
Commission Meeting

of

NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

LOCATION: Committee Room 16
State House Annex
Trenton, New Jersey

DATE: October 22, 1999
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

B. Carol Molnar, Chair
Senator Bernard F. Kenny Jr.
Assemblyman Louis A. Romano
Michael R. Ferrara
Anthony F. Annese

ALSO PRESENT:

Caroline Joyce
(Representing Senator Robert E. Littell)
Jerry Traino
(Representing Assemblyman Francis J. Blee)
Peter Lawrence
(Representing Roland M. Machold)

John Geniesse, Acting Executive Director
New Jersey Commission on Capital Budgeting and Planning



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B. CAROL MOLNAR (Chair): I'd like to call the meeting to order. In accordance with the Open Public Meeting law, the Commission has provided adequate public notice of this meeting by giving written notice of the time, date, and location. The notice of the meeting has been filed at least 48 hours in advance by mail and/or fax to the Trenton *Times* and *The Star-Ledger* and filed with the Office of the Secretary of State.

We will now take a roll call.

MR. GENIESSSE (Acting Executive Director): Mr. Davidoff. (no response)

Mr. Annese.

MR. ANNESE: Here.

MR. GENIESSSE: Mr. Roth. (no response)

Ms. Joyce, for Senator Littell.

MS. JOYCE: Here.

MR. GENIESSSE: Senator Kenny. (no response)

Mr. Traino, for Assemblyman Blee.

MR. TRAINO: Here.

MR. GENIESSSE: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Here.

I believe you have Mr. Rousseau for--

MR. ROUSSEAU: Senator Kenny is going to be here.

ASSEMBLYMAN ROMANO: Oh, he is going to come. I apologize.

MR. GENIESSSE: Mr. Lawrence, for Treasurer Machold.

MR. LAWRENCE: Here.

MR. GENIESSSE: Ms. Mintz -- Commissioner Mintz. (no response)

Ms. Villane. (no response)

Mr. Ferrara.

MR. FERRARA: Here.

MR. GENIESSSE: Ms. Molnar.

MS. MOLNAR: Here.

MR. GENIESSSE: We do not have a quorum, Madam Chair.

MS. MOLNAR: Thank you.

I have one small announcement before we do the next item, and that's regarding the change of Executive Director. You got a notice in your packet. Included in the materials mailed to Commission members for today's meeting was a memo informing you of a change in position of Acting Director.

Paul Shidlowksi, who has served the Commission with great competence and dedication for nearly six years, will relinquish that role as a result of organizational reassignments at the Office of Management and Budget. However, Paul will continue to supervise the Capital Planning Unit at OMB and will actively participate in the development of the Commission's annual capital recommendations.

During my tenure as Chair of the Commission, I have developed a tremendous appreciation for Paul's knowledge and expertise in the area of capital planning and debt management and the thoroughness that he and his staff apply to their analysis. It is reassuring that the Commission will continue to benefit from that knowledge and expertise in the future. I would like again

to express my appreciation to Paul for his leadership, guidance, and hard work on behalf of the Commission.

I would also like to welcome John Geniesse as the new Acting Executive Director. John has several years of experience at OMB and, for the past two years, has served as the manager for the Resource Management and Planning section of OMB. In this capacity, he has worked closely with Paul and the staff of the Capital Planning Unit. I look forward to working with John.

Welcome aboard.

MR. GENIESSSE: Thank you.

MS. MOLNAR: The next item is their Executive Director's Report.

MR. GENIESSSE: I will be very brief since we have a full agenda. I just want to echo the Chair's expression of appreciation for Paul's work as the Executive Director. I will continue to rely on him to be very active in supervising the staff and developing the Commission's recommendations. And I look forward to working with all the Commission members as well.

Thank you.

MS. MOLNAR: Any other comments regarding this issue? (no response)

If not, we'll move on to capital request presentations.

Now, apparently every department seems to have a time constraint today, so we're trying to accommodate everybody. And we're also trying to accommodate Senator Kenny. Senator Kenny would like to hear the DEP's presentation. They're second.

So we'll take the first one and then may have to juggle the agenda a little bit.

Our first department is the Department of Military and Veterans' Affairs. I'd like to welcome the General again this year.

Welcome.

MAJOR GENERAL PAUL J. GLAZAR: Thank you.

Good morning, Madam Chairwoman and Commission members and those standing in.

As the Adjutant General, it is my pleasure to present you with the Department of Military and Veterans' Affairs 2001 Capital Plan. The Plan is in keeping with my vision of maintaining a professional organization recognized by all as the finest militia force and provider of veterans' services. This plan identifies 11 projects totaling \$25.2 million and emphasizes our major critical concerns.

At this time, I would like to bring you up to date on various projects that have been initiated or completed with previous years' funding. In December of 1998, we opened the Vietnam Veterans Education Center in Holmdel. This facility is a repository of information that enables visitors to learn and gain a better understanding of the many complexities of the Vietnam conflict and the sacrifices made by those who served.

As you can see, we have two pictures enclosed of that facility. (indicating)

We are also in the process of completing the New Jersey Korean War Memorial, which will be located at the corner of Boardwalk and Park Place, in Atlantic City. The anticipated dedication ceremony will be in the fall

of 2000. And again the photograph represents that corner piece of property. The top of the photograph is the boardwalk.

Another accomplishment that I am proud to announce is a renovation and rehabilitation project of the main dining facility and general purpose room at Veterans' Haven, our transitional housing program in Voorhees. This expanded facility will better serve the multiple needs of our homeless veterans as they make the adjustment back into the mainstream of society.

I would also like to mention our long-awaited new veterans home in Menlo Park is nearing completion. The construction of the maintenance building, parking lots, and landscaping are under way, and all resident areas are fully operational. The dedication for this beautiful, state-of-the-art facility is planned for late summer of 2000. I extend to all of you my personal invitation to attend this historic event. It was through your efforts that this new home has become a reality. And you can see the aerial photograph of that new home.

With your continued support, we were able to accomplish various projects at our armories, better known as Interactive Community Resource Centers. These projects included the installation of fire suppression systems at our Atlantic City, Newark, and Teaneck facilities; a roof replacement at Newton; ADA improvements at Phillipsburg; and asbestos abatement at our West Orange and Atlantic City facilities. These improvements support my ongoing commitment to the soldiers, sailors, and airmen of the New Jersey National Guard to have first-class facilities so they can maintain their high state of readiness.

During the past year, over 3600 New Jersey National Guardsmen and -women responded to more than 450 domestic and civil support missions. This included two Community Outreach programs for our homeless veterans and assistance to the Kosovo refugee relief effort at Fort Dix.

Our most recent mission was in response to the devastation caused by Hurricane Floyd. During the period of 15 September 1999 through 5 October 1999, the National Guard executed over 266 missions, and over 1800 soldiers, sailors, and airmen were called to duty from 35 units across the state. This was the largest call-up for a state emergency since 1969. And again we've included various photographs from that event. I'm sure you're aware of it all.

Our facilities are also used for community youth group activities as part of our Drug Demand Reduction Program. Over 6300 students from 47 schools throughout the state participated in community-sponsored activities that serve as positive alternatives to idleness and drug abuse.

I have provided you with a booklet containing photographs of various projects that have been completed with funding provided in prior years. Also included are projects that are planned for or are currently under construction.

The first project on our Fiscal Year 2001 request is funding for the demolition and reconstruction of our Vineland Veterans' Home. Thanks to the Commission's efforts, \$3.6 million was appropriated last year for the architectural and engineering design of the new home. We are currently working with the selected A and E firm and want to begin construction next fiscal year.

The Vineland Veterans' Home is the State's oldest operating veterans' home, having opened in 1899. It has provided residential and long-term nursing care to New Jersey's veterans of every war and armed conflict since the Spanish-American War.

Currently, three residential buildings serve 280 residents located on 20 acres. The photo below shows how spread out the facility is. (indicating)

This project has become necessary due to the age, condition, and major code violations of the existing home. This new veterans' home will also help offset the potential closing of the Federal VA hospital in East Orange. If that facility closes, the care of the patients will ultimately become the responsibility of the State. National health care reform necessitates enhanced state health care be provided to all eligible veterans. The cost to renovate and rehabilitate the existing home could run higher than \$20 million, which is cost prohibitive.

Additionally, I want to emphasize that the Federal government will not contribute towards maintenance and repair of the facility. However, the Federal government will provide up to 65 percent of the cost to construct a new veterans' home.

As was done with the Menlo Park Veterans' Home project, we request the State share be provided so we can demonstrate our commitment to build this new home and be in a favorable position to receive the Federal matching share of \$24 million.

The new Vineland Veterans' Home will be a 332 bed, state-of-the-art, long-term health care facility which will, unlike the existing home, will be

Medicare certified and will provide an estimated \$2 million per year in additional Federal revenues back to the state.

Priority No. 2 addresses the renovation and rehabilitation of our Department headquarters in Lawrenceville. This project will replace the 32-year-old HVAC and electrical systems as well as correcting numerous fire/life safety and ADA violations.

The ADA portion of the project will include the redesign of the restroom facilities to ensure ADA compliance and full accessibility for our employees and visitors. This project will also be supplemented with a Federal contribution of \$500,000.

The \$450,000 in capital funds received in Fiscal Year 2000 will be added to this request to fully fund this project. We estimate that our annual operating cost will be reduced by \$110,000 with the use of energy-efficient systems and maintenance reduction costs.

Priority No. 3 deals with the entire electrical system replacement at our Jersey City Armory/Interactive Community Resource Center. This facility was constructed in 1929 and is one of the most active in our Facility Lease Rental Program. As depicted in the photographs, this antiquated system is inadequate to handle the increased electrical demands caused by the combined military and community use, which also includes an after school youth program.

Priority No. 4, titled "Cemetery Improvements," is a totally federally funded project. Federal legislation that was passed in 1998 provides 100 percent Federal funding support to State-administered veterans' cemetery projects.

These are listed to keep you informed of proposed projects and to illustrate the priority of these projects in our overall capital improvement plan. In Fiscal Year 2001, we plan to install one acre of burial crypts, which will greatly increase our interment capabilities.

During Fiscal Year 2002, we will begin construction of a new administration/operations building, converting the existing operations building to a reception/information center, and install columbariums in areas not suitable for interments.

Priority 5 requests funding for the conceptual planning and design for a state-of-the-art interactive military museum. This museum will be located at the permanent berth of the USS New Jersey and will serve as a tribute to recognize and memorialize the thousands of New Jersey residents who have bravely fought for their country.

The next project, Priority No. 6, would fund the design for a multiagency training center at our National Guard Training Center at Sea Girt. The aerial photo below depicts the proposed location.

This complex will provide a centralized location for all of our State agencies and could be expanded to include public and private organizations. Presently, we provide training for the New Jersey State Police and Department of Corrections academies, the Port Authorities of New Jersey and New York, criminal justice, and municipal police classes.

Other agencies have inquired about space, and this project could accommodate further expansion of activities. This venture would consolidate services, alleviate additional State lease requirements, and reduce overall

operating costs for state training facilities. The Federal government will also provide an additional \$28.5 million in funding for the project.

Construction will be completed in three phases. Phase I will consist of constructing classrooms, dining facilities, barracks, and support space. Phase II will include additional classrooms, barracks, and support space. Phase III will include a gym, indoor firing range, physical training center, and auditorium. And on the following page you can see a conceptual drawing showing you those three phases of activity.

Priority 7 addresses our fire/life safety concerns for funding in Fiscal Year 2000. Your funding in Fiscal Year 2000 allowed us to continue to move forward in correcting various violations within our facilities. This current year's request will maintain the momentum initiated by previous year's capital funding. It includes the installation of fire suppression systems at 11 National Guard facilities and the installation of a fire alarm system at our Paramus Veterans' Home. The photo on the next page illustrates a typical fire suppression system installation.

Our next request, Priority 8, focuses on various projects under the infrastructure category. Five Armories/Interactive Community Resource Centers will receive much needed window replacements, and our Paramus Veterans' Home will have its main parking lot and access roads repaved.

The next two items, Priorities 9 and 10, address renovation and rehabilitation projects under the preservation and construction categories. These include electrical system upgrades, roof replacement, and moisture protection throughout our 200 facilities. The funding requested is consistent

with my long-range real property management objectives of upgrading and maintaining these facilities based on future use requirements.

Priority 11 address environmental compliance and deals specifically with the asbestos abatement program. We have previously identified these concerns in Department of Health surveys of our buildings. This capital request continues to address these in order to alleviate major health issues.

Priority 12 is the proposed Veterans' Adult Day Care Center at the Paramus Veterans' Home. This project, similar in design to the Adult Day Care Center at the Menlo Park home, will consist of a 32-person unit that will be fully certified and staffed to provide necessary services to those individuals who do not need the 24-hour care of a nursing home, but do require some assistance with daily living.

Funding provided for this project will support my commitment to provide veterans with alternatives to long-term institutional health care. And again the photo represents that proposed facility.

