



ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
ENVIRONMENTAL
PROTECTION**

FISCAL YEAR

2018-2019

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF ENVIRONMENTAL PROTECTION

Budget Pages..... C-4; C-10 to C-11; C-17 to C-18; D-111 to D-143; E-7 to E-8; F-10; F-11.

Fiscal Summary (\$000)

	Expended FY 2017	Adjusted Appropriation FY 2018	Recommended FY 2019	Percent Change 2018-19
State Budgeted	\$416,313	\$360,113	\$317,916	(11.7%)
Federal Funds	\$120,206	\$184,260	\$182,137	(1.2%)
<u>Other</u>	<u>\$94,736</u>	<u>\$198,099</u>	<u>\$131,028</u>	<u>(33.9%)</u>
Grand Total	\$631,255	\$742,472	\$631,081	(15.0%)

Personnel Summary - Positions By Funding Source

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change 2018-19
State	971	953	990	3.9%
Federal	43	35	35	—
<u>Other</u>	<u>1,654</u>	<u>1,639</u>	<u>1,667</u>	<u>1.7%</u>
Total Positions	2,668	2,627	2,692	2.5%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

Link to Website: <http://www.njleg.state.nj.us/legislativepub/finance.asp>

Highlights

- The Governor's FY 2019 Budget recommends a total appropriation of \$631.1 million for the Department of Environmental Protection (DEP) from State, Federal, and All Other Funds combined. This sum represents a decrease of \$111.4 million, or 15.0 percent, from the total FY 2018 appropriation of \$742.5 million. Two factors account for nearly all of the noted change, which are set forth below.
- Recommended FY 2019 State appropriations total \$317.9 million, which is a net \$42.2 million, or 11.7 percent, less than FY 2018 adjusted appropriations. The most significant changes are a \$37.7 million decrease in appropriations to the Preserve New Jersey Green Acres Fund from the portion of Corporation Business Tax (CBT) collections that the New Jersey State Constitution dedicates for various environmental purposes, and a \$3.6 million increase in appropriations for debt service on general obligation bonds issued for environmental-related purposes. With regard to the Preserve New Jersey Green Acres Fund, by convention and consistent with the statutory framework for the Preserve New Jersey Fund (PNJF) established by P.L. 2016, c.12, the budget does not include appropriations of the CBT revenues dedicated to the PNJF but instead effects mid-year supplemental appropriations.
- CBT-backed appropriations included in the FY 2019 budget are only those for hazardous substance discharge remediation programs (about \$5.3 million); hazardous substance discharge remediation loans and grants (about \$10.5 million); underground storage tank programs (about \$9.5 million); and water resources programs and projects (about \$5.3 million).
- FY 2019 All Other Funds appropriations are recommended to total \$127.4 million, a net decrease of \$70.7 million, or 35.7 percent, compared to the FY 2018 adjusted appropriations. Most of the decrease is due to the decision not to project receipt of any settlements and judicial and administrative awards relating to natural resource damages in FY 2019, compared to estimating revenues of \$64.4 million from those sources in FY 2018.
- The Budget reflects FY 2018 supplemental appropriations approved by the Legislature totaling \$90 million of constitutionally dedicated CBT revenues from the Preserve New Jersey Fund for Green Acres, farmland preservation, and historic preservation consistent with the provisions of P.L. 2016, c.12, approved June 30, 2016, which establishes the framework for appropriating and allocating these funds for the years FY 2016-FY 2019. This total includes \$37.7 million for the Preserve New Jersey Green Acres Fund, \$50.3 million for the Preserve New Jersey Farmland Preservation Fund (Department of Agriculture) and \$2 million for the Preserve New Jersey Historic Preservation Fund (Department of Community Affairs). The Budget indicates that Preserve New Jersey Fund resources of about \$31.9 million remains available for appropriation in FY 2018, and an additional \$74.6 million will become available in FY 2019.
- P.L. 2016, c.12 divides this portion of CBT revenues into the Preserve New Jersey Green Acres Fund (60 percent of the total); the Preserve New Jersey Farmland Preservation Fund (31 percent of the total); the Preserve New Jersey Historic

Highlights (Cont'd)

Preservation Fund (5 percent of the total); and the Preserve New Jersey Blue Acres Fund (4 percent of the total). The law establishes specific allocations from each of these funds, and provides for appropriations by the Legislature from time to time of project lists proposed by the Garden State Preservation Trust after its review of prioritized submissions by the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust.

- State parks management and operations will be supported by a \$19.97 million transfer from the Clean Energy Fund for the third consecutive year.
- The budget recommends the transfer of \$3 million from the State Recycling Fund to the General Fund for revenue. Previous transfers from this fund occurred in FY 2018 (\$3.9 million), FY 2015 (\$3.45 million), and FY 2014 (\$21.6 million). The proposed transfer notwithstanding, the State Recycling Fund is projected to provide \$21.5 million in recycling grants in FY 2019, the same amount as in FY 2018.

NATURAL RESOURCES DAMAGES – CONSTITUTIONAL DEDICATION

- As of April 8, 2018, \$100.5 million has been credited to the Natural Resources Damages – Constitutional Dedication account, compared to the FY 2019 budget estimate of \$64.4 million. Voters approved a constitutional amendment in November 2017 dedicating all State revenue annually derived from settlements and judicial and administrative awards relating to natural resource damages in connection with claims based on environmental contamination to repair, restore, or replace damaged or lost natural resources of the State, or permanently protect the natural resources of the State, or for paying the legal or other costs incurred by the State to pursue settlements and judicial and administrative awards relating to natural resource damages. These revenues are to be credited to a special account in the General Fund, for appropriation from time to time by the Legislature. The first priority for the use of these revenues is in the immediate area in which the damage to the natural resources occurred in connection with the claim for which the moneys were recovered. If no reasonable project is available to satisfy this first priority, or if there are moneys available after satisfying the first priority for their use, the second priority is use in the same water region in which the damage to the natural resources occurred in connection with the claim for which the moneys were recovered. If no reasonable project is available to satisfy the first or second priority, or there are moneys available after satisfying the first or second priority for their use, the moneys may be used without geographic constraints. Up to 10 percent of the moneys appropriated may be expended for administrative costs of the State or its departments, agencies, or authorities incurred in utilizing these revenues.

REGIONAL GREENHOUSE GAS INITIATIVE

- Executive Order No. 7, issued by Governor Murphy on January 29, 2018, directed that steps be taken to ensure the State's timely return to full participation in the Regional Greenhouse Gas Initiative (RGGI), and the budget assumes this will occur during FY 2019. A language provision authorizes supplemental appropriations, as determined by the DEP commissioner and the President of the Board of Public Utilities and approved by the Director of the Division of Budget and Accounting, to ensure that

Highlights (Cont'd)

the State rejoins RGGI in an expeditious manner. Budget information projects that in FY 2019 \$5.75 million will be credited to the Global Warming Solutions Fund, which was established to receive revenues arising from participation in RGGI. RGGI is a cooperative effort among nine states in the New England and Mid-Atlantic region to reduce greenhouse gas emissions through the operation of a carbon dioxide budget trading program. New Jersey was an original member of RGGI at the time of its creation in 2005, but withdrew as of January 1, 2012.

