

Commission Meeting

of

NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

LOCATION: Committee Room 11
State House Annex
Trenton, New Jersey

DATE: October 28, 2011
10:00 a.m.

MEMBERS OF COMMISSION PRESENT:

B. Carol Molnar, Chair
Anthony F. Annese, Vice Chair
Senator Steven V. Oroho
Assemblyman Joseph R. Malone III
Steven Petrecca
Robert Romano
Beth Schermerhorn
Paul Stridick



ALSO PRESENT:

Thomas Solecki
Executive Director

Osomo Thomas
*Senate Majority
Commission Aide*

Christine Shipley
Senate Republican
Jerry Traino
*Assembly Republican
Commission Aides*

Meeting Recorded and Transcribed by
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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 notice of this meeting by giving written notice of the time, date and location. The notice of the meeting has been filed at least 48 hours in advance by mail and/or fax to the Trenton *Times* and the *Star-Ledger*, and filed with the Secretary of State.

Okay, we'll take a roll call.

MR. SOLECKI (Executive Director): Mr. Sarlo. (no response)

MR. THOMAS (Commission Aide): Present. (referring to himself)

MR. SOLECKI: Mr. Oroho.

SENATOR OROHO: Here.

MR. SOLECKI: Ms. Pou. (no response)

Mr. Malone.

ASSEMBLYMAN MALONE: Here.

MR. SOLECKI: Mr. Romano.

DEPUTY TREASURER ROMANO: Here.

MR. SOLECKI: Mr. Stridick.

MR. STRIDICK: Here.

MR. SOLECKI: Mr. Petrecca.

MR. PETRECCA: Here.

MR. SOLECKI: Ms. Schermerhorn.

MS. SCHERMERHORN: Here.

MR. SOLECKI: Ms. Cimiluca. (no response)

Mr. Annese.

MR. ANNESE: Here.

MR. SOLECKI: Ms. Molnar.

MS. MOLNAR: Here.

MR. SOLECKI: Madam Chair, we have nine (*sic*) members present. You have a quorum.

MS. MOLNAR: Perfect. Thank you.

I think Item 4, Tom, you will have to run that piece. It's for a motion for a Chair and Vice Chair.

MR. SOLECKI: We'd like to make a motion for a Chair and a Vice Chair this year. The motion would be for Ms. Molnar as Chair, to continue, and for Mr. Annese to continue as Vice Chair.

ASSEMBLYMAN MALONE: So moved.

SENATOR OROHO: Second.

MS. MOLNAR: You have to vote on it.

All in favor? (affirmative responses)

Thank you.

MR. SOLECKI: There is a motion, also, to name myself, Tom Solecki, as Executive Director for this year's Capital Commission.

MS. MOLNAR: So moved.

MR. ANNESE: Second.

MS. MOLNAR: All in favor? (affirmative responses)

All right, we have to go back to Item 4 (*sic*). I believe Mr. Annese has a question for our Governor's Office.

MR. ANNESE: It's not so much a question for the Office -- it's as much for you, Madam Chair, or whoever you want to direct it--

Over the years we've had some difficulties in getting a quorum. As recently as two days ago we had to call everybody. We have two vacant seats for public members. Could you update us about the status of where that appointment process is?

MS. MOLNAR: I have submitted some résumés to the Governor's Office. I don't know where that stands.

MS. SCHERMERHORN: From what I understand, only one of the vacant seats is in the Governor's Office, and we're working through it. I don't know when a nomination will be made.

MS. MOLNAR: Could we have something in writing for the next meeting -- the Governor's Office's intentions?

MS. SCHERMERHORN: I'll ask.

MS. MOLNAR: It's been a year. I submitted at least one résumé. It is getting hard for quorums. It would be helpful.

Are there any issues in the Governor's Office? Do they want us to submit more résumés? Do they want us to be more proactive? I'd be open to any ideas.

MS. SCHERMERHORN: If you have more résumés, that would always be helpful.

MS. MOLNAR: Okay.

Anyone here have suggestions?

Yes, Senator.

SENATOR OROHO: Well, I think the best suggestion would be -- is actually if the members -- we can have actually all elected official members present, it would certainly help making sure we always have a quorum.

MS. MOLNAR: True. That's good.

We also need succession. I mean, all of our public members may not want to continue on year after year. So we have no succession planning here in place, which would be helpful.

All right, it would be helpful if at the next meeting, Beth, if you could give us any more information. Would you want us to-- Would you like the Commission to write a letter to the Governor's Office? What do you think would work?