The next project, Priority 13, is for the reconstruction of a new armory/Interactive Community Resource Center in Camden City. Although no funding is requested for this year's submission, I am bringing this request to your attention for further consideration in the future.

It is my intention to bring back a National Guard presence to the Camden area, in partnership with the local community, and expand our activities in support of local economic development plans and revitalization efforts. This facility will replace the Cherry Hill Armory/Interactive Community Resource Center, which lies in a floodplain and is being

encroached upon by new highway construction. An adjacent watershed has also accelerated building deterioration and settlement. The need to find an alternate site in Camden County for a new Armory/Interactive Community Resource Center is critical.

With over 200 structures, at an average age of 46 years old, we remain the fourth largest department in total assets, and the third largest in total buildings. With a veterans population ranked as the ninth largest in the nation and second oldest, it is imperative to have quality facilities available for their care and well-being.

I trust you can see from the booklet we have provided, that the capital funding made available to us has been put to good use.

I appreciate your continued support in helping us implement an effective long-range capital plan that meets the training needs of your National Guard and provides those critical services and programs so richly deserved by New Jersey's veterans.

I thank you for the opportunity of being here this morning and, at your pleasure, answer any questions that you might have.

MS. MOLNAR: Thank you.

Any questions or comments from Commission members?

Assemblyman.

ASSEMBLYMAN ROMANO: Okay.

Good morning, General.

I'm very happy that I don't see any required work for the outside envelope of the buildings -- that they've all been waterproofed, tucked and pointed, roofs are in proper order, because for many years we saw the results

of improper -- and I don't want to use the word in your connection -- but improper maintenance.

Obviously, I'm always concerned with the Jersey City ICRC. Now, there were questions that were raised by OMB which indicate that, while you had rented out the floor, I think, to a motion picture studio -- and there's \$940,000, which represents receipts from the prior year. Just exactly what happens to that \$940,000?

MAJOR GENERAL GLAZAR: Sir, that money gets put back into various accounts. The main account it goes back into is to ensure that we have the available armory support to clean the facilities. And the other part of it -- goes back into is maintenance and repairs of the facilities. There are some armories that don't generate any income, so it's spread across our budget in projects that way to make sure that we can cover all of the armories. Some just aren't conducive to renting.

ASSEMBLYMAN ROMANO: Well the use of the money in those areas -- that's up to OMB to decide if that money that is generated by Jersey City belongs properly or improperly throughout the network of all ICRC's and should that money belong primarily to, let's say, Jersey City, because it is the people in Jersey City that are supporting this, one way or another.

MAJOR GENERAL GLAZAR: Yes, sir. And as you know, when we bring in those movie studios, it generates a tremendous amount of revenue for the city as far as being spent there to buy the supplies, to buy the catering necessities that they require. So there is an indirect benefit also by doing that not just to the facilities for some infrastructure repair, but also for the

community. They virtually empty out lumber yards when they come in for the -- building the sets that they do.

ASSEMBLYMAN ROMANO: Well, that leads me to my final question. The third floor: what is happening to the third floor in that armory?

MAJOR GENERAL GLAZAR: Sir, there is an initiative under way right now, investigating and exploring, with the city, a charter school facility through a bonding program, to take a look at the three floors of Jersey City to make a facility that can be co-utilized with the National Guard as well as with the school children. We think it might lead us to a new relationship there, to really enhance youth activities, school availability, and also provide better facilities for the National Guard.

ASSEMBLYMAN ROMANO: Just in closing, I have no problem with the charter school to the extent that, yes, it's going to benefit that particular school. But as you know, and we've spoken on many occasions about this, I've always looked upon that third floor as an alternative school--

MAJOR GENERAL GLAZAR: That would include the third floor.

ASSEMBLYMAN ROMANO: --which would involve all students of Hudson County, not someone who has been blessed to have a charter school there through Jersey City. That armory is not Jersey City's armory. That armory also represents all of Hudson County--

MAJOR GENERAL GLAZAR: Yes, sir.

ASSEMBLYMAN ROMANO: --if I think of it the proper way.

MAJOR GENERAL GLAZAR: And, sir, we'd be more than willing to work with you on that project.

ASSEMBLYMAN ROMANO: Well, I don't have much time. I'm just voicing my opinion in the matter because there is no one alternative school available in Hudson County.

You know, we can all talk about zero weapons in schools, but then that student, who is suspended for the year who must receive education, is not supposed to go into an alternative school program for those students who can not pursue the regular school program. They should be in a special alternative school program. I've always imagined that the third floor would be the best, and that's why I look at the \$940,000, because you know and I know and those of you don't perhaps understand what I'm talking about-- When that building was put up in 1929, they never finished the third floor. It has concrete structural support, but for an inch and one-half down, it is just raw concrete, ready to set or accept terrazzo floors or whatever flooring you're doing.

MAJOR GENERAL GLAZAR: Yes, sir.

ASSEMBLYMAN ROMANO: And the radiators are laying on the wall, just laying there, not even hooked up, because I don't even think heat goes to the third floor.

But, General, I think you're doing an excellent job, especially since the pictures we saw several years ago. I'm only happy that the moisture prevention and the water that entered the buildings and spalled the brick, etc., is a thing of the past.

MAJOR GENERAL GLAZAR: Yes, sir, and with your mentorship, we made sure that we took care of the envelopes of all of our facilities to ensure that they had up-to-date roofing that didn't leak and a ceiling, like you

mentioned, in our brickwork and masonry work. And I need to remind you, sir, that we do run our Challenge Youth Program at Fort Dix for just that type of individual that you have mentioned. And as you know, that is a residency program, so it even gets them out of the neighborhood that might not have been conducive to them staying on the straight and narrow. And that always has seats available in it. Twice a year we run classes. So any time you get the opportunity to visit Fort Dix, we would, more than likely, be there to help coast you through that, but we would really need you to take that word back to your constituency base. And in the future, anything you need to do to help spread that word, we'll be there.

ASSEMBLYMAN ROMANO: You know I've been a protagonist for the Challenge Program.

MAJOR GENERAL GLAZAR: Yes, sir.

ASSEMBLYMAN ROMANO: And I've been a -- how should I say-- I was the graduation speaker at the boot camp in New Lisbon this past summer.

But I am concerned with that student who is not required for residential maintenance but who is a daily student who has been -- can't say convicted because the moment that they're convicted or adjudicated a delinquent, then the court -- the juvenile justice system takes over. I'm talking about that system that is not that far -- that is within the panoply of the school operation as alternative schools or a program of such for those students in Hudson County who bring a weapon to school.

MAJOR GENERAL GLAZAR: Yes, sir.

ASSEMBLYMAN ROMANO: That's what I'm talking about.

And thank you very much.

MAJOR GENERAL GLAZAR: Thank you, sir.

MS. MOLNAR: Thank you, Assemblyman.

Any other questions?

Mr. Ferrara.

MR. FERRARA: General, I'd like to ask a couple questions about the Vineland soldiers' home.

Can you bring me up to date? And we've probably talked about this in the past, but the Federal process in terms of the availability-- Has the Federal government actually appropriated money and it's waiting, or is it they would begin the process after we put up our share?

MAJOR GENERAL GLAZAR: My very quest for money, the paperwork piece of that is down there. It's been down there for two years. The next step was the A and E piece so we could finalize the cost. That's in the process.

The third step, which worked very well for us in Menlo Park, was for the State to appropriate the money, and it was rolled a couple years. But that showed that the State was not going to be a stumbling block if the Federal government appropriated the money.

We would start working that process. We've been doing some preliminary work. We don't think it is a major problem. We think we're about, in the budget cycle on the State's side, to ask for the State's share and move that thing forward.

Mike, if you could add anything to that.

COLONEL MICHAEL L. WARNER: I'd just like to add--

I think one of the other questions that you're implying in that is that how quickly the Federal government can respond to our request after the State would provide that money. The budget that was signed yesterday by the President appropriates \$90 million for state veterans' homes construction. Since Menlo, that's almost double the amount of money that was available for such construction when we built Menlo.

The philosophy now, between the President and the Congress, is to fully fund the requirements of those states that have met all of the gates for construction, which is application and, most critically, appropriation or commitment of the state's share of that money.

MS. MOLNAR: I'm sorry, General, could you identify your speakers for the stenographer?

MAJOR GENERAL GLAZAR: I'm sorry. That was Colonel Mike Warner, Deputy Commissioner of Veterans' Affairs.

MS. MOLNAR: Thank you.

MR. FERRARA: Would I interpret what you said to mean, though, that that \$90 million is committed to other states that have, in fact, put up their state money?

COLONEL WARNER: That's right. That meets the requirements that exist today in FY 2000 for them.

MR. FERRARA: Right. So the earliest we could get money would be in the Federal Fiscal Year 2001 budget?

MAJOR GENERAL GLAZAR: That's right. That's why this timing is right on track.

COLONEL WARNER: And that's what works so well for us at Menlo Park, is that our FY runs ahead of the Federal government, so we were able to get our commitment early in the budget planning cycle for the Federal government. So right in the next FY, we rolled right over, and our requirement was addressed in the Federal budget cycle for the same year.

MR. FERRARA: Second question--

The Army is expected to abandon the hospital at Fort Dix. Walson, I believe it's called.

MAJOR GENERAL GLAZAR: Yes.

MR. FERRARA: Is there any potential use for that by your Department, and could that possibly substitute for building a new facility?

MAJOR GENERAL GLAZAR: We don't think it can substitute for building a new facility, but we do think that there are some real opportunities here for the veterans in the State of New Jersey. And we think a public-private partnership would be the way to go with that facility. And we would really be more than likely -- be available to talk off-line on that particular issue in more detail, but preliminarily, we just conceptionally think that that is a great facility for the State to acquire and then go from there and take a look at the right usage for it.

MR. FERRARA: Okay.

You also mentioned the East Orange Veterans' Hospital is going to be closing.

COLONEL WARNER: I want to make sure that we're straight on that. I heard what the General said, but what the real issue is, is the East Orange Nursing Home, not the hospital itself.

MAJOR GENERAL GLAZAR: It's at the hospital location.

MR. FERRARA: Oh, okay.

COLONEL WARNER: But the real critical factor is whether the 36-bed nursing home facility at East Orange closes, not the hospital.

MR. FERRARA: Now, is that a long-term facility, or is that just for convalescent care?

COLONEL WARNER: Yes, it's a long-term nursing home facility.

MR. FERRARA: So, potentially, those veterans that are there are going to need a new nursing home.

COLONEL WARNER: Yes.

MAJOR GENERAL GLAZAR: Yes.

MR. FERRARA: Okay, thank you.

MS. MOLNAR: Any other questions or comments? (no response)

If not, General, I would like to thank you for your presentation.

MR. FERRARA: He did, I think. (referring to Mr. Annese)

MS. MOLNAR: I'm sorry, Mr. Annese.

MR. ANNESE: Thank you.

General, a couple of minor questions. First, the Cherry Hill facility-- Do you anticipate the demolition of that facility?

MAJOR GENERAL GLAZAR: The Cherry Hill facility, right now, is currently being used. We would not look to a demolition until a new facility would be built, and then the proper disposal of that facility could be a demolition and it could be a direct sale, just to reimburse the State for the money that they would put up for the new facility.

MR. ANNESE: Did you have any flood damage the past few months?

MAJOR GENERAL GLAZAR: We have not had flood damage, presently. We have had some erosion damage, but nothing into the building. As you know, that area got spared a little bit. It didn't have the rains that the northern areas did have. But in years past, that area has-- We've taken a piece of the building down because of the flood damage.

MR. ANNESE: Okay.

Regarding the Battleship New Jersey and your plans for a design-- Considering the fact that I don't believe we've identified a permanent berth, do you have any discussions about this -- what you would be planning for in those plans?

MAJOR GENERAL GLAZAR: What we're looking for, really, is to get involved with an A and E study to find out the size of the museum that would be necessary and take a look at that. The Battleship New Jersey is going to be quite a unique addition to the State of New Jersey. And depending upon where it goes, there's going to be some opportunities there to enhance the Battleship with the museum piece of it to tell the veterans' stories that New Jersey has a tremendous amount of history and really no display of that.

MR. ANNESE: So these plans could be implemented, regardless of the site, is what you are saying?

MAJOR GENERAL GLAZAR: Yes, sir.

MR. ANNESE: Okay. Thank you.

MR. FERRARA: Actually--

MS. MOLNAR: Mr. Ferrara.

MR. FERRARA: I got my second wind.

MAJOR GENERAL GLAZAR: I have to be careful now, Mike.

MR. FERRARA: The Sea Girt facility. Obviously, it's a significant amount of money, potentially \$85 million, of which the State would come up with \$57 million. I'm curious. I'm looking at some of the numbers in the write-up -- 560,000 square feet, a 320-person building area. Do we really have the volume of training there that would necessitate such a large facility that could accommodate such a large number of people?

