

## **ENVIRONMENTAL PROTECTION**

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

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

#### **Calculation Report – Calendar Year 2021**

**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) 2021, 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. 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 2021 using data from fiscal year (FY) 2020, and projections for FY 2021, and compares them to the current fees to determine if the fees cover the Board's costs. In 2017 through 2019, the cost comparison was to fees put in place on

January 4, 2016 through publication in the New Jersey Register on that date. In CY 2020 the fees were changed, so in this report, the fees are compared to those established in the “*Annual Site Remediation Professional Licensing Board Fee Calculation Report – Calendar Year 2020*” published on December 16, 2019 (51 N.J.R. 1863(a)).

**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 2020, the total hours spent reviewing and processing new LSRP applications was 206.02. The total number of applications received in FY 2020 for processing was 71. Therefore, the average number of hours to review applications would be the total number of hours spent reviewing applications (206.02), divided by the total number of processed applications (71). The resulting quotient of 2.90 represents the average number of hours to review an application.

$$\begin{array}{r}
 206.02 \quad \text{Total Time Spent Reviewing Applications (hours)} \\
 \div \quad 71 \quad \text{Total Number of Applications Reviewed} \\
 \hline
 2.90 \quad \text{Average Number of Hours to Review Application}
 \end{array}$$

In FY 2020, the total salary and overhead costs (collectively referred to as “salary”) attributed to the Board for license application processing was \$18,909.23. The total hours

attributed to the Board for license processing was 206.02 hours. Thus, the FY 2020 hourly salary of Board staff reviewing applications is calculated by dividing the total salary (\$18,909.23) by the total hours (206.02) attributed to license processing. The resulting quotient of \$91.78 represents the average hourly salary of employees that reviewed applications.

$$\begin{array}{r}
 \$18,909.23 \quad \text{Total Salary Attributed to the Board for License Processing} \\
 \div \quad 206.02 \quad \text{Total Hours Attributed to the Board for License Processing} \\
 \hline
 \$91.78 \quad \text{Hourly Salary \& Overhead of Board Staff Reviewing Applications}
 \end{array}$$

Multiplying the calculated average number of hours to review an application (2.90) by the hourly salary number (\$91.78), yields a product of \$266.16, which represents the Application Fee calculated as defined in N.J.A.C. 7:26I-3.3.

$$\begin{array}{r}
 2.90 \quad \text{Average Number of Hours to Review Application} \\
 \times \quad \$91.78 \quad \text{Projected Hourly Salary \& Overhead of Board Staff Reviewing Applications} \\
 \hline
 \$266.16 \quad \text{Application Fee}
 \end{array}$$

**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.

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

In FY 2020, the total hours spent reviewing and processing LSRP license renewal applications were 214.50. The total number of renewal applications processed was 109. Therefore, the FY 2020 average number of hours to review license renewal applications is calculated by dividing the total number of hours spent reviewing applications (214.50) by the total number of processed applications (109). The resulting quotient of 1.97 represents the average number of hours to review a license renewal application.

$$\begin{array}{r}
 214.50 \quad \text{Total Time Spent Reviewing Renewal Applications} \\
 \div \quad 109 \quad \text{Total Number of Renewal Applications Reviewed} \\
 \hline
 1.97 \quad \text{Average Number of Hours to Review a Renewal Application}
 \end{array}$$

In FY 2020, the total salary and overhead costs (collectively, “salary”), attributed to the Board for license renewal processing was \$9,501.09. The total hours attributed to the Board for license renewal processing was 214.50 hours. Thus, the FY 2020 hourly salary of Board staff reviewing license renewal applications is calculated by dividing the total salary (\$9,501.09) by the total hours (214.50) attributed to license renewal processing. The resulting quotient of \$44.29 represents the average hourly salary of employees to review a license renewal application.

$$\begin{array}{r}
 \$9,501.09 \quad \text{Total Salary Attributed to the Board for License Processing} \\
 \div \quad 214.50 \quad \text{Total Hours Attributed to the Board for License Processing} \\
 \hline
 \$44.29 \quad \text{Hourly Salary \& Overhead of Board Staff Reviewing Applications}
 \end{array}$$

Multiplying the calculated average number of hours to review a license renewal application (1.97) by the hourly salary number (\$44.29) yields a product of \$87.25, which represents the renewal fee calculated as defined in N.J.A.C. 7:26I-3.4.

$$\begin{array}{r}
 1.97 \quad \text{Average Number of Hours to Review Renewal Application} \\
 \times \quad \$44.29 \quad \text{Projected Hourly Salary \& Overhead of Board Staff Reviewing Applications} \\
 \hline
 \$87.25 \quad \text{Renewal Fee}
 \end{array}$$

**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.

$$\begin{array}{r} \text{Total Estimated Costs (Based on the Annual Budget)} \\ - \text{Projected Collections Amount from Application and Renewal Fees} \\ \hline \text{Remaining Costs} \\ \div \text{Number of Current LSRPs} \\ \hline \text{Annual License Fee} \end{array}$$

The total estimated costs, as projected in the FY 2021 Annual Budget, are \$771,084.19.

