

## **ENVIRONMENTAL PROTECTION**

### **SITE REMEDIATION PROFESSIONAL LICENSING BOARD**

#### **Notice of Availability of Annual Site Remediation Professional Licensing Board Fee**

#### **Calculation Report – Calendar Year 2024**

**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) 2024, 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 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 (SRRRA) 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 2024 using data from fiscal year (FY) 2022 and FY 2023, and projections for FY 2024, and compares them to the current fees established in the *“Annual Site Remediation Professional Licensing Board Fee Calculation Report – Calendar*

Year 2023” published in 54 NJR 2104(a) on November 7, 2022, 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 2022 and FY 2023 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 2022 and FY 2023, the total combined hours spent reviewing and processing new LSRP applications was 233.25. The total combined number of applications received in FY 2022 and FY 2023 for processing was 55. Therefore, the average number of hours to review applications is the total number of hours spent reviewing applications (233.25), divided by the total number of processed applications (55). The resulting quotient of 4.24 represents the average number of hours to review an application.

233.25	Total Time Spent Reviewing Applications (hours)
÷ 55	Total Number of Applications Reviewed
4.24	Average Number of Hours to Review Application

In FY 2022 and FY 2023, the total combined salary and overhead costs (collectively referred to as “salary”) attributed to the Board for license application processing was \$20,777.65. The total combined hours attributed to the Board for license processing was 233.25 hours. Thus, the FY 2022 and FY 2023 hourly salary of Board staff reviewing applications is calculated by dividing the total salary (\$20,777.65) by the total hours (233.25) attributed to license processing. The resulting quotient of \$89.08 represents the average hourly salary of employees that reviewed applications.

\$20,777.65	Total Salary Attributed to the Board for License Processing
÷ 233.25	Total Hours Attributed to the Board for License Processing
\$89.08	Hourly Salary & Overhead of Board Staff Reviewing Applications

Multiplying the calculated average number of hours to review an application (4.24) by the hourly salary number (\$89.08), yields a product of \$377.70, which represents the Application Fee calculated as defined in N.J.A.C. 7:26I-3.3.

4.24	Average Number of Hours to Review Application
x \$89.08	Projected Hourly Salary & Overhead of Board Staff Reviewing Applications
\$377.70	Application Fee

**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 FY 2022 and FY 2023, the total hours spent reviewing and processing LSRP license renewal applications were 883.25. The total number of renewal applications processed was 294. Therefore, the average number of hours to review license renewal applications is calculated by dividing the total number of hours spent reviewing applications (883.25) by the total number of processed applications (294). The resulting quotient of 3.00 represents the average number of hours to review a license renewal application.

$$\begin{array}{r}
 883.25 \quad \text{Total Time Spent Reviewing Renewal Applications} \\
 \div \quad 294 \quad \text{Total Number of Renewal Applications Reviewed} \\
 \hline
 3.00 \quad \text{Average Number of Hours to Review a Renewal Application}
 \end{array}$$

In FY 2022 and FY 2023, the total salary and overhead costs (collectively, “salary”), attributed to the Board for license renewal processing was \$71,563.22. The total hours attributed to the Board for license renewal processing was 883.25 hours. Thus, the FY 2022 and FY 2023 hourly salary of Board staff reviewing license renewal applications is calculated by dividing the total salary (\$71,563.22) by the total hours (883.25) attributed to license renewal processing. The

resulting quotient of \$81.02 represents the average hourly salary of employees to review a license renewal application.

	\$71,563.22	Total Salary Attributed to the Board for License Processing
÷	883.25	Total Hours Attributed to the Board for License Processing
	\$81.02	Hourly Salary & Overhead of Board Staff Reviewing Applications

Multiplying the calculated average number of hours to review a license renewal application (3.00) by the hourly salary number (\$81.02) yields a product of \$243.06, which represents the renewal fee calculated as defined in N.J.A.C. 7:26I-3.4.

	3.00	Average Number of Hours to Review Renewal Application
x	\$81.02	Projected Hourly Salary & Overhead of Board Staff Reviewing Applications
	\$243.06	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 2024 Annual Budget, are \$744,012.84.