MAJOR GENERAL GLAZAR: Yes, sir. We're finding out that the Sea Girt location is absolutely a gem for us for training and for the installations and activities that are currently there as tenants -- absolutely not a problem. We defer some of that training because we don't have the proper facilities. The barracks don't meet the standards, and that's where the Federal dollars would come in. We've gotten through in going into some renovations with the dollars because we put joint dollars into that from Law and Public Safety and others to make that a joint facility.

A continued move in the master plan process to get there and complete the facilities will give us state-of-the-art, out into the very distant future, facilities to take us through the next generation.

MR. FERRARA: To come up with that 560,000 square feet, was there actually an analysis done of--

MAJOR GENERAL GLAZAR: We're currently putting the contract together to do that, Mike, because we think that that's a very important next step. The Department of Corrections has significantly expressed a desire to ramp up their operations there. It gave them a campus --

a military campus that gave them everything that they were missing in the past to do the style of training that they needed for their corrections officers. That's a constant ongoing problem.

Our current weekly numbers are 500-plus students a week. That's resident.

MR. FERRARA: And they would be-- That's what I was going to say.

MAJOR GENERAL GLAZAR: That's resident.

MR. FERRARA: Those are residential?

MAJOR GENERAL GLAZAR: Yes, sir.

MR. FERRARA: Okay.

Thank you.

MAJOR GENERAL GLAZAR: We'll get that in that study so everybody can get a good appreciation for it.

MR. FERRARA: And you have the money to do that study. That's already in--

MAJOR GENERAL GLAZAR: That's part of the problems that we're here for -- looking for some of that.

MR. FERRARA: And that's the \$3.9 million, which would be the 2001? Is that to do the architectural and engineering studies and the--

MAJOR GENERAL GLAZAR: Yes.

MR. FERRARA: Thank you.

MS. MOLNAR: Any other questions or comments?

Caroline Joyce.

MS. JOYCE: Just a quick question on the closing of the East Orange Hospital Nursing Unit. Have these residents reached out to any of the State homes to get on a waiting list or to get preapproval in case that home is closed, or is there a way to reach out to them so that they're not left stranded?

COLONEL WARNER: Yes. The answer is yes. We work with those residents continually as they move through that.

MS. MOLNAR: Any other questions or comments? (no response)
If not, I would like to thank you, General, for coming, and your staff.

MAJOR GENERAL GLAZAR: Thank you all very much.

MS. MOLNAR: Our next department is the-- We're going to take the Department of Environmental Protection. We'd like to welcome Ron Tuminski, Assistant Commissioner.

Good morning. Could you identify your staff for the stenographer?

Thank you.

ASSISTANT COMMISSIONER RONALD S. TUMINSKI: I have with me this morning staff from the Department of Environmental Protection, which -- to my left is Jim Hall, who is the Assistant Commissioner of Natural and Historic Resources. And to my right is Rick Gimello, who is the Assistant Commissioner for the Site Remediation Program.

Good morning, Madam Chair and members of the Commission. On behalf of Commissioner Shinn and the Department of Environmental Protection, I want to thank you for the opportunity to present DEP's capital needs for FY 2001.

Overall, DEP's FY 2001 capital budget request totals some \$563 million. The funding is distributed across various categories. In the case of general State funds, we are requesting \$94.5 million. Out of the new Garden State Preservation Trust, \$108.3 million. In bond funds, we are requesting \$28.2 million; federal funds, we are seeking approval of \$190.4 million; shore protection funds, \$28.2 million; the CBT, or Corporation Business Tax, \$42.8 million; the Environmental Infrastructure Trust, we are requesting \$55 million; and local matches, some \$15.3 million.

I would point out that in the Commission's staff presentation, the General State Fund shows a number of \$165.5 million. And basically, that is made up of the General State Fund number we have, the shore protection funds, and the Corporation Business Tax.

While we are seeking the Commission's concurrence of our FY 2001 capital spending plan, the Department will also be presenting its priority listing of site remediation and infrastructure projects to the Legislature for review and approval in accordance with the enabling legislation.

With respect to the specific components of our FY 2001 request, I would like to highlight the following.

In the case of open space funding-- When I appeared before the Commission last year, it was just four days before the voters of New Jersey were asked to cast their vote as to whether they agreed with setting aside up to \$98 million per year from sales tax revenues to preserve open space, save farmland, and preserve historic sites. The stated goal at that time, which still remains today, is to save 1 million acres by the year 2009. As members of this Commission are well aware, similar open space ballot questions appeared on

various local referenda. The public response, as in the past, was to overwhelmingly endorse the statewide ballot question in order to preserve one-half of the remaining open space in New Jersey.

Since that vote, we witness the installment of \$98 million in moneys being appropriated in our FY 2000 Appropriations Act to the Garden State Preservation Trust Fund for the purposes specified in the Trust Fund Act. These included moneys from farmland easements, planning incentive grants, acquisition and development of State lands, and grant loans to local government units.

Approximately a week and one-half ago, Governor Whitman swore in the members of the Garden State Preservation Trust, which is responsible for implementation and oversight of the open space and farmland preservation program.

DEP's FY 2001 capital plan includes \$108.3 million in requested funds for the trust projects. Specifically, \$54.2 million is included for State acquisition projects, while the same amount is included for local loans and grants.

With respect to New Jersey's Infrastructure Financing Program, which has clearly proven to be a valuable asset to the state in terms of water quality protection, this summer, the program was expanded to include water quality protection efforts at publicly owned landfills. Projects such as leachate collection, storage, and treatment systems, as well as those addressing seepage prevention, are now eligible for low cost loans, provided that a landfill closure plan has been approved by the Department.

In the case of water supply, our 2001 request of \$17 million, it represents the fourth year of financing under the Federal Drinking Water SRF. As with the \$62.2 million in Federal funds available from fiscal years 1997 thru 1999, the Department again plans to leverage these moneys through the Environmental Infrastructure Trust. The FY 2001 funding will utilize Federal Fiscal Year 2000 moneys and \$3.4 million in 1981 water supply loan repayments as the appropriate Federal match.

New Jersey's Waste Water Treatment Financing Program has entered its second decade. Since 1987, the Trust and DEP have provided more than \$1.6 billion in low interest loans to finance clean water projects. It has also been estimated that New Jersey residents have saved nearly \$500 million as a result of these low cost loans. This year's financing, which closes on November 4, funds 21 county and municipal projects worth some \$68.7 million. The projects will address such problems as removing and replacing combined sewers, replacing collapsed and cracked sewer pipes, as well as the purchase of equipment necessary to increase sludge handling capabilities. The 2000 financing program that corresponds with our FY 2001 capital request currently includes 35 projects, with a projected cost of \$216.3 million.

In terms of our recreational opportunities, we have included, in our FY 2001 capital budget, \$49.1 million for our parks and fish and game areas. The requests are aimed at enhancing the quality of life for New Jersey's citizens. Of this request, \$18.8 million has been categorized as urgent and would be used to renovate existing parks and fish and game facilities to bring them into environmental compliance, eliminate health and safety issues, tackle

the backlog of deferred maintenance, and expand upon the Department's environmental education initiatives.

In terms of our shore protection efforts, the New Jersey Shore Protection Program received a boost when the Governor signed a bill that increased the dedicated funding for shore protection from \$15 million to \$25 million annually. Such funding, coupled with Federal and local support, has been, and will continue to be, critical to the State's efforts to protect this vital resource, the shore. Projects such as the \$27 million Belmar to Manasquan sand restoration effort would not have been possible without this continued financial commitment.

Now, I would mention, in the case of the Belmar to Manasquan sand restoration efforts, we're talking something on the magnitude of 5.5 million cubic yards of sand that were placed on the beaches along the stretch.

Our FY 2001 capital request of \$28.2 million for shore protection will be used for such beachfill projects as the Absecon Island Project, the Deal to Asbury Park effort, and the Townsends to Cape May Inlet projects. As in the past, our request for dedicated shore protection funds will be used in large part to leverage some \$60.5 million in Federal funds.

The flood control projects contained in our request included both deferred maintenance and culvert replacements and repairs and funding required as the State's match to HR-6 projects. Specifically, \$9.8 million in State funds will leverage some \$45.7 million in Federal funds. Major projects to be continued in 2001 include the Ramapo River at Oakland, Green Brook, and along the Passaic River. The Department's request again includes capital

moneys to address needed repairs at the Bay Shore Floodgate. Here, \$1 million is being requested to address various projects at the Floodgate.

For our Fiscal 2001 request in dredging, we included \$3 million in 1996 Dredging Bond Funds and \$2 million in capital moneys needed to maintain New Jersey's navigatable channels and harbors. The funds will not only serve to eliminate the hazards of shoaling and the lack of regular routine maintenance dredging, but will also leverage some \$4 million in Federal moneys.

Our site remediation efforts have been a pinnacle of our success in DEP. The Fiscal Year 2001 funding needs for the Site Remediation Program includes some \$38 million in funds in order to continue ongoing projects, water line replacements, O and M, and the closure of RCRA landfills. Further, the Fiscal Year 2001 request includes the additional commitment of \$21.4 million in CBT funding for underground storage tanks.

To date, 4 percent dedication of CBT moneys have made available, to the Department, some \$213.8 million for various projects as outlined in the CBT dedication. The availability of the dedicated CBT funds for cleanups alone has allowed the State to avoid the issuance of approximately \$102 million in bonds. This, in itself, has already saved the State some \$61.5 million in interest if we continue to do cleanups through the traditional bonding method.

Other capital requests that I would like to mention today include a \$250,000 request over the next three years in order to install a network of 90 statewide monitoring wells to help us effectively monitor the quality of the

state's ground water. The requested funding would come from the 1981 Water Supply Bond Act.

Another monitoring concern of the Department deals with establishing an effective air toxic monitoring network throughout the state. Currently, the Department operates only one air toxic monitoring site, and recent studies indicate that this is not sufficient to determine any health risk that may be posed by hazardous air substances. Currently, the Department is seeking funding to establish a comprehensive air toxic monitoring network, which will enable us to analyze and assess any health risk that may exist to New Jersey citizens.

The program will consist of five to seven fixed permanent air monitoring stations to evaluate long-term exposure. The sites will also help us determine a source of these air contaminants, including how much of the contaminants may be transported to New Jersey on prevailing winds.

The Department is requesting \$430,000 in General Fund capital money to allow us to establish three sites while augmenting two to five additional sites. We're also anticipating some \$150,000 a year in Federal money to match this capital request.

Requests are also included in our budget on behalf of the Palisades Interstate Park Commission. The moneys included are at a level of \$4.9 million. The Commission is seeking these funds in order to address improvements to its sanitary facilities, as well as to address paving and drainage improvements along the Henry Hudson Drive.

The State Mosquito Control Commission has included \$150,000 for open marsh management and some \$930,000 for addition or replacement of equipment.

I want to thank you for your time. If there are any questions on our individual requests, I and the DEP staff members with me will be glad to answer them.

MS. MOLNAR: Thank you.

I just had one question regarding the open space initiative. Has there been a discussion to purchase land that's been rendered unusable as a result of Hurricane Floyd?

ASSISTANT COMMISSIONER JAMES F. HALL:

Well, I think there's been a lot of discussion about the potential for buyout programs, but at this point not as part of the open space initiative. It's my sense-- We've done a Blue Acres buyout in the past, in the Passaic basin, as a separate component under the 1995 Green Acres Bond Act. It's my view that the buyout programs in these various basins aren't really a recreation and open space purpose. They're more of an economic and social issue. It is possible that they could marry up with other proposals to make some open space sense but, in and of themselves, they really don't serve that purpose.

MS. MOLNAR: Thank you.

Any questions from Commission members?

Senator Kenny.

SENATOR KENNY: Thank you, and good morning everybody.

The open space funding that's now going to become available-- Just as a matter of understanding, how is that going to change policy and

decision making? As in the past, we would make decisions as to where we would be spending our money through the budget process, and now we have additional funding that may overlap those usual types of requests.

Do you follow what I'm trying to--

ASSISTANT COMMISSIONER HALL: No, I understand.

I don't-- I mean, my sense of it at this point is that it's not -- there are some -- there are some subtle changes that will occur as a result of the Garden State Trust. There are some slightly different processes. There is now a trust. There is a board through which our projects would go through. But the overall process isn't going to change that radically from what Green Acres appropriations have been in the past. You still have a set of project lists. We will be receiving a grant request from municipalities and nonprofit, forwarding them both to the Legislature and the Garden State Trust. The Garden State Trust will then make a final recommendation to the Legislature and the Governor. Their powers are limited really, though, to -- in regards to the specific project requests, where they can only remove a project for a one-year period if they don't agree with it.

So I'm not-- I don't think the process, overall, is going to change that radically. There are some things within the Act that create some other incentives and some other categories that municipalities would be able to make use of, particularly the Plan Incentive Grant category for those towns that have an open space dedicated tax and an open space plan, they would be guaranteed a 50 percent grant as opposed to the normal 25 percent grant that had been afforded in the past. So there are some advantages in there and some other procedural things that can help towns and counties. But the general context--

SENATOR KENNY: The Green Acres-- How will the traditional Green Acres process change because of this?

