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# *Commission Meeting*

of

## NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

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

**DATE:** September 26, 1997  
10:00 a.m.

**MEMBERS OF COMMISSION PRESENT:**

B. Carol Molnar, Chair  
Assemblyman Louis A. Romano  
Assemblywoman Carol J. Murphy  
Linda M. Anselmini  
Anthony F. Annese  
Robert A. Roth  
E. Martin Davidoff

**ALSO PRESENT:**

Thomas Neff  
(representing Senator Robert E. Littell)

David M. Mortimer  
(representing James A. DiEleuterio Jr.)

Christina Higgins  
(representing Michael R. Ferrara)

Paul Shidlowksi, Acting Executive Director



*Meeting Recorded and Transcribed by*  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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Testimony of Arnold Speert, Ed.D.  
Chairman  
New Jersey Presidents' Council  
New Jersey Department of State  
submitted by  
Peter F. Burnham, Ph.D.

19x

dmt: 1-85

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

We will take the roll call.

MR. SHIDLOWSKI (Acting Executive Director): Mr. Martin Davidoff?

MR. DAVIDOFF: Here.

MR. SHIDLOWSKI: Mr. Anthony Annese?

MR. ANNESE: Here.

MR. SHIDLOWSKI: Mr. Robert Roth?

MR. ROTH: Here.

MR. SHIDLOWSKI: Tom Neff, representing Senator Littell?

MR. NEFF: Here.

MR. SHIDLOWSKI: Senator Kenny?

ASSEMBLYMAN ROMANO: Am I allowed to represent Senator Kenny, as well, Chair? (laughter)

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Representing myself, yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: On my own, here.

MR. SHIDLOWSKI: Mr. David Mortimer, representing Treasurer DiEleuterio?

MR. MORTIMER: Here.

MR. SHIDLOWSKI: Commissioner Anselmini? (negative response)

Christina Higgins, representing Mike Ferrara?

MS. HIGGINS: Here.

MR. SHIDLOWSKI: Ms. Margaret Villane? (negative response)

Ms. Carol Molnar?

MS. MOLNAR: Here.

MR. SHIDLOWSKI: We have a quorum.

MS. MOLNAR: Next item is the approval of the minutes of our September 12 meeting.

ASSEMBLYMAN ROMANO: Madam Chair, I have not an objection, but I would just like to have an extra comment added. I am only too happy to -- happy as to the comments made by Ms. Higgins. I would just like to have that-- I can't leave this hanging that I didn't answer it. I don't care whatever you want to put, but just that I intimated that what we were talking about was the difference between hard debt and soft debt, or whatever the case is -- if you don't mind.

You can pick out the words yourself, Ms. Higgins, I want to make up for that arm. (referring to Ms. Higgins's broken arm)

MS. HIGGINS: Thank you, I appreciate that.

ASSEMBLYMAN ROMANO: That there is a difference between hard debt and soft debt.

Other than that, I have no problem with the minutes.

MS. MOLNAR: Could we use more specific terminology like off bound sheet liability verses--

ASSEMBLYMAN ROMANO: You can say it, Madam Chair. Whatever you feel comfortable with.

MS. MOLNAR: Okay, I'll leave it to the staff to come up with some appropriate wording.

ASSEMBLYMAN ROMANO: What do you think, Paul?

MR. SHIDLOWSKI: I think we are going to--

ASSEMBLYMAN ROMANO: With all of these high-price accountants here, let's see what they have to say.

MS. MOLNAR: But the point would be to record what Assemblyman Romano actually said.

MR. SHIDLOWSKI: We'll go back to the tape and we'll review the remarks.

ASSEMBLYMAN ROMANO: Well, I think I had said something about the accounts adage, We can't lie the figure, but we can figure the lie. I don't think that would be appropriate.

MR. SHIDLOWSKI: Is that the correction, in particular, you wanted noted? (laughter)

ASSEMBLYMAN ROMANO: Just that I well understood, without belaboring it, the difference between hard debt and soft debt, and I think that's what the issue was at hand -- or unfunded liability and funded liability. Take your pick.

MS. HIGGINS: Well--

ASSEMBLYMAN ROMANO: You like the other one better.

MS. HIGGINS: I think hard and soft is fine.

ASSEMBLYMAN ROMANO: Okay. Use the hard debt and soft debt.

MS. MOLNAR: All right, with that amendment, do I hear a motion to approve these minutes as amended?

MR. ROTH: Move to approve.

MS. MOLNAR: Second?

ASSEMBLYWOMAN MURPHY: Second.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Although the minutes look very well, I wasn't here, so I will abstain.

MR. SHIDLOWSKI: Mr. Annese?

MR. ANNESE: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Mr. Neff?

MR. NEFF: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy? (no response)

ASSEMBLYMAN ROMANO: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Mortimer?

MR. MORTIMER: Yes.

MR. SHIDLOWSKI: Ms. Higgins?

MS. HIGGINS: Yes.

MR. SHIDLOWSKI: Ms. Molnar?

MS. MOLNAR: Yes.

Now at this point, I would like to interject one thing. It's not on the agenda. It's always an honor to serve with all of these talented individuals here. You're all talented in your own way. I'm not sure all of you are aware of this, but one of our members, Martin Davidoff, has been named the 1997 Accountant Advocate of the Year for New Jersey and the Northeast Region by the U.S. Small Business Administration.

This prestigious award recognizes Marty's contributions towards creating a better economic and financial climate for small businesses in the Garden State. Candidates were judged on strict criteria outlined by the SBA, including volunteering personal time to assist small firms, advocating reduced regulatory requirements, supporting legislative initiatives to financially strengthen small businesses, and participating in other activities.

By selecting Marty as a recipient of the Accountant Advocate Award, the SBA applauds his selfless dedication to the advancement of the small business community in the State of New Jersey. I would like to congratulate you. (applause)

MR. DAVIDOFF: Thank you.

MS. MOLNAR: Next item is the Executive Director's Report.

MR. SHIDLOWSKI: I have a very short report today, Madam Chair. We have received capital requests from all agencies with the exception of the Department of Environmental Protection. The total right now is approximately \$1.5 billion in requests.

ASSEMBLYMAN ROMANO: Billion?

MR. SHIDLOWSKI: Billion.

Staff is meeting with the Departments. We are working on criteria for the evaluation and recommendation of projects, and we'll be referring that to the Commission in the future for their input.

We did have a late-breaking change to the capital request from the Juvenile Justice Commission. It was submitted to all Commission members this morning, so you should substitute the pages that we gave you today for the appropriate pages in the material that was sent out to you previously.

That concludes my report, Madam Chair.

MS. MOLNAR: Thank you.

MR. DAVIDOFF: A question. Last year you provided us a very helpful table entitled "Results of the '97 Capital Budgeting Cycle," where you provided the departmental requests, the commissions' requests, the Governor's recommendation, and the Appropriations Act. I haven't -- and maybe I have missed it -- I haven't seen that table for '98 yet.

MR. SHIDLOWSKI: I believe that we provided that to Commission members at the last meeting. It should be in your binder, I would think.

MR. DAVIDOFF: Okay. I'll look and talk to you after, if I have to.

It's a one-page summary?

MR. SHIDLOWSKI: Yes.

MS. MOLNAR: If not, we can fax you another one.

MR. DAVIDOFF: Thank you.

MS. MOLNAR: Thank you.

Next on our agenda is the capital request presentation. Our first is Higher Ed Commission. I would like to welcome Peter Burnham, representing Dr. Arnold Speert, and also welcome Alfred Cade, Chair of the New Jersey Commission on Higher Ed.

**A L F R E D J. C A D E, Ed.D.:** Good morning, I am Al Cade and I Chair the Commission on Higher Education. Thank you for the opportunity to discuss the capital needs of New Jersey's public four-year colleges and universities.

As we did in the past two years, the Commission proposes a five-year facilities renewal program for the State's senior public institutions. Our proposal calls for an annual expenditure of 1.5 percent of the replacement value of the facilities at 11 New Jersey public colleges and universities. The initial 0.5 percent would be provided by the State, with an additional 0.5 percent provided to institutions that contribute, at least, another 0.5 percent.

This approach, first recommended in our 1995 study on higher education funding and tuition and reiterated in Higher Education's long-range plan adopted last year, recognizes that facilities renewal is a responsibility that should be shared by the State and the institutions. The 1.5 percent annual investment in the maintenance of campus facilities is the minimum annual amount suggested by the National Association of College and University Business Officers and the Association of Higher Education Facilities Officers.

As in the past, Thomas Edison State College is excluded from our proposal because the Department of Treasury traditionally funds the maintenance of the college's State-owned and leased facilities.

The Commission on Higher Education appreciates the support you have offered for this proposal in the past two years. Unfortunately, although some funding has been provided in recent budgets, there has not been a commitment for the continuing funding needed to launch this important five-year plan. Therefore, we respectfully request that you again include funding for this proposal in your recommendations for the 1999 Fiscal Year.

Allow me to provide some additional background to support our recommendations. As you well know, deferring maintenance on buildings and infrastructure is a national problem that is growing, not shrinking. A recent national survey found an estimated \$26 billion backlog in facility repair needs at colleges and universities, up from \$20.5 billion in 1988. Most campuses were constructed at least 30 years ago and so would be a need of renovation even if there were routine annual maintenance.

Data for New Jersey parallel these national findings. Most of the buildings on our public four-year campuses were constructed during the 1960s and '70s when the State created the higher education system as we have it today. Based on a survey the Commission just conducted, we estimate that the replacement value for academic buildings at our four-year public colleges exceeds \$3.6 billion. Assuming construction costs of \$175 per square foot, which is low for certain kinds of facilities, last year these colleges indicated that their funding needs for preservation projects alone totaled \$682 million.

Taken together, these numbers indicate that preservation needs for aging buildings constitute close to 20 percent of replacement value. This figure is considered high by higher education facilities and finance professionals. It suggests a high level of current and deferred maintenance that must be

addressed and supports the proposal that we made, and you recommended, for the last two years.

Of course, the colleges, the Commission, and the rest of the higher education community recognize that the State's fiscal resources are limited and there are many important needs. However, we strongly believe that funding for college and university facility renewal is a strategic investment that preserves existing campus assets and spurs economic growth.

Your consistent support for capital investment in higher education acknowledges the importance of maintaining the infrastructure that supports critical teaching, learning, and research at our colleges and universities. Clearly, the Capital Commission recognizes the economic dividends New Jersey reaps from a higher education system that prepares the workforce, conducts research with commercial applications, and directly serves the needs of business and industry.

We ask that you continue to support investment in higher education facilities renewal and hope the Commission will recommend that the 1999 budget include the State's share of funding for the first year of the five-year plan.

Thank you very much for the opportunity to speak to you today on behalf of the Commission on Higher Education. Dr. Peter Burnham is here with me. He is Vice-Chairman of the Presidents' Council and President of Brookdale College, and he will elaborate further on the capital needs of our institution.

**PETER F. BURNHAM, Ph.D.:** Thank you, General Cade.

Good morning, ladies and gentlemen, and thank you for the opportunity to address you on this very critical subject for higher education in the State of New Jersey. As General Cade mentioned, my name is Peter Burnham. I am President of Brookdale Community College, in Lincroft, New Jersey, the County College of Monmouth. I serve as Vice-Chair of the Council of Presidents.

As you know, in 1994 the Restructuring Act for Higher Education created two entities, the Commission on Higher Education and the Presidents' Council, to work closely in the development of advocacy issues for higher education in the State of New Jersey.

General Cade and I sit together at this table in joint support and advocacy for the principles of improving the quality of life in our campuses throughout the State. A cornerstone of our collective vision for higher education is the plan developed by the Commission for Higher Education looking to the new millennium, approved in October 1996. Its forward concludes by stating, "The plan asserts two imperatives: the State must provide adequate and stable funding so that institutions can live up to their potential in serving students in society; the State and institutions must make prudent choices to insure quality with finite resources." Your recommendations of this Commission are very important to the attainment of both of these objectives.

The colleges and universities in New Jersey have been vigorous in doing their best with finite resources. Most recently, for example, the State colleges and universities participated with the Governor's Office and the Treasury Department in a college review team project to attempt to make the best use of scarce resources by working more collaboratively with the

Departments of State government, which provide services we use in the areas of transportation, energy, telecommunications, environment, economic development, personnel, and safety and security. We will all benefit from the compendium of best practices which emerge from that effort. However, without ongoing and systematic attention to the literal cornerstones of our institutions -- their capital infrastructures -- our capacity to nurture the human and economic development, that is the core function of higher education in our society, is fundamentally weakened.

I would like to briefly discuss three equally critical aspects of capital planning, which taken together should form the basis for a much-needed comprehensive capital plan for New Jersey Higher Education.

The first, relating to planning and funding for new facilities, I'll mention only in passing since a blue-ribbon task force is currently undertaking what is known as a capacity study, which will be seeking to look at the adequacy of our statewide investment in, and distribution of, resources for higher education. In this regard, I would only state for the record that everything we know about the outcomes of higher education shows that dollars invested in higher education will grow appreciatively both in terms of positive economic outcomes and the immeasurable value of enhanced human development in this and future generations. In 1993, to offer just one example, Rutgers University transformed a State investment of \$308.6 million into \$2.06 billion of spending in the New Jersey economy.

