

PUBLIC NOTICE

ENVIRONMENTAL PROTECTION

SITE REMEDIATION PROFESSIONAL LICENSING BOARD

Notice of Availability of Annual Site Remediation Professional Licensing Board Fee

Calculation Report – Calendar Year 2019

Take notice that the Site Remediation Professional Licensing Board (the Board) has prepared the Annual Site Remediation Professional Licensing Board Fee Calculation Report (Report) for calendar year (CY) 2019, in accordance with the rules of the New Jersey Site Remediation Professional Licensing Board (Board Rules) at N.J.A.C. 7:26I-3.1 through 3.7. The Report, which presents calculations for three Board fees, is presented herein.

Three Board fees are discussed in the Report: the application fee, the renewal fee, and the annual license fee. Individuals who wish to become licensed site remediation professionals (LSRPs) must file an application to determine their eligibility and submit the required application fee. After eligible candidates pass the licensing examination they become LSRPs. Every three years, the LSRPs must apply for renewal and submit a license renewal fee. In addition, each year, LSRPs must pay an annual license fee.

The authority for establishing and collecting fees to cover the costs of examining, licensing, and renewing licenses of LSRPs, and for conducting all other services required for oversight of the LSRP program, is in the Site Remediation Reform Act (SRRA) at N.J.S.A. 58:10C-5.g. The identification, description, and methodology for the calculation of fees to support all tasks associated with the Board's duties are set forth in N.J.A.C. 7:26I-3.

The Report identifies the fees calculated for CY 2019 using data from fiscal year (FY) 2017 and FY 2018, and projections for FY 2019, and compares them to the fees put in place in the

Board Rules, which came into effect on January 4, 2016, and were published in the New Jersey Register on that date. This calculation is in accordance with the Board Rules but differs slightly from the Report for CY 2018. Because only 10 new LSRP applications were processed in FY 2018, the Report for CY 2019 uses a two-year average including data from FY 2017 and FY 2018 to more accurately reflect hours and salary. FY 2017 is defined as July 1, 2016 through June 30, 2017; FY 2018 is defined as July 1, 2017 through June 30, 2018; FY 2019 is defined as July 1, 2018 through June 30, 2019.

Application Fee

The application fee covers the Board’s costs to review and evaluate the license applications of prospective LSRPs. The formula for calculating the application fee is defined in the Board Rules at N.J.A.C. 7:26I-3.3. The rule states that the application fee shall be calculated by multiplying the average number of hours required to process and review a license application by the projected hourly salary and overhead costs of Board staff that are processing and reviewing the license applications.

$$\begin{array}{r}
 \text{Average Number of Hours to Review Application} \\
 \times \text{ Projected Hourly Salary \& Overhead of Board Staff Reviewing Applications} \\
 \hline
 \text{Application Fee}
 \end{array}$$

In FY 2017 and FY 2018, the total hours spent reviewing and processing new LSRP applications was 524.70. The total number of applications processed was 96. Therefore, the average number of hours to review applications would be the total number of hours spent reviewing applications (524.70), divided by the total number of processed applications (96). The resulting quotient of 5.47 represents the average number of hours to review an application.

$$\begin{array}{r}
 524.70 \quad \text{Total Time Spent Reviewing Applications (hours)} \\
 \div \quad 96 \quad \text{Total Number of Applications Reviewed} \\
 \hline
 \end{array}$$

5.47 Average Number of Hours to Review Application

In FY 2017 and FY 2018, the total salary and overhead costs (hereinafter, collectively referred to as “salary”) coded to the Board for license application processing was \$53,006.12. The total hours coded to the Board for license processing was 524.70 hours. Thus, the FY 2017 and FY 2018 hourly salary of Board staff reviewing applications is calculated by dividing the total salary (\$53,006.12) by the total hours (524.70) coded to license processing. The resulting quotient of \$101.02 represents the average hourly salary of employees that reviewed applications.

