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This account represents federal monies received for the Clean Water State Revolving Fund (CWSRF), which helps support the N.J. Environmental Infrastructure Financing Program. The program provides loans to local governments to improve or upgrade water and wastewater treatment plants, combined sewer overflow connections, brownfield remediation and other related projects. The FY 2009 amount includes a one-time allocation of \$161.4 million in federal economic stimulus funding under the ARRA of 2009. It is therefore not reflected in the CWSRF's projected appropriation for FY 2010.

**ALL OTHER FUNDS**

<b>Radiation Protection</b>	<b>\$465</b>	<b>\$3,605</b>	<b>\$ 3,140</b>	<b>675.3%</b>	<b>D-135</b>
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The recommended amount reflects a new account that is projected to receive \$2.5 million from new fees assessed to licensees that handle certain radioactive materials currently regulated by the Nuclear Regulatory Commission (NRC). The department has applied to the NRC for permission to assume these regulatory responsibilities, with a decision expected in August 2009. This account is therefore being established in anticipation of a positive decision by the NRC. The new fees would support the salary and training expenses needed by the department to provide the required regulatory oversight for this activity.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2009</u>	<u>Recomm.</u> <u>FY 2010</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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ENVIRONMENTAL PLANNING AND MANAGEMENT

Debt Service	\$59,735	\$42,452	(\$17,283)	( 28.9%)	D-138
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The projected decrease is due to an anticipated restructuring of the general obligation bond interest and redemption costs for many of the bond programs managed by the department.

COMPLIANCE AND ENFORCEMENT**FEDERAL FUNDS**

Water Pollution Control	\$0	\$700	\$ 700	—	D-141
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The FY 2010 amount consists of a new federal grant that would support the department's underground storage tank enforcement and compliance activities.

## Language Provisions

### NATURAL RESOURCE MANAGEMENT

<u>2009 Appropriations Handbook</u>	<u>2010 Budget Recommendations</u>
No comparable language.	<p><b>p. D-121</b></p> <p>The unexpended balance at the end of the preceding fiscal year in the Parks Management salary account, not to exceed \$3,000,000, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.</p>

#### Explanation

The proposed language reappropriates, or carries forward, into FY 2010 up to \$3 million of unspent funds that may remain in this account at the end of FY 2009. This provision thereby authorizes these reappropriated monies to be expended from this account during FY 2010 instead of being lapsed into the General Fund.

<u>2009 Appropriations Handbook</u>	<u>2010 Budget Recommendations</u>
<p><b>p. B-59</b></p> <p>An amount not to exceed \$9,000,000 is allocated from the capital construction appropriation for Shore Protection Fund Projects for costs attributable to the operation and maintenance of State parks and forests.</p>	No comparable language.

#### Explanation

This provision was included in the current budget to offset a 30 percent, or \$8.8 million, reduction that was initially proposed in the FY 2009 recommended budget for Parks Management. If this reduction had been enacted, it would have resulted in the closing of or curtailment of services in many State parks and natural resource facilities. This action was eventually averted by the enactment of legislation (P.L.2008, c.31) that provided the Parks Management budget with a one year allocation of \$9 million from the Shore Protection Fund, to which is dedicated \$25 million annually from Realty Transfer fees, pursuant to P.L.1992, c.148. Given the one-time allocation of these funds for Parks Management, the subject language is no longer applicable. Consequently, the recommended appropriation for the Parks Management budget is again about 30 percent below its FY 2008 funding level.

## Language Provisions (Cont'd)

## SITE REMEDIATION AND WASTE MANAGEMENT

2009 Appropriations Handbook2010 Budget Recommendations

No comparable language.

## p. D-131 and D-132

Notwithstanding any other law to the contrary, there is appropriated from the Sanitary Landfill Facility Contingency Fund \$3,000,000 to the Department of Human Services for sewer and water plant upgrades at the Senator Garrett W. Hagedorn Geropsychiatric Hospital, \$500,000 to the Department of Human Services for the closure of a sewage plant and wells at the North Jersey Development Center, and \$1,200,000 to the Division of Juvenile Justice within the Department of Law and Public Safety for septic system improvements at the Regional Community Home in the Pinelands, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The Sanitary Landfill Facility Contingency Fund is a Special Revenue fund supported by receipts from taxes and penalties levied upon owners or operators of sanitary landfill facilities. The tax is levied per cubic yard of solids and per gallon of liquids. The fund is liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill. The recommended language appropriates monies in the fund for specific projects.

## ENVIRONMENTAL PLANNING AND ADMINISTRATION

2009 Appropriations Handbook2010 Budget Recommendations

No comparable language.

## p. D-138

The unexpended balance at the end of the preceding fiscal year in the Office of the Records Custodian Open Public Records Act account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

## Language Provisions (Cont'd)

### Explanation

The proposed language reappropriates, or carries forward, into FY 2010 any unspent funds that may remain in this account at the end of FY 2009. This provision thereby authorizes these reappropriated monies to be expended from this account during FY 2010 instead of being lapsed into the General Fund. Due to the high demand for public records maintained by the department, it has spent significant sums to meet that demand, and from time to time it has collected special service charges, as authorized by law.