The second aspect concerns the inexorable growth and the importance of information technology as an essential tool in the conduct of teaching, research, and service. New Jersey citizens and the business

community have certainly benefited from prior investments in technology infrastructure at New Jersey's colleges and universities, first of all, arising from the Job Education and Competitive, JEC, and the Higher Education Facilities Trust Fund, HEFT, bond fund programs, both of which have been extraordinarily successful in our State.

Recently, the \$55 million Governor's Technology Bond Fund illustrates a further very positive step in the right direction. We must not, however, allow ourselves to think that one-time infusions can sustain us. The responsibility to provide our students and faculty with access to the most current information technology resources is absolutely vital to maximize our economic competitiveness. We can't develop the most skilled employees for the workforce for the 21st century, or develop new ideas and products for the businesses of the 21st century with that, with inferior or outdated technology; and candidly, we cannot expect to install and maintain 21st century technology in mid-20th century facilities without substantial and ongoing investment.

The report of the Joint Commission on Higher Education and Presidents' Council Technology Task Force, Cochaired by Ed FitzPatrick and President Saul Fenster of the New Jersey Institute of Technology, offers thoughtful recommendations about key infrastructure-related technology support issues. I hope you will give serious careful thought to these recommendations as you perceive.

Finally, as I'm sure you understand, and as my colleague has strongly emphasized, the issue of ever growing needs in the area of capital renewal and replacement only becomes more critical with the passage of time.

When Doctor Speert addressed you last year, he estimated a deferred maintenance backlog of nearly \$500 million and growing to an estimated \$80 million a year, as General Cade has mentioned.

As was noted also last year, our facilities staffs continue to deal with countless decisions about failing heating and cooling plants, leaking roofs, outdated wiring, asbestos abatement, ventilation, toxic waste disposal, and countless other emergencies which directly affect the quality of learning, health, and safety of several hundred thousand students and tens of thousands of faculty and staff in New Jersey's higher education facilities.

My colleagues at the State colleges and universities are very appreciative of the \$5.8 million provided in Fiscal Year 1998 for preservation projects. We, at the community colleges, welcome the increase and Chapter 12 support for Fiscal Year 1998. Chapter 12 is the program that provides support in community colleges jointly and equally between the State of New Jersey and the sponsoring counties of the community colleges. My colleagues at Rutgers, UMDNJ, and NJIT receive no Fiscal Year 1998 appropriation in this area and must manage vast physical plants which suffer the same problems that all of us do.

I hope you will join me in urging that the State reconsider its decision to provide no funding to the capital needs to our research institutions. I also ask that you look closely at the legislations currently being proposed, Senate Bill No. 2137 and Assembly Bill No. 3145, which increase and expand the Chapter 12 funding program for the community college sector of New Jersey's higher education community. Please lend your support and expertise

to the development of a capital renewal and replacement plan that more adequately addresses these critical needs of all over institutions.

In the section of its plan for higher education, entitled “Achieving the Vision for Higher Education Essential Conditions,” the Commission on Higher Education said, “Preserving the facilities infrastructure is critical to educating the populous to recruiting and retaining students and to the overall quality of higher education.” All of us concerned with maximizing the potential higher education, promote human and economic development in the service of the citizens of our State must speak with one clear voice on this issue. I therefore ask you to join me and Commission Chair Cade in supporting the capital program recommendations set forth in New Jersey’s Plan for Higher Education.

Thank you very much.

MS. MOLNAR: Thank you for your presentation.

Any questions or comments from Commission members?

Mr. Davidoff.

MR. DAVIDOFF: Good morning. How many students are currently in the system that we are talking about funding today? You had mentioned several hundred thousand, could you give us a number?

DR. BURNHAM: Okay, 350,000.

MR. DAVIDOFF: 350,000 approximately.

DR. BURNHAM: Those are credit students.

MR. DAVIDOFF: As opposed to?

DR. BURNHAM: Well, for example, in the community colleges we have an additional-- In my institution, Brookdale, which currently enrolls

about 13,000 credit students, which is part of that number, there is an additional 20,000 people enrolled at Brookdale in noncredit programs which are not counted in that total.

MR. DAVIDOFF: These are people who are not matriculated toward a degree?

DR. BURNHAM: They are not matriculated toward a degree. Many of them are taking a vocational lifelong learning courses, developing new skills, many of which are noncredit.

MR. DAVIDOFF: What has been the tuition increase to the students over the past one or two years on a percentage basis?

DR. BURNHAM: For the public institution the average increase in tuition is roughly 5 percent to 6 percent this past Fiscal Year. For the community colleges it has been slightly less. They are averaging about 3 percent. Most of that -- in the community college case -- I can speak to is primarily due the support of the Governor and the Legislature in this past budget and increasing operational aid to community colleges. In our private and independent sector, the tuition increase has been approximately 7 percent.

MR. DAVIDOFF: And you're talking about the private and independent sector of our New Jersey colleges. You're talking about Rutgers?

DR. BURNHAM: Rutgers is part of the public institutions. Their tuition increase, I believe, this year was slightly in excess of 5 percent.

MR. DAVIDOFF: So, when you're talking private, you're not talking about anything funded by the State?

DR. BURNHAM: Well, in New Jersey the private institutions do receive a portion of their operating support -- a very modest portion -- in State funding.

MR. DAVIDOFF: You mentioned something that is new to me so I am going to ask you an explanation of it, for my clarification. Could you explain to me how Chapter 12 lending works.

DR. BURNHAM: Chapter 12 is a program that began in the mid-1970s. It is a matching dollar for dollar program in which the local sponsors of the 19 community colleges -- and most all cases the county government -- provides an equal share of funding for projects matched by State dollars. The advantage, again, is that for each dollar of local tax that is put up in bonding, for the State to match it, the institution benefits two for one.

At Brookdale Community College, for example, we have been very, very fortunate. Over the past five years we have been able to generate over \$30 million in capital funds with a cost of approximately \$15 million to the State, \$15 million to local taxpayers to improve and enhance the facilities of Brookdale.

Chapter 12 program currently has a ceiling of \$80 million combined allocation and appropriation. We are seeking, through the legislation that I referenced in my testimony, to have that increased to \$120 million. We have estimated that the cost of renewal and replacement and new construction costs for community colleges, which is the largest growing sector of higher education in the State, to be in excess of \$600 million.

MR. DAVIDOFF: Was the matching funds, the \$80 million cap, utilized in the past year?

DR. BURNHAM: We have-- Yes, every appropriation that has been developed for the Chapter 12 program has been consumed completely. In fact, this past year, we spent a great deal of time working with the Department of Treasury cleaning up previous appropriation and reservations. The process is somewhat complex in that it requires that the local sponsor -- the county -- approve a formal resolution appropriating a component of its capital program -- its bonding program -- and the State will not release its funds until the county fulfills that obligation.

In some cases some counties, due to local pressures and other changes, have had problems meeting some of their initial reservation claims, but all of these have been cleared up and the current level of appropriation has been consumed. I should mention that the Chapter 12 program--

MR. DAVIDOFF: Does that mean yes, you are using \$80 million?

DR. BURNHAM: Yes, but it is also a revolving program and I wanted to point that out. Part of the intention is the retirement of the bonds does flow back into the program to provide future appropriation.

MR. DAVIDOFF: Okay, and if you received an increase to \$120 million in this pending legislation, would that mean that today's request could be reduced?

DR. BURNHAM: Substantially. Not for the senior public. This is only for the community college.

MR. DAVIDOFF: No, but the part for the community colleges that are supported by this.

MR. SHIDLOWSKI: I think I need to interject at this point in time. We have no request from the community colleges for capital dollars.

MR. DAVIDOFF: Okay, so this doesn't include anything from community colleges.

MR. SHIDLOWSKI: No.

MR. DAVIDOFF: Out of the 350,000 students we are talking about how many are not going to the community colleges, now that we are not funding them?

DR. BURNHAM: Let me put it this way, 45 percent because 55 percent of the undergraduates are going to community colleges.

MR. DAVIDOFF: Okay, so 45 percent of the 350,000 students are going to colleges that we are looking at funding for today.

DR. BURNHAM: Those are only undergraduates -- I don't know. Graduate students would have to be put into that mix. I'm not sure how many of those there are.

MR. DAVIDOFF: So probably it's safe to say about 175,000 students, whereas, we are not funding the community colleges through today's appropriation. Good, I learned something. Thank you very much.

MS. MOLNAR: Assemblywoman Murphy.

ASSEMBLYWOMAN MURPHY: Just to follow up, if you please, through the Chairwoman, on Mr. Davidoff's question. Many of your students in the county colleges are -- I lost the word that I want -- moving to attend the four-year colleges, are they not? So, while they may be in the county college system today, since it is a two-year system, they are potentially four-year college students?

DR. BURNHAM: Absolutely. Over 70 percent of the students at Brookdale Community College, one of the largest, are enrolled as transfer-oriented students.

ASSEMBLYWOMAN MURPHY: And are your transfer documents, if you will, at Brookdale in the exchange program, if you will, at State university -- at Rutgers University so that good students at Brookdale have more easily acceptance into the Rutgers system?

DR. BURNHAM: Yes, the work on that is continuing, and we seek very much to develop a seamless transition between the two- and four-year institutions, particularly the public sector.

ASSEMBLYWOMAN MURPHY: It is difficult to use up all the slots; nonetheless the encouragement for the students at the county college level needs to be there. So it is a balance that you all must put together.

I did have one other question, if I may. In last year's 1998 budget recommendation from the Governor, there was no funding for salary increases, but the office of the State Auditor -- subsequent to the budget process -- conducted a review of institutional fund balances covering years of 1993 through 1996 and confirmed, if you will, that the funds held in reserve in higher education had increased from \$2.2 billion to \$2.8 billion, about 27 percent. I am wondering where those reserve funds are being used, how they are being used, etc.

DR. BURNHAM: The-- I certainly feel a bit limited in my capacity to speak specifically because most of those funds are related to the fully State-operated colleges, not the community colleges. My understanding is that the problem with that argument is that many of these funds are

restricted and reserved for specific-purpose use. Many of them exist within endowments, and other funds are allocated as a cushion against enrollment vacillation. I can certainly speak for the fact that in the public higher education business it is necessary to plan out more than one fiscal year and the adequacy of reserves is critical to an institution's ability to maintain adequate educational programs.

ASSEMBLYWOMAN MURPHY: I appreciate that and you are, I believe, entirely correct. I was thinking, I think, to one section of segregated dollars and that fund which were marked as plant funds. And I think it was to their utilization with regard to the capital needs for the new plant that I was looking for some response to. If I have asked an inappropriate question, I apologize. Perhaps there is someone else to whom I should be directing questions.

DR. CADE: I don't have that answer, specifically, that you are pointing to, but I remember the discussion about a year ago when we were talking about how the managers of those institutions -- the college presidents -- and their Board of Trustees approach the notion of an adequate reserve for the enterprise and to be able to accommodate emergencies in facilities that occur. They are very nervous when, for whatever reason, they take those reserves below a certain appropriate level for their institution. It is my suspicion that those dollars that are earmarked for plant would be in that particular area. If, during the course of the year, the storm comes and takes the roof off of a science building, they have got to have funds to be able to repair that.

ASSEMBLYWOMAN MURPHY: And I do appreciate that, General Cade, quite clearly. But I do also believe that there are insurance numbers in there. I'm wondering if in some way you could obtain--

DR. CADE: We can get that information and provide it to you.

ASSEMBLYWOMAN MURPHY: Direct it through the Chair if you would, please. I would really appreciate that because it is going to become a worry -- a constant referral point -- I'm sure.

DR. CADE: I think, too, that as I was reminded just a moment ago, that some of these funds also have been set aside as matching funds for solicitation of Federal programs, as well as State programs.

ASSEMBLYWOMAN MURPHY: And that-- I think being able to see that would lay a few things down which is quite helpful.

Just one other question. The Commission's request of \$36,770 million represents 1 percent of the replacement value. That was outlined on the first page of our documentation today. The Commission recommends that should such funds be appropriated, the State colleges and universities would be required to match the funds with an additional 0.5 percent of the replacement value. I wondered how that ratio was determined.

DR. CADE: The 1.5-- We said that 1 percent was the bare minimum, that the additional 0.5 percent would not be inappropriate to expect the institutions to raise that amount. I remember the discussion and one of our committees on funding took a considerable amount of time that that 0.5 percent verses 1 percent from the government we felt was not asking too much. It's contingent -- of course, the second 0.5 percent of the government (*sic*) is

contingent upon the institutions ability to raise that, and how they raise that we would leave that entirely up to the institution.

ASSEMBLYWOMAN MURPHY: But it was seen by the institutions as a potential possible.

DR. CADE: Yes. It was negotiated and debated, and we had almost universal agreement that that was an appropriate mix or percentage.

ASSEMBLYWOMAN MURPHY: Thank you very much, General Cade.

MS. MOLNAR: Tom Neff.

