

Financial Summary:

Cumulative Federal Shortfall Expected to Top \$6 Million

The commissioners on January 19, 2005 unanimously adopted the DRBC's \$4.97 million annual General Fund operating budget for fiscal year (FY) 2006, which extends from July 1, 2005 through June 30, 2006. The federal Energy and Water Development Appropriations Act (P.L. 104-206) eliminated U.S. funding support of the DRBC's annual operating budget beginning in October 1996. Federal funding has not resumed since that time and the resulting cumulative shortfall is projected to grow to \$6.4 million by the end of FY 2006.

For the second consecutive year, the budget adopted in January 2005 put in place a mechanism for program and service reductions if the five commission members do not fully contribute their fair share of the annual budget. The FY 2006 budget calls for no increase in the signatory funding levels that have been in place since FY 2002, despite the rising costs of delivering services over the past

	FY04	FY05
Revenues:		
Signatory Contributions	\$2,601,000	\$2,643,000
Grants & Special Projects	2,364,903	2,677,309
Surface Water Supply Charges	2,320,097	2,356,251
Project Review Fees, Investment Income & Other	1,019,437	1,174,801
Expenses:		
Salaries & Benefits	\$3,543,840	\$3,227,590
Operating Expenses	2,717,152	3,090,871
Debt Service and Depreciation	1,521,188	1,246,424
Building Improvements/Equipment Acquisition	410,524	58,571

four years. This underscores the urgent need for the federal government and the four basin states to fully pay their fair share contributions.

The DRBC's financial records are audited annually as required by the Delaware River Basin Compact and are available for inspection, upon request, at the commission's West Trenton headquarters.

"Since most of the DRBC's [General Fund] expenses are personnel-related, programs have directly suffered by our cuts this [2005] fiscal year. We had to temporarily suspend our Flood Advisory Committee and its important flood loss reduction efforts on July 1, 2004 shortly before we witnessed the worst main stem river flooding since 1955 in September. In addition, we were forced to cut back on monitoring activities in New Jersey and Pennsylvania tidal tributaries and in November 2004 we found ourselves facing a major oil spill in the Delaware where having that lost information could have proved very useful. The basin community would have been better served had these reductions not been necessary."

– DRBC Executive Director Carol R. Collier, February 2005