FISCAL YEAR 2016 BUDGET STATEMENT

OF

COMMISSIONER BOB MARTIN
DEPARTMENT OF ENVIRONMENTAL PROTECTION

BEFORE THE

SENATE BUDGET & APPROPRIATIONS COMMITTEE

APRIL 16, 2015
Good morning, Mr. Chairman and Members of the Committee. I welcome the opportunity to come before you today to discuss Governor Christie’s proposed Fiscal Year 2016 budget for the Department of Environmental Protection (DEP).

Governor Christie’s budget continues to provide the necessary resources for the DEP to protect New Jersey’s air, land, water, and natural and historic resources. This budget will allow us to continue the important ongoing efforts for the DEP to maintain our core programs that serve to protect the environment and the people of this State.

**Budget Overview**

The DEP’s Fiscal Year 2016 budget is set at $353 million. This is a $3.9 million increase when compared with the Fiscal Year 2015 adjusted appropriation of $349.1 million. The Fiscal Year 2016 figure is adjusted because of a reversal of a one-time supplement for the Site Remediation Program of $9 million and $1.8 million for Nuclear Emergency Response and for the Hunters & Anglers Fund. In addition, the FY 2016 budget includes a $3.7 million increase for critical IT needs and improvements and reflects a $9.7 million increase in CBT revenue. This $353 million is only a portion of the total $838.8 million in resources available to and managed by the DEP when factoring in all federal funds, dedicated monies, special revenues and bond funds expected in FY 2016.

In addition, the DEP is overseeing the management of nearly $1 billion in multi-year Superstorm Sandy restoration and rebuilding projects.

The FY 2016 overall budget includes the budget appropriation for the in-but-not-of Palisades Interstate Park Commission, which is to be funded at $2.9 million, the Highlands Council, which is to receive $2.3 million and the Pinelands Commission at $2.5 million.

As defined in the Constitution, there is an annual allocation of four percent of the Corporate Business Tax (CBT) revenues collected for various environmental purposes. CBT funding helps to support the DEP’s key goals and priorities, including the cleanups of contaminated sites and brownfields. Including Historic and Farmland preservation, the projected CBT appropriation level for the DEP is $112.8 million and reflects a $9.7 million increase over FY 2015 estimates. In November 2014, voters approved a Constitutional amendment, dedicating 71% of DEP’s CBT
allocation for the acquisition, development and stewardship of lands. Beginning in Fiscal Year 2016, the DEP’s four percent allocation will support the following environmental purposes:

- Brownfields ($11.3m)
- Private Underground Storage Tanks ($10.2m)
- Publicly Funded Cleanups ($5.6m)
- Water Resources ($5.6m)
- Acquisition, Development and Stewardship of Lands ($80.1m)

FY 2016 represents the first year of providing annual dedicated CBT revenue for acquisition, development and stewardship of lands. The FY 2016 budget recommends $80.1 million for the following needs:

- $27.9 million in loans and grants for the preservation and acquisition of lands for recreation and conservation purposes, to be administered by the Department of Environmental Protection.
- $16.9 million in loans and grants for the preservation of land for agricultural or horticultural use and production, to be administered by the Department of Agriculture.
- $1.4 million in loans and grants for historic preservation, to be administered by the Department of Community Affairs.
- $20.0 million for stewardship of State Parks, Forests, Wildlife Management Areas, State-owned Historic Sites and other natural areas.
- $13.9 million for capital improvements to State Parks, Forests, Wildlife Management Areas, State-owned Historic Sites and other natural areas.

The DEP Fiscal Year 2016 Budget remains essentially flat as compared to last year. However, because of the shift in CBT allocation as authorized by the voters, the Administration had to move money around to avoid damaging cuts to several environmental programs. To address this issue, an equivalent amount of Parks Management (i.e., stewardship) funding was shifted to the CBT. Reallocating a portion of Parks Management costs to CBT in turn allows for DEP to continue the Publicly Funded Cleanups and Water Resources programs in FY16.