MR. NEFF: First of all, I guess, on behalf of Senator Littell, I would just like say he is very supportive of increasing funding for this deferred maintenance issue, and he asked me to relay that today. However, I have a question. Last year we were told there was \$500 million in deferred maintenance, and that number grows by \$80 million every year. It seems as if we are getting a mixed signal.

On the one hand, we are being told deferred maintenance is so important that we want the Legislature to give us more money. On the other hand, we are hearing that it is not an important enough issue for the colleges to address on their own, absent State funding, because it is growing every year. I was just wondering if you can reconcile what appears to me to be a conflicting message to the colleges.

I mean 1.5 percent of the value of replacing the buildings -- if that's the minimum that's necessary for deferred maintenance -- why aren't the colleges meeting that on their own, absent State funding?

DR. BURNHAM: I think that certainly one of the compelling issues that influences the prioritization is the issue of tuition. The only other sources of revenue that provide opportunity to address some of these problems would be to pass along the cost of such an infrastructural change to students. I think that the Commission and the Council of Presidents have stood firmly in trying to meet the challenge that both the Legislature and the Governor has laid out in terms of keeping our, particularly public, institutions as affordable as possible.

The opportunity to access the adequate funds to do the tasks that are before us requires having to turn to our primary partner in the State of New Jersey first and seek some sort of strategic approach to this over a prolonged period of time so that we can accomplish this on a regular fashion rather than dealing with it periodically and not pass on the cost of that effort to students.

MR. NEFF: If I could--

DR. CADE: May I add to the comment. I come from the private sector, and I worked on the foundation boards of a couple of our institutions before I became a Trustee and before I became a member of the Commission. I can tell you the extreme difficulty in getting private funding to address a deferred maintenance program without a companion participation on the part of the government. It is extremely difficult. It is a very unattractive component of a development program or a fund drive.

Scholarship for students higher on the list of the private sector -- private corporate America -- is higher. Next, new facilities; research; build a library and name it for the Chairman of the Board or what have you. Low on

the totem pole in terms of priority of corporate giving, corporate funding support would be something as -- I guess -- unattractive and unsexy as a backlog of deferred maintenance. It is very difficult, and it was for that reason that we insisted on a participation in the deferred maintenance program but not to the extent of the State's participation or the government's participation.

MR. NEFF: I understand the problem with trying to have people give money for something they can't see a concrete improvement. Everybody wants to give money so that they can see a building built or everybody wants to give money so they can see a plaque over a door that says that they gave money to pay for it or something like that. If there is seed money from the State going into deferred maintenance, and supposedly it's going to this 0.5 percent match from the colleges, does that detract from the other restricted giving programs that the colleges have for buildings, or do you envision the money coming from the students?

DR. BURNHAM: I think, as General Cade said, the sophistication of potential donors is -- and I can certainly speak from a community college public education situation -- absolutely essential that the public provider step up to the plate. For us, as advocates and salespeople, to go out and convince the private sector to contribute -- and more and more of us are doing this very aggressively -- we need to have that seed money. We need to have that recognition that this is not a double taxation. It is not an advocacy of the State taxpayer, it is a commitment of partnership. I think that is what we are really talking about, strengthen that potential partnership in the area of capital funding. So many of the institutions, to some extent, are

doing it now as a way of offsetting tuition costs through raising scholarship funds. We know this is another area we need to strengthen.

MS. MOLNAR: Assemblyman Romano.

ASSEMBLYMAN ROMANO: I think it's well known this is a tight Commission. I don't think anyone will say, "No, don't include me." You're speaking to the choir when it comes to capital expenditures on behalf of the State, and we all argued our own points in this whole section called deferred maintenance. You know what you were supposed to do yesterday and you didn't do now becomes a major renovation project today. I think I can say this, the problem here is most of the money that you are requesting comes out of general money -- general funds -- except for those that are earmarked with certain bonds, as you are talking about. I agree with you and I'm sure everyone agrees that somehow there has to be a steady revenue stream. Perhaps next session-- Perhaps this might be a national problem that will be addressed when we talk about education, the funds required to rebuild our institutions.

Take for example -- and by the way, in this term, who came up with the number 1.5 percent that's what makes the consultants and planning consultants architects and engineers, so this has been established as, let's say, a rule of thumb which is a good number to use-- Those same consultants, when asked about forecasting the needs of elementary and secondary institutions in the State, those numbers ranged from 4 million to 6 million. If you speak to the right one, it's up to-- I'm sorry, it's 4 billion to 6 billion, and if you speak to someone else, it's as high as 10 billion. So it depends on whom you are speaking with, but you have to come up with some sort of a number

that you can use for a sinking fund. What my good colleague, Assemblywoman Murphy, was referring to during our Appropriations hearings. What came up when Higher Ed came before us with all of the presidents of the institutions-- I don't know if you were there General Cade.

DR. CADE: Yes, sir, I was.

ASSEMBLYMAN ROMANO: And you would recall that they were saying, "What are you doing with that so-called reserve money?"

DR. CADE: Yes.

ASSEMBLYMAN ROMANO: So they were sending in this -- how should I call that team -- the audit team to tell you how you can best spend that money. Actually, it was money you had reserved in there for different items. In fact, only yesterday, I believe that when the Governor was questioned -- and this is not political, this is all professional. There is no one here who is going to print anything that we say. (laughter)

Professionally, here, yesterday I think the Governor was saying that she was, again, making available to the colleges that audit review team and only several colleges made use of the audit review team, you know, the efficiency group that would come in, the bean counters. But, as far as your requests here -- and I don't mean any disrespect because -- by the way--

MR. MORTIMER: Next you're going to break her leg. (laughter)  
(referring to Ms. Higgins's arm)

ASSEMBLYMAN ROMANO: By the way, Mr. Davidoff, you belong to the CPA Society? Thank you for your support of donation.  
(laughter)

MR. DAVIDOFF: That's the PAC.

ASSEMBLYMAN ROMANO: The PAC.

DR. CADE: Excuse me, sir.

ASSEMBLYMAN ROMANO: Go right ahead, General.

DR. CADE: Madam Chair, there is a room full of people over at the Commission on Higher Education monthly meeting waiting for a quorum. I constitute that quorum.

ASSEMBLYMAN ROMANO: Go ahead, General.

DR. CADE: I beg to be excused, and Dr. Burnham can adequately address the higher education issues and capital appropriations.

MS. MOLNAR: Thank you.

ASSEMBLYMAN ROMANO: We're almost done anyway, but go ahead, General.

ASSEMBLYWOMAN MURPHY: It was a pleasure to see you, General.

ASSEMBLYMAN ROMANO: Dr. Burnham, as usually the case, OMB will sit down -- it's OMB that sits down with them, right?

MS. HIGGINS: With whom?

ASSEMBLYMAN ROMANO: With all the different departments in terms of their requests and heavy discussion. In other words, Mr. Mortimer's office, both your office. What I'm saying is they will forge ahead to find out what is of a priority, they will make a general recommendation to us which, more or less, we always go along with because it is based upon their own intelligence.

I agree, we have to come to grips with this whole idea of facilities. Who's going to pay? How are you going to raise this money? There has to be a steady revenue.

By the way, last year, were you here when we discussed this in the spring for other issues?

DR. BURNHAM: Yes.

ASSEMBLYMAN ROMANO: And it came up about corporations -- partners with the public institution. I had made the recommendation then that perhaps if you need a roof you might contact Continental Airlines and have them paint their name on the roof on those institutions which is directly in an airway so they can get some sort of credit. I agree with you. I doubt very much if you will get someone who will help you with a sewer system, because where would they put their name? (laughter)

It's all said in good fashion, Dr. Burnham.

DR. BURNHAM: I'm sure Mr. Roth can speak about the PNC Arts Center and the level of appreciation it's received in Monmouth County. I'm not sure if we put Continental Airlines on the roof of Brookdale it would be the best; although, we are on the flight pattern to Newark, so it might work.

ASSEMBLYMAN ROMANO: Just to make you aware, I'm from Hudson County, so you are aware of Hudson County Community College. We are a community college on the rise. We are a city community college. We have buildings all over and the enrollment is exploding, so we, too, argue for the point of fair as that Commissioner recommended, one-third, one-third, one-third, which we are still not getting.

Thank you, Madam Chair.

MS. MOLNAR: Thank you.

Mr. Davidoff.

MR. DAVIDOFF: Yes, I just want to reiterate that I, too, am supportive of the plan that provides the deferred maintenance on an annual basis.

There's a couple of points and questions. The 0.5 percent matching, which we have been talking about since 1995, have the colleges been putting up that 0.5 percent? Has that money been being put up and expended?

**ROBERT GOERTZ, Ph.D.:** There has been no appropriation of 1 percent.

MR. DAVIDOFF: We know there has been no appropriation of 1 percent, but have the colleges, on their own, taken up and said, "Okay, we still have to put up our 0.5 percent?"

DR. GOERTZ: The answer is colleges have been using money to deal with deferred maintenance or to deal with ongoing maintenance renewal projects. Whether that would be-- That's not part of the 0.5 percent match. I mean, just whatever they are doing currently would be -- the 0.5 percent match would be on top of that.

MR. DAVIDOFF: My suggestion is that they start, even if the State is not doing this, that they start working toward the 0.5 percent. If we put up \$5.8 million, I assume that they put up \$5.8 million this last year toward a match.

I'm suggesting that whether or not the State starts doing this that the colleges, if they could find 0.5 percent with a match, begin to find

something -- whether its 0.2 percent, 0.3 percent -- that they start to find some money with a match, whether or not you get the full thing.

Last year, I think, we talked about -- even though you asked for 1 percent -- 0.5 percent I think we recommended 0.5, 0.5.

DR. BURNHAM: Yes.

MR. DAVIDOFF: And you ending up getting \$5.8 million. So I would hope that you would put up, or you are putting up, this year \$5.8 million. Is that in your budget to match the appropriation?

DR. GOERTZ: It's not at the State colleges. It's not part of the requirements of the budget.

MR. DAVIDOFF: I understand that, but if you said you were going to match it -- match our funds last year -- and we put up \$5.8 million for this year, are you matching it in this deferred maintenance program?

DR. GOERTZ: It's going to depend college by college, I think, given the requirements. I'm not sure we can answer that at this point.

MR. DAVIDOFF: When you come back next year, I think the answer needs to be asked that whatever the State puts up that your matching that and you're having a plan of deferred maintenance on your side that's saying, hey, we've been coming forth with this plan, we are showing some good faith.

It's like someone negotiating that they owe some money somewhere, and then they say, "I'll pay if you do this and that," and in the meantime they show no good faith. I think you need to show some good faith establishing that additional 0.5 percent or going toward that, at least as so far as we are doing, and I'm going to give you some ideas on how to that.

As you know there has been, between last year and this year, new Federal legislation which gives families more disposable income for colleges of several hundred dollars each. Based only on the 175,000 people that are not in the community colleges, approximately \$100 would give you \$17.5 million per year -- \$100 per student which they are at -- which is money they didn't have six months ago before this new Federal tax law. So I suggest that you possibly look into the impact upon the families of your people who are going to have more disposable income, specifically for college education.

The other question that I have, you talk about raising funds, is there an alumni fund-raising program through the four-year colleges?

DR. BURNHAM: It varies with institution and institution, but yes.

MR. DAVIDOFF: Most of them do have some program?

DR. BURNHAM: Yes.

MR. DAVIDOFF: And is it-- I guess the question is, is it running as effectively as it could, and those are the questions -- you don't have to answer us -- but it's a suggestion that you should be looking at.

So my two points are basically that if you're committing to a matching-- We put up \$5.8 million. Where is your \$5.8 million for this current Fiscal Year? If you're not providing it, you're not really living up to the spirit of the suggestion that you're making, and we would love to see you live up to it because we think they are very important.

The second thing is, your students now have more disposable income -- especially those who are in middle-income class and lower -- more disposable income as a result of Federal tax laws that allow certain credits,

deductions, exemptions for college tuition and loans with respect to college tuition.

DR. BURNHAM: If I may, Madam Chair, I would like to respond to some of Mr. Davidoff's suggestions--

MS. MOLNAR: Sure.

DR. BURNHAM: --without sounding too confrontational about it. Part of the reality of managing and running a higher education institution in New Jersey or any other place is that it's a very competitive business and public policy in this State, particularly for the public institutions, has very strongly stressed the importance of maintaining low-cost access. I think what we are discovering and, quite frankly, the sophisticated consumer world of higher education acquisition -- and I want to point out, as many of the members of the Commission probably know -- that one of New Jersey's greatest stresses is the erosion of the number of people leaving this State to go to other institutions of higher education outside of New Jersey.

One of our greatest goals is to try to strengthen the retention of our young people in New Jersey by making New Jersey's higher education affordable, highest quality, and preventing -- in any way, shape, or form -- discouragement, if you would, of accessing New Jersey's premiere higher education system. I would be concerned that an effort to pass off or pass on or pass back to parents, students, and consumers fundamental costs of maintaining the infrastructure of the higher education community.