ASSISTANT COMMISSIONER HALL: The only other change that's in there -- we're still soliciting grant proposals. Like I say, we will expand the Planning Grant Incentive category as a result, which is really the equivalent of a block grant in the end.

The other significant change in the Act is that we're to forward a request twice a year, typically the bond issue. Our appropriation request against those would come maybe once a year or so. So we will be forwarding a new request twice a year. This year, for instance, the initial request was incorporated into the budget act that was instituted, obviously, at the end of -- at the beginning of this fiscal year.

There is a second request that we expect to be moving forward with later this fall for the balance of the funding available under the trust, somewhere in the neighborhood of another \$100 million between Green Acres and farmland preservation.

SENATOR KENNY: Okay.

I want to thank you for coming up to Jersey City next Monday. We're having a quorum at the Interpretive Center at Liberty State Park. The response has been pretty strong. We're going to have quite a few people there from around the municipalities and environmental groups, and some builders, as well, are coming to be briefed on the Act. And you're going to be there with some Green Acres people.

ASSISTANT COMMISSIONER HALL: Correct.

SENATOR KENNY: And you're going to bring some props.

ASSISTANT COMMISSIONER HALL: Yes, we have some information we will hand out--

SENATOR KENNY: Okay.

ASSISTANT COMMISSIONER HALL: --that goes through some of the more specifics of the bill.

SENATOR KENNY: Okay.

Now, Liberty State Park. Where are we there?

Again I want to thank the Department and the Governor for the progress that's been made there in the last four or five years -- tremendous progress, and it's moving along nicely.

Where are we now? What, in this capital budgeting process, is being targeted for that?

ASSISTANT COMMISSIONER HALL: Well, as you know, at this point we recently completed the Green Park additions, which is roughly 100 acres along the waterfront. And actually, it was dedicated last week. I'm sorry you weren't able to be there.

We are also out, at this point, ready to go to bid on a terminal building for cocompliance and heating ventilation issues. And that would use the remaining funds we have available that were made available under the 1995 Green Acres Bond Act. Ten million dollars was allocated specifically to the Liberty State Park in that bond act. And that would essentially use up the funding that is available from there to do that. We're also--

SENATOR KENNY: How much is that?

ASSISTANT COMMISSIONER HALL: Well, at this point we'll know when the bids come back. It's estimated that that's going to be in the \$4 million-plus range.

SENATOR KENNY: And that would be the terminal building.

ASSISTANT COMMISSIONER HALL: That would be the terminal building.

We are just now completing the bus drop-off and plaza area just outside the terminal building, which we funded through some ISTEPA funds. Also, some waterfront walkway funds are being used to complete the walkway to the northern edge of the terminal building. So we're really at a point now where we've got this southern end, which was done many years ago -- the center portion of the park, along the waterfront, was just recently completed, and all the outside around the terminal building be will reaching completion over the next few months.

The things on the agenda for down the road and some of the components that are in this budget deal with going back to the south end and doing some renovation down there and asking for some additional funds for active recreation, particularly looking to see, as you've been involved in discussions for replacement of the pool-- The pool was closed this past summer. It was in such disrepair and in an unsafe condition we could not open it, much to this dismay of Jersey City and many of the residents that used it for many years.

There is a \$700,000 component in here that's looking to be a player in part of that issue. As you know, there are a lot of discussions about--

SENATOR KENNY: Right.

ASSISTANT COMMISSIONER HALL: --what kind of facility should replace that. It's my belief, while there are discussions that we could bring some private money into that to do something, there's going to need to be some public money to deal with the pool so that we can keep rates in a fashion that are affordable for those people in the area for whatever facility is built there. That's the main gist of what's there right now.

SENATOR KENNY: So in this capital budget, there are moneys for those purposes that you just described?

ASSISTANT COMMISSIONER HALL: There's \$1.8 million total that is requested--

SENATOR KENNY: For Liberty State Park?

ASSISTANT COMMISSIONER HALL: --for Liberty State Park.

SENATOR KENNY: One point eight?

ASSISTANT COMMISSIONER HALL: One point eight.

SENATOR KENNY: Okay. And that would be for renovations iN the south end?

ASSISTANT COMMISSIONER HALL: There's renovations in the south end, some more shoreline stabilization, and predominately some of the active recreation component, which I viewed as a placeholder for the discussions that we need to deal with on the pool and some replacement of that facility.

SENATOR KENNY: Okay.

I look forward to seeing you Monday.

ASSISTANT COMMISSIONER HALL: Okay.

SENATOR KENNY: And thank you.

MS. MOLNAR: Assemblyman.

ASSEMBLYMAN ROMANO: I hope you make a point, Senator, that on Monday the legislators will not be able to attend since we had a special session to consider bills connected with the flooding.

I don't even know my colleagues -- how many of them know that Assistant Commissioner James Hall is leaving. He is going to Palisades Interstate Park.

ASSISTANT COMMISSIONER HALL: Correct.

I would note that there is a request in the budget there that I would like you to pay particular attention to. (laughter)

ASSEMBLYMAN ROMANO: I know. I was about to say that.

Are there-- What we find in the budget, is that due to your hand -- you know -- that little suede glove to prepare-- I notice part of it is administration building renovations. I hope you're not going to get one of those offices about \$20,000.

ASSISTANT COMMISSIONER HALL: No, Assemblyman.

ASSEMBLYMAN ROMANO: I have just a few questions.

I'm happy--

SENATOR KENNY: Before you do.

ASSEMBLYMAN ROMANO: Go ahead.

SENATOR KENNY: I knew that you were leaving because you, you know, shared that with me. I didn't know if it was official, public.

MS. MOLNAR: It is now.

ASSISTANT COMMISSIONER HALL: It was made public a couple of weeks ago.

SENATOR KENNY: Okay. So I will just take this opportunity to--

When are you leaving?

ASSISTANT COMMISSIONER HALL: November 19 will be my last day.

SENATOR KENNY: Okay. So I'll thank you privately, of course. But I would take this opportunity -- this Committee, to thank you.

MS. MOLNAR: Thank you, Senator.

I would also like to thank you, Jim. You've been coming before us for many years, at least six.

ASSISTANT COMMISSIONER HALL: Hopefully, I can in the future, on a few smaller items.

SENATOR KENNY: We recognize all that you've done. Our forum on Monday, October 25 was scheduled before these -- this legislative session was scheduled, so I decided to go ahead with it because we had gone so far down the road, and it's so hard to get these things together. So I will be up at the forum and may or may not be here that day, depending upon when it ends. But that's why that occurred.

But again thank you, Jim, for everything. And we look forward to working with you in your other capacity.

ASSISTANT COMMISSIONER HALL: Thank you, Senator.

MS. MOLNAR: Thank you, Senator.

Assemblyman.

ASSEMBLYMAN ROMANO: Let me go back.

Let's just touch a moment on the Palisades Interstate Park. You know, all these years we've been talking about the sanitary facilities. Could you tell me, though, the fresh water -- you know, potable water. Where is that derived from for the Palisades Interstate Park?

ASSISTANT COMMISSIONER HALL: Well, there is someone here that actually works for the Palisades Interstate Park Commission today, as opposed to me, that maybe can answer that kind of specific question because I'm going to tell you honestly, I don't know.

Do you want to introduce yourself and come on up?

CHRISTOPH SZEGLIN: Hi, I'm Chris Szeglin. I'm the Civil Engineer for the New Jersey section of the Palisades Interstate Park.

As far as your question, the water comes from, I guess, United Water Company, and it comes down the hill.

ASSEMBLYMAN ROMANO: Oh, it's standard connection. I was curious to know if there was a well or you had some sort of groundwater that was classified as being allowed in keeping with the code that that's where they derive their water. You actually have pipeline coming into the park.

MR. SZEGLIN: Well, depending on the facility, but for most of the park areas there is municipal water. There are two wells: one that services the maintenance building and another one that services the state line lookout on the Parkway.

ASSEMBLYMAN ROMANO: Okay.

MR. SZEGLIN: And I guess they're classified as public, nontransient wells, so they serve a small population.

ASSEMBLYMAN ROMANO: Okay.

Further than that, where does the waste enter? How do you get rid of the--

MR. SZEGLIN: The sanitary water is disposed of through septic fields.

ASSEMBLYMAN ROMANO: Through septic fields.

MR. SZEGLIN: Through septic fields.

ASSEMBLYMAN ROMANO: See, I was always of the mind that the septic fields -- there was a problem going into the fresh water, and that's when we talked about sanitation facilities -- that there was a connection. I'm very happy to hear that that's not the case.

ASSISTANT COMMISSIONER HALL: But there are requests in to make renovations at some of the sanitary facilities.

ASSEMBLYMAN ROMANO: I know that. I'm all for it. Especially there, it's not too easy to jump into somebody's gas station or restaurant. You know, you're held pretty captive down at the bottom of the cliff.

Moving onto another topic, before, in your presentation, you mentioned about -- or Senator Kenny brought up -- which is a good topic. Is there any buyback for any of the lands already in existing bonds, etc., etc.?

You know, I've been informed that North Carolina is buying up property with Federal money. Now, is there a chance that New Jersey will be getting Federal money to buy up property like North Carolina?

ASSISTANT COMMISSIONER HALL: Well, I think it's anticipated that, as part of the overall Federal fund relief that comes to the state, of the total amount that's awarded to the state, 15 percent is -- would

come to the state in the form of a hazard mitigation grant. And under hazard mitigation, buyout component is possible and is certainly contemplated.

ASSEMBLYMAN ROMANO: Because what's expected to pass with the floods, you know -- there's not that sort of money in there. At this point there are other bills to, let's say, take back land, providing funds to the owner at the marketable price.

ASSISTANT COMMISSIONER HALL: I would anticipate that there is going to be some form of a buyout program comprised in and amongst the funds that are going to be made available, both from the State and Federal level.

ASSEMBLYMAN ROMANO: I don't think there are in the existing--

ASSISTANT COMMISSIONER HALL: They're not, explicitly. There's a lot of broad language in the bills that exist. The capacity to do those kinds of programs exists within those bills.

ASSEMBLYMAN ROMANO: And then lastly, we're talking about my favorite spot, the shoreline restoration at Englewood.

Now, how about the shoreline at Ross Camp rather?

ASSISTANT COMMISSIONER HALL: Well, I think again there have been funds awarded in the past for the Ross Dock area, both from the capital budget, as well as some previous Green Acres bonds. And there is construction under way now and over the next few months that will deal with, in part, some of the shoreline stabilization at Ross Dock.

ASSEMBLYMAN ROMANO: So what I'm hearing is that, if I wait a few months and then take a ride down to the Ross Camp in the heavy rain, the parking lot will not be covered with a foot of water?

ASSISTANT COMMISSIONER HALL: How heavy a rain?

ASSEMBLYMAN ROMANO: Pardon me?

How heavy a rain? (laughter)

MR. SZEGLIN: The project is expected to wrap up -- I guess it will be open for Memorial Day next year.

And to answer your question, no, the parking lot will not be flooded. We raised the whole site, probably, three to four feet. The sea wall has been roughed in, and the building foundation and footings have been poured. And like I said, the completion date is scheduled for Memorial Day next year.

ASSEMBLYMAN ROMANO: I'll look forward to it.

One other place in the seawall -- if you're aware of North Bergen, where the Palisades Hospital is located -- the seawall in that area--

ASSISTANT COMMISSIONER HALL: I'm not, off the top of my head. I don't know.

ASSEMBLYMAN ROMANO: No, he covers Palisades Interstate Park.

No, there has been a similar type of problem, not to the great degree as in Ross Camp, about the wall by Palisades Hospital, in North Bergen, on the water. It's right on the water.

ASSISTANT COMMISSIONER HALL: I'm not familiar.

ASSEMBLYMAN ROMANO: And they too -- their parking lot has surprises when it rains -- coming from the river tide.

But I'll move on to something else. I don't want to just keep going.

We're talking about-- You have the mosquito situation, which I'm very much interested in. And I don't think that there's anybody that could ever deny -- and I'm directing that to Mr. Ferrara.

That's not a place to cut this particular year -- on mosquito control.

But there was a section in here that dealt with the vehicles for -- terrain, etc.

ASSISTANT COMMISSIONER HALL: Generally, there are two -- nature -- two separate kinds of requests. One that has to do with equipment replacement that is used as part of the equipment pool by the -- managed by the State, but also utilized jointly by the county's mosquito commissions.

ASSEMBLYMAN ROMANO: That sort of vehicle -- whatever you're buying -- that's not to run on water alone, that's just in that type of condition of swamp and mud.

ASSISTANT COMMISSIONER HALL: To be able to work in marsh conditions.