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 \$266.16 is multiplied by the projected number of new applicants. As no exam application period and no collection of application fees are anticipated in the FY 2021 budget, the projected number of new applicants is 0. The resulting product of \$0 represents the total projected Application Fee collections.

$$\begin{array}{r} \$266.16 \text{ Application Fee} \\ \times \quad 0 \text{ Projected New Applicants} \\ \hline \$0 \text{ Projected Application Fee Collections} \end{array}$$

To calculate the projected Renewal Fee collections, the previously calculated Renewal Fee of \$87.25 is multiplied by the projected amount of renewals, which as stated in the FY 2021 budget, is 240. The resulting product of \$20,940.00 represents the total projected Renewal Fee collections.

	87.25	Renewal Fee	
x	240	Projected Renewals	
	\$20,940.00	Projected Renewal Fee Collections	

The total projected collections amount is thus the sum of the projected Application Fee collections (\$0) and Renewal Fee collections (\$20,940.00) or \$20,940.00.

	\$0	Projected Application Fee Collections	
+	\$20,940.00	Projected Renewal Fee Collections	
	\$20,940.00	Total Projected Collection Amounts	

The total number of LSRPs, as stated in the FY 2021 Annual Budget is estimated to be 689.

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 (\$20,940.00) from the Board's estimated costs as set forth in the annual budget (\$771,084.19) and dividing the result by the number of LSRPs holding licenses in the current year, which is expected to be 689.

	\$771,084.19	Total Estimated Costs (Based on the Annual Budget)	
-	\$20,940.00	Projected Collections Amount from Application and Renewal Fees	
	\$750,144.19	Remaining Costs	
÷	689	Number of Current LSRPs	
	\$1,088.74	Annual License Fee	

**Conclusion - Board Fees for CY 2021**

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 current Board fees as established in the “*Annual Site Remediation Professional Licensing Board Fee Calculation Report – Calendar Year 2020*” published in 51 NJR 12(2) on December 16, 2019, with the CY 2021 fees calculated using FY 2020 actual data and FY 2021 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 2021 application fee of \$266.16 is lower than the existing fee of \$336.00, therefore the Board has determined that application fees due in CY 2021 will be \$266.16. According to past practice, this will be rounded down to the nearest dollar amount, or \$266.00. The calculated license renewal fee of \$87.25 is also lower than the existing fee of \$95.00 and therefore the Board has determined that renewal fees due in CY 2021 will be \$87.00, which is \$87.25 rounded down to the nearest dollar amount. The calculated CY 2021 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 2021. Therefore, the Board has determined that the annual license fee will not be changed for CY 2021.

**Comparison of current Board Fees and CY 2021 Fee Calculation**

<b>Activity</b>	<b>Final Fee for CY 2020</b>	<b>Calculated CY 2021 Fee</b>	<b>Final Fee for CY 2021</b>
Application Fee	\$336	\$266.16	\$266

<b>Activity</b>	<b>Final Fee for CY 2020</b>	<b>Calculated CY 2021 Fee</b>	<b>Final Fee for CY 2021</b>
License Renewal Fee	\$95	\$87.25	\$87
Annual License Fee	\$900	\$1,088.74 (\$1,090.00)	\$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. One change has been to shift a large portion of the review of new and renewal applications to clerical staff. Since the application fee and license renewal fee is based on staff hours and salary, this is likely the reason those two fees have decreased for the upcoming calendar year.

The Board must account for previously identified uncertainties in its FY 2021 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 2021 Carry-Forward line item in the annual budget.

The Board has determined, using the formula specified in the Board Rules, that the application fee and renewal fee are to be lowered as indicated. While the annual license fee formula results in a calculation above the existing fee, the Board has determined that in consideration of the Carry-Forward line item and other factors stated above, existing fees are adequate to cover the Board's costs. It should be noted that the Carry-Forward line item is being depleted each year, and it is likely the Board will need to raise the annual license fee in the near future.

In conclusion, for fees due in CY 2021, the Board fees will be as follows:

Application Fee:      \$266.00



Renewal Fee: \$87.00

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: 11/12/20



Mark J. Pedersen, Chairman  
Site Remediation Professional Licensing Board