VOLKSWAGEN SETTLEMENT

- The Budget includes language governing the use of monies received by the State from the Environmental Mitigation Trust established in partial settlement of In re: Volkswagen "Clean Diesel" Marketing, Sales Practices and Products Liability Litigation, Case No: MDL No. 2672 CRB (JSC) (N.D. Cal.). The settlement is expected to ultimately provided \$72.2 million. Budget information projects that the State will receive about \$24.1 million for deposit in the "Volkswagen Environmental Mitigation Fund," and will spend about \$10.8 million for the purposes allowed by the trust agreement established by the court. Projects eligible for funding are to be selected by the Department of Environmental Protection, as the lead agency previously designated by the Governor, from among the categories of eligible mitigation actions described in the Environmental Mitigation Trust Agreement.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2017	Adj. Approp. FY 2018	Recom. FY 2019	Percent Change	
				2017-19	2018-19
General Fund					
Direct State Services	\$248,818	\$213,794	\$207,387	(16.7%)	(3.0%)
Grants-In-Aid	1,973	2,130	2,025	2.6%	(4.9%)
State Aid	6,081	5,114	5,114	(15.9%)	0.0%
Capital Construction	117,035	95,983	56,729	(51.5%)	(40.9%)
Debt Service	38,952	39,046	42,615	9.4%	9.1%
Sub-Total	\$412,859	\$356,067	\$313,870	(24.0%)	(11.9%)
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	3,454	4,046	4,046	17.1%	0.0%
Sub-Total	\$3,454	\$4,046	\$4,046	17.1%	0.0%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$416,313	\$360,113	\$317,916	(23.6%)	(11.7%)
Federal Funds	\$120,206	\$184,260	\$182,137	51.5%	(1.2%)
Other Funds	\$94,736	\$198,099	\$131,028	38.3%	(33.9%)
Grand Total	\$631,255	\$742,472	\$631,081	(0.0%)	(15.0%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change	
				2017-19	2018-19
State	971	953	990	2.0%	3.9%
Federal	43	35	35	(18.6%)	0.0%
All Other	1,654	1,639	1,667	0.8%	1.7%
Total Positions	2,668	2,627	2,692	0.9%	2.5%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	20.5%	21.5%	N/A	---	---
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</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

General Fund, Direct State Services: Forest Resource Management	\$9,338	\$9,118	(\$220)	(2.4%)	D-118
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This appropriation supports the State Forestry Service and the State Forest Fire Service, which manage and protect State forest resources and provide a variety of educational and technical services to private and public entities. This decrease reflects the elimination of salary funds in excess of the amounts needed to maintain current staffing levels, a portion of a total \$2 million in like reductions across the department’s budget.

General Fund, Direct State Services: Parks Management	\$16,559	\$15,907	(\$652)	(3.9%)	D-118
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This decrease reflects the elimination of salary funds in excess of the amounts needed to maintain current staffing levels, another portion of a total \$2 million in like reductions across the department’s budget. In addition to this appropriation, costs of managing and maintaining State parks and recreation areas are funded from fees, permits, lease, and rental revenues totaling about \$1.05 million, and a transfer from the Clean Energy Fund of \$19.97 million. The department also anticipates about \$19.59 million in federal funds for acquisition, conservation, and other State parks projects.

General Fund, Direct State Services: Hunters’ and Anglers’ License Fund	\$15,814	\$15,195	(\$619)	(3.9%)	D-118
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This budget line represents the General Fund appropriation to the Division of Fish and Wildlife. Most of the total originates in various fee and license revenues that are deposited in the Hunters’ and Anglers’ License Fund and dedicated to the division for operating expenses. The recommended reduction reflects the non-recurrence of an FY 2018 supplemental General Fund appropriation for salaries and wages that reimburses the Division of Fish and Wildlife for the revenue loss it incurs from issuing free waterfowl stamps and hunting and fishing licenses to active members of the State National Guard and disabled veterans in accordance with N.J.S.A.23:3-1e. The State does not include a specific amount in the annual appropriations acts for the reimbursement of the division’s revenue loss but instead provides therefor through mid-year supplemental appropriations authorized by a recurring language provision.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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General Fund, Direct State Services: Shellfish and Marine Fisheries Management	\$3,668	\$2,468	(\$1,200)	(32.7%)	D-118
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This appropriation funds the Division of Fish and Wildlife's programs and activities for management of shellfish and finfish resources. This reduction reflects the elimination of salary and non-salary funds added in FY 2018 at the Legislature's initiative. According to budget evaluation data, the additional funding increased the program's staff complement from 34 to 40, a level that can be maintained in FY 2019 despite the recommended funding reduction.

General Fund, Grants- In Aid: Lake Hopatcong Commission – Weed Harvesting	\$105	\$0	(\$105)	(100.0%)	D-119
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The budget recommends discontinuing an appropriation added through a FY 2018 Legislative Budget Resolution that provided funding to the Lake Hopatcong Commission for weed control. Instead, the commission will receive funding pursuant to P.L.2017, c.301 (C.58:4B-12), which established the "Lake Hopatcong Fund" and dedicates to the fund \$500,000 annually from license fees required to operate power boats on nontidal waters. The moneys will be used by the Lake Hopatcong Commission for the protection, preservation, restoration, maintenance, management, and enhancement of the lake pursuant to the "Lake Hopatcong Protection Act."

General Fund, Capital Construction: Preserve New Jersey Green Acres Fund– Constitutional Dedication	\$ 337,678	\$0	(\$37,678)	(100.0%)	D-120
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This appropriation to the Preserve New Jersey Green Acres Fund is from the portion of the Corporation Business Tax that is constitutionally dedicated to the Preserve New Jersey Fund for Green and Blue Acres, farmland preservation, and historic preservation. The provisions of P.L. 2016, c.12, approved June 30, 2016, established the framework for appropriating and allocating these funds for the years FY 2016-FY 2019. P.L. 2016, c.12 divides the Preserve New Jersey Fund, which receives 71 of the total CBT dedication, into the Preserve New Jersey Green Acres Fund (60 percent of the total); the Preserve New Jersey Farmland Preservation Fund (31 percent of the total); the Preserve New Jersey Historic Preservation Fund (5 percent of the total); and the Preserve New Jersey Blue Acres Fund (4 percent of the total). The law establishes specific allocations from each of these funds, and provides for appropriations by the Legislature from time to time of project lists proposed by the Garden State Preservation Trust after its review of prioritized submissions by the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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With regard to the \$37.7 million decrease, the budget does not initially appropriate the full amount of dedicated CBT revenues. Instead, consistent with P.L. 2016, c.2, the Legislature effects mid-year supplemental appropriations from the Preserve New Jersey Fund.

Federal Funds: Forest**Resource**

Management	\$1,550	\$1,867	\$317	20.5%	D-120
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This budget line aggregates several sources of grant funding the Division of Parks and Forestry receives from the federal government. The recommended increase reflects an increase in federal funding of: \$250,000, or 33 percent, for Forest Resource Management – Cooperative Forest Fire Control, and \$25,000, or 12.5 percent, for the Rural Community Fire Protection Program, and. In addition, the budget line reflects an increase of \$20,000 in new funding for Emerald Ash Borer control and \$22,000 for Gypsy Moth Suppression.

Emerald Ash Borer (EAB) is a non-native insect pest that infests and kills all species of ash trees in North America. It was first discovered in southeastern Michigan in 2002 and EAB has since been found in 27 additional states and 2 Canadian providences. The EAB has killed tens of millions of ash trees in Michigan alone, as well as hundreds of millions of additional trees in the other infested states. Approximately 9% of the State's total forested area, or 24.7 million ash trees, is susceptible to an EAB infestation. Most of the ash is concentrated in the northwestern part of the State.

Federal Funds: Parks**Management**

\$21,265	\$19,590	(\$1,675)	(7.9%)	D-120
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This budget line aggregates several sources of grant funding the Division of Parks and Forestry receives from the federal government. The decrease primarily reflects the receipt in FY 2018 of a one-time grant of \$1.7 million from the National Oceanic and Atmospheric Administration (NOAA) for the DEP to undertake capital repair work to the Leonardo Marina. The Leonardo State Marina is one of five State marinas owned and operated by the DEP, and is the closest marina to the Sandy Hook Bay entrance. As a result of Superstorm Sandy in October 2012, the marina was flooded with water six feet above the bulkhead, causing significant structural damage.

Federal Funds:**Hunters' and Anglers'****License Fund**

\$19,625	\$22,355	\$2,730	13.9%	D-120
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This budget line aggregates several sources of grant funding the Division of Fish and Wildlife receives from the federal government. The increase is due to new anticipated funding of: 1) \$200,000 for Connecting Habitat Across New Jersey (CHANJ) Assessments; 2) \$240,000 for Atlantic Brant Migration Ecology Study; 3) \$700,000 for Habitat Restoration and Enhancement; 4) \$170,000 for Habitat Restoration Monitoring and Evaluation; 5) \$300,000 for Wildlife and Sports Fish Restoration Partnership Exhibit Development; 6) \$240,000 for Bobcat Hair Snare

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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Study; and 7) \$150,000 for Wildlife Management Area Planning Tool Development. The budget line increase is also due to increased funding for several existing programs including an increase of \$310,000, or 21 percent, for Hunter Safety Training, an increase of \$545,000, or 21 percent, for the N.J. Statewide Fisheries Development Project, an increase of \$240,000, or 32 percent, for New Jersey’s Landscape Project, and an increase of \$485,000, or 25 percent, for Wildlife Research and Management. This is offset by a decline of \$250,000, or 100 percent, for the N.J. Landowner Incentive Program – Tier 2, a decline of \$210,000, or 35 percent, for Wildlife and Sport Fish Restoration Outreach, a decline of \$600,000, or 100 percent, for the Assessment of the Vulnerability of N.J.’s Habitat and Wildlife to Climate Change, and smaller increases and decreases to other fund accounts.