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### GENERAL FUND PROVISIONS

#### 2009 Appropriations Handbook

No comparable language.

#### 2010 Budget Recommendations

p. F-8

Notwithstanding any other law or regulation to the contrary, because of the economic downturn and the crisis in the financial markets, it is not possible in Fiscal Year 2010 to appropriate monies to fund all programs authorized by statute. As a result, the Governor's Budget Message and Recommendations for Fiscal Year 2010 recommended, and the Legislature agrees, that either no State funding or less than the statutorily-required amount be appropriated for certain of these statutory programs. To the extent that these or other statutory programs have not received all or some appropriations for Fiscal Year 2010 in this Appropriations Act which would be required to carry out these statutory programs, such lack of appropriations represents the intent of the Legislature to suspend in full or in part the operation of the statutory programs, including any statutorily-imposed restrictions or limitations on the collection of State revenue that is related to the funding of those programs.

### Explanation

The intent of this language is to prevent the operation of the "poison pill" provision of P.L.1992, c.148 (C.46:15-10.1 and 46:15-10.2), which would suspend the Realty Transfer tax during FY 2010 if the amount appropriated in FY 2010 for the Shore Protection Fund is less than \$25 million. The budget recommendation for the Shore Protection Fund is \$18.75 million. The budget anticipates \$234 million from Realty Transfer tax revenues in FY 2010.

## Discussion Points

1. The Governor's budget incorporates an estimated \$5.183 billion over two fiscal years in federal stimulus funding provided by the American Recovery and Reinvestment Act (ARRA) of 2009. According to a table on page 42 of the Governor's abbreviated budget, the State will use \$3.074 billion (\$854 million in FY 2009 and \$2.220 billion in FY 2010) from ARRA for budget relief. In addition to these funds which will offset revenue shortfalls, \$2.109 billion will be used for new or expanded programs or initiatives. The ARRA allocates funds to states both by formula and by competitive awards. Most executive departments anticipate stimulus funding in either FY 2009, FY 2010 or both.

- **Question:** Please itemize the federal stimulus funding, if any, other than portions of the \$3.074 billion allocated for budget relief, included in the department's budget, by fiscal year and federal program, setting forth program goals and eligible uses together with the amount for state administrative expenses and the amount for allocation to local public and private recipients, respectively. Please identify intended and actual recipients and the process by which the department determines recipients and funding awards. Are there ARRA funds that flow through your department for which the State has no discretion? Please also set forth the timetable for obtaining federal approval of funding, obligation and allocation of funding to recipients, and use by recipients. Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount? What additional positions, if any, have been and will be hired with these funds? If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?
- **Question:** In addition to funding incorporated in the FY 2010 budget, what specific competitive grant opportunities has the department identified that it is eligible to pursue, has applied for, and has been awarded, respectively?

2. Over the past several years, the overall staffing level in the executive branch has been reduced through restrictions on hiring and an early retirement program. The FY 2010 budget proposal envisions continuation of the hiring restrictions coupled with possible furloughs or further reductions in positions.

- **Question:** How has the reduction in staffing affected your department? What strategies has the department employed to deal with staff reductions? What projects, work products or functions has the department discontinued or deferred because of staffing levels? Will the department be able to accommodate furloughs in FY 2010 without increasing spending for overtime?

3. The FY 2009 appropriations act anticipated that \$25 million in procurement savings would be achieved by executive departments. A chart on page 75 of the *Budget in Brief* categorizes those savings and indicates they will continue into FY 2010. The FY 2010 budget includes another \$25 million from procurement savings (*Budget in Brief*, Appendix I, page 8).

- **Question:** Please indicate the FY 2009 amount of procurement savings achieved by your department, by the categories set forth in the referenced table, and the sources of those savings by department program. What is the annual amount of these savings as continued into FY 2010? How have these reductions affected the



## Discussion Points (Cont'd)

department? What projects, work products or functions has the department discontinued or deferred in order to achieve these savings?

4. Last year, the FY 2009 Budget Recommendation reduced the Parks operating budget by about 30 percent, or \$8.8 million, which would have resulted in the closing of some State Parks and natural resource facilities. To avert this, legislation was eventually enacted (P.L.2008, c.31) that provided the Parks budget with a one year allocation of \$9 million from the Shore Protection Fund. Since this allocation applied only to the current budget, the FY 2010 recommended Parks budget, particularly its salary account, is again about 30 percent below its FY 2008 funding level. The aforementioned act also directed the department to conduct a study to explore opportunities to increase revenues generated through State parks and forests. The study was to be completed and submitted to the Legislature by March 1, 2009.

- **Question:** How will the loss of the \$9 million allocation from the Shore Protection Fund affect the Division of Parks and Forestry operations? What steps, if any, will be taken to offset this funding gap? What is the current status of the fee generation study? What findings or recommendations from the study can the department offer at this time? Notwithstanding the study, what actions does the department plan to take during FY 2009 and FY 2010 to increase Parks revenues?