ASSEMBLYMAN ROMANO: I wonder if you can bring me up to date. I had requested this several years ago in legislation. I was told then that that became the provenance of the water -- not water commission -- boating commission where-- And this is what I'm getting to. Hackensack Meadowlands -- that entire area-- When I took my trip up there it was

determined that the food chain where, let's say, it starts off in those marshy weeds, finds its way down and then out into the river and subsequently out into the ocean -- that there are people there who use these jet skis. And while they're supposed to run them in that area at idle, they still use them as if, you know, it's Vietnam or whatever you want to call it, with the splash of the water and such.

Has there been anything to slow down-- I'm not against jet skis, but I'm against them using them and indirectly killing off half of the food chain.

ASSISTANT COMMISSIONER HALL: There has been legislation introduced in the past--

ASSEMBLYMAN ROMANO: I'm a cosponsor.

ASSISTANT COMMISSIONER HALL: --that would look to limit, I guess, the amount of access -- general locations. The legislation was looking to limit the access to areas that had, I believe, a depth of water less than 14 inches.

ASSEMBLYMAN ROMANO: Well, that's a new one then.

ASSISTANT COMMISSIONER HALL: Yes.

The problem with jet skis has been and will be the ability to enforce and control the activity they have. I mean, even if you pass a piece of legislation that says they can't operate in a certain depth of water, it's going to be very difficult to manage and enforce. The marine police would enforce those regulations, as it stands now.

I think if you look at what other states have done when they have attempted to regulated these, they've generally looked to establish them --

dealing with them in the context of no wake zones and establishing areas and distance from shorelines as no wake zones as opposed to prohibit them in certain areas.

ASSEMBLYMAN ROMANO: You're leaving, but I guess Mr. Tuminski will just keep it in mind. We're concerned about the high waves in the Meadowlands area.

Thank you very much

Thank you, Madam Chair.

MS. MOLNAR: Thank you, Assemblyman.

Any other questions or comments?

Mr. Ferrara.

MR. FERRARA: Basically, these two incidents have both been talked about, but is the Department doing anything different now or considering anything different as a result of (1), the floods that occurred, and (2), the encephalitis outbreak that we read about in the newspaper every day?

ASSISTANT COMMISSIONER HALL: Well, with regard to the flooding issue, I think there is more thought and discussion with regard to buyout provisions and where things might go there.

With regards to flood control itself-- Now, our emphasis has been, in the past, in looking to leverage Federal dollars and working with the Army Corps projects, and that's what we continue to do in this budget and would expect to do. The Army Corps and these projects, I know as a result of the recent flooding events, has gone back and looked at their design criteria to make sure that the flooding event occurred does match up with the design criteria they've put forward in their projects. I know, in the Green Book basic

flood control projects, for instance-- They are expected to complete that review and be able to move forward with their project beginning in the next -- by next spring.

ASSISTANT COMMISSIONER TUMINSKI: I'd also--

Mike, I'd also like to add to that that it is my understanding that the State Mosquito Control Commission is looking at the situation with the Department of Health and is evaluating whether some additional operating moneys might be necessary as part of our 2001 budget request.

ASSISTANT COMMISSIONER HALL: I think for the mosquito issue-- I mean, it's still somewhat of an evolving system. And since the nature of the disease is somewhat different than it has been in the past, its presence in the animal population, particularly birds at this point but now also, in some instances, horses, the Department of Health and the Department of Environmental Protection are looking at what that pool reservoir means, both for now and down the road, and what additional actions may need to be taken.

MR. FERRARA: Could we conceivably see some increase in spraying in those areas where mosquitos breed, or is it the fact that they're coming from somewhere else and it's too late to do that?

ASSISTANT COMMISSIONER HALL: I think-- You're at a point for this period -- at this point in time this year where spraying isn't particularly the issue. You have colder weather coming in that's going to place things into dormancy. The question is going to be what really is the appropriate action, how expensive is the reservoir pool of this going to be in the existing populations, and what is going to be done, and how aggressive,

come this spring. Those are decisions and recommendations I think will be coming forward in the next month or two.

MR. FERRARA: Thank you.

MS. MOLNAR: Any other questions or comments?

Mr. Lawrence.

MR. LAWRENCE: Is the process of this Commission such that if you were to amend -- that you might be amending your capital request or seeking capital dollars for the flood matches and mitigation efforts -- should that happen, that you might bring it back to this group?

ASSISTANT COMMISSIONER HALL: I guess my sense at this point would be that that would be -- any amendments along those lines would be things we'd be doing in conjunction with the Administration as a whole as opposed to the statewide effort overall. And whether the timing would be such that it would be something to come back to the Commission in a fashion before they could make their final decision or whether it would be something going directly to the Legislature afterwards, I'm not sure at this point.

MR. LAWRENCE: Or just informationally share with them because it is quite topical.

ASSISTANT COMMISSIONER HALL: As those things are formulated, absolutely, that's possible.

MS. MOLNAR: Thank you.

Any other questions or comments?

Mr. Annese.

MR. ANNESE: I've noticed in your request here, at least as I understand it, all your requests have the same priority. I would like to request,

for the benefit of the Commission and the staff, through the Chair, if you could prioritize your requests for this Commission.

ASSISTANT COMMISSIONER TUMINSKI: Yes, we would be certainly glad to come back at the request of the Commission and prioritize the projects.

MS. MOLNAR: Thank you.

Any other questions or comments? (no response)

If not, I want to thank you for your presentation.

I want to wish Jim Hall good luck in his new endeavor -- new capacity.

ASSISTANT COMMISSIONER HALL: Thank you.

MS. MOLNAR: Our next department is the Department of Corrections. I'd like to welcome Commissioner Terhune.

COMMISSIONER JOHN S. TERHUNE: We are here, Madam Chair.

MS. MOLNAR: Thank you.

Welcome.

COMMISSIONER TERHUNE: How are you?

MS. MOLNAR: Good, thank you.

COMMISSIONER TERHUNE: Would you like me to wait until some that left come back?

MS. MOLNAR: No, let's proceed.

COMMISSIONER TERHUNE: Okay. I'd be happy to.

In the interest of time, Madam Chair, I intend for my opening remarks to be rather brief. Please don't interpret them to mean anything other than attempting to meet the board's time line for the day.

The proposal that has previously been submitted is a continuation of goals and objectives of the Department for not only the years that I've proudly served, but certainly in the previous administration.

It's a seven-year plan that totals \$182 million. The bulk of it is divided, in my opinion, regardless of the characterization of OMB, into two general areas. One is to maintain the integrity of a decaying and aging infrastructure, and the second component is designed for new construction or expansion to meet an ever increasing inmate population.

For many years, the Department of Corrections was comfortable with relying upon a 100 per month inmate increase. Regrettably, in the last calendar year, we have seen increases that have gone up as much as 200 to 400 inmates per month.

In an effort to address that, the Department has aggressively pursued alternative sanctions through community placement, drug court initiatives, halfway houses, as well as aggressively seeking some Federal funding to offset some of the direct State services and/or capital dollars that the Department heretofore has come to this Commission for.

I'm happy to share with the Chair and members of the Commission that this past year we were successful in acquiring almost \$21 million under the Violent Offender Truth and Sentencing Act. That's contained in our report. The bulk of it will go towards the construction of a 350-bed full minimum unit on the grounds of Southern State Correctional

Facility in Leesburg, Cumberland County, together with the first assessment and treatment center for female offenders, as well as a proposed expansion of the boot camp, which has been a very successful initiative, now in its third year of operation.

I know, Madam Chair, that the Commission, through staff, has raised several issues, and I am certainly prepared to address any questions that you or the Commission members might have.

MS. MOLNAR: Thank you.

I have one question. What affect, if any, will the ballot question regarding the sales tax affect your Department?

COMMISSIONER TERHUNE: Well, if I might, Madam Chair, that's really a Treasury issue. I can certainly share with you hearsay. I guess you're well aware of the fact that some of the revenues that go into the general treasury have come from Lottery revenues, and the Department of Corrections has been the recipient. I am told by Treasury officials that it really will have no impact. It's merely a bookkeeping or accounting change where heretofore revenues earmarked for Corrections will then be earmarked for other State agencies and vice versa.

MS. MOLNAR: What's the dollar involved that was earmarked originally?

MR. FERRARA: They're-- Could I--

MS. MOLNAR: Sure.

MR. FERRARA: This probably is more appropriate.

We bring in about \$650 million in revenue from the Lottery. That's our share. The programs that can be supported by the Lottery,

institutions and agencies and education, are probably a \$9 billion operation. So really, it's just fungible. In other words, if we don't charge Corrections money against the Lottery fund, we'll charge it against the general fund and just shift some programs.

MS. MOLNAR: Right.

But can you quantify it? Are we talking--

MR. FERRARA: Oh, how much goes to Corrections?

MS. MOLNAR: Yes, yes.

MR. FERRARA: One hundred and some million. About \$120 million of the Lottery funds now. So we would, probably, use that to pay some either Human Services costs or some Education costs. And then we would take the money that we save from the General Fund, where that money was previously being spent, and just shift it over.

COMMISSIONER TERHUNE: The way I've chosen to look at it, Madam Chair, is that there is no net gain or loss for us. It's an in-house accounting transfer.

MS. MOLNAR: It's good to hear that.

Okay.

COMMISSIONER TERHUNE: At least I don't think there is.

MS. MOLNAR: Any other questions or comments?

Assemblyman.

ASSEMBLYMAN ROMANO: Just a few fast items.

I agree with Mr. Ferrara's moving money from one pot to another pot. But the perception, especially of senior citizens, was that somebody was taking the money that they properly deserved. So that's the whole purpose of

it because people kept saying, “What happened to the money in the Casino Control?”

I just have a few comments. One, I was very happy to see that you have reiterated that the Kearny facility is an interim basis. That’s on Page 3 of your--

COMMISSIONER TERHUNE: Yes, sir.

ASSEMBLYMAN ROMANO: Okay.

But then also an expenditure of funds-- And the reason I’m going over this, too, I hope that the Commission and Mr. Ferrara, when he sets his hounds on the budget, will remember about East Jersey -- they’re talking about the towers.

I understand you’re going to move a tower to a better position, am I correct, in East Jersey?

COMMISSIONER TERHUNE: Well, no, Assemblyman. One of the towers that was built as part of the East Jersey facility will be used to provide security for what is planned to be, the ultimate final resting place for the civilly committed unit, which will be immediately adjacent to the back wall at what you know as East Jersey.

ASSEMBLYMAN ROMANO: I’m not familiar with the institution, but, I mean, would you say you’re going to move the tower, or are you just going to--

COMMISSIONER TERHUNE: We’re going to redeploy the job function for the officers that are in there.

ASSEMBLYMAN ROMANO: But the tower is not taking a walk.

COMMISSIONER TERHUNE: No.

ASSEMBLYMAN ROMANO: I mean, you're not moving that some place?

COMMISSIONER TERHUNE: To the best of my knowledge we're not.

ASSEMBLYMAN ROMANO: But I think they'll be happy to hear that you intend to keep the towers in East Jersey.

Also, we're talking about-- In reference to Page 2 of your recommendations, you're talking about new bed dormitory units -- design and construct two new, 350-bed, conventionally constructed minimal security dormitory housing units.

Now, also in Hudson County, you have Talbot Hall.

COMMISSIONER TERHUNE: Correct.

ASSEMBLYMAN ROMANO: Is that part of that?

COMMISSIONER TERHUNE: No, sir. Talbot Hall is a privately operated, nonprofit facility that we contract.

ASSEMBLYMAN ROMANO: But this--

COMMISSIONER TERHUNE: No.

ASSEMBLYMAN ROMANO: This will have nothing to do -- we're not building, let's say, more of Talbot Hall.

COMMISSIONER TERHUNE: No, Talbot Hall is privately operated and contracted. These two facilities would be constructed and State-run by the Department of Corrections.

ASSEMBLYMAN ROMANO: And I have no problem as I look through this and I see about more money for razor sharp fencing on top of the walls. Believe me, you were not there.

Mr. Commissioner, I serve on the JBOC. And I was only too happy to move unused funds to prepare the Kearny site for the acceptance of these inmates. I hold hope from that. The message went out that the major intent was to provide additional security against prisoner escape.

Some people thought that what JBOC was doing was extending the life of the Kearny facility.

COMMISSIONER TERHUNE: No, sir.

ASSEMBLYMAN ROMANO: But I insisted that how could someone vote against increased security at Kearny. That would be there. You are renting the property.

COMMISSIONER TERHUNE: That is correct.

ASSEMBLYMAN ROMANO: And you're going to be there after they leave. So this is not something that you're just throwing money out to the wind to handle the Kearny facility in the meantime. I like the idea about sidewalks completely around so they can't tunnel out. You know--

COMMISSIONER TERHUNE: We call them rat walls, but sidewalks, rat walls, I guess they're similar.

ASSEMBLYMAN ROMANO: And then as far as the existing boot camp for the young offenders at New Lisbon, I also want to bring that to the attention of my colleagues. I think they heard it before.