This account also shows a decrease of \$2.75 million for N.J. Shooting Range Development and Improvement which is offset by an increase of \$2.75 million for Fish Culture and Stocking Project.

Federal Funds:

Shellfish and Marine

Fisheries Management	\$4,550	\$4,080	(\$470)	(10.3%)	D-120
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This budget line aggregates several sources of grant funding the DEP receives from the federal government. The recommended change reflects a decrease in federal funding of \$985,000, or 100 percent, for Marine Fisheries Law Enforcement, which is offset by an increase in funding of \$415,000, or 28 percent, for Marine Fisheries Investigation and Management and \$95,000, or 32 percent, for Atlantic Coastal Fisheries.

All Other Funds:

Parks Management	\$30,918	\$30,018	(\$900)	(2.9%)	D-120
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This budget line aggregates several dedicated revenue sources that support or are administered by the DEP’s Division of Parks and Forestry. The key items accounting for the net decrease are:

- a) an increase of \$500,000 in the Lake Hopatcong Fund established pursuant to section 1 of P.L.2017, c.301 (C.58:4B-12) that dedicates to the fund \$500,000 annually from license fees required to operate power boats on nontidal waters. The moneys will be used by the Lake Hopatcong Commission for the protection, preservation, restoration, maintenance, management, and enhancement of the lake pursuant to the "Lake Hopatcong Protection Act";
- b) an increase of \$600,000 in admission and rental fees from State parks usage;
- c) a decrease of \$2 million for a one-time appropriation for the Delaware and Raritan Canal Swing Bridge Project. The Delaware and Raritan Canal was formed in order to provide a water route from the Delaware River to the Raritan River, connecting Philadelphia and New York. Since 1830, over fifty bridges were built along the canal. The Scudder Falls Bridge is maintained by the Delaware River Joint Toll Bridge Commission (DRJTBC) and carries Interstate 95 (I-95) over the Delaware River, connecting Lower Makefield Township in Bucks County with Ewing Township in Mercer County. The bridge, which also crosses State Route 29 and the Delaware and

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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Raritan Canal, was completed in 1959. The DRJTBC determined that given the substantial increase in development along the I-95 corridor since the highway's construction, the bridge structure, while structurally sufficient, is functionally obsolete and in need of expansion or replacement. The DRJTBC I-95 Scudder Falls Bridge Replacement Project did not certain permit requirements established by the Delaware and Raritan Canal Commission (D&R Commission), however The D&R Commission granted a waiver for the project based on compelling public need and accepted mitigation which noted, in part, the removal of approximately 15.6 acres of stormwater runoff from I-95 that currently drains into the canal, the creation of the proposed pedestrian and bicycle lane which would provide a link between the Pennsylvania canal path with the New Jersey canal path, the removal of a pier from the canal, and the DRJTBC's agreement to pay \$2 million to a mitigation fund to design and construct an historic "A" frame swing bridge that will span the Delaware and Raritan Canal and provide access to the footpath from a parking area along State Route 29. The bridge is to be constructed based on historic designs and will be used for interpretive functions.

SCIENCE AND TECHNICAL PROGRAMS

**General Fund, Direct
State Services: Water
Monitoring and
Resource**

Management	\$10,390	\$10,250	(\$140)	(1.3%)	D-124
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This budget line represents the General Fund appropriation to the Division of Water Monitoring and Standards. The division also derives operating support and funding for other water quality programs from constitutionally dedicated Corporation Business Tax (CBT) revenue. The decrease of \$140,000 is likely to be offset by the division's available resources from dedicated CBT revenue. Budget position data (p. D-124) shows no impact on current staffing levels from the reduction.

The Division of Water Monitoring and Standards provides water quality information to assess and manage New Jersey's water resources. This information is critical to knowing whether NJ's waters are safe to swim in, aquatic life is healthy, and fish and shellfish are safe to eat, and on whether water sources are safe to use for drinking water.

**General Fund, Direct
State Services: Land
Use Regulation**

	\$13,088	\$13,208	\$120	0.9%	D-124
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This budget line represents the General Fund appropriation to the Division of Land Use Regulation. The increase is recommended to add funding for two new positions that the department intends to fill in FY 2019. According to budget information, these positons are related to unspecified climate change initiatives and regional resilience planning efforts. The division is responsible for protecting and managing the State's land and water resources

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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through implementation of the Coastal Area Facility Review Act (CAFRA), the Waterfront Development Law, the Coastal Wetlands Act of 1970, the Flood Hazard Area Control Act, the Freshwater Wetlands Protection Act, the Highlands Water Protection and Planning Act, and the federal consistency provisions of the federal Coastal Zone Management Act. In addition to the resource protection mandates of these statutes, these programs protect lives and property from storm and flood damage. The division also administers the allocation of State riparian rights.

General Fund, Direct

State Services:

Water Resources

Monitoring and

Planning –

Constitutional

Dedication

\$5,584	\$5,256	(\$328)	(5.9%)	D-125
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The recommended decrease in the FY 2019 appropriation of constitutionally dedicated Corporation Business Tax (CBT) collections to Water Resources Monitoring and Planning results from adjustments for anticipated CBT revenues for FY 2018 and FY 2019. This appropriation comprises the five percent portion of the total amount dedicated for water resources programs. The appropriation is in accordance with Article VIII, Section II, paragraph 6 of the State Constitution, which dedicates four percent of annual CBT collections to certain environmental purposes and sets forth the following distribution schedule: 1) 71 percent for the preservation and stewardship of open space, farmland, historic sites, and flood-prone areas; 2) 10 percent for hazardous substance discharge remediation programs; 3) nine percent for underground storage tank programs; 4) five percent for water resources programs and projects; and 5) five percent for hazardous substance discharge cleanup performed by the State.

Federal Funds: Land

Use Regulation

\$4,000	\$5,615	\$1,615	40.4%	D-126
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This budget line aggregates several sources of grant funding that the Division of Land Use Regulation receives from the federal government. The increase primarily reflects the receipt in FY 2019 of a second grant of \$900,000 from the National Oceanic and Atmospheric Administration (NOAA) for New Jersey Fostering Regional Adaptation through Municipal Economic Scenarios (NJ FRAMES), a science-based, stakeholder-driven, regional planning project that will further advance resiliency planning in New Jersey.

The multi-partner planning initiative within the Two Rivers region of Monmouth County will work with 15 communities surrounding the Navesink and Shrewsbury rivers to develop a regional plan to address the impacts of increasing coastal hazards and storm surge. The project partners the New Jersey Department of Environmental Protection (NJDEP)'s Coastal Management Program (CMP) with the Louis Berger Group, the Jacques Cousteau National Estuarine Research Reserve, the Rutgers Climate Institute, and Oceanport Borough representing the Two Rivers Council of Mayors.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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This budget line increase also reflects an increase in funding of \$466,000 (58 percent) from NOAA for two Coastal Zone Management Grants. The National Coastal Zone Management Program works with coastal states and territories to address pressing coastal issues, including climate change, ocean planning, and planning for energy facilities and development. The program is a voluntary partnership between the federal government and U.S. coastal and Great Lakes states and territories authorized by the federal Coastal Zone Management Act (CZMA) to address national coastal issues. To meet the goals of the CZMA, the national program takes a comprehensive approach to coastal resource management. The program includes key elements of protecting natural resources, managing development in high hazard areas, giving development priority to coastal-dependent uses, providing public access for recreation, prioritizing water-dependent uses, and coordinating state and federal actions.