Rightful as it may be, it is going to be perceived as a refusal on the part of the State to fulfil its responsibility to its taxpaying citizens. I think that the suggestion of developing a show cause, or show illustration fund, of

deferred maintenance could easily be developed. I think part of it is what Mr. Goertz pointed out that much of this goes on now, in terms of the allocation of existing resources, to these projects, maybe not necessarily classified within the framework of a 0.5 contribution, but clearly expended, and that money is not coming out of the air. It's coming out of the hide of something else.

One of the basic realities is there is a finite pie managing a higher education environment. You have to pay salaries, you have to deal with all of the cost attending the higher education environment. It's a very labor-intensive workplace. Much of that cost is fixed and beyond our control. It is a situation that does not allow a great deal of discretion, particularly when resources are as tight as they have been over the past decade. Where I certainly agree and believe that this must be a partnership -- and I think that is the spirit of the gentleman's comment -- that putting forth the commitment and an effort to show that we are serious about this match is important. But I think we have to recognize that that effort has to be done in a context of maintaining not only our operational solvency and our priority as an education institution, but also not losing sight of the fact that we have to keep public higher education in New Jersey affordable, desirable, and particularly to discourage people from looking away at other states contiguous to New Jersey and actually attending institutions that are actually less expensive than attending an institution within our own State.

This is a critical erosion of one of our most important issues in the State, and I think we are committed to keeping New Jersey's colleges affordable. I'm not sure what the long-term impact of the Federal tax change is going to be on enrollment in New Jersey. I would hope that we tout it. I

hope we can use it as a way of inducing more New Jerseyans to stay in New Jersey. If we turn to them and say, "Oh, by the way, now that you have an extra \$100, how about helping us make sure that our sidewalks are not cracked and our roofs do not leak," that doesn't play.

MS. MOLNAR: Mr. Roth.

MR. ROTH: Dr. Burnham, can you tell us what the dollar amount is on average that tuition went up this past term?

DR. BURNHAM: It's very hard for me to speak to the State colleges. I don't have those numbers. I can say on the community college sector, which, quite frankly was again, benefited from substantial increase in support from the State.

MR. ROTH: What I'm really looking for is how much additional money is a student, one student, paying now as opposed to what he payed last year? Do you think it's on the order of \$100 or more, \$200 or more?

ASSEMBLYMAN ROMANO: Madam Chair, the generally accepted -- I won't give it a dollar number -- the generally accepted percentage was 8 percent. That was the percent.

MR. ROTH: What is the tuition on average in a State college right now?

DR. GOERTZ: It's about \$2800, I think, per year. That's for the--

MR. ROTH: Even at 5 percent you are looking at \$140. That's basically the impact of the Federal tax savings that we are going to have, so it's already not -- before we go any further. I don't necessarily think that is a source, just general inflation eats that up.

DR. GOERTZ: If I may. Alumni are like corporations, they like to give money for things like scholarships and new buildings as well. I know because I'm an alumnus of a private college, and one of the complaints that the development office always has is getting alumni to contribute for general operating costs, and I think that just like Chairman Cade said about corporations, I think alumni can be sort of the same, the same way. That's not saying that the fund-raising efforts can't be increased. I think the public colleges nationwide have lagged behind private colleges in that sense, and I think they are all striving, at this point, much more than they were maybe even five years ago.

DR. BURNHAM: The other difficulty with corporate and alumni giving is the increasing commitment to designated funds as opposed to unrestricted funds, and it makes it more difficult to allocate those kinds of appropriated support to the types of projects we are talking about here.

ASSEMBLYWOMAN MURPHY: Excuse me, Madam Chair.

MS. MOLNAR: Yes, Assemblyman Murphy.

ASSEMBLYWOMAN MURPHY: If the commitment to restricted funds then would fit the plant funds designation, then it would seem to me that plant funds, or monies requested for plant funds, could be monies used to keep the plant going--

DR. BURNHAM: Absolutely.

ASSEMBLYWOMAN MURPHY: --and those are restricted.

I would ask you, the blue-ribbon task force study that was mentioned, when may we expect to see a copy of that report?

DR. GOERTZ: I believe they're to be issuing their report to the Commission either late this year or very early next year.

ASSEMBLYWOMAN MURPHY: And when the Commission has approved that report, through the Chairwoman please, we would like to receive a copy of that.

There was a \$55 million high-technology bond issue signed recently for Internet equipment, software, that type of thing. I believe the word dollars in that also that would allow you to fit the building to fit the equipment and whatnot. Is that so?

DR. BURNHAM: That's correct. There was provisions within the bond act to provide for infrastructural change necessary to accommodate these technology changes.

ASSEMBLYWOMAN MURPHY: Thank you very much.

ASSEMBLYMAN ROMANO: Just let me say, excuse me, Madam Chair. Assemblywoman, my dear colleague, when they are talking about the infrastructure changes they are not talking about putting up another building, they are talking about the duct work or the--

DR. BURNHAM: Wires and--

ASSEMBLYMAN ROMANO: --the withholding and such. The person who is coming to check up on the money is no fool either.

Just let me say this, when we are talking about people not willing to put money up for those items -- which you don't see -- this is almost in any giving, just like in a church or any religious institution. On a weekly basis people have a tendency to hold back, but ask them to buy a stained glass window or a new statue which will have a small gold label underneath donated

in memory of so-and-so's father, mother, whatever the case might be, and we have the same thing with institutions. Let's not belabor this, but that's the way life is.

MS. MOLNAR: Thank you, Assemblyman.

There are no other capital questions. (laughter) I would like to thank you for your presentation, the Commission will review Higher Ed's request.

ASSEMBLYWOMAN MURPHY: Could we get one other report? Could we get the report of the National Association of College and University Business Officers and the Association of Higher Education Facilities, Madam Chairwoman, that was spoken about that would determine that 1.5 annual percentage?

MS. MOLNAR: As in someone's speech?

ASSEMBLYWOMAN MURPHY: Yes. It was in the first page of Mr. Cade's speech.

ASSEMBLYMAN ROMANO: That was in Cade's speech. They are talking about-- Madam Chair, Assemblywoman Murphy just has a question about that association that came up with the 1.5 percentage.

DR. GOERTZ: There was a study, as I understand it, a number of years ago by, I believe it was, a group that was headed by Stanford University that recommended that the minimum be 1.5 percent of replacement value as much, perhaps, as 5 percent of replacement value be the ongoing maintenance cost. The high figure would be if there was significant amounts of deferred maintenance that had to be eaten into. The lower amount was

really just an ongoing cost of keeping your facilities current. That figure shows up in most of the capital studies at this point.

ASSEMBLYWOMAN MURPHY: It was mentioned here that the National Association of College and University Business Officers and Association of Higher Education Facilities-- I would just like to have a copy of the report on file, if you don't mind.

DR. GOERTZ: Sure.

ASSEMBLYWOMAN MURPHY: Thank you very much.

DR. GOERTZ: Thank you.

ASSEMBLYMAN ROMANO: I would like you to welcome Commissioner Anselmini. It's not too often that she visits with us.

MS. MOLNAR: Yes, I would like to welcome Commissioner Anselmini.

ASSEMBLYMAN ROMANO: It is always a pleasure to see her.

MS. MOLNAR: Thank you for coming.

COMMISSIONER ANSELMINI: I'm sorry I'm late, but it was the Governor's birthday and I had to go.

ASSEMBLYWOMAN MURPHY: Twenty-nine, right?

COMMISSIONER ANSELMINI: Yes, 29.

MS. MOLNAR: I would like to welcome John Livingstone, State Librarian.

**JOHN H. LIVINGSTONE:** Good morning, Madam Chair, thank you for having me here. I would like to introduce my colleagues. On my left, Michael Scheiring, Vice-President of Thomas Edison State College, and on my right, my associate at the State Library, Oliver Gillock.

I appreciate very much the opportunity to speak before you this morning and to discuss our Fiscal Year 1999 Capital Budget Request. We have completed the shelving replacement and building upgrade project at the Library for the Blind and Handicapped, which was part of our capital budget request a couple of years ago. Underway are the completion of the State Library fire suppression system, which is now under construction, and the telephone and data wiring replacement at the Library for the Blind and Handicapped, which is now preparing for contract.

The entire Commission is to be thanked by us for your support in that effort, and especially we want to thank Senator Littell who was a pivotal figure in seeing that we have the funding for the fire suppression system which is of vital concern to the protection of our resources.

These projects have started the State Library on the road to what President Pruitt challenged us a year or so ago to become, which was the best State Library in the nation. We still have a ways to go before we can meet that goal. I would like to tell you, first, of some of our efforts in the last year and what we are doing and why the additional capital funding is required.

We have spent the last 12 months designing and implementing a statewide technology plan for public libraries of this State; it's called Libraries 2000. This plan is going to provide access to the Internet to all our citizens through our public libraries. It will offer to the public information and statewide sharing of book resources through electronic interlibrary loan capability. It will give every library instant access to the full text of articles from a selection of up to 1000 journals. It will permit electronic communication among all our State's libraries through a system of hub

libraries, potentially including the State libraries one of those hubs. It will make available the latest job information and provide accessibility to local, State, and Federal documents, as well as to unique resources that now are only available through individual libraries. When you realize that 38 million people each year visit our 312 public libraries, it becomes obvious that this vast technological undertaking is critical to the economic, educational, and cultural life of New Jersey.

The Libraries 2000 plan was initiated without new money; although, new funding is now becoming available -- and we are very grateful for the amendment to the Higher Education Technology Infrastructure Fund, which will allocate \$5 million for technology to public libraries. The Libraries 2000 plan is framed as a partnership building on local investment and local strengths. It's practical, cost-effective, and it's workable, and it already has received recognition as model for other states around the country.

However, we at the State Library who are directing this massive effort cannot properly participate because we are working in a 32-year-old building, a building that has been neglected and ignored in these last 32 years. The State Library is one of New Jersey's research treasures, and it's contained in a library building that is functionally obsolete. It has worn-out furnishings and inadequate equipment. For example, the State Library needs to be properly wired with category 5 cable for telecommunications and for hardware such as servers and browsers, and these are the things that are necessary to store documents and other vital publications and make them available on the Internet.

At present, we are lacking proper workstations for public use. We need additional computers for the public and for our research staff. The building itself is an embarrassment to our great State. The original furniture, now over 30 years old, is still in use. It's not only unsightly, it's often broken and patched. It's not even properly sized for today's technology. The public is sitting on the same chairs, they are working at the same tables, and they are walking on the same tile that they did in 1965. Carpeting is ripped and it's patched, our lighting is a patchwork of a variety of fixtures and luminescences. Microfilm cabinets, for example, are not only old, but they weren't designed to store today's technology of CD-ROMs and things of that sort.

We have wall leaks that have caused plaster to crumble leaving pockmarked walls. The wear caused by thousands of people using this library every year for over 32 years has left its mark. We are living with the physical remains of a mighty research institute from an old, outdated, unserviceable furnishings with workstations too small to hold computers and the other equipment and broken chairs to such basics as original lighting and original ceiling tiles. The renovation project that was begun in the 1980s was simply a down payment on the long-ranged needs that the State Library requires.

We serve the State Legislature, the executive branch, State agencies, the libraries of New Jersey, and the people of the State. An updated and fully functional building is required to do this job.

To summarize, the building needs to be completely wired for automation. Work stations for computers and associated technological hardware are required. Furniture must be replaced. New and altered space needs require changes in stack area, office space, and meeting rooms. In

addition, we need a training center where State Library users and State employees can come and learn how to use the databases that they require for their day-to-day operation. New shelving, including compact shelving, is necessary to permit the growth of collections such as our law collection -- one of the State's best -- and State and Federal documents. This isn't a new problem, and as we have heard already and other state libraries and other libraries -- major libraries around the country -- are facing it. For example, the New York Public Library has just updated and renovated a center city facility and the state library in Virginia has recently completed a new and modern building.

For us, Fiscal Year 1999 will be a unique opportunity for these necessary renovations. With the planned vacating of a portion of the building by the State Archives, it will be possible for complete renovations to occur while the State Library remains open and operational.

This is a huge undertaking for which continuity and commitment of the State will be required. For that reason it is proposed that one appropriation be provided for overall funding for the project permitting the hiring of one architect, the preparation of one set of construction documents, and then phased floor-by-floor construction by one set of contractors.

The current working estimate for Fiscal Year 1999 funding is \$13,140,000. To complete the overall project two other related capital projects are required. As you well know, the Library for The Blind and the Handicapped serves 12,000 visually handicapped people in our State, and they borrow over half a million items every year. To them this is their public library. In order to serve them we need to replace the obsolete circulation and

information system at the Library for the Blind and the Handicapped. We have to ensure that the system is year 2000 compliance, and for that we are requesting \$479,000.

Number two is the State Library. In order to finish all of this, it needs to upgrade and enhance its electronic access system to serve our clientele. The request is for the hardware and the software necessary to complete the modernization of equipment for public access, staff use, and training of its users in the electronic databases and Internet resources. For this we require \$450,000.

I want to thank you for the strong support that this Commission has given us for our capital requests in the past, and I look forward to and invite you to come to our facility and see our marvelous resources and see the condition of the building and take a tour of our facility.

Thank you very much.

MS. MOLNAR: Thank you. Any questions or comments from Commission members? (negative response)

If not, I would like to thank you for your presentation. I'm sorry, Mr. Davidoff.

