Gibbons SFY 2026 Report: New Jersey Department of Environmental Protection Presents Its FY 2026 Budget Proposal

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This is the latest installment in a series of posts that offers a detailed look into the budget proposals for the major departments that constitute the state government.

On April 9, 2025, New Jersey Department of Environmental Protection (NJDEP) Commissioner Shawn LaTourette appeared before the General Assembly Budget Committee ("ABU") to present the NJDEP's proposed FY 2026 budget, which totals $485.2 million. This total represents a decrease of $305.4 million or 38.6 percent from the FY 2025 adjusted appropriation.

Backdrop of Federal Funding Cuts and Major Policy Changes

Since President Trump began his second term in January 2025, his administration has implemented significant policy shifts impacting environmental efforts across the United States. On his first day back in office, President Trump issued an Executive Order withdrawing the United States from the Paris Agreement under the United Nations Framework Convention on Climate Change. This move marked the second time the United States has withdrawn from the accord during Trump's leadership.

That same month, the United States Environmental Protection Agency (EPA) removed all "climate change" references from its website and President Trump issued an Executive Order terminating "to the maximum extent allowed by law, all … 'environmental justice' offices and positions." Additionally, President Trump issued an Executive Order indefinitely withdrawing all areas of the Outer Continental Shelf (OCS) from any new or renewed wind energy leasing activity.

Commissioner LaTourette testified that federal cuts could potentially undermine the federal agencies that the NJDEP directly

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works with, such as the EPA, Department of the Interior, Department of Agriculture, Federal Emergency Management Administration, and National Oceanic and Atmospheric Administration.

The Commissioner noted that approximately 10 percent of the NJDEP's personnel budget is federally funded and expressed concern regarding grant programs and initiatives that the federal government contributes to significantly. The Commissioner gave the example that reductions in funding could negatively impact water infrastructure grants and replenishment of state beaches, where the federal government covers 75 percent of the costs.

Safe Drinking Water and Investment in Water Infrastructure

New Jersey became the first state to issue standards for PFAS (per- and polyfluoroalkyl substances) in drinking water in 2018. In 2021, New Jersey began requiring community water systems to submit plans to the NJDEP for the replacement of all lead service lines within the public community water system over a period of 10 years. Commissioner LaTourette testified that the NJDEP remains committed to ensuring New Jerseyans have access to clean drinking water but faces challenges.

The NJDEP estimates that the State will need more than $32 billion in water infrastructure improvements over the next 20 years. Nearly 300 drinking water systems will need to address PFAS contamination, and costs of treatment will likely exceed $1 billion statewide. The Commissioner also testified that as of December 2024, water systems have identified 135,547 lead service lines and 872,942 lines of unknown composition that require further investigation. The NJDEP projects that the cost of statewide lead service line replacement will be between $3 billion and $9 billion. The Commissioner stated that as of now, it will be tough for the State to meet its goal of replacing all lead service lines by 2031 and that some communities will likely need an extension. The primary source of lead service line abatement funding thus far has been from the federal Bipartisan Infrastructure Law (BIL). Given that the BIL will expire in 2026, the Commissioner stated that the Legislature should expect increased resource needs in the future.

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Commissioner LaTourette testified that the NJDEP continues to address untreated sewage discharges in New Jersey's waterways and will complete improvements to get the State's 21 combined sewer overflow (CSO) systems under achievable long-term control plans in FY 2026.

State Parks, Forests, and Recreation

The NJDEP is responsible for managing and administering New Jersey's 53 state parks and forests, 122 wildlife management areas, and more than 50 historic sites and districts, encompassing more than 454,000 acres. There is $48 million allocated for park management in the proposed budget. The Commissioner stated that there is currently a $1.4 billion backlog of capital needs across the State's recreational portfolio.

The Commissioner further testified that the NJDEP will use appropriations from FY 2025 to break ground on four priority projects in 2025 in the initial phase of the Liberty State Park revitalization and on the first segment of the Greenway in the City of Newark. Additionally, Commissioner LaTourette stated that the NJDEP is working with the Murphy administration to prepare New Jersey to host the FIFA World Cup and elements of the nation's semi-quincentennial (America's 250th birthday).

The Commissioner testified that climate change increases the risk and impact of wildfires by creating drier conditions and extreme weather, which can make forests more susceptible to ignition and spread. Commissioner LaTourette testified that the NJDEP's Forest Fire Service responded to 535 wildfires, which burned 3,655 acres, during the first three months of 2025. This represents a 3,000 percent increase in acres burned by wildfires compared to the same period last year. The proposed budget includes an increase of $1 million in funding for wildfire preparedness and suppression.

Flooding

ABU Committee members on both sides of the aisle questioned the Commissioner about the Murphy administration's regulatory efforts to reform the State's environmental laws protecting against climate threats (NJ PACT). In May 2024, the NJDEP released a proposed set of regulations, known as the Resilient Environments and Landscapes

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(REAL) regulations, meant to better protect New Jerseyans from the effects of climate change in the face of greenhouse gas emissions, increased air pollution, coastal flooding, and aging infrastructure. The REAL reforms were open for public comment until November 2024 and were the subject of multiple public hearings. The Commissioner testified that the NJDEP also held approximately 150 meetings with stakeholders on the regulations.

In response to questions regarding whether REAL is backed by legitimate science, the Commissioner stated that the regulations are based on sea-level rise projections from a report issued by the Science and Technical Advisory Panel (STAP), which was convened by Rutgers University. The Commissioner noted that the report provides New Jersey-specific projections and contains reliable data. The proposed regulations would, in part, set higher elevation requirements to account for sea level rise and chronic flooding. In response to member questioning, the Commissioner stated that the regulations would apply to only new construction and would require those new buildings to be elevated 5 feet.

Members expressed further concern about the potential negative impacts of REAL on a number of topics: (1) property value; (2) affordable housing development; (3) redevelopment; and (4) flood insurance. Commissioner LaTourette stated that opposition to REAL stems from a misinformation campaign, and that there is no reason to believe that REAL will affect property value since the mortgage and finance industry is already aware of the risks of climate change.

Commissioner LaTourette further stated that REAL does not undermine the development of affordable housing, noting that inundation risk zones are almost entirely built out in New Jersey. Thus, according to the Commissioner, entities are not looking to, nor can they, build projects in those zones. The Commissioner explained that REAL does not create “no build” zones or add prohibitions on construction. The Commissioner commented that the goal of REAL is to make new and redeveloped buildings and infrastructure safer and more resilient, giving the example of protecting New Jerseyans who live in first-floor apartments from storms and rampant flooding. The Commissioner also noted that REAL does not require property owners to buy flood insurance, nor do the proposed rules change

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the need for or the cost of flood insurance.

Be on the lookout for our next post about the New Jersey Department of Banking and Insurance budget hearing.

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