SITE REMEDIATION AND WASTE MANAGEMENT

General Fund, Direct

State Services:

Publicly-Funded Site

Remediation and

Response

\$9,717	\$9,392	(\$325)	(3.3%)	D-129
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This budget line represents the General Fund appropriation to the Publicly-Funded Site Remediation and Response Program. The decrease of \$325,000 for project cleanup administrative costs eliminates funding in excess of the amount needed to fund the same number of positions as in the current fiscal year, a portion of a total \$2 million in like reductions across the department's budget.

The Remediation and Response Program remediates sites contaminated by hazardous substances where a responsible party cannot be identified or is unable or unwilling to voluntarily participate. It also provides an around-the-clock response program for chemical, biological, radiological, nuclear, and explosive (CBRNE) emergencies. In addition, it operates an around-the-clock communication center, which is the point of initial notification for events and the key point of contact/communication for many State agencies. These activities are supported by federal (Superfund) funds and State funds (such as the CBT).

General Fund, Direct

State Services: Solid

and Hazardous Waste

Management

\$5,067	\$4,807	(\$260)	(5.1%)	D-129
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This budget line represents the General Fund appropriation to the Division of Solid and Hazardous Waste. The decrease of \$260,000 eliminates funding in excess of the amount needed to fund the same number of positions as in the current fiscal year, another portion of a total \$2 million in like reductions across the department's budget.

The Division provides leadership, planning, education, and technical assistance to the State's citizens, businesses, and local governments to help them manage their waste responsibly. It

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<p>also provides grants to municipalities and counties in accordance with the Recycling Enhancement Act. In addition, it regulates the generation, storage, collection, transportation, processing, treatment, and disposal of solid and hazardous wastes and closure of facilities. The division also administers the federal Resource Conservation and Recovery Act of 1976 (RCRA), develops and implements programs, such as the Electronic Waste Recycling program, to attain Statewide recycling goals and to reduce the quantities of waste generated, monitors the solid waste collection industry to promote effective competition and to prohibit anti-competitive practices, and regulates and oversees mergers, acquisitions, and long-term financing arrangements of the solid waste utility industry.</p> <p>General Fund, Capital Construction: Environmental Management and Preservation – CBT Dedication</p>					
TOTAL	\$26,805	\$25,229	(\$1,576)	(5.9%)	D-130
Private Underground Storage Tank Remediation – Constitutional Dedication	\$10,052	\$9,461	(\$591)	(5.9%)	D-130
Hazardous Substance Discharge Remediation – Constitutional Dedication	\$5,584	\$5,256	(\$328)	(5.9%)	D-130
Hazardous Substance Discharge Remediation Loans & Grants – Constitutional Dedication	\$11,169	\$10,512	(\$657)	(5.9%)	D-130

The recommended decrease in the FY 2019 appropriation of constitutionally dedicated Corporation Business Tax (CBT) collections to the remediation of private underground storage tanks and of hazardous substance discharges reflects changes in anticipated CBT revenues in FY 2018 and FY 2019. The appropriations are consistent with constitutional allocations, with adjustments based on the most recent CBT estimates.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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The appropriation for Hazardous Substance Discharge Remediation – Constitutional Dedication finances hazardous site cleanups not generally supported by responsible parties. The New Jersey State Constitution dedicates five percent of the CBT allocation to these publicly-funded cleanups. The appropriation for Private Underground Storage Tank Remediation – Constitutional Dedication funds grants and loans to replace, upgrade, close, or remediate private underground storage tanks that do not meet federal or State standards. The New Jersey State Constitution dedicates nine percent of the CBT allocation to this purpose. The appropriation for Hazardous Substance Discharge Remediation Loans & Grants – Constitutional Dedication funds the brownfield program which provides loans and grants to developers and municipalities to remediate brownfield sites. The New Jersey State Constitution dedicates 10 percent of the CBT allocation to this purpose.

Article VIII, Section II, paragraph 6 of the New Jersey State Constitution dedicates four percent of annual CBT collections to certain environmental purposes and sets forth the following distribution schedule: 1) 71 percent for the preservation and stewardship of open space, farmland, historic sites, and flood-prone areas; 2) 10 percent for hazardous substance discharge remediation programs; 3) nine percent for underground storage tank programs; 4) five percent for water resources programs and projects; and 5) five percent for hazardous substance discharge cleanup performed by the State.

Federal Funds:

Remediation

Management	\$12,650	\$6,400	(\$6,250)	(49.4%)	D-130
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This budget line aggregates several sources of grant funding the Division of Remediation Management receives from the federal government. The entire decrease reflects the non-recurrence of a one-time grant in FY 2018 from the United States Department of Homeland Security for the Port Security Grant Program (PSGP).

The PSGP is one of the Department of Homeland Security’s grant programs that directly supports maritime transportation infrastructure security activities. PSGP is one tool in the comprehensive set of measures to strengthen the Nation’s critical infrastructure against risks associated with potential terrorist attacks. The vast majority of U.S. maritime critical infrastructure is owned and operated by state, local, and private sector maritime industry partners. Pursuant to the federal Maritime Transportation Security Act of 2002, the Department of Homeland Security established a risk-based grant program to support maritime security risk management. Funding was directed toward implementation of Area Maritime Security Plans and Facility Security Plans among port authorities, facility operators, and state and local government agencies that are required to provide port security services. PSGP funds were intended to improve port-wide maritime security risk management; enhance maritime domain awareness; support maritime security training and exercises; and maintain or reestablish maritime security mitigation protocols that support port recovery and resiliency capabilities.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
All Other Funds: Remediation Management	\$90,997	\$27,368	(\$63,629)	(69.9%)	D-131

This budget line aggregates various fees and other dedicated revenues that support the remediation management program, including, beginning in FY 2018, constitutionally dedicated natural resource damage settlements. The projected decline in revenues primarily reflects the decision not to project receipt of any settlements and judicial and administrative awards relating to natural resource damages in FY 2019, compared to estimating revenues of \$64,387,000 from those sources in FY 2018. The OLS notes that as of April 8, 2018, the State has received a total of \$100.5 million in settlements and awards.

Voters approved a constitutional amendment in November 2017 dedicating all State revenue annually derived from settlements and judicial and administrative awards relating to natural resource damages in connection with claims based on environmental contamination to repair, restore, or replace damaged or lost natural resources of the State, or permanently protect the natural resources of the State, or for paying the legal or other costs incurred by the State to pursue settlements and judicial and administrative awards relating to natural resource damages. These revenues are to be credited to a special account in the General Fund, for appropriation from time to time by the Legislature. The first priority for the use of these revenues is in the immediate area in which the damage to the natural resources occurred in connection with the claim for which the moneys were recovered. If no reasonable project is available to satisfy this first priority, or if there are moneys available after satisfying the first priority for their use, the second priority is use in the same water region in which the damage to the natural resources occurred in connection with the claim for which the moneys were recovered. If no reasonable project is available to satisfy the first or second priority, or there are moneys available after satisfying the first or second priority for their use, the moneys may be used without geographic constraints. Up to 10 percent of the moneys appropriated may be expended for administrative costs of the State or its departments, agencies, or authorities incurred in utilizing these revenues.

Using this administrative allowance and other dedicated revenues, the department intends to increase staffing to 311 in FY 2019, 13 positions above the January 2018 filled position count of 298, but equal to the FY 2017 midyear position level.

ENVIRONMENTAL REGULATION

General Fund,

Direct State Services:

Air Pollution Control	\$14,954	\$15,074	\$120	0.8%	D-134
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This appropriation, supported in part from dedicated sources and in part from general revenues, funds overall air quality management through planning, monitoring, construction plan review and permitting of major air pollution sources. The increase recommended for FY 2019 is allocated to salaries and wages and is intended to fund two new positions to assist

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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with the implementation of the State’s renewed participation in the Regional Greenhouse Gas Initiative (RGGI).

RGGI is a cooperative effort among nine states in the New England and Mid-Atlantic region to reduce greenhouse gas emissions through the operation of a carbon dioxide budget trading program. New Jersey was an original member of RGGI at the time of its creation in 2005, but withdrew as of January 1, 2012. Executive Order No. 7, issued by Governor Murphy on January 29, 2018, directed that steps be taken to ensure the State’s timely return the State to full participation in RGGI, and the budget assumes this will occur during FY 2019.