MR. DAVIDOFF: Quick question.

MR. LIVINGSTONE: Yes.

MR. DAVIDOFF: On the major renovation. If you are able to get all the architectural plans upfront, could the construction be phased in \$4 million a year for three years, or could it be phased in reasonably? Have you looked at that?

MR. LIVINGSTONE: I think it probably could be phased in on a floor-by-floor basis, maybe.

**OLIVER P. GILLOCK JR.:** The construction itself -- according to what used to be called DBC, Division of Building and Construction -- has to be funded up front for the architectural plans and for the construction to go out to bid. Even with phased constructions all the money needs to be up front.

MR. DAVIDOFF: Could this project be separated into many projects? I'm looking-- If there is not enough in the budget to give \$13 million, is there a way to say we can do \$6 million and do Phase I and get that done and then at a later date do Phase II. I'm just wondering if there are alternatives for the Commission staff to--

MR. LIVINGSTONE: One of the difficulties is that has been the approach in the past, and we've lost money in that approach because the next year there was nothing there.

MR. DAVIDOFF: Well, but better to get some of it done than nothing done, I guess, is the answer.

All right I was just asking. Thank you.

MS. MOLNAR: Thank you for your presentation.

MR. LIVINGSTONE: Thank you.

MS. MOLNAR: I'd like to welcome Tom O'Reilly speaking for the Attorney General and also the Juvenile Justice Commission.

**THOMAS J. O'REILLY:** Good morning.

MS. MOLNAR: Good morning.

MR. O'REILLY: On behalf of Attorney General Verniero and also Colonel Williams and Director Donnelly, I wanted to thank you for your past

support for the Department of Law and Public Safety and also for the opportunity today to lay out some of the capital needs for both the Juvenile Justice Commission and the Department. Copies of the speech were provided earlier and I'll just try to summarize it in the interest of time.

I think in terms of a general overview, The Department of Law and Public Safety has about 163 facilities with about 7000 employees that are housed there. We serve over about a 100,000 citizens in a given year. Of the facilities that we have, the Division of the State Police have 148; that's 23 troop stations, nine marine police stations, seven garages, four labs, and one academy. In addition, we maintain headquarters at West Trenton.

As you may be aware, last year, the Division of State Police had its 75th anniversary. Some of the buildings that we occupy go back to that period of time. In fact, Priorities No. 11 includes a building that was formally used as a horse stable.

With your help over the past couple of years we have accomplished a lot. Since we last appeared before you, we have opened Troop A Headquarters down in South Jersey. In addition, we have moved ahead on the marine police facility at Bivalve. In addition, in the Juvenile Justice area we have secured a fence around the perimeter which has helped to deal with the safety and security needs expressed by the community. In addition, Valentine Hall, which is a new facility, for the first time, was open to deal with female offenders in the Juvenile Justice Commission area of responsibility.

In addition, there are a number of works in progress. We have the 144-bed facility, which is originally scheduled to be constructed in Jamesburg,

which we are now exploring the feasibility of possibly relocating that to the Bordentown area.

I think that the first thing I would like to touch today, if you don't mind, is dealing with State Police issues. The Division of State Police, as we are all aware, are the first responders on behalf of the citizens as to reports of crime or responding to emergency needs. They deal with patrol investigations, laboratory services, medevac information, and support services that are provided through local police officers. There is a strong need for tools for these men and women who are in the Division of State Police to continue to deliver the critical services that we do in an efficient and effective manner.

What I would ask you today is to also, perhaps, consider thinking about capital needs on behalf of the Division of State Police in a slightly different manner. Historically we have come before you in terms of issues as it relates to buildings and facilities. I would like to also talk to you in terms of transportation, communications equipment, and also data processing.

In terms of the top 11 priorities for the Division of State Police, I think the first group are the ones that are the more traditional ones to come before your Commission. They are the issues as Priority No. 1, critical repairs; Priority No. 2, hazardous materials; and Priority No. 7, which are roof replacements. These all deal with the mechanical HVAC, electrical, asbestos remediation, radon abatement, and fire safety issues. These are similar, but we have come before you in the past and you have supported us in terms of trying to make these repairs over time and keep in front of the curb, so to speak, so that critical repairs don't become major renovations.

The second group that we want to speak about today is Priority No. 3, and this is an extension of the computer-aided dispatch program and records management. A few years ago the Division of State Police maintained 21 different dispatch points around the State. Through economies and management improvements we are able to consolidate those 21 dispatched points down to 3. In effect, before, when an individual called for assistance in Sparta, a Trooper was dispatched in near proximity and knew the area. We have now, as dispatchers are dispatching from Totowa to Sussex County or in West Trenton perhaps to a Trooper who is responding in Monmouth County.

In order to get the information that one needs, we have had to resort to moving into what they refer to as a computer-aided dispatch system. This dispatch system has been funded in the past with forfeiture dollars, but we are now on the edge of where we need to expand it into other areas of State Police activity. I think that the critical issue here is both public safety and officer safety are dependent on fast, complete access to information that's relevant to the police officer. Traditionally, that has been criminal history information -- it's also more recently in terms of various pieces of legislation that has been passed -- it's things like domestic violence restraints, who is permitted to have a firearm, and those types of things.

So our goal is to try to get that information to the police officer on the street as fast as possible so he or she can use it both in terms of protecting the public and dealing with their own safety. A typical road stop where an individual trooper confronts an individual of an unknown background or experience needs to have that at his or her disposal in order to do their job properly.

In addition, in terms of the use of computers, basically the criminals are using computers today. It seems like an oversympathized statement, but in many areas our State Police, who are dealing in areas of financial transactions, criminal consumer fraud and things like that, don't have some of the same tools that they are dealing with in terms of the criminal element or the potential suspects.

In addition, we have a need for some analytical tools dealing with organized crime. Dealing with everything from trying to analyze the traffic accidents to tracking patterns of serial killers requires computerization. In many cases we have had some of these tools over time, but we have not put it together into a comprehensive system for the Division of State Police. Often, this results in a situation where an individual could be being investigated simultaneously by one or two units and we don't have the ability to clear that information. In an organization that has 2500 law enforcement officers at some plants can be difficult and not the most efficient way to do business.

Technology, just as an aside, has been used effectively where it has been invested in the State Police. I would just like to point out to you in the past we have used AFIS, which is the Automated Finger Printer from Mason System. This is using computers to replace some of the old manual fingerprint comparisons that were done literally with the magnifying glass in the not too distant past. Since we have put this in, we have done 50,000 computer searches of latent prints from crime scenes. This has resulted in over 5000 positive identifications, including helping us solve 162 homicides, 641 robberies, over 3000 burglaries, and 40 sex crimes. So State Police has had a

very good track record when they have been provided with the technology and using it in a very effective manner.

In addition, we are participating with the Federal Bureau of Investigation in putting together a system referred to NCIC 2000. This is the National Crime Information Center, which is the system which links all 50 states together so that police officers are able to determine and identify people who are wanted or outstanding warrants or are for some reason to be of interest to the police in other jurisdictions. This information is extremely critical to us, particularly as we patrol the New Jersey Turnpike.

In addition, the NCIC 2000 will provide, what I refer to as, increased functionality to the local police departments. Right now we support a network of over 1200 NCIC terminals, which supports everyone of the local Police Departments, Prosecutor's office, Sheriff's offices, and local corrections. The FBI system will be able to do more than just records lookups when it becomes operational. It will also be able to deal with the transmittal of mug shots, transmittal of fingerprints in a very rapid fashion. In effect, what it is going to do is to create the patrol car as an investigative tool for the officer.

Part of this package before you today has a request in it for funds which will allow us to upgrade this central facility at West Trenton so that this increased functionality can be passed onto local government. We are asking for \$3.4 million out of a \$13 million program.

The next issue is Priority No. 4, which is the radio system for the State Police along with data processing, and the movement of communications through electronic medium is the voice communication issue which is extremely critical, again, for the officers safety. I would like you to think of the

communication issue on two fronts. One is the mobile portable aspect, or the unit that sits in the car. The second is the backbone, or the central system. As you are aware, with your assistance, Treasury is looking at the overall communications facilities for the whole State government. In many ways this makes a lot of sense from an economies of scale, from an operating perspective in leveraging our purchasing ability.

We have a need, however, while that study is going on, in order to upgrade the units that are in the cars. These units were purchased about 1985. Motorola, the vendor that we did business with, discontinued the units that the State Police are currently using in 1989, which makes it extremely difficult to get parts to keep them functioning. It has resulted in scavenging and salvage where necessary. But we are in a situation now where we need to go forward in terms of the mobile and portable radios.

Addressing the concern that whether they would be compatible for a new infrastructure system for the communications, we have had discussions with a number of engineering groups. Basically, they assure us that the current edition of mobile portable equipment that is available is upgradeable in terms of future combinations, particularly the 800-megahertz system which we are looking to. Not to be technical, but it gets to be a matter of if the core radio will be usable. They just changed the boards similar to a computer chip type of thing in terms of accommodating the future technology.

In addition to information and communications, one of the critical needs of the New Jersey State Police is dealing with transportation. Before you have a capital proposal, which again is not a traditional proposal in terms of how we proceeded in the past, but this request is an attempt to provide a

secured, stable funding base which we will be able to utilize in order to better manage the Division of State Police fleet.

I want to mention that this past year, on the appropriation process, Senator Littell has been extremely helpful in terms of providing \$4 million for purchases, but we need to put this on a stable base, and that is the genesis of this request. Also, keep in mind that because of the manufacturing cycle and delivery time police cars are not the most profitable product line and a car manufacturer only does it in certain times of the year. If we were to go forward today with a positive recommendation on this that these cars at best would be delivered by March of 1999, so as to take a lead time we are working with on this.

Priority No. 6 is a request for a new Troop C Headquarters. I mentioned earlier that we recently opened up Troop A Headquarters. That has become a model. We hope to replicate that both in Central Jersey and North Jersey at the appropriate times. Currently Troop C Headquarters, which you may be familiar with, is located on Route 1 in the Princeton-Plainsboro area. Basically, it is landlocked -- so to speak -- in terms of traffic on that Route 1 corridor in terms of getting in and out. It also no longer serves as the center in terms of State Police patrol functions. Central Jersey has moved more towards Eastern Mercer County, and Western Monmouth County, Northern Ocean County, and that's where we would look to place that.

Another issue is that we think we can achieve some significant economies of scale. By relocating that we would be able to close the Princeton barracks and several other barracks that are located in the Central Jersey area and be able to foreclose some lease costs in the central rent account.

The eighth priority is emergency generators. This one has been before you before. Last year you provided us with \$53,000 for engineering and feasibility studies. This is a critical issue because our patrol stations, our troop stations, in emergencies, hurricanes, blackouts, become the oasis in the storm, so to speak. Emergency generators are needed to keep the communications going and other emergency response equipment that the division operates.

Priority No. 9 is the forensic laboratory. We have made some great progress in this over the last couple of years. We are in the process of consolidating some of the scientific applications into the DEP lab in West Trenton, which will give us an opportunity to use some economies of scale while still maintaining the network of regional labs, which will serve as particularly the narcotics-analysis function.

We're asking for this year some additional forensic scientific equipment. In subsequent years we will be asking for laboratory information management system. Simply put, this will allow us to operate some of the scientific equipment on a 24-hour basis, 7 days a week without having to staff the equipment with chemists on evening type shifts.

The forensic laboratory, by the way, is really the backbone of the criminal justice system in the State. All the evidentiary needs that the County and the State Prosecutors go forward with in criminal cases, by and large, originates in that laboratory structure. Whether it's drugs, whether it's DNA -- a critical part in Megan's law, just as an aside -- alcohol for DWI arrests, ballistics, or other physical evidence, they are all things that the State Police Forensic Laboratory provides, and we need to keep current in terms of state-of-the-art as it relates to the equipment because many of the challenges from

the defense community obviously go to the heart of the integrity of that analysis.

The last two priorities that we have for the State Police are the training academy at Sea Girt. This is an initiative under the auspices of the Department of Treasury and Military and Veterans' Affairs where we have moved together. We now have the State Police and Criminal Justice co-located in this location, along with the National Guard Academy, and very shortly, it is my understanding that the Department of Corrections is planning on joining us, so we should have a very good operation down there. There is a \$1.4 million request to assist us in converting some of the old barracks buildings into viable classrooms, along with some adjustments to the gymnasium and firing ranges in order to help us simulate nighttime firing conditions.

Finally, the renovations to building number 2 and building number 6 at State Police headquarters. This, you may recall, with your assistance we built a warehouse at State Police a number of years ago that allowed us to move supplies and things like that into a central location thereby freeing up other buildings. This request is to make the modifications to those buildings which would allow us to backfill those with employees and hopefully curtail some of the commercial leases we have in the greater Mercer County area. As an aside, that building number 6 did start its life as a stable in the Division of State Police way back when, and hopefully we can convert that.

That's an overview of Law and Public Safety's proposals. I can stop now and entertain questions and then go on to the Juvenile Justice Commission.

Thank you.

MS. MOLNAR: Thank you. Any questions on the State Police?