$$\begin{array}{r} \$53,006.12 \quad \text{Total Salary Coded to the Board for License Processing} \\ \div \quad 524.70 \quad \text{Total Hours Coded to the Board for License Processing} \\ \hline \$101.02 \quad \text{Hourly Salary \& Overhead of Board Staff Reviewing Applications} \end{array}$$

Multiplying the calculated average number of hours to review an application (5.47) by the hourly salary number (\$101.02), yields a product of \$552.58, which represents the Application Fee calculated as defined in N.J.A.C. 7:26I-3.3.

$$\begin{array}{r} 5.47 \quad \text{Average Number of Hours to Review Application} \\ \times \quad \$101.02 \quad \text{Projected Hourly Salary \& Overhead of Board Staff Reviewing Applications} \\ \hline \$552.58 \quad \text{Application Fee} \end{array}$$

Renewal Fee

The renewal fee covers the Board’s costs to review and evaluate the license renewal applications of current LSRPs. The formula for calculating the renewal fee is defined in N.J.A.C. 7:26I-3.4. The rule states that the renewal fee shall be calculated by multiplying the average number of hours required to process and review a license renewal application by the projected hourly salary and overhead costs of Board staff that are processing and reviewing the license renewal applications.

Average Number of Hours to Review Renewal Application

x Projected Hourly Salary & Overhead of Board Staff Reviewing Renewal Applications
Renewal Fee

In FY 2017 and FY 2018, the total hours spent reviewing and processing LSRP license renewal applications were 552.10. The total number of renewal applications processed was 379. Therefore, the FY 2017 and FY 2018 average number of hours to review license renewal applications is calculated by dividing the total number of hours spent reviewing applications (552.10) by the total number of processed applications (379). The resulting quotient of 1.46 represents the average number of hours to review a license renewal application.

	552.10	Total Time Spent Reviewing Renewal Applications
÷	379	Total Number of Renewal Applications Reviewed
	<hr/>	
	1.46	Average Number of Hours to Review a Renewal Application

In FY 2017 and FY 2018, the total salary and overhead costs (hereinafter, collectively “salary”), coded to the Board for license renewal processing was \$48,304.38. The total hours coded to the Board for license renewal processing was 552.10 hours. Thus, the FY 2017 and FY 2018 hourly salary of Board staff reviewing license renewal applications is calculated by dividing the total salary (\$48,304.38) by the total hours (552.10) coded to license renewal processing. The resulting quotient of \$87.49 represents the average hourly salary of employees to review a license renewal application.

	\$48,304.38	Total Salary Coded to the Board for License Processing
÷	552.10	Total Hours Coded to the Board for License Processing
	<hr/>	
	\$87.49	Hourly Salary & Overhead of Board Staff Reviewing Applications

Multiplying the calculated average number of hours to review a license renewal application (1.46) by the hourly salary number (\$87.49) yields a product of \$127.74, which represents the renewal fee calculated as defined in N.J.A.C. 7:26I-3.4.

1.46	Average Number of Hours to Review Renewal Application	
x	\$87.49	Projected Hourly Salary & Overhead of Board Staff Reviewing Applications
	\$127.74	Renewal Fee

Annual License Fee

The annual license fee covers the Board’s costs as set forth in the annual budget after deducting projected collections of Application and Renewal Fees. The formula for calculating the annual license fee is defined in N.J.A.C. 7:26I-3.5. The rule states that the annual license fee shall be calculated by subtracting the projected collection amounts anticipated in the upcoming year from the estimated annual budget and dividing the result by the number of LSRPs holding licenses in the current year.

	Total Estimated Costs (Based on the Annual Budget)	
	-	Projected Collections Amount from Application and Renewal Fees
		Remaining Costs
	÷	Number of Current LSRPs
		Annual License Fee

The total estimated costs, as projected in the FY 2019 Annual Budget, are \$748,109.82.

The projected collections amount is calculated by summing the projected collections from the Application and Renewal Fees. To calculate the projected Application Fee collections, the previously calculated Application Fee of \$552.58 is multiplied by the projected number of new applicants, which as stated in the FY 2019 budget, is 64. The resulting product of \$35,365.12 represents the total projected Application Fee collections.