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 Application Fee of \$366.00 in effect during CY 2023, which is the first half of FY 2024, is multiplied by the number of new applicants. The number of new applicants in the FY 2024 budget is 56. The resulting product of \$20,496.00 represents the total Application Fee collections.

\$366.00	Application Fee	
x	56	New Applicants
\$20,496.00	Application Fee Collections	

To calculate the projected FY 2024 Renewal Fee collections, the Renewal Fee is multiplied by the projected number of renewals for the FY 2024 budget. The FY 2024 budget anticipates 40 renewals at the CY 2023 fee rate of \$100.00.

\$100.00	Renewal Fee CY 2023	
x	40	Projected Renewals
\$4,000.00	Total Projected Renewal Fee Collections in FY 2024	

The FY 2024 budget anticipates 213 renewals at the fee rate of \$150.00.

	\$150.00	Renewal Fee CY 2024
x	213	Projected Renewals
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	\$31,950.00	Total Projected Renewal Fee Collections in FY 2024

The total projected collections amount is thus the sum of the Application Fee collections (\$20,496.00), the CY 2023 Renewal Fee collections (\$4,000.00), and the CY 2024 Renewal Fee collections (\$31,950.00).

	\$20,496.00	Application Fee Collections
	\$ 4,000.00	Projected CY 2023 Renewal Collections
+	\$31,950.00	Projected CY 2024 Renewal Fee Collections
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	\$56,446.00	Total Projected Collection Amounts

The total number of LSRPs, as stated in the FY 2024 Annual Budget is estimated to be 730.

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 (\$56,446.00) from the Board’s estimated costs as set forth in the annual budget (\$744,012.84) and dividing the result by the number of LSRPs holding licenses in the current year, which is expected to be 730.

	\$744,012.84	Total Estimated Costs (Based on the Annual Budget)
-	\$56,446.00	Projected Collections Amount from Application and Renewal Fees
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	\$687,566.84	Remaining Costs
÷	730	Number of Current LSRPs
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	\$941.87	Annual License Fee

### **Conclusion - Board Fees for CY 2024**

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 2024” and compares that to the current Board fees as listed in the “Final Fee for CY 2023” column and established in the “*Annual Site Remediation Professional Licensing Board Fee Calculation Report – Calendar Year 2023*” published in 54 NJR 2104(a) on November 7, 2022. The Board’s recommended fees for CY 2024 are provided in the “Final Fee for CY 2024” column.

The calculated CY 2024 application fee is \$377.70, which is higher than the existing fee of \$366.00. The Board has determined that existing data supports 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 cover the Board’s costs for FY 2024; therefore, the application fees due in CY 2024 will remain at the existing level of \$366.00.

The calculated CY 2024 license renewal fee of \$243.06 is higher than the existing fee of \$100.00. The Board has determined that due to demonstrated year to year costs of processing license renewals exceeding the fee value, this data supports 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 2024, as such the renewal fees due in CY 2024 will be increased to \$150.00.

The calculated CY 2024 annual license fee is \$941.87, which is higher than the existing fee of \$900.00. The Board has determined that existing data supports 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 cover the Board’s costs for FY 2024; therefore, the annual license fees due in CY 2024 will remain at the existing level of \$900.00.

**Comparison of current Board Fees and CY 2023 Fee Calculation**

<b>Activity</b>	<b>Final Fee for CY 2023</b>	<b>Calculated Fee for CY 2024</b>	<b>Final Fee for CY 2024</b>
Application Fee	\$366	\$377	\$366
License Renewal Fee	\$100	\$243	\$150
Annual License Fee	\$900	\$942	\$900

The Board must account for uncertainties in its FY 2024 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 2024 Carry-Forward line item in the annual budget.

In conclusion, the Board has determined, using the formula specified in the Board Rules, that the renewal fee is to be increased as indicated. While the application fee formula and annual license fee formula 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 2024” column are adequate to cover the Board’s costs. These fees are summarized below.

Fees due in CY 2024 will be as follows:

Application Fee: \$366.00

Renewal Fee: \$150.00

Annual License Fee: \$900.00

This report has been posted on the Board’s website at [www.nj.gov/l srpboard](http://www.nj.gov/l srpboard).

Date: September 28, 2023

  
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 A. Paul Stofa, Chairperson  
 Site Remediation Professional Licensing Board