ASSEMBLYMAN ROMANO: If you would allow me, Madam Chair. Mr. O'Reilly, thank you very much. Some of the questions I've raised you got back through the Assembly Democratic staff. My concern, as always, and some of the news I receive back other than from yourself, has been rather good, but I just want to bounce this with you.

You recall -- and you were there at the time of our budget hearings in the spring -- one of the questions, which then was answered by the Attorney General, what is the annual schedule and cost projection of aging State Police vehicles? What I have here is -- you know the book and then the questions that are asked. To what extent can the State Police vehicles and Troopers perform administrating functions be transferred to the Troopers on road patrol? The answer was the Department is a participant in the Treasury vehicle study which is being conducted by a consultant. The study includes elite maintenance management acquisition and use. The consultant is also reviewing State labor contractual issues involving vehicle assignments. When this comprehensive report is completed, questions concerning the State Police vehicle fleet can be answered, and as the third quarter spending plans develop the Department is reviewing the need.

Actually, all the questions during this time were precipitated because of that ability of the Attorney General, rightly so, to move money from one account to another -- certain accounts -- and there was a movement of money that was intended for State Police vehicles into, I believe, salary accounts at that time. I'm not too exact about it.

MR. O'REILLY: Assemblyman, it was moved into equipment operating accounts.

ASSEMBLYMAN ROMANO: Equipment operating accounts?

MR. O'REILLY: Gasoline and tires and things like that.

ASSEMBLYMAN ROMANO: Right, and the concern was about the State Police cars. Then I raised the question, also, when they talk about some of the cars that they were buying, they were meant for the ABC inspectors -- and I have no problem with ABC inspectors -- but my question was why weren't the brand-new vehicles going to State Police or on transportation patrol rather than ABC inspectors, unless there was a difference in the horsepower of the engines, whatever the case might be, because I don't think that ABC inspectors would have to tear down the highway as a State Trooper would. Where are we right now?

I saw the numbers that you sent me, the charts and wherefore-- By the way, my colleagues, you notice how every division is starting to come up with as you have here a stable source of funding, you know not relying on upon each year, which I hardly endorse. If you go back to the transportation capital program, what we're talking about is 15,300,000 for FY99, which is next year. Am I correct, Mr. O'Reilly?

MR. O'REILLY: Yes.

ASSEMBLYMAN ROMANO: But, right now I understand that the Turnpike and the Garden State Parkway and I believe also the Atlantic City Expressway pay for a certain percentage of the cars that the State Police use on there.

MR. O'REILLY: They pay for 100 percent of the cars.

ASSEMBLYMAN ROMANO: Of the cars?

MR. O'REILLY: That's correct.

ASSEMBLYMAN ROMANO: So I'm to assume that what's on the Turnpike and what's on the Garden State Parkway, etc. These cars that are State Troopers, putting their life into it, if you will, how do you determine when a car is old or out of use on these type of highways?

MR. O'Reilly: Let me, if I may, go back and clarify a couple of the points you made earlier. The issue on the ABC cars are the 22 or so cars that were bought were bought with funds that came out of the Division of ABC, that's why those cars are dedicated to that purpose, since those dollars come out of revenue that's generated by the licensing fee.

Since that time, just as an aside, the individual Police Officers were referred to as ABC Agents have been converted to State Troopers.

ASSEMBLYMAN ROMANO: Right.

MR. O'REILLY: By and large now, whether it's Marine Police, ABC, or State Police they are a generic Trooper, if you will, general duties State Police Officer.

The new cars that were purchased under the '97 appropriation, which amounted to almost 600, those cars, for the most part, I would say about 90 percent of them were marked uniform cars that did go to Troopers on the road who might be confronted with high-speed chases or other types of potential risk situations.

When we did buy the cars for the ABC Agents and the limited number of other unmarked cars, if you will, we have purchased a smaller vehicle. It's a Chevy Lumina verses the Crown Victoria, which is the full-size

patrol vehicle. We did that in order to, one, save on the purchase price, it's about \$2000 per unit, and also on the additional gas consumption and things like that. So there is a strata or assignment of vehicles according to assignment.

In terms of the question as it relates to how we determine whether a vehicle needs to be replaced, there is no real formula. Basically, we rely on the expertise of the professional mechanics that are employed in the New Jersey State Police garages located in about seven locations around the State. Those individuals are supervised by an enlisted member and a State-sworn Trooper. They go over a vehicle and they look at it in terms of mileage, in terms of wear and tear-- I must say also that there is a very aggressive maintenance program on those vehicles and that--

ASSEMBLYMAN ROMANO: I've been told that, by the way, Mr. O'Reilly. You have an excellent fleet of mechanics taking care of the cars.

MR. O'REILLY: So it's a combination of looking at the age. Let's say, for an example, a vehicle is wrecked, but it's repairable, but it has 100,000 miles on it. A determination would be made as to whether it makes business sense in order to take that car off line or invest the money in terms of the body repair.

The same thing is true in terms of whether it's a transmission or a major engine or things like that. So I can't tell you, Assemblyman, that there is an exact formula. But, by and large, the one common ingredient is the determination that whether the car can be certified as a safe vehicle for the Trooper to use. If it does not meet that test, the car is pulled off, either repaired, or auctioned as surplus property.

ASSEMBLYMAN ROMANO: Now you spoke-- Madam Chair, I'm sorry to go through this but this is very important to me. In fact, when we have appropriations again, this will become one of Romano's follies again, you know, pursue this avenue of discourse.

As you indicated, you are now buying the cars and the police cars take a year or two as they are manufactured. Now, I understand that Ford is no longer going to produce the Ford Victoria and Chevy is no longer going to be producing that Caprice out there.

MR. O'REILLY: Well, this is a-- From a marketplace perspective it's in turmoil right now. Chevy has definitely discontinued the Caprice model. It's my understanding Ford may or may not produce another year of the Crown Victoria. General Motors has come out with what they call a Tahoe, which is a large Blazer type of vehicle. But, because in the past there was concerns about the center of gravity on those vehicles in high-speed chases, they have had to modify it. The version they came out with -- and we had one up in West Trenton a couple of months ago looking at it -- is a two-wheel drive, lower-center-gravity type vehicle. It's not too dissimilar to what you may see the Trenton Police using around town in terms of what used to be referred to as a patty wagon type of operation. It's a little smaller than that. We are in the process of buying 15 of those as part of this appropriation. We are going to use them on a kind of research type of experimental basis on the road. They will be marked units used by the Troopers on the highway.

We suspect that the automobile manufacturers, in addition to the Tahoe will step into that void. At this point in time I can't tell you with any certainty who that will be. I know General Motors has issued a Camaro police

package as another alternative; although, we have not purchased any of those to my knowledge in New Jersey.

ASSEMBLYMAN ROMANO: Well, for myself, Madam Chair, I go for the bigger auto. For my part, if the Ford Victoria and the Chevy Caprice are no longer made, for my part, I would go to a Buick.

I remember years ago they used to use the Chrysler Imperials. You couldn't beat them. But I think you need cars that are spacious. I know even the local Police when they experimented with the smaller cars and then when you have somebody handcuffed and take their head and you put it down so that they don't bang their head, more often than not you are going to bang their head because the car is too small. We are not looking for the State Police to be accused of excessive force. So I think they should have a comatous, safe automobile.

I will be looking to you again in the spring with the same topic unless I get phone calls from some State Troopers telling me the lowdown. We might have a Serpico among them who is going to give me the lowdown on the State Police Transportation Department. Other than that I have no further comments, Madam Chair.

MS. MOLNAR: Thank you, Assemblyman.

Christina.

MS. HIGGINS: I was interested to hear your question, also, about the opportunity to transfer Admin. vehicles to patrol vehicles, but I don't recall hearing the answer.

MR. O'REILLY: Well, part of it is the occurrence in terms of what we did with buying the smaller cars as it related to the ABC types. The

individuals that are assigned vehicles are assigned the vehicles at the Division of State Police because they are Police Officers, first and foremost. Every Trooper that's there, whether they are in personnel or whether they are in organized crime, is called upon to do police work. As an aside, last year just to and from work, in terms of the traveling to their duty station, the Division of State Police made 3500 either police actions or motor assists off duty while using those cars. Those cars, because they are law enforcement officers and they are equipped with a radio, it allows them to provide better service to the citizens of this State. There have been some very important apprehensions and investigations initiated that way.

I don't want to leave you with the sense that every Trooper has a car. That's far from the case in terms of what goes out there, but the Colonel makes a determination as to the nature of the individual, what his or her assignment is, and assigns the vehicle accordingly. I have to say that some people who are not in a primary law enforcement role will receive vehicles that perhaps are the ones that are on the higher mileage end of the spectrum, or the ones that were in the day-to-day line of duty type of issue get the more newer vehicles.

MS. HIGGINS: Of the 3500 to and from work occurrences, do we know how many of those were actually done by what we would have called Admin. officers in their State-issued vehicles?

MR. O'REILLY: I don't have that number with me.

MS. HIGGINS: If that is possible, I would ask that that be provided to the Commission.

MR. O'REILLY: Sure.

MS. HIGGINS: I have a separate question.

MS. MOLNAR: Okay.

MS. HIGGINS: That has to do with-- In some of the requests there was mention of possible lease consolidations or lease eliminations, and I couldn't tell if that had been provided. But in order to do a proper cost-benefit analysis, of course, we would like some estimates with regard to the lease savings.

MR. O'REILLY: Okay.

MS. MOLNAR: Commissioner Anselmini.

COMMISSIONER ANSELMINI: Tom, I was just wondering with regard to the Central Region Headquarters. The property on Route 1 is very valuable -- I can suspect -- and I guess my question is, is there the possibility that selling that property could go towards building the new headquarters in another part of the State?

MR. O'REILLY: Commissioner, I think there is a reverter clause to the Princeton University involved there. I don't think the State purchased it. If I'm not mistaken it's a parcel of their land. I can clarify that, but we looked into that a couple of years ago, and we were told that that property if abandoned for State Police purposes or law enforcement purposes to revert back. I think it was a gift originally from the University. We will explore that though.

MS. MOLNAR: Mr. Mortimer.

MR. MORTIMER: Tom, in terms of the transportation costs, is that to establish a funding for all transportation needs, including those that are provided under other agencies presently?

MR. O'REILLY: That would provide the full transportation needs solely for the Division of State Police. The first year, the \$15 million one, would be to overcome the -- affect the several year deficit, and then it would put us on a more stable funding base for, I think, about 425 cars a year, which would be replaced.

It would include, though, the issues like where State Police provide services to Department of Transportation for construction details or ABC for investigations or--

MR. MORTIMER: DEP.

MR. O'REILLY: --DEP on the heavy-duty emissions and that type of thing.

MR. MORTIMER: So it will be everything for the State Police sans the total regulatories.

MR. O'REILLY: That's correct. Regulatory authorities would have their own vehicles on top of that.

MS. MOLNAR: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Madam Chair, just one reference, Mr. O'Reilly. See, a part of my concern of what precipitated my long lists of questions to you, on Page 3 -- or actually your Priority 5 -- in the explanation under the Transportation Capital Program -- right here before your very eyes -- it says the situation is forcing the Division to extend vehicle life well beyond industry standards and raises safety issues. That is what charged my mind to get started on all of the questions aside from the fact of what we did during the budget last year, so I want you to understand that.

By the way, if you have any extra cars that they are driving around, stop on 495 and if you want to check on 495-- I understand, last I looked, it is a State highway, that the Port Authority only controls the helix down, but from the helix, Exit 16 belongs to the State of New Jersey. I have yet to see any sort of surveillance. I have yet to see any sort of assigned Troopers to 495 to block off the traffic when it becomes horrendous with these rush hour -- let's say -- escape from New York City, for one, and in the morning when one tries to get onto the Turnpike from Hudson County on the boulevard. You want to come up sometime I will buy you lunch and I will show you what I'm talking about. I don't think anybody realizes we own 495.

MR. O' REILLY: Assemblyman, I would be happy to refer that to Colonel Williams and ask the Superintendent to look into it and get back to you.

ASSEMBLYMAN ROMANO: They only come up to make a u-turn. (laughter)

This is not against the State Police because they go where they are assigned. What I'm saying is there is no steady assignment of someone toward 495 as a normal course of events. There was a miracle one day. For some reason the State Police Trooper had his car parked in that right lane of the helix allowing everyone who was backed up for 2.5 miles to freely get up onto 495, and I said, "There is a god." (laughter)

MS. HIGGINS: Perhaps you should get one of the old vehicles.

ASSEMBLYMAN ROMANO: I have a better one for you. Let's just get from the Department of Transportation because this is a-- I raise this issue-- I have two basic issues in the State so that you understand: I'm

looking for around-the-clock discount for senior citizens on New Jersey Transit (laughter) and the other one is cleanup and easy access to 495. Those are the two big issues. If you Republicans want me to vote for a bill, give me either one or the other, you got it.

MS. MOLNAR: Thank you for your agenda, Assemblyman.

MR. MORTIMER: Assemblyman, you surprise me. I always thought it was just getting better signing on 495.

