

ENVIRONMENTAL PROTECTION

SITE REMEDIATION PROFESSIONAL LICENSING BOARD

Notice of Availability of Annual Site Remediation Professional Licensing Board Fee

Calculation Report – Calendar Year 2023

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) 2023, in accordance with the Regulations of the New Jersey Site Remediation Professional Licensing Board (Board Rules) at N.J.A.C. 7:26I-3.1 through 3.7. This notice comprises the Report in its entirety.

The Report addresses three Board fees: 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 2023 using data from fiscal year (FY) 2021 and FY 2022, and projections for FY 2023, and compares them to the current fees established in the "*Annual Site Remediation Professional Licensing Board Fee Calculation Report – Calendar Year 2022*" published in 53 NJR 21 on November 1, 2021 to determine if the fees cover the Board's

costs. The calculations in this report are in accordance with the Board Rules, however they differ slightly from previous reports in which data from a single prior fiscal year were used.

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. As explained above, data for both FY 2021 and FY 2022 are used to calculate this fee.

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

In FY 2021 and FY 2022, the total combined hours spent reviewing and processing new LSRP applications was 218.75. The total combined number of applications received in FY 2021 and FY 2022 for processing was 56. Therefore, the average number of hours to review applications would be the total number of hours spent reviewing applications (218.75), divided by the total number of processed applications (56). The resulting quotient of 3.91 represents the average number of hours to review an application.

$$\begin{array}{r}
 218.75 \quad \text{Total Time Spent Reviewing Applications (hours)} \\
 \div \quad 56 \quad \text{Total Number of Applications Reviewed} \\
 \hline
 \end{array}$$

3.91 Average Number of Hours to Review Application

In FY 2021 and FY 2022, the total combined salary and overhead costs (collectively referred to as “salary”) attributed to the Board for license application processing was \$20,530.12. The total combined hours attributed to the Board for license processing was 218.75 hours. Thus, the FY 2021 and FY 2022 hourly salary of Board staff reviewing applications is calculated by dividing the total salary (\$20,530.12) by the total hours (218.75) attributed to license processing. The resulting quotient of \$93.85 represents the average hourly salary of employees that reviewed applications.

$$\begin{array}{r} \$20,530.12 \quad \text{Total Salary Attributed to the Board for License Processing} \\ \div \quad 218.75 \quad \text{Total Hours Attributed to the Board for License Processing} \\ \hline \$93.85 \quad \text{Hourly Salary \& Overhead of Board Staff Reviewing Applications} \end{array}$$

Multiplying the calculated average number of hours to review an application (3.91) by the hourly salary number (\$93.85), yields a product of \$366.95, which represents the Application Fee calculated as defined in N.J.A.C. 7:26I-3.3.

$$\begin{array}{r} 3.91 \quad \text{Average Number of Hours to Review Application} \\ \times \quad \$93.85 \quad \text{Projected Hourly Salary \& Overhead of Board Staff Reviewing Applications} \\ \hline \$366.95 \quad \text{Application Fee} \end{array}$$

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.

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

In FY2022, the total hours spent reviewing and processing LSRP license renewal applications were 938.54. The total number of renewal applications processed was 418. Therefore, the FY 2022 average number of hours to review license renewal applications is calculated by dividing the total number of hours spent reviewing applications (938.54) by the total number of processed applications (418). The resulting quotient of 2.25 represents the average number of hours to review a license renewal application.

$$\begin{array}{r} 938.54 \quad \text{Total Time Spent Reviewing Renewal Applications} \\ \div \quad 418 \quad \text{Total Number of Renewal Applications Reviewed} \\ \hline 2.25 \quad \text{Average Number of Hours to Review a Renewal Application} \end{array}$$

In FY 2022, the total salary and overhead costs (collectively, “salary”), attributed to the Board for license renewal processing was \$67,410.46. The total hours attributed to the Board for license renewal processing was 938.54 hours. Thus, the FY 2022 hourly salary of Board staff reviewing license renewal applications is calculated by dividing the total salary (\$67,410.46) by the total hours (938.54) attributed to license renewal processing. The resulting quotient of \$71.82 represents the average hourly salary of employees to review a license renewal application.

$$\begin{array}{r} \$67,410.46 \quad \text{Total Salary Attributed to the Board for License Processing} \\ \div \quad 938.54 \quad \text{Total Hours Attributed to the Board for License Processing} \\ \hline \end{array}$$

\$71.82 Hourly Salary & Overhead of Board Staff Reviewing Applications

Multiplying the calculated average number of hours to review a license renewal application (2.25) by the hourly salary number (\$71.82) yields a product of \$161.59, which represents the renewal fee calculated as defined in N.J.A.C. 7:26I-3.4.