**General Fund,
Direct State Services:
Special Purpose:**

Nuclear Emergency Response	\$2,676				
	S 1,120	\$2,676	(\$1,120)	(29.5%)	D-135

The recommended reduction reflects the non-recurrence in FY 2019 of a \$1.12 million supplemental appropriation that supports the Radiation Protection Element’s FY 2018 activities related to the development, testing, and updating of State radiation emergency response plans. By convention, the State does not include the full amount of anticipated Nuclear Emergency Response appropriations in the budget line item but instead effects mid-year supplemental appropriations authorized by a recurring language provision. The recommended FY 2019 language provision authorizes the supplemental appropriation of up to \$1.33 million.

Under “The Radiation Accident Response Act,” N.J.S.A.26:2D-37 et seq., the Department of the Treasury assesses operators of the State’s nuclear electric generating facilities an annual fee to defray the costs incurred by State and local agencies in developing, testing, and updating their State Radiation Emergency Response Plans and in acquiring and maintaining the equipment to carry out their various responsibilities under those plans. The DEP’s activities under the plan include the development and implementation of training for all nuclear emergency response participants, the planning for and initiation of nuclear emergency response during exercises and nuclear emergency events, the upkeep of response facilities, the development of procedures, and the maintenance of staff ready to initiate, at a moment’s notice, a response to a nuclear power plant emergency.

The Administration anticipates \$5.86 million in Nuclear Emergency Response Assessment collections in FY 2019, \$206,000 more than in FY 2018 (pages C-7 and C-11). The Governor’s FY 2019 Budget recommends allocating the \$5.8 million as follows: \$4 million to the DEP and \$1.86 million to the New Jersey State Police in the Department of Law and Public Safety (pages D-256 and D-257).

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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Federal Funds: Public

Wastewater Facilities	\$59,635	\$61,600	\$1,965	3.3%	D-135
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The recommended increase reflects additional federal funding for the Clean Water State Revolving Fund (CWSRF). The Water Quality Act of 1987, which amended the federal Clean Water Act, required states to establish a CWSRF program to qualify for federal capitalization grants. Established in 1988, New Jersey's CWSRF program is included in the Environmental Infrastructure Financing Program (EIFP). The EIFP is a partnership between the DEP and the New Jersey Environmental Infrastructure Trust (NJEIT) providing low-interest loans to local government units for the construction and implementation of environmental infrastructure projects that help to protect, maintain, and improve water quality.

According to the NJEIT's FY 2019 Priority System, Intended Use Plan, and Project Priority List, the NJEIT published a Clean Water Plan and Drinking Water Plan in November 2017 for FY 2019 detailing the State's proposal to expend federal capitalization grants to finance the NJEIFP's Clean Water and Drinking Water project loans in FY 2019.

All Other Funds:

Radiation Protection	\$2,836	\$4,162	\$1,326	46.8%	D-135
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This budget line aggregates several dedicated, off-budget accounts administered by the DEP's Radiation Protection Element. Receipts for the Radiation Protection Element's activities related to the development, testing, and updating of State radiation emergency response plans are projected at \$1.32 million in FY 2019. The receipts: a) pay for administrative costs of the Radiation Protection Element; b) are revised annually based on the estimate of available revenue and projected employee fringe benefits and indirect costs; and c) by convention, will be converted into a mid-year supplemental appropriation to the Nuclear Emergency Response budget line. .

All Other Funds: Air

Pollution Control	\$5,919	\$1,546	(\$4,373)	(73.9%)	D-135
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This budget line aggregates several dedicated, off-budget accounts administered by the DEP's Division of Air Quality. The revenues pay for the division's administrative costs and are revised annually based on the estimate of available revenue and projected employee fringe benefits and indirect costs.

The decrease reflects the cessation of matching funds from third parties for two projects awarded grants under the federal Congestion Mitigation and Air Quality Grant Program (CMAQ) in FY 2018. CMAQ grants fund projects and programs that improve air quality and reduce traffic congestion. The first grant was for the SeaStreak Vessel Repower Project, which supported the replacement of engines with cleaner burning units on two passenger ferries operated by SeaStreak Ferries between Atlantic Highlands, New Jersey and downtown Manhattan. The project received \$3.4 million in CMAQ funds which was matched by \$3.4 million from SeaStreak Ferries in FY 2018. The second grant of \$1 million was jointly awarded

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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to the department and the South Jersey Port Corporation for the corporation's Fleet Modernization Program. These funds were matched by \$1 million from the corporation in FY 2018, to replace nine of the port's oldest, highest use forklifts with new Tier 4 engine forklifts.

All Other Funds:

Clean Waters	\$3,865	\$3,700	(\$165)	(4.3%)	D-135
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This budget line represents the administrative expenses of the Division of Water Quality-operated Clean Water State Revolving Fund (CWSRF). The Water Quality Act of 1987, which amended the federal Clean Water Act, required states to establish a CWSRF program to qualify for federal capitalization grants. Established in 1988, New Jersey's CWSRF program is included in the Environmental Infrastructure Financing Program (EIFP). The EIFP is a partnership between the DEP and the New Jersey Environmental Infrastructure Trust providing low-interest loans to local government units for the construction and implementation of environmental infrastructure projects that help to protect, maintain, and improve water quality. No impact on staffing levels is projected to result from this decrease.

ENVIRONMENTAL PLANNING AND ADMINISTRATION**General Fund,****Direct State Services:****Administration and****Support Services**

\$19,679	\$19,276	(\$403)	(2.0%)	D-137
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The decrease, which affects in its entirety the appropriation for salaries and wages, eliminates funds in excess of the amount needed to maintain current staff levels, and is a portion of a total \$2 million in like reductions across the department's budget.. Administration and Support Services compromises the department's chief executive and central policy and administrative staff.

General Fund, Total**Debt Service**

\$39,046	\$42,615	\$3,569	9.1%	D-138, E-7, E-8
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Appropriations for debt service on general obligation bonds issued for environmental-related purposes, e.g., Green Acres, are allocated to the DEP's budget, although the DEP has no role in administering debt service payments. The Governor's proposed FY 2019 appropriations for these payments are consistent with the current debt service schedule for outstanding bonds, and do not reflect any plans to issue new bonds or refinance existing bonds in a manner that would add to debt service costs in FY 2019.

Federal Funds:**Administration and****Support Services**

\$600	0	(\$600)	(100.0%)	D-138
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This budget line aggregates several sources of grant funding the DEP receives from the federal government. The decrease reflects the receipt in FY 2018 of a one-time grant from the United

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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States Environmental Protection Agency for the Exchange Network Grant Program that provides funding to states, territories, and federally recognized Indian tribes to support the development and implementation of the National Environmental Information Exchange Network. Since federal FY 2002, EPA has awarded approximately \$219 million in assistance agreements to build the Exchange Network. All 50 states, five territories, and 87 federally recognized tribes have received grants to facilitate the development and implementation of the Exchange Network. The primary outcome expected from Exchange Network assistance agreements is improved access to, and exchange of, high-quality environmental data from public and private sector sources.

COMPLIANCE AND ENFORCEMENT

General Fund,

Direct State Services:

Air Pollution Control	\$5,930	\$4,550	(\$1,380)	(23.3%)	D-140
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This budget line item projects a \$1.4 million decrease in revenues from \$5.9 million in FY 2018 to \$4.5 million in FY 2019. This decrease is the net impact of 1) a reduction of \$1.5 million comprising a current year supplemental appropriation authorized by a recurring language provision, recommended to be continued, that appropriates receipts in excess of \$4.6 million anticipated for Air Pollution Fines, Clean Water Enforcement Act, Stream Encroachment Fines, Waterfront Development Fines, Freshwater Wetlands Fines, Solid Waste Fines, and Hazardous Waste Fines, not to exceed \$1.5 million at the end of the preceding fiscal year, for the expansion of compliance, enforcement, and permitting efforts in the DEP; and 2) a \$120,000 increase to fund two new positions which, according to budget information, will enhance diesel emission compliance efforts under and environmental justice initiative.