5. On January 2 and February 17, 2009, Governor Corzine announced two rounds of budget reductions to keep the State Budget balanced in the face of declining State revenues through the end of FY 2009. As a result, the department's original FY 2009 budget was reduced by \$24 million. Of this amount, dedicated Corporation Business Tax (CBT) funding was reduced by \$13.4 million due to lower projections of overall CBT revenue collections. In the department's recommended budget, dedicated CBT funds are reduced by \$42.5 million.

- **Question:** How are the activities supported by dedicated CBT revenues being affected by the current reduction and how will they be affected in FY 2010? What impact, if any, will these reductions have on federal matching funds? Please describe how non-CBT program areas are affected by the FY 2009 reductions, with particular attention to impacts on staffing, regulatory operations and fee revenues.

6. The recommended budget for the Hunters' and Anglers' License Fund, which provides up to \$11 million in license fees to support the Division of Fish and Wildlife, is reduced by \$1.5 million in the State-funded portion of its budget. The division also announced in February 2009 that its corps of deputy conservation officer volunteers, which have provided law enforcement assistance to full time conservation officers for over one hundred years, was being disbanded due to budgetary constraints.

- **Question:** What impact will the \$1.5 million reduction have on the division's operations? What impact will the absence of the deputy conservation officers have on the workloads and overtime costs of full time conservation officers?

7. The "Global Warming Response Act" (P.L.2007, c.112) and P.L.2007, c.340, which implemented its policies, created an emissions trading and auction mechanism (i.e., "cap and trade") to help reduce the level of greenhouse gases. Under these acts, the State, in conjunction with the 10-state Regional Greenhouse Gas Initiative, sells allowances, also called

## Discussion Points (Cont'd)

credits, for electric generating companies to emit greenhouse gases. As of this writing, three auctions have taken place since September 2008. Revenues generated by New Jersey at the auctions are dedicated to the Global Warming Solutions Fund to support State programs that increase energy efficiency and reduce greenhouse gases.

- **Question:** How much money has been raised thus far, how much is projected to be generated in FY 2010, and where are these numbers displayed in the recommended budget? Please describe how these funds are being utilized within the department in FY 2009 and how they will be allocated in FY 2010. Are these funds offsetting or supplementing the costs of existing programs and, if so, which ones?

8. Last year, the Governor and the DEP Commissioner established a DEP Permit Efficiency Review Task Force for the purpose of examining the department's permitting processes and suggesting ways to improve them. In August 2008, the task force issued its report which, among other findings, recommended that permit processing and the elimination of significant backlogs could be expedited by upgrading the department's technological capabilities, providing adequate staff and meeting with applicants more often. The task force also found that permit delays are exacerbated by ineffective data processing systems that are insufficiently upgraded, lack a central database, and encounter chronic problems with electronic filing procedures.

- **Question:** What actions has the department taken thus far in response to this report? What steps does it plan to take in the future to address the major issues of the report? What improvements could be made to the N.J. Environmental Management System to address the task force findings? What resources are available in FY 2010 to address the task force's findings? What impact will using these resources have on permit backlogs?

9. A new Public Health, Environmental and Agricultural Laboratory is currently being constructed on the State Police Division Headquarters grounds in West Trenton. This multi-agency facility is being financed and developed through the NJ Building Authority with completion expected in April 2010. The lab is being designed to replace the existing Department of Health and Senior Services and Department of Agriculture labs and provide the DEP with testing services currently contracted out to private labs. The Commission on Capital Budgeting and Planning approved a request of \$16.1 million in FY 2010 for lab equipment, which was subsequently reduced to \$11 million in the Budget Recommendation.

- **Question:** Please explain how the new lab will incorporate, supplement or replace the department's current labs, both functionally and administratively. What cost benefits does the department expect to gain from the new lab?

10. According to the department's *Open Public Records Act 2006-2007 5<sup>th</sup> Year Annual Report*, between 2002 and 2007 it received 63 percent of the total number of public records requests made to all State agencies. During this period, the department spent over \$15.7 million to meet this demand. Current law permits a special service charge to be imposed for a records request requiring an "extraordinary expenditure of time and effort." The annual report indicates the department collected \$28,675 in FY 2007 to process extraordinary requests.

## Discussion Points (Cont'd)

- *Question:* How have OPRA requests affected day to day staff workloads, particularly in terms of staff resources being diverted to fulfill OPRA requests? What steps, if any, has the department taken to facilitate or evaluate the application of the special service charge for extraordinary expenditures? How much did the department recover through this special charge in FY 2008 and thus far in FY 2009?

11. The Energy Master Plan, released in October 2008, lays out ambitious short and long term clean energy goals for the State, including goals for offshore wind development to generate at least 1,000 megawatts of power by 2012.

- *Question:* What is the department's current and future role in the development of the State's clean energy goals, especially in terms of its working relationship with the U.S. Minerals Management Service, the Board of Public Utilities, and the offshore wind developers? What fiscal and staff resources are expected to be devoted to this effort in FY 2010 and beyond?

# OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

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Individuals wishing information and committee schedules on the FY 2010 budget are encouraged to contact:

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