ASSEMBLYMAN ROMANO: Oh no. Wait a minute, stop. (laughter) It took me three years, but as you come out of the Lincoln Tunnel, coming up the helix, and you'll see a big yellow sign there that says heavy merge on right, it took me three years to get that sign. I wanted a flashing one, but we just couldn't get that one.

MS. MOLNAR: Congratulations, Assemblyman.

ASSEMBLYWOMAN MURPHY: Chairwoman, if I may, and I apologize for not having heard your presentation, gentlemen. The issue of the fleet and your speaking to the vehicle light well beyond industry standards, 100,000 or over. What percentage of the cars are at the 100,000 or over mark?

MR. O'REILLY: I don't have the percentage number, but as of August of 1997 there is about 500 of the vehicles that are in that capacity.

ASSEMBLYWOMAN MURPHY: Do you have a copy of the independent consultant report that this Committee might have?

MR. O'REILLY: No, the Treasury is the manager on that contract and I think it's still in draft form. I do not think it is finalized yet.

ASSEMBLYWOMAN MURPHY: Thank you very much.

I'm getting my winter reading lined up. (laughter)

MS. MOLNAR: Any more questions on the presentation dealing with Law and Public Safety? (negative response) If not, we would like to now continue with the Juvenile Justice Commission.

MR. O'REILLY: Thank you.

On December 15, 1995, as I think all of you are aware, legislation was signed that created the Juvenile Justice Commission. We are about fast approaching the second anniversary of that. During that period of time a lot of things have occurred. Basically, we have merged the components of three departments into one. We have responded to population increases. We have had to deal with several court cases where in Camden and Hudson County we have been ordered to take some of the juvenile inmates out of the county facilities in a more timely fashion. We, as an aside, will be before the New Jersey Supreme Court on that issue next month which may result -- depending on how the court case is decided -- with us having between 50 and 200 more inmates in our facilities very shortly.

We have dealt with the security needs at Jamesburg, and we created a new girls unit, as I mentioned before, for the first time. We have created a comprehensive inventory of all the property that we inherited from the Department of Corrections and Human Services, including the residential centers that are located in all 21 of the counties around the State. We opened a boot camp, and we have graduated a number of youth out of that boot camp successfully.

Something I never thought I would be spending my time on, but we have become very emersed in sewer, water, and roofs, and issues like that

in terms of infrastructure types of upgrades which are obviously critical. We have over 200 individual projects of that nature going on as we speak in terms of major construction projects to roof repair and asbestos abatement. We have converted the corrections officers from correction officers to Juvenile Justice Officers in concert with the union and with the assistance of the Department of Personnel.

We have created, for the first time, a dedicated aftercare, or parole, program. It was basically an add-on to adult parole for many years for juvenile offenders. We have now dedicated specially trained parole officers dealing with the Juvenile Justice clients.

All the time, we have maintained the theme of a balanced approach in terms of trying to keep at the forefront of public safety, in terms of the public who may be victimized by these juveniles or who may live adjacent to some of our facilities -- of keeping in mind the goal of the Commission to try to rehabilitate these individuals and return them back to society as productive members.

A lot has been happening, there is a lot, though, that still needs to be done. In some ways this is like trying to run a railroad and fix the track at the same time because the 1400 individuals that we have in our custody are there and have to be dealt with 7 days a week, 24 hours a day.

There is a lot of works in progress as I intimated before. We have 144-bed facility. We are in the process of architectural design on the conversion of the Hays building at Johnstone, which will be converted to a boot camp reception unit and also a general reception unit. We feel that this will help us in order to have some time to classify individuals appropriately, so

we can determine what their reading level is, what their standard mental health is, whether there is a substance abuse issue, whether there is a major violence problem they have so that we can appropriately place them in the right facility.

The population continues to grow, however -- although crime rate, as it relates to the overall crime rate in New Jersey and the juvenile crime rate in New Jersey is decreasing -- certainly that is good news -- the number of commitments to the Juvenile Justice Commission is increasing. It's a combination of issues that reflects tougher sentencing as reflected by the Legislature and the passage of recent laws. It reflects the judges in terms of embracing those laws and using them as viable tools. It deals with the issue that perhaps there is a lot of theories that we are just getting tougher, more violent kids. By the time they get to us they have been through probation two or three times. They have been through some of the residential centers a couple of times and we are the last stop on that railroad. Basically, when they get to us, we are seeing that we have a more serious offender.

The existing facilities that we operate right now are the New Jersey Training School for Boys at Jamesburg, which has a population currently of about 500; the Juvenile Medium Facility at Bordentown; the boot camp, which is located in Northern Burlington County; the Valentine Unit, which is the girls unit dedicated solely and programmed solely to deal with female offenders. This is the first building we have opened on the reactivated Johnstone Facility campus, which is across the street from our Juvenile Medium Facility in Bordentown.

We operate approximately 27 residential centers at any given time between some of the community issues and asbestos issues and things like that.

That number increases and goes up and down. We have a core of about 27 of the residential centers we are operating.

The request before you today are 26. In the interest of time I would like to try to group them together, if you don't mind.

The first group was what I'll refer to as extended capacity. This is Priority No. 1, which is the infrastructure improvements of the 144-bed facility, which we hope to locate in Bordentown. The plans are now finished and we are in the environmental impact aspects.

The second is Priority No. 14, which is the community program purchases. We are trying to buy larger residential centers. In the past we have bought or operated a number of 15-bed facilities. Each by the nature of the program has to have a Superintendent, has to have a cook, other support staff, and there is economies of scale issue. It's just not viable to operate these programs at 15 beds. Forty-five beds to 60 beds is something that we determined to be, perhaps, more appropriate and more cost-effective and programmatically effective also.

Priority No. 24 is our expansion at the Ocean residential group. We run a program down there. If funding is available, we would like to add, perhaps, another boot camp and perhaps a 32-bed addition on the residential facility down there.

Finally, No. 25 is the conversion of the Tromburg building, another building at Johnstone, which would be created to bed space in a secured-care mode.

The second group I would like to talk about would be more the traditional program. They fall under the category of emergency repairs, critical

repairs, fire, health, and safety. I will go-- There is about seven of the priorities in this area, but they touch on basically the Johnstone Facility, the Juvenile Medium Facility, and the Residential Facility, with some going also for the Jamesburg Facility.

This includes everything from emergency generators, again like the State Police, which are operated 24 hours a day. Many of our corrections locks and other mechanisms are electricity dependent, and we need to have an emergency generator in the event of power failures. Roofs, fire safety, and security repairs such as windows and doors are included in this package.

The third group is the corrections management information system. It's hard to believe, because of the disjointed nature in the past in terms of several departments having responsibilities for these youth, that there is no one place where one can go to find the comprehensive record on an individual. In many cases, a client who goes and comes, goes into a residential center, maybe is paroled, unfortunately gets reinvolved with an event, and comes back into Jamesburg. You have no one place that the file is maintained.

Simply put, this will create a corrections management information system which will give us that location which will follow an individual from the first point of entry, which generally is probation or at the county level where they do pre-sentence reports. It will include things like the sociological assessments, the vocational assessments, the learning level assessments, the criminal record and will be in one place so that subsequent service providers -- no matter what the treatment modality if ultimately is selected for this individual -- will have one place they can go and have a legitimate record that they know is accurate.

The next group will be what I will refer to as the infrastructure improvements -- these are the water and sewer issues that we talked about before. We are engaged in this area in Jamesburg and in Bordentown. Assemblyman Malone has been working with us very vigorously in the Bordentown area. We are making a lot of progress, but these are the types of infrastructure needs that we need to bring up to date in terms of existing resources and also in terms of any future expansion we are going to deal with.

The next category, there are four programs in the package that deal with renovations to existing facilities. This is the movement of the JJC Administrative staff from the lease facilities in West Trenton to the Johnstone Facility and the renovation of that administrative building there so that we have everybody located, as much as possible, in one area. That also will save approximately half a million dollars in rent a year in terms of the simple rent account.

There is also some other addition to Johnstone, including the food service building. There we would like to get into in order to achieve some economies as we create a bigger population in the Juvenile Justice Commission. It only makes sense, perhaps, to look towards a one food-prep type of thing where the food can be distributed out to the other institutions and the residential centers for some economies.

Item No. 15, there was a correction -- I think -- handed out today that is an upgrade to the telephone system at Jamesburg. In particular some of our communication issues are at the maximum capacity. This would allow us to upgrade that. It's extremely critical not only in terms of the normal voice communication, but that telephone system also operates as the backbone to

our security system in terms of supporting the corrections officers and the professionals that work out there.

There are two new buildings we are asking for. One is a vocational building to be located at the boot camp. We had several trailers that were located out there with permanent structures to deal with the educational area, in the interest of getting the program up. We like, now that we have a year and a half worth of operating experience -- we would like to introduce one or two vocational electives into that pertaining program to better prepare the youth when they go back out in the streets.

Similar in requests is for an automobile repair type facility for vocational purposes at the Juvenile Medium Facility at Bordentown. Right now we operate a woodshop, electronic shop, and a silk screening type of operation up there, and this would add to the options that we can provide to the youth.

The final group of programs are some generally unrelated issues but deal with the capital side of the house. The video monitoring, No. 22, is an attempt to try to reduce some of our dependency on guards and staff and certain places in the secured-care area where a guard can not be at every place all the time. This would hopefully allow us to monitor some of the areas and free up some of the staff to do other, more critical functions. We are looking for some assistance in terms of construction management. As you can imagine, in terms of if we were to be provided with the resources, at least if not all, part of these programs trying to get these up and running simultaneously is something that we could use some professional assistance on in terms of making sure the money is spent wisely and expeditiously.

The master plan fits in that category and also there is some request for vehicles in conjunction with the food distribution plan that we are trying to implement.

We are moving ahead in the Juvenile Justice Commission. We are trying to deal with the population projections. In some ways it's like running a restaurant and trying to figure out next week whether your customers want hamburger or chicken, in terms of whether the kids coming into us are kids that can go into the residential centers or more appropriately have to go into secured care. We are trying to deal with that. We have a fairly good handle, we think, in terms of where the population is going, particularly when you look at it superimposed over the 10- to 13-year-old age group and how they are the baby boomers and what that's going to do to the number of teenage resident in the State in the next couple of years.

I'd be happy to answer any questions that I can now.

MS. MOLNAR: Thank you. Mr. Davidoff.

MR. DAVIDOFF: What is the population?

MR. O'REILLY: In terms of the number of people?

MR. DAVIDOFF: Yes.

MR. O'REILLY: I don't have that right at my hands where I can provide that to you.

MR. DAVIDOFF: An estimate?

MR. O'REILLY: I wouldn't even guess at this point.

MR. DAVIDOFF: You don't even know to the nearest thousand?

MR. O'REILLY: No, I do not.

MR. DAVIDOFF: Okay. Can you provide us, through the Chair, if you don't mind, if possible if I can get the ages. You know, we have 300 12-year-olds and 1400 13-year-olds.

MR. O'REILLY: I have--

MR. DAVIDOFF: Can I get an age-by-age distribution and if we could have that sent to us along with the minutes, please.

MS. MOLNAR: Sure.

MR. DAVIDOFF: I would appreciate that.

ASSEMBLYMAN ROMANO: Two comments, Madam Chair. One, under the present circumstances you raised an issue when you talk about having money for a construction manager. Who supervises or controls, on behalf of the State, when some contract is being performed on the building now. Is it DBC? Do they send someone there to supervise the job?

MR. O'REILLY: Yes.

ASSEMBLYMAN ROMANO: Okay. I can also appreciate construction managers -- the difference, but I didn't know, or did someone just come in at the end just to sign that final voucher--

MR. O'REILLY: No.

ASSEMBLYMAN ROMANO: --for the builder to get paid?

MR. O'REILLY: We have an excellent relationship with DBC on all the Juvenile Justice projects. In fact, recently, the Director there has instituted a quality review board on a majority of our larger projects, and we meet very frequently to keep on track.

ASSEMBLYMAN ROMANO: They are very professional.

One other comment, you know your business, Mr. O'Reilly. Everything that you're dealing with, though, is all young people who have been convicted and are in residential types of homes, right?

MR. O'REILLY: No.

ASSEMBLYMAN ROMANO: They all sleep overnight.

MR. O'REILLY: That's not all the Commission deals with.

ASSEMBLYMAN ROMANO: I know that, but I'm just trying to make a point on something else.

MR. O'REILLY: We also have some day-reporting programs -- in terms of where we have some day-reporting programs -- that handle approximately 300 kids, I think.

ASSEMBLYMAN ROMANO: What are they reporting involved?

MR. O'REILLY: Well, basically that is a place that's, to some degree, in lieu of a routine school, where they report to the facility approximately 8:00 a.m. or 9:00 a.m., they stay there during the day where they receive counseling, educational services, and things like that. It's something you might refer to as an alternative school. These are people that are sentenced so they report to us.

ASSEMBLYMAN ROMANO: Where is this located?

MR. O'REILLY: We have a number of them around the State, Assemblyman. I can, through the Chair, provide you with a list of those locations.

ASSEMBLYMAN ROMANO: Well, what I'm particularly interested in is zero weapons in schools. A school district is obligated if a student brings a weapon to school is to put them out of school into a program

as an alternative ed. But the existing alternative ed program for schools are those students who cannot succeed in the ordinary cost of a program. So to put someone in who brings a weapon to that same program is not being fair with the other students who are there.