Significant Language Changes

Green Acres/Blue Acres/Open Space Administrative Costs

Revision

2018 Handbook: p. B-59
2019 Budget: p. D-121

Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for the Green Acres/Blue Acres/Open Space Administration account ~~shall be provided first~~ may be provided as recommended by the Commissioner of the Department of Environmental Protection, in part, from five percent of any supplemental appropriations for the Preserve New Jersey Green Acres Fund or the Preserve New Jersey Blue Acres Fund, and the balance shall be transferred from the Garden State Green Acres Preservation Trust Fund, the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007, and the Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009, and any Green Trust Fund established pursuant to a Green Acres bond act to the General Fund, together with an amount not to exceed \$403,000, and is appropriated to the Department of Environmental Protection for Green Acres/Blue Acres/Open Space Administration, subject to the approval of the Director of the Division of Budget and Accounting. Further, there are appropriated from the Garden State Green Acres Preservation Trust Fund such amounts as may be required for the Department’s administrative costs related to programs for buyout of flood-prone properties funded by the federal “Disaster Relief Appropriations Act, 2013,” provided that reimbursements to the Department of such costs from federal funding agencies shall be reimbursed to the Garden State Green Acres Preservation Trust Fund.

Explanation

This language identifies the funding sources which may be used to support and supplement the appropriation entitled Green Acres/Open Space Administration (page D-119, \$5.633 million). This appropriation pays for the staff who administer the grants and loans for Green Acres, Blue Acres, open space acquisition, and recreation development projects funded by various bond acts and by constitutionally dedicated Corporation Business Tax revenue.

The language change eliminates the requirement of the first use of five percent of any supplemental appropriations from the Preserve New Jersey Green Acres Fund or the Preserve New Jersey Blue Acres Fund. Instead, the funding sources for Green Acres/Blue Acres/Open Space Administration, as approved by the Director of the Division of Budget and Accounting, would be informed by the DEP Commissioner’s recommendations.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Safe Drinking Water Programs

Revision

2018 Handbook: p. B-61
2019 Budget: p. D-126

The amount hereinabove appropriated for the Safe Drinking Water Fund account is appropriated from receipts received pursuant to the "Safe Drinking Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.), together with an amount not to exceed ~~\$354,000~~ \$589,000, for administration of the Safe Drinking Water program, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

Explanation

This language provision charges to the dedicated, off-budget Safe Drinking Water Fund the \$2.6 million the Governor's FY 2019 Budget recommends appropriating to the Safe Drinking Water Fund account (page D-125) and \$589,000 for related employee fringe benefits, which are centrally budgeted in the Interdepartmental Accounts section of the Governor's FY 2019 Budget. The dedicated Safe Drinking Water Fund receives tax revenues collected from owners or operators of public community water systems pursuant to the Safe Drinking Water Act (N.J.S.A.58:12A-1 et seq.). As required by that law, moneys in the fund are appropriated to the Department of Environmental Protection for all costs associated with the department's administration of programs set forth in the Safe Drinking Water Act.

The purpose of this language change is to augment budget appropriations with additional funding from revenues generated by or related to the program. The increased amount reflects the changes in anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

Office of Science Support

Revision

2018 Handbook: p. B-61
2019 Budget: p. D-127

In addition to the amount hereinabove appropriated for the Office of Science Support, an amount not to exceed ~~\$2,703,000~~ \$2,753,000 is appropriated from the Hazardous Discharge Site Cleanup Fund for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The increased amount reflects the changes in anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Water Supply Management – Administrative Costs

Revision

2018 Handbook: p. B-62
2019 Budget: p. D-127

The amounts hereinabove appropriated for the Administrative Costs Water Supply Bond Act of 1981 - Management and Watershed and Aquifer accounts are appropriated from the "Water Supply Bond Act of 1981," P.L.1981, c.261, together with an amount not to exceed ~~\$21,000~~ \$41,000, for costs attributable to administration of water supply programs, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The increased amount reflects the changes in anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

Remediation Management Program – Administrative Costs

Revision

2018 Handbook: p. B-63
2019 Budget: p. D-131

In addition to site specific charges, the amounts hereinabove for the Remediation Management program classification, excluding the Hazardous Discharge Site Cleanup Fund - Responsible Party and the Underground Storage Tanks accounts, are appropriated from the New Jersey Spill Compensation Fund, in accordance with the provisions of P.L.1976, c.141 (C.58:10-23.11 et seq.), together with an amount not to exceed ~~\$10,875,000~~ \$10,746,000 for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This recommended language provision charges to the dedicated, off-budget New Jersey Spill Compensation Fund: a) the \$14.9 million the Governor's FY 2019 Budget recommends appropriating to the Remediation Management program classification after excluding from the total the Hazardous Discharge Site Cleanup Fund - Responsible Party and the Underground Storage Tanks accounts; and b) \$10.7 million for administrative expenses and related anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses, which are centrally budgeted in the Interdepartmental Accounts section of the Governor's FY 2019 Budget. The New Jersey Spill Compensation Fund accrues its receipts from taxes and penalties levied on owners and operators of major hazardous substances facilities. Fund balances may be used for hazardous substance cleanup costs, removal costs, research, the division's related administrative expenses, and payments of approved claims.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

The decreased amount for administrative costs associated with the cleanup of hazardous waste sites reflects the changes in anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

Hazardous Discharge Site Cleanup Fund – Responsible Party

Revision

2018 Handbook: p. B-63
2019 Budget: p. D-131

The amount hereinabove for the Hazardous Discharge Site Cleanup Fund - Responsible Party account is appropriated from responsible party cost recoveries and Licensed Site Remediation Professionals fees deposited into the Hazardous Discharge Site Cleanup Fund, together with an amount not to exceed ~~\$13,545,000~~ \$13,822,000 for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This recommended language provision charges to the dedicated, off-budget Hazardous Discharge Site Cleanup Fund: a) the \$19.3 million the Governor’s FY 2019 Budget recommends appropriating to the Hazardous Discharge Site Cleanup Fund - Responsible Party account in the Remediation Management program classification; and b) \$13.8 million for administrative expenses and related anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses, which are centrally budgeted in the Interdepartmental Accounts section of the Governor’s FY 2019 Budget. The Hazardous Discharge Site Cleanup Fund accumulates collections for costs in site cleanups, including legal settlements. Fund balances are dedicated to preparing feasibility studies, engineering designs, and other work necessary for the cleanup or mitigation of hazardous discharge sites.

The purpose of increasing the amount for administrative costs associated with the cleanup of hazardous waste sites reflects the changes in anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough. Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Hazardous Discharge Site Cleanup Fund – Cost and Damage Recoveries	
Revision	2018 Handbook: p. B-65 2019 Budget: p. D-132

Except as otherwise provided in this act and notwithstanding the provisions of any other law or regulation to the contrary, ~~the first \$50,000,000 in natural resource~~, cost recoveries and other associated damages recovered by the State ~~, along with such additional amounts as may be determined by the Director of the Division of Budget and Accounting, in consultation with the Attorney General, to be necessary to pay for the costs of legal services related to such recoveries,~~ shall be deposited into the Hazardous Discharge Site Cleanup Fund established pursuant to section 1 of P.L.1985, c.247 (C.58:10-23.34), and are appropriated for: direct and indirect costs of remediation, restoration, and clean up; costs for consulting, expert, and legal services incurred in pursuing claims for damages ~~; and grants to local governments and nonprofit organizations to further implement restoration activities of the Office of Natural Resource Restoration. Recoveries in excess of the amounts appropriated pursuant to this paragraph, consistent with the terms and conditions of applicable settlement agreements or court rulings, shall be deposited in the General Fund as general State revenue.~~

Explanation

To be consistent with the requirements of Article VIII, Section II, paragraph 9 of the State Constitution, the first language deletion removes the requirement that any revenue from natural resource damage claims be deposited into the Hazardous Discharge Site Cleanup Fund. The FY 2019 budget language will only require that only cost recoveries and other associated damages other than natural resources damages recovered by the State to be deposited into the Hazardous Discharge Site Cleanup Fund.

The second language deletion removes redundant FY 2018 budget language that provided that the costs of legal services related to cost recoveries and other associated damages recovered by the State to be deposited and appropriated from the Hazardous Discharge Site Cleanup Fund.

