

Discussion Points

1. The FY 2012 Budget reallocates existing funding from various programs to create the new Office of Economic Growth and Green Energy. The Budget does not provide any information on this new office.

- **Question:** Please explain why this office is being created, its function, specific responsibilities, short and long term goals and objectives, and what it will accomplish. Also, please provide a detailed breakdown of the \$1.26 million budgeted for the office, and a detailed organization chart showing all proposed positions and personnel.

Response: The Office of Economic Growth and Green Energy (EGGE) was established in July 2010 to provide proactive outreach both internally and externally to move responsible economic development projects forward. EGGE works with all stakeholders who drive economic growth within the state. The Office represents the Department's liaison to the Lt. Governor's Business Action Center (BAC) and EDA Board, as well as serving on the State Strategic Plan Steering Committee. This inter agency collaboration ensures that DEP's presence and role in economic development is considered at the front line of policy and actions for the state's economic growth initiatives.

EGGE is also working on building the "Green energy/clean energy" industry through working with solar, wind, biomass and new technology efforts within the State. This group reviews new technological advances on behalf of the Department for permitted projects and has taken the lead, in partnership with the BAC, in building the manufacturing and supply chain for off shore wind. This department is also working on numerous sustainability efforts- providing technical support for Sustainable Jersey, advancing a green business practices program, working with higher education and DOL on green jobs initiatives and advancing sustainable practices for state and local government as well.

Finally, in April 2011, the Office of Climate and Energy was realigned to report to this office.

Attached (as Appendix I) is a detailed organizational chart displaying all positions related to EGGE. Of the \$1.26 million Fiscal Year 2012 recommended appropriation, \$1.12 million supports the salary costs of 13 positions and \$142,000 is for operating needs of the program.

2. General provision language appropriates \$20 million from the State Recycling Fund to the General Fund to help alleviate the budget deficit. This reflects an increase of \$13 million over a FY 2011 appropriation from the fund for the same purpose.

- **Question:** Please explain the impact to the State Recycling Fund and its statutory purposes from this proposed transfer.

Response: The Recycling Fund over the past three years has carried forward balances that average \$36 million. The projected balance at the end of Fiscal Year 2011 is projected to be approximately \$33.4 million. Annually these balances are increased by new tax revenues that average \$24 million per year. The one-time use of \$20 million will reduce the level of carry forward that has been available in the Fund.

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The level of Tonnage Grants and County Planning Grants will remain the same in Fiscal Year 2012 as the Fiscal Year 2011 levels.

3. In FY 2011, \$2.4 million was allocated to the Highlands Permitting Program. The FY 2012 Budget recommends no money for the program, and instead reallocates program resources to other various unspecified DEP programs beginning in FY 2012.

- **Question:** Please explain why these funds are being reallocated and provide a schedule on the specific amounts and program areas where the \$2.4 million will be utilized. Are the reallocated funds replacing any budget cuts?

Response: The Highlands Permitting appropriation as a lump sum amount supports staff assigned in Water Supply, Watershed Management, Land Use Enforcement, Land Use Regulation, Endangered Species, Natural Lands Management and Green Acres. The reallocation of this General Fund appropriation reflects the allocation of that same funding at the various program levels. The reallocated funds do not replace proposed Fiscal Year 2012 budget reductions.

4. The FY 2012 Budget increases funding for the administration and operations of the Highlands Council that reflects a restoration of a FY 2011 funding reduction that was premised on the non-recurrence of costs associated with the Council's Master Plan. It is unclear what cost increases necessitate the restoration.

- **Question:** Please explain the need to restore these funds.

Response: The Highland Council's Fiscal Year 2011 State Aid appropriation was established at \$1.85 million reflecting a one-time 20% reduction. This reduction was not premised on non-recurring costs associated with the Council's Master Plan. To offset the reduction, the Highlands Council agreed to a transfer of \$365,000 from the Highlands Regional Master Plan Account. The Highlands Council agreed to this transfer with the recognition that the Fiscal Year 2012 appropriation would be restored to \$2.3 million. The Highlands Council requires the restoration of funding as proposed in the Governor's Fiscal Year 2012 budget in order to continue to meet operational needs.

5. P.L.2011, c.23 required the DEP to establish a recreational saltwater fishing registry in compliance with federal law in order to avoid imposition of a federally administered saltwater fishing registry and fee program. Under the State registry, no registration fee will be charged to anglers.

- **Question:** How will the department pay for establishing and maintaining the State registry? Will the shifting of fiscal and human resources to implement this program impact operations in other areas administered by the Division of Fish and Wildlife, and, if so, how?

Response: The Department is finalizing its New Jersey Recreational Saltwater Fishing Registry Program through the development and implementation of a web-based registry.

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The Department has been fortunate in the development of this web-based data system by piggybacking on an existing software development contract that the Department has utilized to enhance and maintain its NJEMS system. Accordingly, the department has been able to establish the registry database without incurring development costs other than personnel time. The registry as designed is not anticipated to require significant technical support in Fiscal Year 2012.

From a programmatic perspective the Recreational Saltwater Fishing Registry will require a full time staff person to meet the reporting requirements that exempts recreational saltwater anglers from registering with the National Marine Fisheries Service (NMFS) and incurring a \$15 registration fee. The Department is absorbing these staffing costs within its existing resource base.

6. As reported by the media, the State's saltwater fishing program administered by the Bureau of Marine Fisheries in the Division of Fish and Wildlife is chronically underfunded and understaffed, and the division may be exploring options to address those issues that could possibly result in diminished fishing opportunities for anglers in the State.

- **Question:** What such options, if any, are being explored to address the funding problem, how likely are they to be selected, and when would they be implemented? What is the minimum amount of funding needed to avoid the possible suspension of any fishing opportunities in the State?

Response: The Department is prioritizing its efforts to identify the correct level of staffing to meet these requirements. The Department is exploring long term funding solutions as part of the overall effort.

7. The "Global Warming Solutions Fund" was established by P.L.2007, c.340 to be the depository for monies received by the State resulting from the sale of allowances through a greenhouse gas emissions allowance trading program such as the Regional Greenhouse Gas Initiative. The same statute allocated 10 percent of those monies annually to the DEP to support programs designed to promote local government efforts to reduce greenhouse gas emissions, and another 10 percent to the department to support programs that enhance the stewardship and restoration of the State's forests and tidal marshes. Recent budgetary actions have utilized monies in the fund for purposes other than those specified in the statute.

- **Question:** How have those two statutory programs in the DEP been affected by diversions from the fund to purposes other than those designated in the statute? What, if any, DEP activities funded by those allocations have been suspended or reduced as a result of the diversions?

Response: The Department's Greenhouse Gas Local Government Program and Forest Stewardship Program have been suspended as a result of the Fiscal Year 2011 Budget. Given the proposed Fiscal Year 2012 budget the Department will re-establish both programs.

Economic Growth and Green Energy
Organizational Chart