The DEP’s overall staffing will remain comparable to FY 2015, with a total of 2,813 permanent Full Time Employees (FTEs) in FY 2016. We are continuing to prioritize programs and staffing
to meet our goals and our commitment to protect the State’s environment and public health and safety. We will continue to backfill all key resources, with priority backfills going to critical areas that protect public health and safety and administer Sandy rebuild efforts. This includes forest firefighters, park police and conservation officers as well as other critical openings across the DEP like emergency responders and critical programs involved in assisting with Sandy rebuilding or day-to-day operations of our critical programs.

The General Fund comprises less than one quarter of the DEP’s operational budget with the remainder being covered by dedicated and federal funds as well as by administrative fees. The General Fund supports numerous broad-based public functions including Parks operations, forestry management, dam safety, shellfish regulation and now also publicly-funded cleanups and water resources.

**Corporate Business Tax Adjustments**

As you know, last November the voters overwhelmingly approved Ballot Question 2 to provide a Constitutionally-dedicated stable source of funding for open space acquisition, development and other related purposes. The amendment was well-intentioned but requires costly tradeoffs, diverting funding from other existing programs that protect the environment and create conditions necessary for economic growth.

As a result of the constitutional dedication to provide a stable source of funding for open space acquisition and preservation, creating the budget for Fiscal Year 2016 has been a challenge mainly because the constitutional amendment shifted allocation of the dedicated four percent CBT funding within environmental categories. This ballot question shifted the allocation of money from programs such as the publicly-funded hazardous waste cleanup and watershed management to open space.

It should also be highlighted that the Constitutional amendment calls for the CBT allocation to also fund both farmland and historic preservation. I strongly support funding these programs. However, by allocating this funding from the CBT dedication, it effectively reduces the amount that is going to the DEP. Since the budget calls for approximately $18.3 million going to these purposes ($16.9 for farmland preservation; $1.4 for historic preservation) out of the total CBT allocation of $112.8 million, it can be argued that, instead of the four percent of the CBT that the
DEP has annually received for environmental purposes since 1996, we now receive less than 3.4 percent.

If Governor Christie had not structured the budget as presented, specific impacts due to loss of funding in the following programs would have included:

**Watershed Management and Water Monitoring** – This area will receive approximately $10.4 million less from the CBT than it received in FY 2015 ($5.6 million in FY 2016; $16.0 million in FY 2015). If Parks Management funding had not been shifted to CBT, the following activities would have been cut back or suspended:

- Monitoring water quality in the ocean, Barnegat Bay, and all of New Jersey’s surface and groundwater;
- Monitoring and patrolling shellfish waters, required to maintain FDA approval for New Jersey’s $790 million shellfish industry;
- Monitoring stream flows to predict flooding, including in critical flood-prone areas like the Passaic and Raritan River Basins;
- Monitoring water supply in the State’s aquifers to predict and prepare for drought.

**Publicly-Funded Site Remediation** – In Fiscal Year 2015, $9.6 million was dedicated from the CBT to staffing the cleanup of polluted sites overseen by the DEP. This CBT funding dedication has been eliminated. If Parks Management funding had not been shifted to CBT, we undoubtedly would have had to lay off over 100 full-time staff. As a result of the Governor’s budget, the DEP will be able to continue to respond to sites with Immediate Environmental Concerns.

The Publicly-Funded Site Remediation Program will also receive a reduction in CBT funding of over $14.6 million to fund site remediation projects overseen by the DEP ($5.6 million in FY 2016; $20.3 million in FY 2015). While this area is being reduced, because of the manner in which monies have been obligated, we do not anticipate there to be a direct impact in Fiscal Year 2016 for existing projects. However, this could have an impact on our ability to respond to any new contaminated sites that may arise. Furthermore, the loss of this dedicated funding could affect our ability to provide the State match for federal dollars from the U.S. Environmental Protection Agency (USEPA). In the end, New Jersey could lose federal funding as the USEPA
will most likely designate new Superfund sites in states that can guarantee a match instead of New Jersey.

**Parks Capital Development** – In FY 2015, $16 million in CBT funds were specifically dedicated for addressing the nearly $400 million in backlogged Capital Improvements to State Parks and Wildlife Management Areas. While this specific dedication has been eliminated in the Constitution, we will still be able to use CBT funds for this purpose. However, the capital projects will now be in an annual competition with open space acquisition, farmland preservation and historic preservation. If we do not use the $13.9 million from the CBT for development and stewardship, then this will likely severely impact our ability to manage State Parks.