The third language deletion removes the authority to use monies in the Hazardous Discharge Site Cleanup Fund from cost recoveries and other associated damages recovered by the State for grants to local governments and nonprofit organizations to further implement restoration activities of the Office of Natural Resource Restoration; or to deposit any of those funds in the General Fund as general State revenue. This deleted language was more relevant to use of natural resource damage recoveries than to other recoveries deposited in the fund.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough. Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Natural Resources Damages – Constitutional Dedication

Addition

2018 Handbook: N/A
2019 Budget: p. D-132

Notwithstanding the provisions of any law or regulation to the contrary, there are hereby appropriated from the Natural Resources Damages – Constitutional Dedication account such amounts as are required, as determined by the Director of the Division of Budget and Accounting, in consultation with the Attorney General, and consistent with the requirements of the constitutional dedication pursuant to Article VIII, Section II, paragraph 9 of the State Constitution, to pay the legal or other costs incurred by the State to pursue settlements and judicial administrative awards relating to natural resource damages.

Explanation

Pursuant to Article VIII, Section II, paragraph 9 of the State Constitution, monies awarded from natural resource damage claims are required to be deposited into the Natural Resources Damages – Constitutional Dedication account. This language provision prescribes that amounts necessary to pay the legal or other costs incurred by the State to pursue settlements and judicial administrative awards relating to natural resource damages will be appropriated from the Natural Resources Damages – Constitutional Dedication account. The budget language does not provide a cap on the amount that may be used for this purpose. Constitutional language imposes an administrative cost cap of 10 percent of the amount of dedicated revenue appropriated.

As of April 8, 2019, the State fiscal system indicates that \$100.5 million has been credited in the FY 2018 fiscal year to the Natural Resources Damages – Constitutional Dedication account, in excess of the \$64.4 million total estimated in the FY 2019 budget, and that none of those revenues have been spent or committed. The budget makes no projection of revenues to be credited in FY 2019.

Nuclear Emergency Response

Revision

2018 Handbook: p. B-66
2019 Budget: p. D-136

The amount hereinabove appropriated for the Nuclear Emergency Response account is payable from receipts received pursuant to the assessments of electrical utility companies under P.L.1981, c.302 (C.26:2D-37 et seq.). Receipts in excess of the amount anticipated, not to exceed ~~\$1,120,000~~ \$1,326,000, are appropriated. The unexpended balance at the end of the preceding fiscal year in the Nuclear Emergency Response account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough. Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Explanation

The recommended language provision charges to annual Nuclear Emergency Response Assessment collections: a) the \$2.7 million the Governor's FY 2019 Budget recommends appropriating to the DEP's Nuclear Emergency Response special purpose account; and b) \$1.3 million for administrative expenses and related anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses. By convention, the State does not include the full amount of anticipated Nuclear Emergency Response appropriations in the Nuclear Emergency Response account but instead effects mid-year supplemental appropriations authorized by this recurring language provision.

The increased amount reflects the changes in anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

Under "The Radiation Accident Response Act," N.J.S.A.26:2D-37 et seq., the Department of the Treasury assesses operators of the State's nuclear electric generating facilities an annual fee to defray the costs incurred by State and local agencies in developing, testing, and updating their State Radiation Emergency Response Plans and in acquiring and maintaining the equipment to carry out their various responsibilities under those plans. The DEP's activities under the plan include the development and implementation of training for all nuclear emergency response participants, the planning for and initiation of nuclear emergency response during exercises and nuclear emergency events, the upkeep of response facilities, the development of procedures, and the maintenance of staff ready to initiate, at a moment's notice, a response to a nuclear power plant emergency.

The Administration anticipates \$5.86 million in Nuclear Emergency Response Assessment collections in FY 2019, \$206,000 more than in FY 2018 (pages C-7 and C-11). The Governor's FY 2019 Budget recommends allocating the this total as follows: \$4 million to the DEP and \$1.86 million to the New Jersey State Police in the Department of Law and Public Safety (pages D-256 and D-257).

Pollution Prevention Program Costs

Revision

2018 Handbook: p. B-66
2019 Budget: p. D-136

The amount hereinabove appropriated for the Pollution Prevention account is payable from receipts received pursuant to the "Pollution Prevention Act," P.L.1991, c.235 (C.13:1D-35 et seq.), together with an amount not to exceed ~~\$142,000~~ \$300,000, for administration of the Pollution Prevention program, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough. Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Explanation

This recommended language provision charges to dedicated Pollution Prevention Act receipts from penalties collected for violations of the Pollution Prevention Act (N.J.S.A.13:1D-35 et seq.): a) the \$1.0 million the Governor’s FY 2019 Budget recommends appropriating to the Pollution Prevention special purpose account in the DEP’s Division of Air Quality; and b) \$300,000 for related anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses, which are centrally budgeted in the Interdepartmental Accounts section of the Governor’s FY 2019 Budget.

The increased amount reflects the changes in anticipated cost-of-living adjustments fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

Worker and Community Right to Know Act

Revision

2018 Handbook: p. B-66
2019 Budget: p. D-136

Notwithstanding the provisions of the "Worker and Community Right to Know Act," P.L.1983, c.315 (C.34:5A-1 et seq.), the amount hereinabove appropriated for the "Worker and Community Right to Know Act" account is payable out of the "Worker and Community Right to Know Fund," and the receipts in excess of the amount anticipated, not to exceed ~~\$534,000~~ \$525,000, are appropriated. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.

Explanation

This recommended language provision charges to dedicated Worker and Community Right to Know Act receipts from the collection by the Department of Labor and Workforce Development from employers of an annual assessment of \$2.00 per employee (N.J.S.A.34:5A-26): a) \$778,000 the Governor’s FY 2019 Budget recommends appropriating to the DEP’s Division of Air Quality for air pollution prevention; and b) \$525,000 for related anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses, which are centrally budgeted in the Interdepartmental Accounts section of the Governor’s FY 2019 Budget.

The purpose of decreasing the amount for administrative costs associated with the air pollution prevention activities is to augment budget appropriations with additional funding from revenues generated by or related to the program. The decreased amount reflects the changes in anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Oil Spill Prevention

Revision

2018 Handbook: p. B-66
2019 Budget: p. D-136

The amount hereinabove appropriated for the Oil Spill Prevention account is payable out of the New Jersey Spill Compensation Fund, and the receipts in excess of those anticipated, not to exceed ~~\$673,000~~ \$551,000, from the New Jersey Spill Compensation Fund for the Oil Spill Prevention program are appropriated, in accordance with the provisions of P.L.1990, c.76 (C.58:10-23.11f2 et seq.), P.L.1990, c.78 (C.58:10-23.11d1 et seq.), and section 1 of P.L.1990, c.80 (C.58:10-23.11f1), subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This recommended language provision charges to the dedicated, off-budget New Jersey Spill Compensation Fund: a) \$2.0 million the Governor's FY 2019 Budget recommends appropriating to the Oil Spill Prevention special purpose account in the DEP's Division of Air Quality; and b) \$551,000 for administrative expenses and related anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses, which are centrally budgeted in the Interdepartmental Accounts section of the Governor's FY 2019 Budget. Established in accordance with N.J.S.A.58:10-23.11i, the fund receives collections from taxes and penalties levied on owners and operators of major hazardous substances facilities. Fund balances are dedicated to hazardous substance cleanup costs, removal costs, research, the division's administrative expenses, and payments of approved claims.

The decreased amount reflects the changes in anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

Diesel Risk Mitigation Fund - Reallocations

Revision

2018 Handbook: p. B-67
2019 Budget: p. D-136

Notwithstanding the provisions of any law or regulation to the contrary, the unexpended balances at the end of the preceding fiscal year in the Diesel Risk Mitigation Fund – Constitutional Dedication account and the Diesel Risk Mitigation Fund Administrative Costs – Constitutional Dedication account are appropriated to be used in a manner consistent with the requirements of the constitutional dedication of the corporation business tax as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution as follows: 5% for water resources monitoring and planning; 9% for private underground storage tank remediation; 10% for hazardous substance discharge remediation loans and grants; 5% for hazardous substance discharge remediation; and 71% for acquisition, development and stewardship.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Explanation

Monies were appropriated to funding the Diesel Risk Mitigation Fund – Constitutional Dedication and to Diesel Risk Mitigation Fund Administrative Costs – Constitutional Dedication account prior to June 30, 2015. However, due to the CBT constitutional amendment that passed in November 2014, CBT revenues were no longer allocated to diesel risk mitigation purposes after June 30, 2015. This language provision prescribes that any remaining monies in both the Diesel Risk Mitigation Fund – Constitutional Dedication account and the Diesel Risk Mitigation Fund Administrative Costs – Constitutional Dedication account are to be appropriated to be used in a manner consistent with the requirements of the dedication of CBT revenues by Article VIII, Section II, paragraph 6 of the State Constitution that passed in November 2014.