I spoke at the graduation exercises.

COMMISSIONER TERHUNE: Yes, sir.

ASSEMBLYMAN ROMANO: And I was very impressed with what they do. Personally, I couldn't do what they do in marching sequences, etc. You know, it's almost like the Rockettes at Radio City Music Hall by their

very nature and the way that they addressed us people who were there. You could see that full military indoctrination had gone through them.

So I just mention this for my colleagues that I hope, as they start to cut, cut, cut, cut, they will not cut those particular items. The rest of this goes back into the hands of Mr. Ferrara and the OMB and Mr. Peter Lawrence, who, I don't know if any of you know, is now the Deputy Treasurer.

You came a long way, Mr. Lawrence, you've come a long way. And I congratulate you. (laughter)

Let's not get it wrong. I always got along with Mr. Lawrence.

Now, if I could just take you back to one point.

You told me about Talbot Hall, but on Page 4, in the narrative, in the second paragraph, you have, "These assessment centers function as a bridge between institutions and traditional halfway houses." Now, Talbot Hall is one of them?

COMMISSIONER TERHUNE: Talbot Hall is one of three that we have, Assemblyman. The other two -- one is Bo Robinson, which is--

ASSEMBLYMAN ROMANO: Right.

COMMISSIONER TERHUNE: --located just outside of Trenton here, and the third is a newly opened facility in Camden called Hope Hall. And what that was was a change in the way-- We take inmates from an institutional prison setting and put them immediately into a halfway house. It's a typically--

ASSEMBLYMAN ROMANO: Interim, it's an interim.

COMMISSIONER TERHUNE: Well, it's an interim to give--

ASSEMBLYMAN ROMANO: It's a halfway halfway house.

COMMISSIONER TERHUNE: Kind of a quarter way house, I guess.

ASSEMBLYMAN ROMANO: A quarter of a half.

COMMISSIONER TERHUNE: But it gives us an opportunity to further assess the likelihood of recidivism and the need for further therapeutic treatment. We return about 20 percent to 25 percent of those that go through one of these three facilities back to prison for a host of reasons. Some of it is disciplinary, some of it's failure to participate in the therapeutic curriculum. So those individuals under the prior program probably just would have gone right to a halfway house and then run the risk of recidivism. They go back into a prison setting. So at least we've, you know, kept them from getting back into the community sooner.

ASSEMBLYMAN ROMANO: Are all three privatized?

COMMISSIONER TERHUNE: Yes, sir.

ASSEMBLYMAN ROMANO: I just have one question now. Who is responsible for the security in Talbot Hall, for example?

COMMISSIONER TERHUNE: The private vendor is responsible for the security at each of the three facilities. Two of them are operated by one vendor. The third is operated by another vendor.

We have about 32 such facilities. Some are very small. Some are larger than others.

ASSEMBLYMAN ROMANO: Thank you very much, Commissioner.

Madam Chair, I have no further questions.

MS. MOLNAR: Thank you.

Mike Ferrara.

MR. FERRARA: Just to clarify, these centers, the Talbot Hall, etc.-
- You approved the quality of the their security systems to ensure that the residents in the area are protected?

COMMISSIONER TERHUNE: We approve a whole host of requirements to include the security. More importantly, the programmatic operation of them, as well as their outcome-- We've recently rewritten the contracts to put outcome criteria in there so that the public and the Legislature can be assured that they are providing treatment and addressing the recidivism problem.

MR. FERRARA: You mentioned that, you know, the change, where it used to be 100 per month -- you've seen 200 to 400 per month in the recent-- Does the additional bed space that you ask for in this request accommodate that significant increase, or will the county-- What will be the impact on the county backup, I guess, is what I'm leading to.

COMMISSIONER TERHUNE: Well, we anticipate, with some of the recently enacted legislative changes to the makeup of the State Parole Board, that it will level off. If our anticipated figures come true, then yes. If they do not, then the county backup will be back up to what it was pre-South Woods. We are currently fluctuating between 4000 and 5000 state inmates in the various county jails.

MR. FERRARA: What's considered to be the maximum? Is there such a number that could be in the county backup.

COMMISSIONER TERHUNE: There is no magical, finite number, but--

MR. FERRARA: Five thousand is about as high as we've every gone, is it not?

COMMISSIONER TERHUNE: That is correct, sir, to the best of my knowledge.

MR. FERRARA: A couple of questions really to the same projects that the Assemblyman asked you about.

The two new, 350-bed dormitory units-- Will they be within the walls of an existing facility?

COMMISSIONER TERHUNE: I don't know if they'll be within the walls. They will be within the property boundaries of -- or at least it's anticipated they would be within property boundaries. Whether they go inside a wall or not has not yet been decided.

MR. FERRARA: Okay.

COMMISSIONER TERHUNE: Typically, full minimum units, as these are, are presented -- are outside the secured perimeter and hence become a little cheaper to operate.

MR. FERRARA: Right. They're-- Basically, their administrative support is from the--

COMMISSIONER TERHUNE: Correct.

MR. FERRARA: --institution, the major institution.

COMMISSIONER TERHUNE: That is correct, sir.

MR. FERRARA: I was curious, on the boot camp. There is some interesting output data -- outcome data is really the way I should say it -- in which the people who have gone through that program have an 11 percent

recidivism rate as opposed to the overall inmate population recidivism rate of 60 percent. Is the 60 percent just young, male offenders, or is it--

COMMISSIONER TERHUNE: Well, no. You raised a very interesting point. We know that the boot camp, and admittedly so, is preloaded for success because there are exclusionary clauses that prohibit certain offenders from even being considered for the boot camp. Your first- and second-degree violent offenders with a long criminal history wouldn't even be considered for the boot camp. So admittedly, we know that it is somewhat skewed to success by virtue of the entry-level requirements.

That having been said, I find it to be extremely beneficial, at least to that population. And we are in the process of conducting a statistically prudent study to take those populations into consideration. And 11 percent, probably, will go up as a result of that statistical control group, but I admit that. But I also indicate that we're only proposing a total of 300 beds, and we have at least that many inmates who come in, given the new sentencing guidelines, that would be eligible for-- And I think if we can come out of that pool with an 11 percent success rate, it's far better than what we would have had if we didn't have it.

So I know that doesn't meet statistical muster. I apologize. Statistics at--

MR. FERRARA: No, that's all right.

COMMISSIONER TERHUNE: --Rutgers was not one of my strong suits, but I've been educated.

MR. FERRARA: Okay.

Well, thank you very much.

MS. MOLNAR: Any other questions or comments? (no response)

If not, I would like to thank you, Commissioner.

COMMISSIONER TERHUNE: Thank you, Madam Chair.

MS. MOLNAR: Our next--

ASSEMBLYMAN ROMANO: When I leave, be rest assured that Mr. Ferrara will take over my spot in terms of Kearny and Talbot Hall and all the rest that go with it.

By the way, Mr. Ferrara, I'm all for-- There's parts in here for video cameras and the electrical generators in case the power goes off. I mean, let's not have a prison without power.

MR. FERRARA: The locks don't work well that way.

COMMISSIONER TERHUNE: Mr. Ferrara, just know that the good Assemblyman has prepared me well.

MS. MOLNAR: Thank you.

I'd like to welcome the Office of Information Technology -- Adel Ebeid and Wendy Rayner.

Welcome.

A D E L E B E I D: Thank you. Good afternoon.

I have with me today-- To my left is Wendy Rayner. She is the Chief Information Officer for the State of New Jersey. And to my right is Mr. Mark Carroll. He is the Assistant Director of Fiscal Services at OIT, Office of Information Technology.

ASSEMBLYMAN ROMANO: Would you put your button on?
(referring to PA microphone)

And you're high tech.

MR. EBEID: I guess we thought it goes on by itself.

Good afternoon. I am Adel Ebeid, the Chief Technology Officer for the Office of Information Technology, or commonly known as OIT and formerly known as OTIS.

With me today are some key members of my management team at OIT that I would like to introduce. Kathy Krepcio, my Chief of Staff and Operations; Tim Tingo, Director of Telecommunications and Network Services; Mr. Hank Murray, Director of Production Services; Odysseus Marcopolous, Director of E-Government Services; and again to my right, Mark Carroll, Assistant Director of Fiscal; and of course, Wendy Rayner, New Jersey's CIO and our champion.

Before I get into the more detailed portion of my presentation today, I would like to take a moment and thank the Commission for the opportunity to articulate our budget request and to explain how it relates to our strategic direction for FY 2001 and beyond.

I would like to begin today by telling you a little bit about us, our mission, and how we function as an organization. As a result of Executive Order 87, OIT now reports to a governing board comprised of the State Treasurer, Mr. Roland Machold, and two Executive Branch agency members, Commissioners Jane Kenny and Michele Guhl; also three public members representing Lucent Technologies, C.R. Bard, and Dun and Bradstreet; and Wendy Rayner, New Jersey's Chief Information Officer, as the Chair of the Board. We employ approximately 1000 people, many of whom are the most skilled and dedicated that the state has to offer in the field of information technology.

We take pride in our mission at OIT, which is to enable excellence in New Jersey State government through the effective use of information technology. Our mission serves as an anchor to our daily activities and a beacon for our current organizational development efforts. I am proud to say that OIT provides the future vision, leadership, and technical support for the State's use of Information Technology.

Our number one goal at OIT is to use appropriate technology solutions to improve services to citizens and businesses and to increase the cost-effectiveness of State government operations. In doing so, we must never forget that the customer, made up of State agencies, local government, citizens, and businesses, are our most valuable asset.

In order to carry out this vision, we perform duties that are most efficiently accomplished through a centralized organization with an enterprise perspective. These duties include providing the technical infrastructure and appropriate voice and data telecommunications and computing services to support our clients; supplying skilled technical assistance to other agencies in planning, designing, and developing information systems and access tools to meet their daily business needs; supporting the State's Chief Information Officer in establishing plans, policies, and standards that promote government-wide efficiency and synergy in the use of information technologies; and finally, ensuring that the State's IT investments take advantage of cost-effective advances in technology and methodology.

Leaving some of the more technical jargon aside, our role in state government is ever changing, yet we are the constant that keeps critical systems functional 24 hours a day, 7 days a week. We are the stewards of over

400 of the State's mission critical systems such as state payroll, driver's licenses, welfare and food stamps, and pension check systems.

As we enter the next century, our customers expect fast, convenient, reliable, and secure access to their data. These new demands and expectations of the 21st century customer set the scene for our future vision of State government, the services we deliver, and the manner in which we deliver them.

Please allow me to take a minute to give you some perspective as to where we are today and where we want to be in the future.

We are currently working on several major IT initiatives as we head into the year 2000. One of the more high profile and labor-intensive projects for OIT over the past few years has been Y2K remediation. I am proud to report to you today that the fruits of our labor and expertise have resulted in almost 98 percent of the State's mission-critical systems being Y2K compliant.

You have been a great ally through these challenging times, and I want to personally thank you for your support and commitment to helping us deal with the Y2K mandate.

Aside from our aggressive approach to the Y2K issue, OIT has continued to serve State government in our normal capacity, continuing our mainframe and network stewardship roles as well as working with our various client agencies to implement a wide variety of IT programs and initiatives.

Now that I have taken some time to touch on who we are and some of our recent accomplishments, it seems appropriate to share with you our vision of where we are going as well.

We are striving to be the catalyst for positive change in State government and the types of services we offer to client agencies and their customers. This is exemplified in our efforts to transform New Jersey into the on-line state. Partnerships with government agencies and external experts will stimulate and guide New Jersey through this transformation. Other states will view New Jersey as a model for how a vigorous and visionary IT agency can be the catalyst for this revolution in government service delivery.

One of the concepts that will play a large part in this transformation to the on-line state is what we are calling E-government. E-government is the catch phrase we are using to describe the fundamental change in the way the state will conduct its business. E-government is about bringing State government closer to its citizens. It focuses on the ability to conduct business with the state on-line and via other electronic media, therefore providing a greater range of access to state services for citizens and the business community, as well as local and county government, school districts, and community agencies.

At OIT, we like to use the slogan on-line, not in line, to promote the use of E-government applications.

Some additional IT areas that we plan to promote across State government are data warehousing, which allows for simpler access to data and data sharing; increased use of Geographic Information System technologies for data collection and analyses; and enhancement of the State's technological infrastructure, in other words, the digital highway.

However, I am well aware that these initiatives will not be possible unless there is a high level of partnering and two-way communication with our

client agencies in addition to the fiscal and human resources that are necessary to carry out these endeavors. Working with the CIO, we have created a governance structure that allows technology-related decisions to be made in a collaborative environment and with an enterprise view in mind.

In June of 1998, the State of New Jersey inaugurated a formal IT strategic planning process under the leadership of Wendy Rayner. Following guidelines established by the CIO, each department and office in the executive branch prepared a three-year IT Strategic Plan outlining goals, objectives, and anticipated activities with respect to the use of electronic information technologies.