	2.25	Average Number of Hours to Review Renewal Application
x	\$71.82	Projected Hourly Salary & Overhead of Board Staff Reviewing Applications
	\$161.59	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 2023 Annual Budget, are \$721,887.84.

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 \$300 is multiplied by the projected number of new applicants. The projected number of new applicants in the FY 2023 budget is zero, as no new

applications will be accepted prior to end of FY 2023 (June 30, 2023). The resulting product of \$0 represents the total projected Application Fee collections.

	\$300.00	Application Fee
x	0	Projected New Applicants
<hr/>		
	\$0	Projected Application Fee Collections

To calculate the projected Renewal Fee collections, the Renewal Fee is multiplied by the projected number of renewals from the FY 2023 budget. The FY 2023 budget anticipates 146 renewals at the fee rate of \$100. The resulting product of \$14,600 represents the total projected Renewal Fee collections.

	\$100	Renewal Fee CY 2022
x	146	Projected Renewals
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	\$14,600	Total Projected Renewal Fee Collections in FY 2023

The total projected collections amount is thus the sum of the projected Application Fee collections (\$0) and Renewal Fee collections (\$14,600) or \$14,600.

	\$0	Projected Application Fee Collections
+	\$14,600.00	Projected Renewal Fee Collections
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	\$14,600.00	Total Projected Collection Amounts

The total number of LSRPs, as stated in the FY 2023 Annual Budget is estimated to be 715.

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 (\$14,600.00) from the Board's

estimated costs as set forth in the annual budget (\$721,887.84) and dividing the result by the number of LSRPs holding licenses in the current year, which is expected to be 715.

	\$721,887.84	Total Estimated Costs (Based on the Annual Budget)
-	\$14,600.00	Projected Collections Amount from Application and Renewal Fees
	<hr/>	
	\$707,287.84	Remaining Costs
÷	715	Number of Current LSRPs
	<hr/>	
	\$989.21	Annual License Fee

Conclusion - Board Fees for CY 2023

The Board Rules require that each calendar year the Board recalculate the application fee, renewal fee, and annual license fee using the formula 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 “Calculated Fee for CY 2023” and compares that to the current Board fees as listed in the “Final Fee for CY 2022” column and established in the “Annual Site Remediation Professional Licensing Board Fee Calculation Report – Calendar Year 2022” published in 53 NJR 21 on November 1, 2021. The Board’s recommended fees for CY 2023 are provided in the “Final Fee for CY 2023” column.

The calculated CY 2023 application fee is \$366.95, and, according to past practice by the Board, will be rounded down to the nearest dollar amount of \$366.00. The CY 2023 application fee is higher than that of CY 2022, but still significantly lower than the \$400.00 fee in place from 2012 to 2019. This fee is most often a one-time cost borne by potential applicants, and the Board has determined that the fee should remain as it has been calculated.

The calculated CY 2023 license renewal fee of \$161.59 is higher than the existing fee of \$100.00. The Board has determined that in the interest of providing some relief to LSRPs that are already responsible to pay an annual fee, and since 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 fee will not cover the Board’s costs for FY 2023, the renewal fees due in CY 2023 will be \$100.00.

The calculated CY 2023 annual license fee is greater than the existing fee; 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 fee will not cover the Board’s costs for FY 2023. Therefore, the Board has determined that the annual license fee will not be changed for CY 2023.

Comparison of current Board Fees and CY 2022 Fee Calculation

Activity	Final Fee for CY 2022	Calculated Fee for CY 2023	Final Fee for CY 2023
Application Fee	\$300	\$366.95	\$366
License Renewal Fee	\$100	\$161.59	\$100
Annual License Fee	\$900	\$989.21	\$900

The Board must account for uncertainties in its FY 2023 projections, particularly in the areas of legal support (which varies substantially year to year) and potential litigation costs, and providing the licensing examination for eligible applicants. The Board does so through a Projected FY 2023 Carry-Forward line item in the annual budget.

In conclusion, the Board has determined, using the formula specified in the Board Rules, that the application fee is to be increased as indicated. While the renewal fee and annual license fee formulas result in calculations above the existing fees, the Board has determined that in consideration of the Carry-Forward line item, the fees listed in the “Final Fee for CY 2023” column are adequate to cover the Board’s costs. These fees are summarized below. It should be noted that the Carry-Forward line item is being reduced each year, and it is likely the Board will need to raise the annual license fee in the near future.

Fees due in CY 2023 will be as follows:

Application Fee: \$366.00

Renewal Fee: \$100.00

Annual License Fee: \$900.00

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

Date: September 20, 2022



Paul Stofa, Chairperson
Site Remediation Professional Licensing Board