**Underground Storage Tanks/Brownfields** – For Fiscal Year 2016, both of these funds will receive a diminished amount of funding as compared to the previous year (UST Fund: FY 16 - $10.2 million, FY 15 - $11.1 million; Brownfields (HDSRF): FY 16 - $11.3 million, FY 15 - $12.0 Million). Both of these funds have already been categorized as “victims of their own success” with substantial backlogs in funding awards. In the UST Fund, for example, including the FY 16 appropriation, we have only about $20 million on hand to fund 1,576 applications we have in house valued at over $41 million. This does not include any new applications we may receive over the course of FY 16. Currently, we are advising any party that wants to apply for an UST Fund grant that the wait is currently four to five years. This time will only increase as the annual funding decreases.

**Superstorm Sandy Recovery, Rebuilding and Resiliency**
 Governor Christie has been very clear that recovery efforts will continue to be a top priority. In addition, the DEP, as well as the rest of the Administration, is pursuing efforts on many fronts to ensure that the State is better positioned when and if the next superstorm hits our shores.

**Shore Protection**
 The DEP is working closely with the U.S. Army Corps of Engineers (USACE) and local governments to place about 44 million cubic yards of sand along New Jersey’s beaches to create a comprehensive shore protection system to protect our coastline. The primary purpose of these coastal restoration projects is to reduce risk to lives and property and to restore and enhance the resilience of New Jersey’s entire coastline through a series of engineered beaches.
In March, 2015 the U.S. Army Corps of Engineers’ Philadelphia District and the Department of Environmental Protection initiated construction of a $128 million beach and dune project to protect Long Beach Island. This project is scheduled to begin this month.

The project, which encompasses 12.7 miles of beachfront in Long Beach Township, Ship Bottom, Beach Haven and a small section of Surf City, will ultimately see eight million cubic yards of sand pumped from an approved area approximately three miles offshore of Long Beach Island.

The Long Beach Island project is one of seven major previously authorized but never constructed coastal and flood projects statewide, conducted by USACE in coordination with the DEP, at a total cost of more than $1 billion. Two of those projects—at Oakwood Beach along the Delaware River in Salem County and the Raritan Bay beach in the Port Monmouth section of Middletown—were completed last year.

In addition, a beach construction project from Sea Bright to Manasquan in Monmouth County, including the municipalities of Loch Arbor, Allenhurst, and Deal is scheduled to begin dredging this week. Also scheduled to begin this week is the construction of the Great Egg Harbor Inlet to Townsends Inlet project in Cape May County, including the municipalities of Ocean City, Sea Isle, and the Strathmere section of Upper Township. Other beach construction projects expected to begin in 2015 include work from Brigantine Inlet to Great Egg Harbor Inlet (Margate and Longport) and the Northern Ocean County barrier island from Manasquan Inlet to Barnegat Inlet (Point Pleasant Beach, Bay Head, Mantoloking, Brick, Toms River, Lavallette, Seaside Heights, Seaside Park and Berkeley).

Earlier this month, the DEP in partnership with the U.S. Army Corps of Engineers initiated a $202 million resiliency project that will bolster storm protection for Union Beach, one of the communities hardest hit by Superstorm Sandy. The majority of funding for the massive flood control project will come from the federal government at $132 million. New Jersey will fund about $53 million and Union Beach will provide $17 million.

Overall, the U.S. Army Corps of Engineers (USACE or Army Corps) project in Union Beach will consist of construction of levees, floodwalls, tide gates and pump stations. The project will
also rebuild beaches, dunes, and groins, which are jetty-like structures that are designed to slow loss of sand from beaches. In addition, more than 25 acres of degraded wetlands will be restored to help better absorb flood waters. This particular project was designed more than a decade ago, with engineering and design under way as part of the pre-construction phase of development when Superstorm Sandy hit. The Army Corps re-evaluated and modified the plan to incorporate advancements in construction technologies, including advancements in flood wall, levee and flood gate design.