I always think of where do we send a student who brings a weapon to school, who brings it for many reasons, as in the case -- I know one particular case where the father said that's to protect himself.

Are you saying that you handle these cases for Boards of Education and other areas?

MR. O'REILLY: No, if an individual brings a weapon to school and that individual is apprehended and sentenced, then the Juvenile Justice Commission would have a facility to deal with that individual.

If the situation is adjusted -- let's say for a lack of a better term -- and not officially sentenced, then the Juvenile Justice Commission does not have jurisdiction.

ASSEMBLYMAN ROMANO: That's the key. That's the area I'm talking about, that gray area.

I would still like to have that list, through the Commission if you will. I didn't know that you provided that sort of facility.

MR. O'REILLY: Yes.

ASSEMBLYMAN ROMANO: Now I hope I put the germ in your head about what we are talking about is this zero weapons school business. Where does that alternative student go to? Thank you, Madam Chair.

MS. MOLNAR: Any other questions or comments?

Mr. Annese.

MR. ANNESE: When you were describing the different projects, you grouped them differently than what was presented to the Commission. Is your priority as it's written here on the list?

MR. O'REILLY: Yes, sir, I just did that only in the interest of time to try to group some like type of functions. If there is any questions as to priorities, I would happy to answer them. But the priorities as presented to you in the formal presentation are the priorities.

MR. ANNESE: Thank you.

MR. O'REILLY: You're welcome.

MS. MOLNAR: Assemblywoman Murphy.

ASSEMBLYWOMAN MURPHY: Thank you very much, Madam Chair. The plan to construct a new 144-bed housing unit at Bordentown, does the JJC anticipate vacating the New Jersey Training School for Boys?

MR. O'REILLY: No, we do not.

ASSEMBLYWOMAN MURPHY: Good, I'm glad to hear that.

COMMISSIONER ANSELMINI: Not everybody is.

ASSEMBLYWOMAN MURPHY: No, I recognize that, but I also recognize the difficulty of trying to site anything anywhere and to give up a site that you already have. For the devil you know is sometimes better than the devil you don't know, if you forgive me.

There is a security study being done by Ricci Associates, I believe it is.

MR. O'REILLY: Yes, they are looking at the Jamesburg Facility primarily in terms of staffing levels and the use of electronics and manual security devices and things like that. They have also assisted us with the

specifications for the gate and the fence that was erected and also some procedures as it relates to when you operate a more secure facility there is certain things that you can or can't bring into the facility and those types of things.

ASSEMBLYWOMAN MURPHY: Is there a time line in which that is anticipated?

MR. O'REILLY: It should be finished in the very near future. Some of the deliverables were delivered because we were going along with the gate and things like that, but it should be the very near future.

ASSEMBLYWOMAN MURPHY: Well, in filling up my bookcase, in the interest of time, I am wondering if the Commission might be able to receive a copy of that report.

MR. O'REILLY: Sure, I would be happy to submit it, through the Chair.

ASSEMBLYWOMAN MURPHY: And I think-- Is there a report relative to an overcrowding report, also, that is being done?

MR. O'REILLY: There is no overcrowding report. What we are doing, on an ongoing basis, is monitoring the various populations and looking at that. As I indicated before, we are before the Supreme Court right now with a case, and if there is a report, I suppose it takes the form of the brief that we submitted to the Supreme Court.

ASSEMBLYWOMAN MURPHY: And I am assuming that that is the manner in which you will be determining the need for additional bed spaces and secure facilities as opposed to less so.

MR. O'REILLY: Yes, and that also with conjunction with the project that we are engaged in right now with Rutgers University to do an intake classification risk assessment type of tool, which takes into consideration in a formula base that: what the prior risks were, how many times an individual may have been sentenced to a particular area and failed in terms of recidivism, substance abuse, and those types of issues. That's part of a very formal classification process that goes on for every individual who comes through the front door at Jamesburg.

ASSEMBLYWOMAN MURPHY: Thank you very much. Thank you, Madam Chairwoman.

MS. MOLNAR: Thank you. Any other questions or comments?  
Christina.

MS. HIGGINS: I had a question about Priority No. 7, the corrections management information system. The verbiage indicates that it is primarily hardware. Is that right? That is being purchased.

MR. O'REILLY: The software is, to my knowledge, reasonably standard out there. Some of the issues that are being done for Corrections-- I think the system 36 replacement and things like that are things that we can piggyback on and save the design aspects of it. So the majority of the costs are in the hardware and the network structure. The only difference is that because of the educational needs we may have to have a couple of custom programs that deal with the educational component.

MS. HIGGINS: So this is a project that is done in concert with the Department of Corrections?

MR. O'REILLY: Yes. It's ongoing discussion both with Corrections and Treasury as it relates to the procurement of that.

MS. HIGGINS: Okay, that was my question. Thank you.

MS. MOLNAR: Any other questions or comments? (negative response) If not, I want to say that I am always impressed with Mr. O'Reilly's depth and breath.

ASSEMBLYMAN ROMANO: A real professional.

MS. MOLNAR: I am just so impressed. Is there any other questions or comments? (negative response) I would like to thank you for your presentation.

MR. O'REILLY: Thank you very much. Have a good day.

MS. MOLNAR: Now, do you have anything under other business?

MR. SHIDLOWSKI: I do not.

MS. MOLNAR: I wanted to raise one thing under other business. It seems that the various departments respond and supply information as a result of separate requests by Commission members. I'm wondering is there a way that information is supplied to some Commission members could be shared with all the members.

MR. SHIDLOWSKI: Any requests that are made through the Chair go to all Commission members of individual Commission members go directly to departments and I'm unaware of that information that is being transmitted. I am not of position to share it.

MS. MOLNAR: Is there some way that other members when they receive information, for example, from Mr. O'Reilly's Department could give it to Paul so that we can all have copies of it.

ASSEMBLYMAN ROMANO: My staff requested information and Paul was copied with it. The information about the police cars.

MS. MOLNAR: Did they respond in writing?

ASSEMBLYMAN ROMANO: Yes, but it was fast. This was all yesterday.

MR. SHIDLOWSKI: Yes, my impression is that what Ms. Molnar was speaking of is a lot of issues that came up as a result of your Appropriation hearings.

MS. MOLNAR: Also, there was a memo to Tom O'Reilly from Assemblyman Romano's office.

ASSEMBLYMAN ROMANO: Yes.

MS. MOLNAR: He did fax back an answer.

ASSEMBLYMAN ROMANO: He faxed back. I had no problem with that. I'm just saying that you were copied too, Paul, so that you knew what was going on.

MS. MOLNAR: You raise an excellent question in your letter to me in the inner packages.

MR. SHIDLOWSKI: Okay.

MS. MOLNAR: You might want to include some of the questions being raised by other members.

ASSEMBLYMAN ROMANO: You have copies of that, don't you? You were copied with what I received.

MR. SHIDLOWSKI: Yes, it happened late yesterday.

ASSEMBLYMAN ROMANO: Yes, that's what I'm saying.

MS. MOLNAR: That's a little difficult. Other than faxing us the response, it's tough.

ASSEMBLYMAN ROMANO: I apologize, Madam Chair, but you see sometimes -- and Assemblywoman Murphy will verify what I'm talking about -- many of the things we discuss here, we discuss in Appropriations.

MS. MOLNAR: Right, I appreciate that.

ASSEMBLYMAN ROMANO: And we are going back over the same ground. It's like revisitation.

MS. MOLNAR: Well, I'm glad that you're forever vigilant. I like that.

ASSEMBLYMAN ROMANO: Well no. The State Police cars was an issue and I don't know if our questions precipitated, that they saw fit and it happened to be because the ABC and the Marine Police all became part of the State Troopers -- made it convenient. But perhaps it was a suggestion, because when I found out -- they were buying how many cars that time? Twenty-some-odd cars and they were going to ABC inspectors and I said I can't remember that last time I saw an ABC inspector speeding down the highway, why don't these cars go to the State Troopers instead of the ABC -- nothing against ABC.

They are talking about buying-- I don't want to get involved in this. This is highly technical. When they talk about taking and buying the smaller cars, saving gas, etc. But in the case of uniformity, in the case of the same uniformity of parts and repairs and knowledge of what you have to do is.

I would try to standardize a regular six-passenger sedan for everything so that you can move these cars around.

When you start talking about these modules and in all of the State Police cars it's a joke. Just like they use Volvo someplace -- the small Volvo, not the big one -- as police cars. You say well, who do you get into that car? It doesn't make sense.

MS. MOLNAR: Our next meeting is October 17, I don't have the Departments listed in front of me.

MR. DAVIDOFF: I do have one other piece of business.

MS. MOLNAR: All right.

Mr. Davidoff.

MR. DAVIDOFF: Thank you. I know we are getting the Treasurer's report in November as we did last year. One of the questions raised last year that we never got an answer on was the debt which the Treasurer said it is not State debt, but is debt of agencies of the State, such as the Economic Development Authority. I again-- We had a motion to the effect that we wanted that, and I again reiterate that I would like to see that information whether or not the Treasurer believes that to be State debt -- I know we have a different Treasurer. It is in my mind-- I, as a Commission member, would like to have that information so that I can make some judgements, so that I am aware of the total State financing. I would like to have that information presented at that time, or shortly thereafter, before we have to make a decision on the overall debt of the State.

ASSEMBLYMAN ROMANO: Madam Chair, whose job is that?  
Mortimer?

MS. MOLNAR: Yes.

ASSEMBLYMAN ROMANO: Or Higgins?

MS. MOLNAR: Paul can certainly relay your request to the Treasurer's Office.

MR. ROTH: Madam Chair.

MR. DAVIDOFF: And our motion of last year.

MR. ROTH: To the point of information. I don't recall us making that a motion. The only motion I recall at that meeting is to request more funding for additional staff. That is the only motion I recall we ever made as a Commission. Can you check that, perhaps?

MR. SHIDLOWSKI: I could check last year's minutes on that particular point if you like.

MR. DAVIDOFF: Well, I can make another motion. Just to clarify, I would like to move that we receive a report from the Treasurer's Office, at his convenience, this fall on the debt of the debt of the State agencies in addition to what the Treasurer defines State debt.

MS. MOLNAR: Without the Treasurer's representative here it would be hard for us to vote on it today, in my mind.

ASSEMBLYMAN ROMANO: Any resolution along that way I would quickly amend that this should not deter from the arrival of the other calculations that we have been told could not be here for the 31st -- actually I strike that -- where it was seen fit to bring it on November 7, three days after the election. But I made the point that we might possibly, as in keeping with other material, get it a week before, which would bring us to the weekend before the election. But I wouldn't want this now to cause another--

MS. MOLNAR: Stall.

ASSEMBLYMAN ROMANO: --undue delay of that original report.

ASSEMBLYWOMAN MURPHY: Assemblyman, how could you even dream of that. (laughter)

MR. DAVIDOFF: Madam Chair, what I can do is if being that the Treasurer's representative-- I can ask our Executive Director to discuss it with the Treasurer's Office, indicate that I have again raised the issue, and at our next meeting we can have -- at least have it as an item to-- Maybe the Treasurer is planning, this year, to provide it. Because I did speak to Mr. DiEleuterio last year in response to my request, which was in the minutes, and he was making some inquiries, so maybe he intends to do that this year.

MS. MOLNAR: Okay.

MR. DAVIDOFF: I don't know. But I do ask that we discuss it at the next meeting so that-- I for one would like to have a better picture and I think that is part of the picture.

MS. MOLNAR: Mr. Roth.

MR. DAVIDOFF: And I would be willing to help out with some of the calculations.

MR. ROTH: Madam Chair, relating back to something Assemblyman Romano said earlier today concerning hard and soft debt. I think, you are not getting the whole picture unless we see both numbers. I would like to see what the total soft debt is as well so that we can see overall whether the State's combined picture of hard and soft debt has changed.

Because the soft debt is debt no matter how you look at it. All it

means is that we haven't sold bonds for it yet or that we are going to have to pay for it through an operating budget at some point in the future.

So I really think you have to see the whole picture. Just seeing one piece of it isn't going to clarify anything.

ASSEMBLYMAN ROMANO: I hope my comments haven't been a touchstone for an entire inquiry here.

MS. MOLNAR: All right, Paul will relay your requests, and perhaps at the next meeting we can discuss it further when we have some input from the Treasurer's Office.

Any other questions or comments?

MR. DAVIDOFF: When is the next meeting?

MS. MOLNAR: The next meeting is October 17. It will be interdepartmental requests. Department of Treasury, Department of Corrections, and Department of Military and Veterans' Affairs.

ASSEMBLYWOMAN MURPHY: Certainly have the people you want to ask the questions.

MS. MOLNAR: Yes. The Commissioner usually comes himself, and the General, too.

ASSEMBLYMAN ROMANO: You mean General Glazer.

MS. MOLNAR: Yes.

ASSEMBLYMAN ROMANO: I thought we might have the General Verniero here.

MS. MOLNAR: Meeting adjourned.

**(MEETING CONCLUDED)**

