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SMITH-BUONO BILL TO CREATE FLEXIBILITY IN ENVIRONMENTAL INFRASTRUCTURE TO SPEND FEDERAL STIMULUS FUNDS ADVANCES

TRENTON – A bill sponsored by Senator Bob Smith, Chair of the Senate Environment Committee, and Senator Barbara Buono, Chair of the Senate Budget and Appropriations Committee, which would create needed flexibility in the New Jersey Environmental Infrastructure Trust Fund to allow the State to spend federal stimulus dollars on clean water and wastewater projects was unanimously approved by the Senate Environment Committee today.

“While Congress and the new President hash out the details of a historic economic stimulus package, New Jersey stands to receive billions of dollars to fund various needs throughout the State,” said Senator Smith, D-Middlesex and Somerset. “As a result of this unprecedented federal recovery package, many programs within State government aren’t prepared to spend the funds that New Jersey is eligible for. This bill would give the Environmental Infrastructure the flexibility to complete its mission and capitalize on the federal stimulus package for states.”

The bill, S-2475, would authorize the New Jersey Environmental Infrastructure Trust (EIT) and the New Jersey Department of Environmental Protection (DEP) to make incremental revisions or supplements to the environmental infrastructure project priority lists that must be submitted to the Legislature, under current law, on or before January 15 of each year. Under current law, after the lists are submitted on January 15, they must be introduced in the Legislature as legislative appropriations bills on or before May 15. This bill would give State regulators limited authority to make revisions to the priority lists between January 15 and May 15 to reflect any federal economic stimulus dollars received by the State of New Jersey for wastewater and water supply projects.

The bill would also allow the EIT to create and establish a special “Planning and Design Fund” for the short-term or temporary financing or refinancing of environmental planning or engineering design costs associated with eligible projects. The sponsors noted that in some cases, short-term loans and temporary financing are necessary to reconfigure projects already in the pipeline when increased funding becomes available.

“In its current form, the federal economic stimulus legislation would give New Jersey an infusion of more than \$200 million for water quality and wastewater management projects,” said Senator Buono, D-Middlesex. “However, current State law does not allow for the sort of flexibility needed to put the federal recovery dollars into the field during the current fiscal year, when it is needed most. If we’re going to make the most out of federal assistance to deal with the current economic crisis, we need to be responsive and adaptive to ensure the greatest benefit for the people of New Jersey.”

The bill now heads to the full Senate for consideration.