The DEP has also initiated a project to study the benefits of a thin-layering technique of dredge materials from dredging navigable waterways. If successful, this approach will have a three-fold benefit: create a much-needed option for disposal of dredged materials; keeps waterways navigable; and create habitat for endangered wildlife.

The project is made possible by $3.4 million from the U.S. Department of Interior Hurricane Sandy Coastal Resilience Competitive Grant Program.

**Buyouts**

Launched by the Christie Administration in the spring of 2013, the Sandy Blue Acres Program aims to purchase some 1,300 damaged homes at pre-Sandy market values, providing residents with financial resources needed to relocate. The program has been a key part of the Christie Administration’s efforts to make New Jersey more resilient in the face of future storms and flooding.

Under the program, structures are demolished and the properties converted to open space that provides natural protections for communities against future severe weather events. DEP personnel work closely with sellers and process their applications as quickly as possible. Case managers guide homeowners through the acquisition process.

A total of 719 homes in 10 municipalities have been approved for buyouts with federal and/or State funding: Sayreville, South River, Woodbridge, East Brunswick, Newark, Lawrence, Manville, Pompton Lakes, Linden and Old Bridge. There have been 280 Sandy Blue Acres closings so far in Sayreville, South River, Woodbridge, East Brunswick and Lawrence. There
have been 150 homes demolished in Sayreville, South River and Woodbridge. Offers have been made to 620 property owners and so far accepted by 424.

The current commitment from all funding sources is $269.8 million:

- FEMA HMGP: $163 million
- HUD Community Disaster Block Grant – Disaster Recovery: $100 million
- U.S. Department of Agriculture – Natural Resources Conservation Service: $4 million
- State bond funds (State Acquisition – Urban Fund and Blue Acres): $2.8 million

**Hazard Mitigation Grant Program – Elevation Program**

The DEP is fast approaching close out for all eligible applicants being assisted through the Hazard Mitigation Grant Program (HMGP) Elevation Program. The $40 million HMGP Elevation Program, funded by FEMA HMGP monies and administered by the DEP, is designed to assist homeowners with the elevation of their primary single-family residences to meet the standards of the FEMA flood insurance risk maps in affected communities. Eligible applicants can receive up to $30,000 for elevations on existing homes. The program is limited to the counties of Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union, which were determined by the U.S. Department of Housing and Urban Development to be the counties “most impacted” by Superstorm Sandy.

The DEP had submitted more than 1,500 post-Sandy elevation applications to the Federal Emergency Management Agency (FEMA). FEMA in turn has approved over 99% of these applications for properties in 29 municipalities, bringing the total number of approved post-Superstorm Sandy elevation grant awards, totaling over $12 million. In many cases, homeowners who applied both to DCA’s Rehabilitation, Reconstruction, Elevation and Mitigation (RREM) Program and the Elevation Program, and who were eligible for both programs, have opted out of HMGP to instead pursue RREM grants, which are comparatively larger rebuilding awards. Any HMGP funds left over from the Elevation Program likely will in turn be available for buyouts.

**Infrastructure and Community Resiliency**

The DEP is overseeing the State’s participation in the U.S. Department of Housing and Urban Development (HUD) Rebuild by Design Program. Rebuild by Design was envisioned in the
summer of 2013 by the federal Superstorm Sandy Rebuilding Task Force as a way to develop ideas to improve the physical, ecological, and economic resilience of coastal areas affected by Superstorm Sandy.

Multi-disciplinary teams made up of architects, designers, planners and engineers were engaged by HUD and charged with proposing regional and community-based projects that would promote resilience in various Sandy-affected areas. Working with local governments and stakeholders in storm-affected areas, the teams ultimately submitted potential projects to HUD, and HUD selected projects to be funded.

In June 2014, the State of New Jersey was awarded $380 million to implement two flood mitigation projects through the Rebuild by Design competition. New Jersey was awarded $230 million to implement a comprehensive urban water strategy in the Hudson River region, focusing on Hoboken, Jersey City and Weehawken. New Jersey also was awarded $150 million to implement a storm resiliency project in the Meadowlands District that targets Moonachie, Little Ferry, Carlstadt, Teterboro and South Hackensack.