In April of 1999, OIT embarked on a comprehensive strategic planning effort. Since our business is IT, our IT Strategic Plan is our business plan. This plan, which you have in your folders in front of you, sets forth a comprehensive strategy for supporting the specific IT needs of State government based on the agency's business needs derived from an enterprise-wide approach.

The State's IT strategic plan, in conjunction with OIT's, represents our vision of how to meet citizens' needs in the 21st century and presents a fundamentally transformed OIT by 2002. We have outlined 21 specific actions we will take to accomplish the transformation over the next three years. Briefly, these strategic directions encompass the following five strategic thrusts: transforming OIT into a client-focused broker of IT solutions; promoting a flexible and highly cost-effective IT infrastructure; enhancing government service delivery through innovative uses of IT; sustaining a highly competent,

well motivated staff; and continually improving OIT's internal systems and procedures.

This brings me to the reason we are here presenting today. We are here to seek your approval on the capital budget request that we have submitted. In creating this year's capital budget, we have been mindful of our stewardship role to keep the railroad running while at the same time taking a leadership role in stimulating progress and delivering digital government. We also paid close attention to local and county government and organizations, so that they can take advantage of our technology enhancement efforts.

The budget request includes continuations of previously reviewed and supported items such as the \$4.8 million final payment to support the mainframe upgrades and the \$1.3 million to increase the print capacity at the HUB data center location as well as several new line items.

Each of the new line items have been deemed necessary by OIT technicians and specialists due to the increase in service demands by our organizations and their customers. In order to meet these demands from our constituencies, some of the items that have been proposed to meet these needs are an upgrade of the State's technological infrastructure to accommodate the State's E-government initiatives, network upgrades for the Garden State Network, premise wiring for OIT's Riverview Complex, and a new State video conferencing system, to name a few.

In closing, I am here today to seek the Commission's approval of these IT budget item requests. It is vital that I communicate to you that these requests are the brick and mortar for the State's information technology infrastructure or technological foundation, if you will. Without a solid

technological foundation, we will be hard-pressed to keep up with fast-paced business and technological changes and deliver the quality, efficiency, and responsiveness New Jersey citizens expect.

And I thank you for your time and consideration of our proposal. My staff and I will be happy to answer any questions you have.

MS. MOLNAR: Thank you.

Any questions or comments?

Mr. Ferrara.

MR. FERRARA: On the video conferencing, are you working with NJN? Will they be a partner on that project, or is that not within their--

MR. EBEID: Yes, we are.

MR. FERRARA: Okay. And could you explain a little more about that?

MR. EBEID: Tim Tingo.

Tim Tingo is my Director of Telecommunications and Network Services.

T I M T I N G O: In the video conferencing initiative, we really hope to accomplish two things. One is to incorporate video conferencing for the OIT organization to connect three facilities; the Riverview facility, the HUB facility, and the State House. The second thing we hope to accomplish is to include a video switch that would provide the capability for other departments to utilize that switch and not require the need themselves for additional switches for their departments. The switch provides a one-to-many, E-type environment -- a classroom-type environment; one classroom setting submitting that type of information to a number of counties and a number of other facilities. So it's

really two things that we hope to accomplish. One is to incorporate video conferencing and then to provide the capability for others such as New Jersey Network; the capability of switching their network to other counties and municipalities.

MS. MOLNAR: Any other questions or comments?

Assemblyman.

ASSEMBLYMAN ROMANO: I just want everybody to know I'm not about to enter into a dialogue about megabytes and those sort of esoteric terms. And whatever you need to prepare us for the next century, I will tell Mr. Ferrara to give it to you. I just want to know who has the ability to check up on you people?

MR. EBEID: Who has the ability to check on us?

ASSEMBLYMAN ROMANO: Well, you know-- You are-- To me, you are the top of the line. I've said that all the way through, when you used to be -- what was it--

MR. FERRARA: OTIS.

ASSEMBLYMAN ROMANO: OTIS.

You're the forerunner for the state. You're the person who carries us into the next century technologically, I believe, is it not?

MR. EBEID: We're trying to take a leadership role, yes.

ASSEMBLYMAN ROMANO: And I hope that, more often than not, you will continue. You mentioned counties. You mentioned local schools. Now, are you aware of the teleconferencing that's available at the Hudson County Vocational-Technical School?

MR. EBEID: Yes, I am.

ASSEMBLYMAN ROMANO: Is that you involved with them, or is that something they did on their own?

MR. EBEID: I'm not sure.

ASSEMBLYMAN ROMANO: You're not sure.

MR. EBEID: I think we were involved with them. Anytime you do a statewide telecommunications activity of that sort, we're always involved.

ASSEMBLYMAN ROMANO: I think it's a valuable resource, and I congratulate you. Everything looks like it's business as usual -- on time. I hope we continue that way.

MR. EBEID: Assemblyman, we thank you for the vote of confidence.

MS. MOLNAR: Mr. Ferrara.

MR. FERRARA: I thought of another question, sorry.

Are we ready for year 2000? Could you bring us up to date in terms of where you are in the testing? I realize there's a lot of different systems but just a general kind of--

MR. EBEID: Sure.

Actually, what I'd like to do is-- Wendy Rayner, the Chief Information Officer, has been heavily involved in the Y2K, so I will turn this over to her.

WENDY W. RAYNER: We're doing really what -- Mike -- I'm very pleased to report-- Adel said in his comments that we're about 98 percent ready. The 2 percent is-- We know exactly where our areas of still-remaining issues are. They'll be done at the end of this month and the beginning of next month to complete what we need to do. I don't know that I'll ever say that

we're 100 percent ready because of the unknowns, and I really don't want to be out there publicizing that. So I'm cautious about the communication that I share. But we've looked at everything. We believe the State will run as effectively and as efficiently as we have in the past. Our goal is to have this a nonevent. There will be a few minor glitches here and there, possibly, but we don't know for sure. Our goal is to anticipate them and work with them.

The thing I'd like to highlight is our work with other states, both locally, regionally, and federally, to prepare for this. So New Jersey is connected with the emergency management and FEMA, regionally and nationally, to prepare. It's given us an opportunity to build relationships that hadn't been there in the past. But we feel very prepared from our facilities to our computer systems to telecommunications, energy, hospitals. We've looked into all of that.

To be honest with you, when I took on being CIO for the State and looked at year 2000, I had no idea of the breath and depth of what I would become involved with. This is a very insidious, kind of, large-scale project that has depths and breaths we didn't know. But we've looked at as many things and at everything as we could, and we think we're very prepared.

The interesting part of this is really-- I think the State has managed this very well from the standpoint of not only budget, but in cooperation. This is another area where the agencies working with my office have worked really well. And the support of the Governor and the Treasurer in funding it has been-- They're an interesting model, I think, for how we're going to proceed in reviewing dollars to implement technology so we can really

become the on-line state. We've learned a lot of lessons. It's been very valuable if not very hard and difficult at times.

But it is a good question, and we're doing really well.

MR. FERRARA: Just picking up on one of your comments, did we have any role in the local and county governments to make sure that their systems, particularly some of their systems are feeder systems to us, like county welfare agencies?

MS. RAYNER: Yes, what we've done is through both DCA and the home agency, for example Human Services-- We've coordinated their efforts to be sure that those agencies are as well prepared also. So there is a connection and a cooperation and a communication chain to verify how they're doing.

MR. FERRARA: Good, thank you.

ASSEMBLYMAN ROMANO: One final comment, if I may.

MS. MOLNAR: Yes, Assemblyman.

ASSEMBLYMAN ROMANO: New Jersey is one of the leaders in the country as far as telecommunications and research laboratories. And I don't mean this to be naive or--

Do any of these large corporations give you any free advice or free -- let's say everything you're for -- this whole program that you have, especially this year? Do any of them ever read it and say you're on target or, "I recommend that you do this, or let us help you with that" in a public-private partnership? Because, you know, in today's world in government, everybody is a consultant. Okay? And I just wonder if there is any voluntarism by the corporations, especially in this area.

Is there or isn't there?

MR. EBEID: Yes, there is, and I actually participate in several advisory boards where Bell Atlantic, Lucent, AT&T, MCI, Sprint -- some of the big telecommunication giants-- We always try to get as much advice as possible and then just take that back in the office and weigh that against the user needs and where we're going in the future over the next two to three years and try to craft out the best solution possible. We try to take as much free advice as possible. But that's where it stops, just free advice.

ASSEMBLYMAN ROMANO: Thank you.

MS. RAYNER: Assemblyman, if I could add to that.

We also have contacted several industries to help us with strategic planning on the enterprise level. We had Bell Atlantic, Blue Cross Blue Shield, and Carter-Wallace come in. We always look to our private partners to help us because we know we don't know everything. Adel and I and his staff look -- really look to counsel with the industry leaders because they are either on the cutting edge or have gone before us. They do offer us an awful lot of advice.

As far as free or, certainly, collaborative efforts, we've had AT&T and Bell Atlantic helping in the schools. We had Cabletron come in and wire some of our schools free. They gave us \$1 million. And there are some other things like that that we explore every time we get an opportunity. We want to leverage their dollars and their knowledge to help us explore and really maximize technology today.

So we're always trying to explore opportunities to share with the private sector because they are leaders in the country, and we need their help. They've been very generous in helping us. Prudential has helped us a great

deal in year 2000. Johnson & Johnson has helped us. We go wherever we can, and they've always been willing to answer our call.

ASSEMBLYMAN ROMANO: Just let me say this. I want you to understand where I'm coming from, and I won't even mention the name of the company, where 10 years or 15 years ago the State used one particular type of computer throughout their system. Think about it.

MS. RAYNER: Does it start with a "w"?

ASSEMBLYMAN ROMANO: I won't even say.

But in any event, I look at that and I say, "Who told the State" -- unless it was lowest bid, one of those deals -- who told them or looked at it and said, "That's the way to go?"

Today, I think you're on the right track with the computers as we have. They come in constantly changing programs, etc., etc. One of these days I will learn how to use it. But that's what I'm talking about. Who looks over somebody's shoulder and says, "It's right" or "My advisement is it's right?" Not that it's grasping ghosts to say who's going to find out if this was the right move when we make a mistake.

MR. EBEID: I think--

ASSEMBLYMAN ROMANO: Madam Chair, the Deputy would like to say a view words.

MS. MOLNAR: Mr. Lawrence.

MR. LAWRENCE: To reassure you, the State, I believe, has the Gardner Group that we constantly work with as a professional consultant of overseeing this. And also, within Treasury, there are several analysts devoted

full-time to watching what goes on in computer expenditures not only here, but how that ties into the Department.

And in addition to businesses in New Jersey, I think we've had, over 15 years, a lot of support from NJIT who would come down, as professionals, to comment and helped the Legislature out in past years, and so on and so forth.

So we keep a fairly close watch on them.

ASSEMBLYMAN ROMANO: Thank you, Deputy.

MS. MOLNAR: Thank you.

MS. RAYNER: The other places we now-- And after the Executive Order 87, we have a board that oversees the Office of Information Technology that I chair, with three private members and three public members. And they're giving us very important counsel and advice. We meet quarterly, and it's proved very important. And I think that's another kind of measure of oversight as well as counsel.

ASSEMBLYMAN ROMANO: Thank you.

Thank you, Madam Chair.

MS. MOLNAR: Any other questions or comments? (no response)

If not, I would like to thank our Chief Investment and Chief Technology Officers for your presentation.

MR. EBEID: Thank you very much.

MS. RAYNER: Thank you for having us.

MS. MOLNAR: Our last department will be Interdepartmental Accounts.

I'd like to welcome Robert Rusciano, Director of the Division of Property Management and Construction.

ROBERT A. RUSCIANO: I guess, good afternoon.

MS. MOLNAR: Good afternoon. I was just looking at my watch.

MR. RUSCIANO: Recognizing the hour, we will try to keep our comments as brief as possible.

Thank you for the opportunity to present today the Department of Treasury's Fiscal Year 2000 Interdepartmental capital budget request.

With me today are Marsha Karrow, the Assistant Director of Policy Programming and Budgeting; and Jeffrey Bourne, the Assistant Director of Contract Compliance and Audit; as well as Cathy Forker, Dick Radichel, and David Millstein, who all work diligently with me on this request.

As you're aware, the Division of Property Management and Construction serves as a single-source organization within the Department of the Treasury for all issues involving State-owned, leased, and leased-purchased facilities. Therefore, the Division's capital request is determined by its responsibility to safeguard the condition of these facilities, protect the State's investment in these assets, and ensure compliance with current standards and codes.

The Division also administers, in conjunction with the Office of Management and Budget, programs that are funded through statewide accounts on behalf of all State agencies. These programs include compliance with the Americans with Disabilities Act, remediation of State-owned underground storage tanks, and abatement of hazardous materials.

