

February 12, 2020

Governor Philip Murphy
PO Box 001
Trenton, NJ 08625

Re: Environmental Priorities in the FY2021 Budget

Dear Governor Murphy:

We, the undersigned, respectfully request that environmental protection plays a key role in your upcoming FY2021 budget and builds upon the bold conservation vision demonstrated during your first two years in office. We appreciate the tremendous amount of work you have done so far, including signing the landmark Clean Renewable Energy Bill and more than doubling our offshore wind goals, committing to coastal resilience through the development of a Coastal Resilience Plan and incorporating climate impacts into land use rules through EO100, protecting clean drinking water and clean air, and reinvigorating Natural Resource Damage and environmental enforcement actions. States are on the front line for addressing the climate crisis and by taking these actions New Jersey is setting a strong example for the rest of the country.

We hope you will send the message to legislators that you are serious about prioritizing the health of our communities and environment in your upcoming FY2021 budget. While New Jersey has made a significant amount of progress under your leadership, it will take several years to overcome the challenges left behind by the Christie administration as well as the current threats from the federal government.

Given budgetary constraints, we understand that restoring all the funding that has been lost over the past decade is not possible in the 2021 budget alone. However, we urge you to continue to make progress to address the following priorities:

1. End Diversions of the Clean Energy Fund;
2. Increase Funding for the NJ Department of Environmental Protection (NJDEP);
3. Provide Full Funding for the Delaware River Basin Commission;
4. Establish Dedicated Funding of NJ Transit's (NJT) Operating Budget;
5. Fund the Lead Hazard Control Assistance Fund (LHCA), and;
6. Fully Restore Funding for the Payment in Lieu of Taxes Program (PILOT).

First, End Clean Energy Fund Diversions:

We urge you to use the statutorily dedicated societal benefits charge (SBC) funds as they are intended. Over \$1.5 billion dollars have been diverted over the SBC's lifetime and **this must end once and for all in the 2021 budget**. The funds should go towards critical programmatic goals within the Clean Energy Program like improving energy efficiency for low-income households, reducing greenhouse gas emissions, facilitate electric vehicle growth and saving all ratepayers money – not to fill budget gaps. Investing in New Jersey's clean energy economy will decrease

our reliance on dirty fossil fuels, serve as an engine for growth, and increase our resiliency to threats posed by climate change. While the \$70 million diversion in the 2020 budget went toward the necessary rebuilding of NJTransit, we must end this tradition of diversions to put our state on a path of fiscal responsibility.

Second, Increase Funding to the NJ Department of Environmental Protection (NJDEP):

Federal funding accounts for over 25% of NJDEP's budget. Federal cuts to the Environmental Protection Agency necessitate sufficient, consistent funding for the NJDEP now more than ever. Increased funding is critical for important programs including water and air quality monitoring, risk analysis, and compliance and enforcement. Further, NJDEP has taken on historic increases in responsibility, from the development of a road map to getting to eliminating greenhouse gases to developing a state-wide plan for how we adapt our coastal communities, home to 80% of the state's nine million residents and \$400 billion in annual economic output, to climate change. These efforts are not cost-neutral, and the department is understaffed to take on this challenge. Full staffing to enforce the regulations designed to keep us healthy and safe provides its own positive return on investment. We recommend **increasing DEP staff to at least 3,200** by the end of your first term to undo the drastic and debilitating cuts from the previous administration, including at least 100 more staff in the 2021 budget. Of those additional 100 staff, **ten new Green Acres staff are needed** to help administer programs funded by the Open Space 2014 Constitutional Amendment. In addition, three staff positions should be added to the Office of Natural Lands Management to restore baseline capacity to the program, which is responsible for the stewardship of our state's precious Natural Areas and the monitoring and protection of nearly a thousand rare plant species.

Third, Delaware River Basin Commission (DRBC) Funding:

We ask you to restore New Jersey's contribution to the DRBC to **the full "fair share" level of \$893,000**. The DRBC is the primary agency charged with managing an interstate river system that supplies drinking water for roughly 1.5 million New Jerseyans (16% of the New Jersey's population), provides a valuable wildlife habitat, and supports a thriving economy. Proper funding is needed to ensure that the DRBC can effectively continue its duties to provide clean water for those living and working in the basin.