The DEP is the lead State agency to plan, design and construct the project. In addition to gathering public input through multiple public meetings, DEP is hosting regular Executive Steering Committee meetings with mayors of the towns within the project areas and HUD officials for coordination and policy decisions. More information on the Rebuild by Design projects and implementation strategy is available in proposed CDEG-DR Action Plan Amendment No. 12, currently pending approval by HUD.

Feasibility is the first major project phase for the Hudson River and Meadowlands projects. This phase includes conducting an overall assessment of the project area, collecting data through survey work and determining benefits and impacts to infrastructure and working with the local municipalities to obtain any plans or reports that could be beneficial to the next project phase. Additionally, as part of this phase, DEP has begun working with sister state agencies, county and local governments and other stakeholders to ensure an open exchange of data and ideas. This feasibility stage also includes a critical Environmental Impact Assessment (EIS) of the project to determine any impacts to the ecosystem or the environment. Feasibility studies are expected to
take between one and two years. After this phase is complete, the projects will enter the design phase, followed by construction.

The DEP anticipates that, given the size and complexity of these projects, they will be completed by 2022, with the potential for completion of components of the projects before this date. This timeline will be further refined once the feasibility analysis is completed.

In addition to Rebuild by Design, earlier this year, the DEP initiated the process for the State's proposed Phase 1 application for the National Disaster Resilience Competition (NDRC). The NDRC is funded through the remaining $1 billion of CDBG-DR funds appropriated through the federal Disaster Relief Act of 2013 that HUD has not yet allocated. Notably, $181 million of competition funds has been expressly reserved for New Jersey, New York and New York City. The competition invites 67 applicants that experienced Presidential-declared natural disasters since 2011 -- 48 states, 17 cites, Washington D.C. and Puerto Rico -- to compete for funding to help rebuild and enhance resilience to future severe weather events. The competition is separated into two phases. Phase 1 generally describes the applicant's general resilience concept. Applicants who HUD selects for Phase 2 then propose specific projects that fall within the broad Phase 1 concept.

DEP submitted New Jersey's Phase 1 application in late March, focusing on a broad design concept of protecting New Jersey estuarine communities. HUD is currently reviewing all Phase 1 application to NDRC to determine which applicants proceed to Phase 2.

**Local Storm Resiliency Projects**

The DEP is overseeing $50 million in CDBG-DR funding available for projects that reduce local flood risks and enhance resiliency in the nine counties “most impacted” by Superstorm Sandy as determined by HUD. The counties are: Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union.

This initiative will focus on critical risk reduction initiatives, which include, among other things, addressing flood risks posed by coastal lakes and inland waterways, enhancing storm water management systems, and incorporating both man-made flood barriers and nature-based solutions, such as restoration of wetlands and creation of living shorelines, where appropriate.
**Water Supply and Water Infrastructure**

The DEP is coordinating the construction of water supply and wastewater infrastructure projects across the State. The DEP through the NJ Environmental Infrastructure Financing Program offers low interest loans with principal forgiveness to support drinking water and wastewater facilities to meet their infrastructure needs and to enhance their resiliency and preparedness. Some of our larger initiatives include:

- The Passaic Valley Sewerage Commission (PVSC), the state's largest wastewater treatment facility has approximately $1 billion in repair, recovery and resiliency needs including on-site primary power and multiple flood mitigation measures (flood wall, critical component elevation, and sustained dewatering operations). PVSC is utilizing FEMA Public Assistance funds (under Section 406 of the Stafford Act) to repair and enhance resilience. PVSC also submitted nine projects to NJEIFP, and currently is pursuing an award through the New Jersey Energy Resilience Bank.

- The South Monmouth Regional Sewerage Authority (SMRSA) obtained funding through the DEP/EIT financing program to construct a resilient replacement pump station for the Lake Como Pump Station, which sustained significant damage from Sandy that resulted in its inaccessibility and inoperability.

- The Bayshore Regional Sewerage Authority (BRSA) is pursuing financing for the repair of the damages to their plant caused by Sandy, mitigation measures to protect against service disruption during coastal storms, and updates to the incinerators at the plant.

- The Middlesex County Utilities Authority’s (MCUA) is restoring the pumping station in Sayreville that collects wastewater from approximately 80% of their service area and was impacted by Sandy. Flood protection will include the construction of a flood wall around the perimeter of the pump station and installation of standby generators to maintain operations during and emergency.