The Fiscal Year 2000 capital budget request is comprised of 38 projects totaling \$138.4 million over the seven years. Of this amount, \$118.8 million is requested in Fiscal Year 2001. These projects address life safety, maintenance and renovation, preservation of capital investments, and energy conservation initiatives. In addition, this year's request includes one major project submitted by the Division on behalf of the Department of Health and Senior Services. As indicated in the project description, this project may be considered for alternate funding sources such as the New Jersey Building Authority.

I would like to begin my comments by first reviewing some of those projects previously supported by the Commission, for which continuation funding has been requested this year. I will then focus on a few of the new projects included in the 2001 request.

The Division is requesting \$10.2 million in Fiscal 2001 to continue the underground storage compliance project. In accordance with State and Federal regulation, 1189 underground storage tanks are required to be upgraded, replaced, and/or closed statewide. A total of \$58 million has been made available to date for this initiative. Approximately \$42 million of that amount has been expended on the removal of 712 tanks, including remediation and cleanup of all sites.

The remaining balance of \$16 million is committed for the removal of additional tanks in accordance with EPA requirements for gas and diesel fuel. This project was scheduled for completion by August, 1999. However, in recognition of the efforts of the Division to meet compliance

goals, the DEP has extended the deadline to avoid the imposition of fines until November 30, 1999.

A portion of the \$10.2 million requested in 2001 and the additional \$6 million requested in 2002 will allow the office to complete the removal of oil -- heating oil USTs that are State regulated.

All of the 219 heating oil tanks have been air-tightness tested. Twenty, or 10 percent of the tanks, failed and have been taken out of service. The failed tanks are under contract for removal over the next six months. The remaining 199 tanks currently in service will be removed in phases by the December 2003 deadline.

In accordance with the provisions of the Americans with Disabilities Act, \$3.6 million is requested to support design and provide actual construction funding for renovations for State building structural compliance. Approval of this request will ensure that the State continues to meet the goals of the ADA transition and self-evaluation plan. This plan initially identified a need for ADA retrofits in excess of \$30 million statewide. To date, \$13.5 million has been appropriated and has funded numerous projects. Completion of these projects, in conjunction with agency programmatic adjustments and relocations, in compliance with EDA, has reduced the overall amount of capital improvements required for compliance with the plan.

The Division is submitting several new project requests aimed at anticipating building maintenance issues and projecting capital expenditures. Specifically, the Fiscal 2001 request includes seed money to begin an aggressive facilities assessment program for State-owned buildings in the capital complex. This project will allow for analysis of all major building systems, including

roofs, building envelopes, cooling towers, chillers, heating plants, and recommend appropriate replacement and upgrade of these facility components.

Currently, replacement usually occurs when a system fails, resulting in additional costs for emergency repairs and an adverse impact on other buildings as well as operations.

An economic-based analytical tool that assesses building systems and signals replacement is vital in the capital process. We believe this assessment initiative can become the core of a preventative maintenance program to identify necessary maintenance projects in State facilities prior to emerging system failure. In this way, the Division can address overall building maintenance issues as opposed to providing temporary piecemeal solutions.

In addition to the Capital Complex Facilities Assessment Program, the Division is requesting funding to initiate a space planning study of the Health and Agriculture office building. Over the last several years, there has been a rigorous capital program to renovate and upgrade many of the facilities in the Capital Complex to contemporary office space standards. Some recent projects include the Department of Labor, Department of State, and State House Annex renovations. The last major facility to be renovated is the Health and Agriculture office building.

Funding requested in Fiscal 2001 would be used to complete a space planning, programming, and facility assessment study. The study would analyze existing space configurations and recommend ways to improve space utilization in conjunction with program requirements. All building systems and infrastructure will also be evaluated, and recommendations would be made regarding type and cost of the required renovations, based upon the results of

this initiative, and design and construction funding would be requested in Fiscal 2002.

It is anticipated that implementation of this initiative will result in program space consolidations and the ability to close existing leases. In conjunction with the Health and Agriculture facility space analysis, the capital budget submission includes a \$50 million request for a new state-of-the-art laboratory. As indicated previously, this project is submitted by the DPMC on behalf of the Department of Health and Senior Services.

The existing laboratory facility is 36 years old and in need of HVAC and other infrastructure renovations. Simultaneous to the required repairs, Health officials are requesting that the facility be upgraded to Biolevel 3 safety capacity. This will allow the State to deal effectively with newly emerging threats to public health.

While the request is being submitted based on the total renovation and upgrade cost estimate at this time, it may be more prudent to pursue a feasibility study to include relocation of the current facility and consolidation of all laboratory services statewide.

It is my understanding that the Department of Health and Senior Services is scheduled to appear before the Commission on November 12, and we expect that the Department will include this project as part of their request and should be able to answer many more of the detailed questions you may have about the project at that time.

In closing, approval of these funding requests will allow for continued corrective action to comply with existing laws and regulations. More importantly, funding of these projects will allow for renovations and

upgrades to address life safety concerns and initiate a program to more efficiently budget for maintenance issues at all State-owned facilities.

Again I thank you, Madam Chair and members of the Commission, for the opportunity to present this information to you.

I'd also like to thank Paul Shidlowski and the Commission Staff for their ongoing support and assistance. And I look forward to working with John in the future. We've worked together in the past, so I hope we'll continue our good relationship.

As always, your consideration of these requests is most appreciated, and we're prepared to answer any questions you may have at this time.

Thank you.

MS. MOLNAR: Thank you.

Any questions or comments?

Assemblyman.

ASSEMBLYMAN ROMANO: I think it's appropriate because this may be the last time I will see you because, you know, I'm leaving the Legislature, but--

Just imagine, Madam Chair and my dear colleagues, it's taken all this while that we have been together to finally come to our favorite words. "An aggressive facilities assessment program for State-owned buildings in the Capital Complex, which will allow for an analysis of all the major building systems including roofs, building envelopes, cooling towers, etc."

And they've come to the realization that when something fails, it results in additional costs of emergency repairs -- "adverse impact on other

parts of the building. We believe this assessment initiative can become the core of the preventative maintenance program to identify necessary maintenance projects in State facilities prior to emerging system failure. In this way, the Division can address overall building maintenance issues as opposed to providing temporary piecemeal solutions.” Now, doesn’t that warm you heart?

MS. MOLNAR: Absolutely.

ASSEMBLYMAN ROMANO: I mean, it’s almost like fitting as I walk out the door. So you can appreciate--

I’m reminding Mr. Ferrara to give that a what up -- make sure he lists that -- allows the money for it.

My other comment is this. Under ADA regulations in those buildings that are not up to standard--

MR. RUSCIANO: Yes.

ASSEMBLYMAN ROMANO: --is the State, presently-- Are you now or have you ever been-- Is the State, presently, being sued for any of its facilities -- that somebody comes along with a lawsuit saying that, “Because of that, this didn’t happen or this happened, etc.?” Are you aware of any?

MR. RUSCIANO: Not that I’m aware of, but Dave Millstein is here.

David, do you know if we’re -- if there’s any pending litigation about that at this time?

MS. MOLNAR: Please come forward and speak into the microphone for our stenographer.

Thank you.

MR. RUSCIANO: Dave is our director of ADA compliance.

DAVID M. MILLSTEIN: Good morning.

ASSEMBLYMAN ROMANO: It's about time they gave you an opportunity to speak.

MR. MILLSTEIN: Thank you, Assemblyman.

As of now, we do not have any pending litigation in. We've had instances where we've had to do programmatic change versus physical change. These moneys, as well as future moneys as part of the entire program, will allow us to do total physical change instead of having to do programmatic change.

ASSEMBLYMAN ROMANO: Well, this is another area which I support entirely. You know that. In fact, I want to thank you for the assistance you gave me in a certain public institution, where a person was in a wheelchair, and you took care of it by just saying, "Let the table fit the person in the wheelchair." It was something very simple, but it was important to the handicapped people on that particular campus. It was almost like a joke. They couldn't use the computer.

MR. MILLSTEIN: Sure.

ASSEMBLYMAN ROMANO: And I thank you for that. That shows planning in your own mind.

MR. MILLSTEIN: Thank you.

ASSEMBLYMAN ROMANO: I have no further questions.

MR. FERRARA: Before Dave leaves--

Just a follow-up question. Actually, Dave and I had a conversation as we were walking in today. And I ask, "How does our compliance with ADA compare to other states?" And Dave gave me a very good answer.

MR. MILLSTEIN: As is stands right now, we are in the top five out of the country as far as statewide compliance. With these fundings, of course, we'll just increase that that much more.

Thank you.

MS. MOLNAR: Thank you, Assemblyman, for reading us that.

ASSEMBLYMAN ROMANO: Doesn't it strike home?

MS. MOLNAR: Absolutely.

ASSEMBLYMAN ROMANO: It strikes a chord in our heart.

MS. MOLNAR: I've been on this Commission 10 years -- at least 10 years, and that's a very good point to raise.

Mr. Ferrara.

MR. FERRARA: First of all, I want to excuse the Assemblyman for not turning on his microphone when he started. He's not a technology guy. (laughter)

ASSEMBLYMAN ROMANO: Oh yeah, okay.

My voice projects, though.

MR. FERRARA: Basically, my question will be about the underground storage tanks. When I look at the numbers, there were 1189 -- were required to be upgraded. As of now, I guess, we've done 712, which leaves 477. And I guess they were-- DEP was gracious enough to give us an extension from August 1999 to November 30, 1999, but I can't believe that

we can finish the last 477 in that period of time. So my question would be, are we potentially going to be fined, and if so, how much money might that be?

MARSHA KARROW: The answer is that we've been testing the tanks all along, and the Federal law, which the DEP is mandated to follow, requires that only failed tanks be removed now. Any tanks that have passed -- we have another 36 months to remove them, provided we test them again in 18 months. And then if any of those fail, we have to take them out right away.

The answer to your second question is that if we don't do it, would we be fined. If we don't test the tanks -- if we miss that deadline, we would be fined \$2000 per tank per month. Beginning January 1, it would be \$3000 per tank per month, but we are going to make this deadline, absolutely.

MR. RUSCIANO: We've gone around and around in terms of the numbers because, if you do the math quickly, it looks like there's this huge amount that hasn't been addressed. Really, the issue is focused around the ones that have failed their testing. And then, along with that, we're really pushing very hard to comply with November 30. We were very appreciative of DEP's extension of the deadline. And we really don't want to get into a situation of having anything unresolved by that point.

MR. FERRARA: Just to make sure I understand. In other words, as long as we have the failed tanks out--

MR. RUSCIANO: Out.

MR. FERRARA: --by November 30, we're in good shape.

MR. RUSCIANO: Out and/or out of commission.

MR. FERRARA: Okay, not being used.

MR. RUSCIANO: Right.

MR. FERRARA: Thank you.

MS. MOLNAR: Any other questions or comments?

ASSEMBLYMAN ROMANO: Just a comment, Madam Chair--

MS. MOLNAR: Yes.

ASSEMBLYMAN ROMANO: --if you'll allow me.

I put my button on. (laughter)

MS. MOLNAR: He did, he did.

ASSEMBLYMAN ROMANO: The statewide capital projects.

MR. RUSCIANO: Yes.

ASSEMBLYMAN ROMANO: The Priority 1-- Go onto the next one is Priority 1 -- next one is Priority 1. They're all Priority 1.

Now, I'm not going to ask you to go back and really prioritize them, unless OMB wants you to do that. But I'm happy to see, though, that there seems to be full attention to security systems--

MR. RUSCIANO: Yes.

ASSEMBLYMAN ROMANO: --and the elevators and roof repairs, etc. -- compliance -- ADA -- how can I say-- It's pleasing to look at this -- that somebody's done their homework and said, "Look, let's get on the ball, and let's take care of these items here." I have to compliment you. I know you don't do it alone, Mr. Rusciano.

MR. RUSCIANO: No, I don't.

ASSEMBLYMAN ROMANO: But you can take with you to your staff--

Is Charlie Shill (phonetic spelling) still around?

MR. RUSCIANO: Yes, he is.

ASSEMBLYMAN ROMANO: Tell Charlie Shill I was asking for him.

It's pleasing to look at this because these are items that have to be tended to. There's not whip cream here. This is hard sponge cake.

MR. RUSCIANO: Yes, it is.

ASSEMBLYMAN ROMANO: Thank you very much.

MR. RUSCIANO: We thank you for those comments. Thank you very much, Assemblyman.

MS. MOLNAR: Any other questions or comments? (no response) If not, I would like to thank you and your staff for coming.

MR. RUSCIANO: Thank you very much.

MS. MOLNAR: Now, under other business-- Since we don't have a quorum, we cannot take any action.

Our next meeting is November 12. It is a very long agenda. So I believe we agreed we would start that meeting at 9:30 a.m. There are six departments that day and the debt report. There are five departments and the debt report by the Treasurer.

So we will be starting at 9:30 a.m. on November 12.

Any other questions or comments before we adjourn? (no response)

If not, the meeting is adjourned at 12:30 p.m.

(MEETING CONCLUDED)