Fourth, Establish Dedicated Funding of NJ Transit's (NJT) Operating Budget:

NJT lacks a dedicated funding source for its operating budget leaving the agency vulnerable to the annual political budget process. For far too long, NJT has placed a disproportionate burden on commuters to fund its operating budget -- just shy of half. This is more than other comparable agencies and as such, riders have seen five fare hikes since 2000. NJT has received transfers totaling \$210 million from raids on the Clean Energy Fund and NJ Turnpike, and has been forced to raid its capital budget - roughly half a billion annually - to meet its operating needs. This results in a dilapidated public transit system riddled with delays, cancellations and inadequate service and commuters who pay some of the highest fares in the country. **NJT requires dedicated funding at levels adequate enough to prevent future raids** from its capital budget and irresponsible transfers from other state funding pots and to keep fares stable. These capital budget raids hinder NJT's ability to invest in long-term projects and fleet

modernization and electrification upgrades that would help reduce the emissions necessary to meet our statutory Global Warming Response Act goals.

Fifth, Funding the Lead Hazard Control Assistance Fund (LHCA):

We ask that you support funding in line with your Statewide Plan to reinstate the LHCA with an annual line-item appropriation, protected from diversion, to be braided with other funding, including non-standard alternatives like public-private partnerships, Medicaid, and bonds. We **ask that the existing \$10 million remain in the budget** for all types of Lead Hazard Control projects. With Lead Prevention efforts currently housed in four different, and very separate, state departments, we also ask that you create a Lead Ombudsman, to facilitate coordinated action across agency lines. Thoughtful, comprehensive, integrated Lead Hazard Control makes clear economic sense - \$27 billion annually - for every dollar spent on mitigation, \$221 is returned to the state in money saved on special education, criminal justice, and health care. However, the real imperative is a moral one – protecting the twelve children still being poisoned in New Jersey every day.

Lastly, Fully Restoring Open Space Payment in Lieu of Taxes (PILOT) Funding:

PILOT is an essential program that provides municipalities with funding to mitigate the loss of tax revenue from preserved open space. Unfortunately, the previous administration slashed funding for PILOT. Cuts to this program discourage municipalities from preserving open space until they can be sure they will not lose essential revenue from property taxes, especially in environmentally critical regions such as the Highlands and Pinelands. In fact, these cuts have severely eroded support for open space acquisition programs by local elected officials. We recommend that PILOT funding be **fully restored to \$9.9 million** and adjusted to account for open space acquisitions over the past ten years.

As you know, New Jersey is the most densely populated state, has a legacy of industrial pollution, and is a coastal state on the front lines of climate change. We had fallen behind during the previous administration, but we have made great strides in just two years. By ensuring the environment remains a priority in the FY2021 budget, we can continue to overcome the shortcomings and losses of the previous administration, and move towards a cleaner, healthier future for all New Jerseyans. We are confident that under your leadership, New Jersey will become the greenest state in America. Thank you for your attention to this important matter. If you have any questions please contact Ed Potosnak at ed.potosnak@njlc.org or (732) 991-7574.

Sincerely,

Ed Potosnak, Executive Director, New Jersey League of Conservation Voters
Richard Lawton, Executive Director, New Jersey Sustainable Business Council
Ben Haygood, Environmental Health Policy Director, Isles
Eileen Murphy, Vice President of Government Relations, NJ Audubon
Sandra Meola, Director, Coalition for the Delaware River Watershed

Tom Gilbert, Campaign Director – Energy, Climate & Natural Resources, New Jersey
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Janna Chernetz, Deputy Director & Director of New Jersey Policy, Tri-State Transportation
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Jackson Morris, Director, Eastern Region, Climate & Clean Energy, NRDC
Mary Barber, Director of Regulatory and Legislative Affairs, EDF
Jennifer M. Coffey, Executive Director, ANJEC
Jaclyn Rhoads, Assistant Executive Director, Pinelands Preservation Alliance
Michael L. Pisauo, Jr., Policy Director, The Watershed Institute
Julia Somers, Executive Director, New Jersey Highlands Coalition
William S. Kibler, Director of Policy, Raritan Headwaters
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cc. Treasurer Muoio
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