In addition to our annual Base State Revolving Fund (SRF), we administer a specific Sandy appropriation ($229M) that the NJ Environmental Infrastructure Trust (NJEIT) is leveraging with $90M tax-exempt bonds. The Sandy SRF program funds projects that repair water infrastructure damaged by the storm, reduce flood damage risk and vulnerability, and enhance resiliency to rapid hydrologic change or natural disaster. We set aside funds specific for asset
management & auxiliary power. In FY2016, the Financing Program has received requests from and expects to finance 42 Sandy-related projects totaling approximately $268 million.

Twenty-one (21) clean water projects have been certified for Sandy-SRF at $125M. Six (6) drinking water projects have been certified at $9.4M. These projects include auxiliary power, flood proofing and critical component relocation out of flood plain. One of our largest drinking water facilities, Passaic Valley Water Commission (PVWC) which serves a population of 800,000 has applied for $22M auxiliary power to maintain their operations during emergency situations.

To assist the facilities awaiting federal funds for Sandy recovery, the State instituted an interim bridge loan program, the Statewide Assistance Infrastructure Loan program (SAIL), administered by NJEIT. The first of its kind in the nation, SAIL loans alleviate the up-front cash flow needs by providing necessary funds to facilitate the construction of infrastructure rebuild projects after a declared disaster. Through SAIL, the State is now prepared to provide immediate funding for the repair of environmental infrastructure in future disasters.

Seven (7) critical infrastructure projects have requested or received financing through the SAIL Program at approximately $148 million; Three projects are under contract: two for South Monmouth Regional Sewerage Authority at $5.2 million, and Kearny MUA at $6 million. A Bayshore Regional Sewerage Authority project for $40 million is undergoing Engineering Review.

**Transformation Update**

As part of the DEP’s transformation initiative, we continue to upgrade technology throughout the DEP for the regulated community and residents. NJDEP Online (www.njdeponline.com) provides users with a convenient, secure, paperless way to apply for and receive permits and licenses, submit reports and documents, and pay bills on-line. Through the use of NJDEP Online, users cut out the paper process and drastically reduce application processing time, with all application processing happening on-line with real-time application administrative and technical completeness review, notification of application receipt by the DEP and in many cases instant permit/license approval.
Recently the DEP has added new online services for: Safe Drinking Water Physical Connection Permits; various Site Remediation General Information, including Notices for Confirmed Discharges, Notices for Remedial Investigation Report submissions; various air general permits for fuel dispensing facilities, emergency generators, non-major source Emergency Generators; Land Use Letter of Interpretation (LOI) processing, and Tidelands License Ownership Change. Several additional online services to simplify and expedite Air permits, Site Remediation LSRP activities, and Land Use permits are planned for 2015.

The DEP has released a major update to NJ-GeoWeb, its popular interactive web-based mapping application. This new release includes over 170 map layers, of which over 60 are new or updated. The map layers can be queried to obtain additional related environmental information. Additional improvements include an updated map layout, and new and enhanced map tools. These improvements promise to make this release an even more widely used tool, granting users access to more data and functionality, and enabling them to gain better understanding of environmental issues in their communities and areas of interest. Use of NJ-GeoWeb has nearly doubled since it release a couple months ago.

In addition, the DEP has released an updated version of the NJ Land Use Land Cover based on our 2015 aerial data. This analysis shows the change in acreage of land classifications such as Agriculture, Barren Land, Forest, Urban Land, Water, Wetlands, etc.

Hurricane Irene and Superstorm Sandy exposed vulnerabilities in our current IT infrastructure and the need to improve the reliability and resiliency of our IT systems. Significant progress has been made to build out a disaster recovery site.

Many IT security initiatives and policies have been launched in the last few years. The DEP has been actively partnering with OIT, sister agencies, and vendors to insure our systems are well protected from cyber threats and potential legal actions. DEP has implemented a mobile device management solution, installed new antivirus on our servers, implemented a Security Event and Information Management (SEIM) system, and migrated our PCs and systems to the latest operating systems.
Additionally, DEP and EIT developed an electronic management system to aid in the environmental review required in processing water infrastructure loan applications. It provides real-time data management capability for tracking, monitoring, storing and reporting. The process provides transparency, data integrity, accuracy, and timeliness, in many cases cutting weeks off of the previous manual processes. To-date, over 7,000 environmental reviews have been completed using the new system and an additional 2,000 are expected to be requested and completed in the near future.