	\$552.58	Application Fee		
x	64	Projected New Applicants		
	\$35,365.12	Projected Application Fee Collections		

To calculate the projected Renewal Fee collections, the previously calculated Renewal Fee of \$127.74 is multiplied by the projected amount of renewals, which as stated in the FY 2019 budget, is 244. The resulting product of \$31,168.56 represents the total projected Renewal Fee collections.

	127.74	Renewal Fee		
x	244	Projected Renewals		
	\$31,168.56	Projected Renewal Fee Collections		

The total projected collections amount is, thus, the sum of the projected Application Fee collections (\$35,365.12) and Renewal Fee collections (\$31,168.56) or \$66,533.68.

	\$35,365.12	Projected Application Fee Collections		
+	\$31,168.56	Projected Renewal Fee Collections		
	\$66,533.68	Total Projected Collection Amounts		

The total number of LSRPs, as stated in the FY 2019 Annual Budget is estimated to be 724.

The formula for calculating the annual license fee is defined in N.J.A.C. 7:26I-3.5. The rule states that the annual fee shall be calculated by subtracting the projected Application Fee and Renewal Fee collection amounts anticipated in the upcoming year (\$66,533.68) from the Board's estimated costs as set forth in the annual budget (\$748,109.82) and dividing the result by the number of LSRPs holding licenses in the current year, which is expected to be 724.

	\$748,109.82	Total Estimated Costs (Based on the Annual Budget)		
-	\$66,533.68	Projected Collections Amount from Application and Renewal Fees		
	\$681,576.14	Remaining Costs		

\$941.40 Annual License Fee

Conclusion - Board Fees for CY 2019

The Board Rules require that each calendar year the Board recalculate the application fee, renewal fee, and annual license fee. This requirement, along with the method for calculating the fees, is found in N.J.A.C. 7:26I-3, specifically 3.3(a), 3.4(a), and 3.5(a). The table below provides the results of the calculation and compares the original Board fees as established in N.J.A.C. 7:26I-3 effective January 4, 2016, with the CY 2019 fees calculated using FY 2017 and FY 2018 actual data and FY 2019 projected data. The Annual License Fee, rounded up to the nearest \$10.00 as required in N.J.A.C. 7:26I- 3.5(a)3, is provided in parentheses below.

The calculated CY 2019 fees are greater than the existing Board fees. However, the Board concludes that existing data do not support a determination pursuant to N.J.A.C. 7:26I-3.3(a), 3.4(a), and 3.5(a) that the current fees will not cover the Board’s costs for FY 2019. Therefore, the Board has determined that the Board fees will not be changed for CY 2019.

Comparison of original Board Fees and CY 2018 Fee Calculation

Activity	Original Board Fee	Calculated CY 2019 Fee	Final Fee for CY 2019
Application Fee	\$400	\$552.58	\$400
License Renewal Fee	\$100	\$127.74	\$100
Annual License Fee	\$900	\$941.40 (\$950.000)	\$900

The Board continues to look at process and operational changes to improve efficiency and reduce costs for all the tasks that the Board undertakes to carry out its responsibilities. Two changes already enacted are (1) to reduce the frequency of administering the licensing examination; and (2) to shift the administrative review of renewal applications to clerical staff.

The Board must account for previously identified uncertainties in its FY 2019 projections, particularly in the areas of legal support (which has continued to increase substantially) and potential litigation costs, contractual services related to information processing, and providing the licensing examination for eligible applicants. The Board does so through a Projected FY 2019 Carry-Forward line item in the annual budget.

In consideration of the factors stated above, the Board has determined that the existing fees are adequate and appropriate to cover the Board's costs. Therefore, as noted above, the Board has proposed no change in any fees for CY 2019.

In conclusion, for CY 2019, the Board fees will remain as follows:

Application Fee: \$400.00

Renewal Fee: \$100.00

Annual License Fee: \$900.00

This report has been posted on the Board's website at www.nj.gov/lsrpboard.