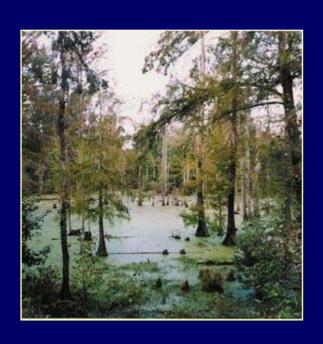# Department of Environment and Natural Resources Wetland Mitigation Credit Determinations

Special Report (December, 2009)

April 29, 2010

Carol H. Ripple, PhD

Brief Overview

- $698,372 in state funds was spent without any benefit to the environment

- Department of Environment and Natural Resources policies have been changed

- Potential for future environmental loss remains

Background

> ## EBX is paid twice for wetlands work
>
> *— News & Observer 12/8/09*

- Explored the controversy publicized in the *News & Observer* in December

- Did the state spend nearly $1 million and get nothing in return?

Compensatory Wetland Mitigation

- Developers must compensate for environmental damage by:

  - Doing the work themselves

  - Paying for credits

NCEEP project, Harnett County

DENR Plays a Central Role

Department of Environment and Natural Resources

Regulation:

Division of Water Quality

Oversight:

Ecosystem Enhancement Program

The Crux of the Controversy

- DENR certified credits from one 46-acre area in the Neuse River basin

- Overlapping credits were sold twice, the second time to the state

- DENR policies allowed this to happen

Neuse River

The Bottom Line

Source: EduPic

- Alleged overlap in credits sold cited in the N&O = $910,920

- Actual overlap based on Program Evaluation Division analysis = $698,372
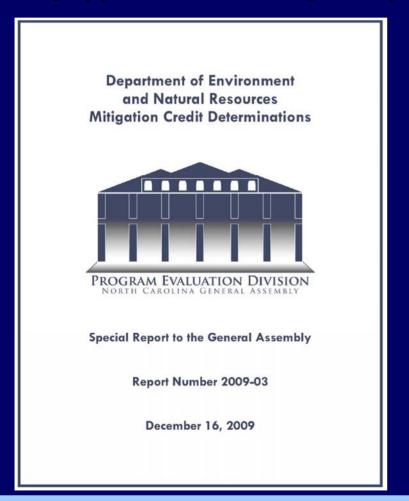
- Net loss to North Carolina's environment

Summary

- $698,372 in state funds bought no benefit

- New policy prohibits future similar approvals, but previously approved overlapping credits can still be sold

- School of Government evaluation of the Ecosystem Enhancement Program is planned

Report Available Online

http://www.ncleg.net/PED/Reports/reports.html

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and Natural Resources
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PROGRAM EVALUATION DIVISION
NORTH CAROLINA GENERAL ASSEMBLY

Special Report to the General Assembly

Report Number 2009-03

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