Tidelands Peak Demands

Revision

2018 Handbook: p. B-70
2019 Budget: p. D-142

The amounts hereinabove appropriated for the Tidelands Peak Demands accounts are payable from receipts from the sales, grants, leases, licensing, and rentals of State riparian lands. If receipts are less than anticipated, the appropriation shall be reduced proportionately. In addition, there is appropriated an amount not to exceed ~~\$3,451,000~~ \$3,636,000 from the same source for other administrative costs, including legal services, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This recommended language provision charges to the dedicated, off-budget Fund for the Support of Free Public Schools: a) the \$4.6 million the Governor’s FY 2019 Budget recommends appropriating to two Tidelands Peak Demands special purpose accounts (pages D-125 and D-141); and b) \$3.6 million for related other administrative expenses, including anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses. Created by Article VIII, Section IV, paragraph 2 of the New Jersey State Constitution, the Fund for the Support of Free Public Schools accumulates the proceeds from the sales, grants, leases, licensing, and rentals of State riparian lands and investment income earned on fund balances. The Constitution dedicates fund balances to the support of free public schools, and for the equal benefit of all the people of the State.

The increased amount reflects predominantly the changes in anticipated cost-of-living adjustments, fringe benefit rates, and indirect expenses in FY 2019 when compared to FY 2018. These amounts are typically revised annually based on available revenues and cost projections.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough. Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Tidelands, also known as riparian lands, are lands that are currently and formerly flowed by the mean high tide of a natural waterway. The State claims ownership of these tidelands. Since tidelands are public lands, a written permission from the State and the payment of a fee are required in order to use these lands. Common uses of tidelands include docks, mooring piles, bulkheads and other fill materials. Some tidelands may be sold in the form of a Riparian Grant while others may only be rented through either a Tidelands License or Lease. The Tidelands Resource Council, a board of Governor-appointed volunteers, and the Bureau of Tidelands Management in the DEP's Division of Land Use Regulation oversee all tidelands.

State Recycling Fund – Fund Diversion

2018 Handbook: p. E-8
2019 Budget: p. F-10

~~87.~~ 85. Notwithstanding the provisions of any law or regulation to the contrary, there is appropriated ~~\$3,900,000~~ \$3,000,000 from the State Recycling Fund to the General Fund as State revenue.

Explanation

The FY 2019 budget continues a shift of State Recycling resources to the General Fund as State revenue, but at an amount \$900,000 less than in FY 2018. Notwithstanding this fund diversion, the budget indicates that county and local recycling grants will be funded at \$21.5 million in both fiscal years.

The State Recycling Fund receives revenue from a \$3 per ton tax levied on the owner or operator of every solid waste facility as well as on solid waste collectors that transport solid waste for out-of-state disposal. Monies in the fund are used for purposes such as direct recycling grants to counties and municipalities; aid to counties for preparing, revising, and implementing solid waste management plans; State program administration costs; and aid to counties for recycling program public information and education.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Additional Appropriations to Ensure Rejoining the Regional Greenhouse Gas Initiative

2018 Handbook: p. E-8

2019 Budget: p. F-11

~~85-87. Notwithstanding the provisions of any law or regulation to the contrary, there is in addition to the amounts hereinabove appropriated to the General Fund for environmental protection, there are appropriated such additional amounts as the Commissioner of Environmental Protection and the President of the Board of Public Utilities may determine to be necessary to ensure that the State revenue an amount not to exceed \$5,957,000 transferred by the of New Jersey Economic Development Authority to the State from the proceeds of monies that have not been committed by the authority pursuant rejoins the Regional Greenhouse Gas Initiative in an expeditious manner, subject to P.L.2007, c.340 (C.26:2C-45 et seq.). Amounts appropriated pursuant to this act shall be credited against the Brownfield Site Reimbursement Fund as determined by the approval of the Director of the Division of Budget and Accounting.~~

Explanation

The language modification detailed above is better seen as a deletion of one provision and the addition of another. The FY 2018 language provision allocated revenue to be returned to the State by the New Jersey Economic Development Authority, which it had previously received from State auctioned credits in relation to the Regional Greenhouse Gas Initiative (RGGI), to the Brownfield Site Reimbursement Fund appropriation. The funds were available to be returned because the NJEDA had not expended them on RGGI purposes before the State withdrew from RGGI.

As modified, the language provision authorizes supplemental appropriations, as determined by the DEP commissioner and the President of the Board of Public Utilities and approved by the Director of the Division of Budget and Accounting, to ensure that the State rejoins RGGI in an expeditious manner. RGGI is a cooperative effort among nine states in the New England and Mid-Atlantic region to reduce greenhouse gas emissions through the operation of a carbon dioxide budget trading program. New Jersey was an original member of RGGI at the time of its creation in 2005, but withdrew as of January 1, 2012. Executive Order No. 7, issued by Governor Murphy on January 29, 2018, directed that steps be taken to ensure the State's timely return the State to full participation in RGGI, and the budget assumes this will occur during FY 2019.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Allocation of Proceeds of Volkswagen Settlement

2018 Handbook: p. N/A
2019 Budget: p. F-11

96. Any funds that may be received by the State of New Jersey from the Environmental Mitigation Trust established in partial settlement of In re: Volkswagen "Clean Diesel" Marketing, Sales Practices and Products Liability Litigation, Case No: MDL No. 2672 CRB (JSC) (N.D. Cal.) are appropriated solely for projects which are eligible mitigation actions consistent with the terms of the trust agreement. Such projects shall be selected by the Department of Environmental Protection, as the lead agency previously designated by the Governor and shall be selected from among the categories of eligible mitigation actions described in the Environmental Mitigation Trust Agreement. Any funds received from the Trustee for projects to be administered by State departments shall be deposited in a separate non-lapsing fund to be known as the "Volkswagen Environmental Mitigation Fund," and are appropriated solely for projects which are eligible mitigation actions consistent with the terms of the trust agreement and may include administrative costs in such amounts that are consistent with the terms of the trust agreement, subject to the approval of the Director of the Division of Budget and Accounting. Any projects administered by State departments which will award grants through new or existing grant programs will award such grants on a competitive basis, using criteria determined by the Department of Environmental Protection.

Explanation

This language governs the use of monies received by the State from the Environmental Mitigation Trust established in partial settlement of In re: Volkswagen "Clean Diesel" Marketing, Sales Practices and Products Liability Litigation, Case No: MDL No. 2672 CRB (JSC) (N.D. Cal.). The settlement is expected to ultimately provided \$72.2 million. Budget information projects that the State will receive about \$24.1 million for deposit in the "Volkswagen Environmental Mitigation Fund," and will spend about \$10.8 million for the purposes allowed by the trust agreement established by the court.

According to the department website, one of the federal settlement agreements identifies nine source categories that are eligible for mitigation projects that reduce NOx emissions. The Mitigation Trust Fund Agreement approved by the federal court limits use of funds to the following categories of projects: (1) Class 8 Local Freight Trucks and Port Drayage Trucks; (2) Class 4-8 School Bus, Shuttle Bus or Transit Bus; (3) Freight Switchers; (4) Ferries or Tugs; (5) Ocean Going Vessels; (6) Class 4-7 Local Freight Trucks; (7) Airport Ground Support Equipment; (8) Forklifts and Port Cargo Handling Equipment; (9) Acquisition, installation, operation and maintenance of light duty electric vehicle supply equipment (also known as electric vehicle charging stations) and light duty hydrogen fuel cell vehicle supply equipment. In addition, last year, the department issued a solicitation for project ideas to ensure that a broad range of project ideas is considered. By the deadline of January 31, 2018, a total of 116 projects were submitted for a total of \$389,929,214. Of the total projects submitted, only two were ineligible.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

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.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

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Individuals wishing information and committee schedules on the FY 2019 budget are encouraged to contact:

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