

The difference in Contractual Services in the Division of Environment FY 2012 Actuals to the FY 2013 and FY 2014 Governor's Recommended Budget are fully attributable to the Bureau of Environmental Remediation and primarily the Storage Tank Trust Funds. FY 2012 is an anomaly, as seen in the chart below, in terms of contractual service expenditures for the Division of Environment.

Division of Environment Contractual Services							
		Actuals				Recommended	
<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
28,294,583	30,962,835	26,409,287	29,949,363	17,545,044	29,561,164	29,359,379	29,037,681

The decrease in FY 2012 and the increase in the budget years is predominantly the result of two factors.

One is a number of multiple year projects completed in FY 2012 that required cash outlays that were encumbered and shown as actual expenditures in prior fiscal years. The cash and staffing needs for these projects limited the number of new projects the bureau could begin in FY 2012.

The second factor is a change in the way the bureau does their cash planning and encumbrances. Beginning in FY 2012 the bureau began encumbering only funding needed in the current fiscal year, as opposed to multiple year encumbrances for projects. In prior years, projects were encumbered for a number of years when they began. In FY 2013, and subsequent years, actual expenditures will more closely coincide with cash distributed in the fiscal year and not cash planned for distribution in future years.