The DEP is continuing its efforts to cut red tape while maintaining its highest level of protection to the environment. The Office of Permit Coordination and Environmental Review provides a resource for all permitting and planning inquiries. This Office provides a forum for the regulated community to review a proposed project early in the planning process with a dedicated point of contact and support team. Utilizing the convenient Permit Readiness Checklist tool available to the public on the DEP website, an applicant can, within 10 days of submittal to NJDEP, receive a cursory identification of potential permits required for their project. Coordination is also conducted with state and federal partners to provide a comprehensive assessment. In the last year, the Office commented on 62 environmental impact assessment documents, conducted 284 conceptual, pre-application and/or follow-up meetings, and provided guidance on 832 permit assistance phone inquiries.

Environmental Accomplishments
The DEP continues to achieve tangible environmental results. Here are just a few examples of those accomplishments.

Air
- New Jersey enjoys some of the lowest emission rates from power plants in the country. According to the EIA, New Jersey is ranked 47th lowest in sulfur dioxide (SO₂) emissions, 47th lowest in nitrogen oxide emissions and 46th lowest in carbon dioxide emissions from in-state electric generation units. In comparison to the 13-state PJM regional transmission region, New Jersey ranks, by far, the lowest of all. And looking just at the fossil-fuel sector, New Jersey’s existing electric generation fleet already surpasses the CO₂ standards that EPA has proposed for new fossil electric
generators. These low levels of emissions are especially impressive given that New Jersey is the 22\textsuperscript{nd} largest generator of electricity in the nation.

- In December, the federal Environmental Protection Agency (EPA) notified the state that New Jersey is in compliance with the new and more stringent federal health standard for fine particles, a type of air pollutant that can cause serious health problems, especially in vulnerable populations. This builds on New Jersey success in 2013, when for the first time the state was designated by EPA as meeting the then-federal standard of 15 micrograms per cubic meter. Exposure to fine particles can cause short-term health effects such as eye, nose, throat and lung irritation, coughing, sneezing, runny nose and shortness of breath. Exposure to fine particles can also affect lung function and worsen medical conditions such as asthma and heart disease.

- The DEP has made significant progress in reducing its backlog of air pollution control permit applications awaiting review. Between March 31, 2014 and March 31, 2015 the backlog of minor source permits was eliminated. The emphasis for permitting staff has shifted from backlog elimination to backlog prevention. For major sources, the modification backlogs were reduced from 17 to 4. Of the 4 backlogged, 3 have been through technical review and are in public comment periods and with EPA. Renewal backlogs were reduced 60\% from 53 to 20.

Water

- New Jersey beaches were open 99.9\% of the time during the 2014 summer beach season. In 2014, a total of 217 monitoring stations were sampled at least once each week and more than 3,900 samples were collected and analyzed during the beach season. New Jersey has more public recreational beaches than any other east coast state and some of the best water quality in the country.

- The DEP entered into a new framework that allows urban communities to work with the state to establish realistic solutions to address the longstanding and difficult problem of combined sewer overflow (CSO) discharges. Combined sewer systems are shared underground piping networks that direct both sewage and stormwater to a central treatment system before it discharges into a water body. During heavy rainfall or significant snowmelt, the systems overflow, causing discharges of mixed sewage and stormwater that create potential health concerns and diminish enjoyment of the
waterways. Many are over a century old. 25 final CSO permits covering 217 CSOs in 21 municipalities were issued simultaneously on March 12, 2015 becoming effective on July 1, 2015. The goal of the permits is to reduce or eliminate all 217 CSOs, reduce flooding, provide opportunities for green infrastructure, enhance asset management and operation and maintenance, as well as improve water quality. Nine permittees are wastewater treatment plants and 16 are municipalities.

