



The State of New Hampshire
Department of Environmental Services



Thomas S. Burack, Commissioner

January 27, 2015

The Honorable Neal Kurk, Chair
House Finance Committee
Legislative Office Building, Room 210-211
Concord, NH 03301

RE: HB 376-FN-A – An act appropriating funds to the department of environmental services for the purpose of funding eligible and completed drinking water, wastewater, and landfill closure projects under the state aid grant program

Dear Chair Kurk and Members of the Committee:

Thank you for the opportunity to comment on HB 376-FN-A. This bill would appropriate funds for eligible and completed drinking water, wastewater, and landfill closure projects under the state aid grant program. The Department of Environmental Services (DES) supports this bill.

The state aid grant programs for water pollution control, drinking water and landfill closure authorized under relevant sections of RSA 486, 486-A and 149-M, respectively, are among the most important and successful programs in the state's history. Over the past 50 years, more than \$400 million in aid has been granted to eligible New Hampshire entities to help offset the cost of local environmental infrastructure projects. Many of New Hampshire's communities would have found necessary environmental infrastructure projects unaffordable were it not for state aid. It is important to note that this investment in local infrastructure has unquestionably benefited the entire state in the form of a healthy and clean environment which draws many outdoor activists to the state and helps support a statewide tourism economy.

Funding for state aid grants has been made available to eligible entities through appropriations to the DES operating budget. As a result of budgetary constraints resulting from the most recent recession, funds for state aid grants for new projects were not available to DES from November 2008 until July 1, 2013. Chapter 144, Laws of 2013 provided state aid grant funds for 127 wastewater, drinking water and landfill closure projects identified on the DES "delayed and deferred" list of projects waiting for state aid grant. The General Court also recognized that there were some eligible infrastructure projects that were not on the delayed and deferred list and provided that they would be eligible for state aid grant subject to availability of funding. These latter projects are known as the "Tier 2" projects.

Before DES could complete making state aid grant payments to the delayed and deferred and Tier 2 projects, the Governor's November 24, 2014 Executive Order resulted in a reduction of \$1,727,593 in the DES FY 2015 state aid grant budget. As a result, state aid grant payments were not made to the Tier 2 projects and approximately 8 delayed and deferred projects received only partial grant payments. HB 376-FN-A would appropriate state aid grant for all eligible

infrastructure projects for FY 2016 and FY 2017. It is important to note that, included in the proposed \$7,321,316 appropriation for FY 2016 wastewater projects, \$1,004,249 is provided for those Tier 2 and delayed and deferred projects that did not receive their eligible FY 2015 state aid grant payments. It should further be noted that, with the exception of the \$1,004,249 noted above, the proposed FY 2016 and FY 2017 appropriations of HB 376-FN-A are contained in the DES operating budget request. Finally, it is our belief that there are no additional delayed and deferred and Tier 2 projects in the queue for state aid grants beyond those provided for under Chapter 144, Laws of 2013.

HB 376-FN-A does not expressly provide that appropriated funds shall not lapse until June 30, 2017. As a result, sums appropriated for fiscal year 2016 but not spent by June 30, 2016 will lapse and become unavailable for state aid grants, contrary to the intent of this legislation. We recommend that “non-lapsing” language be included in the bill.

Thank you for your consideration in this matter. We believe it is an important step in the continuing effort to help our cities and towns offset the high cost of environmental infrastructure that benefits the entire state. Please feel free to call Eugene Forbes, Water Division Director, at 271-0677 or me at 271- 2958 if you have any questions or need additional information.

Sincerely,



Thomas S. Burack
Commissioner

Attachments

cc: Representatives Bucu, Umberger, Leishman, Ames, Pantelakos, Gottling, Danielson, and Ebel; Senators Bradley and Fuller Clark