- In FY15 the New Jersey Environmental Infrastructure Financing Program approved 45 Clean Water projects totaling $177.7 million and 16 Drinking Water projects totaling $32.5 million. Future approvals through May 2015 are slated for 25 Clean Water projects totaling $157 million and 12 Drinking Water projects totaling $46 million. For FY16, an initial sort of the submittals shows that over $1.5 billion worth of applications were received. 151 projects from the FY15 Program have been carried over into the SFY16 Program totaling almost $947 million. 103 projects that submitted planning in October 2014 continue to seek financing and submitted applications that total over $554 million and 25 new planned (Track II) projects in the amount of $42.3 million have since been submitted.

Compliance & Enforcement

- DEP made significant strides in meeting its foremost goal of compliance. Accounting across the DEP’s permitting and approvals universe, DEP notes a record-setting compliance rate of 82%. We are approaching compliance and enforcement through a much more sophisticated model that stresses compliance assistance in which inspectors proactively work with regulated entities to help them understand the rules better and address any issues that may arise. This helps them become better neighbors.

- The DEP has a very successful stewardship program that encourages regulated entities to not only comply with regulations but taps into their community spirit by encouraging them to go above and beyond regulatory requirements and develop a host of green programs, including renewable energy, innovative recycling strategies, and community education among many other possibilities.
Natural Resources

- Launched in 2014, the DEP’s “Don’t Waste Our Open Space” campaign to crack down on illegal dumping in state parks and recreational lands has resulted so far in 53 arrests or charges. Illegal dumping, which includes everything from unlawful disposal of construction debris and old TVs and computers to the dumping of car parts and tires—and even entire vehicles—has been a growing problem in the state’s vast natural holdings in all 21 counties in recent years. The program is a coordinated effort of a host of DEP programs, including Parks, Fish & Wildlife, Solid Waste, Water Resources, State Forestry Services and the Natural Lands Trust. All activities of this new effort are posted on www.stopdumping.nj.gov, a website that serves as a hub for the entire program.

- In 2014, the State took legal action to halt a federally approved seismic ocean survey off the New Jersey coast. This research, which would use loud, powerful sound blasts to map the ocean floor over a 30-day period, will likely have a detrimental effect on New Jersey’s fisheries and marine mammals. The study was to be funded by the National Science Foundation (NSF) and led by Rutgers University.

Renewable Energy

- DEP and BPU continue to strengthen the State’s commitment to solar energy. New Jersey’s solar industry reached a milestone with one gigawatt (GW) of installed solar energy as of February 2013. As of December 31, 2014, New Jersey’s installed solar capacity had increased even further to 1.432 GW through 32,389 solar installations. Approximately 91% (1,304 MW) has been installed during the Christie Administration.

- 10 projects, producing 101 MW have been approved or conditionally approved for construction on landfills or brownfields under the new Solar Act.

- New Jersey continues to rank amongst the top 3 states nationwide for solar installations. (Both California and Arizona rely upon large-scale, grid supply projects occupying vast areas of open space while New Jersey promotes development on rooftops and existing cover to provide energy for on-site use.)

- New Jersey is 2nd in the nation in the installation of this type of “distributed energy.”
Site Remediation

- The Licensed Site Remediation Professional (LSRP) Program continues to be extremely successful. As a result, by the end of 2014, the number of known contaminated sites had fallen to 13,795. 41 people passed the March 2015 LSRP licensing exam bringing the total numbers of permanent LSRPs to 618. LSRPs have submitted 5,348 Response Action Outcome ("final document") that DEP inspects and, if criteria in SRRA are met, reviews to ensure protection of public health, safety and the environment. This is approximately 2.5 times more RAOs filed in 2014 than in 2011 (762 vs. 1,742).

Closing

In closing, the budget put forward by Governor Christie will enable the DEP to continue in meeting its core mission of protecting the environment and serving the citizens of the State of New Jersey. The DEP continues to meet the goals of Governor Christie's environmental agenda.

We have a full agenda for this year as we continue to protect New Jersey's air, land, water, and natural and historic resources, while continuing to move the State toward greater economic growth and prosperity. I thank you for your support and cooperation over the past year and look forward working with the Legislature as we move forward.

Again, I thank you for the opportunity to come before you. I am available to answer any questions you may have.