MS. SCHERMERHORN: You can-- If you have résumés to submit, you can submit them to the Governor's Office.

MS. MOLNAR: Should we send it to Mr. Bagger's attention, as Chief of Staff, or what?

MS. SCHERMERHORN: I would probably submit them to Michelle Brown, his Appointments Counsel.

MS. MOLNAR: Michelle Brown. She's been in that slot for a while?

MS. SCHERMERHORN: She's been with the Governor since he's been elected.

MS. MOLNAR: What's her title, Appointment what?

MS. SCHERMERHORN: Counsel.

MS. MOLNAR: Counsel.

Are they backlogged? Is there a backlog of appointments or anything?

MS. SCHERMERHORN: There are a lot of appointments, yes.

MS. MOLNAR: Oh, okay. That could be part of it.

But, I mean, we did try a year ago. So in a year there must be -- the backlog must have opened up. We must have moved closer to the top of the list.

Okay, moving right along.

We have to approve the minutes -- quite a few. Now, you can approve them even if you weren't here. That's fine. You don't have to abstain. You are just saying, "Yes, this Commission will approve these minutes." We have the minutes from September 17, 2010; October 22, 2010; and November 19, 2010; and December 10, 2010.

SENATOR OROHO: I make a motion to approve.

MS. MOLNAR: Do I hear a second?

MS. SCHERMERHORN: Second.

MS. MOLNAR: Okay. All in favor of accepting those various minutes? (affirmative responses)

Okay, that carried unanimously.

Okay, the Executive Director's Report -- our new Executive Director.

Tom, do you have anything you want to update us on?

MR. SOLECKI: Yes, I'd like to provide a brief review of the Commission's recommendation and the Appropriations Act for Fiscal Year '12.

The Commission recommended \$1.219 billion for capital construction, of which approximately \$1.088 billion was for programs funded by dedicated revenue in the State budget. The balance of \$131 million was discretionary capital funding; and of that amount, \$99 million

was for the New Jersey Building Authority debt service. That left only \$32 million for capital construction projects in State departments.

The Appropriations Act totaled \$1.303 billion, of which \$1.218 billion was for dedicated funding. Of the \$85 million in discretionary funds, \$10 million was for energy efficiency projects, \$6.5 million was for HR6 flood prevention funding, and \$68.5 million was for Building Authority debt service. The Appropriations Act also provides language to fund roof replacements at \$5 million -- up to \$5 million -- for revenues derived from the sale of real property.

Madam Chair, that concludes my report.

MS. MOLNAR: How much was for the -- oh, God, I forgot what it was called -- for the roads, etc., that fund?

MR. SOLECKI: Transportation Trust Fund?

MS. MOLNAR: Yes, thank you. I couldn't think of the name of it. How much did we--

MR. SOLECKI: It was \$1.035 billion.

MS. MOLNAR: Oh, so that was part of the -- which number you gave us, the \$1.2 billion or the \$1.3 billion?

MR. SOLECKI: That was part of the Appropriations Act--

MS. MOLNAR: Oh, okay.

MR. SOLECKI: --\$1.303 billion.

MS. MOLNAR: So \$1 billion of that was the Transportation Trust.

Any questions or comments? (no response)

Okay, this year it's slightly different. We've always had the departments appear before us. It's my understanding that since the

requests are identical to last year, you could just dust off last year's testimony and just reread it, I suppose.

So let's still go through departments, unless somebody wants to do it differently.

Okay, the first department is Agriculture. Now, OMB Capital is here to answer any questions -- they have visited all the locations -- hopefully answer any questions.

Agriculture -- which is good. We've asked for, like, the top five priorities. Some departments have given us 20, but Agriculture gave us two: laboratory renovations and animal health.

Are there any questions for staff at this point in time? (no response) None? (no response)

I think we've seen this before -- the insect lab and then the tissue digester.

Okay, no questions or comments? (no response)

If not, moving right along. The next department is Children and Families, and they gave us their top two: asbestos removal and site restoration at various locations, and window replacements at the regional schools.

Any questions or comments?

SENATOR OROHO: All very similar to last year.

MS. MOLNAR: Yes.

Okay, the next department is Education. Now, they have quite a few. They have all 40. No, I take that back. They have their top 54. (laughter)

Okay, the first one is high school air conditioning, the second is campus lights.

Now, I did have a question on this. Item 3, campus lights-- Also, their Item 8 is campus lights. So I was curious, what's the difference here? Am I missing something? They're both at the same school. So is one-- I guess the difference is exterior, but I thought they were all exterior. Can anyone shed light on that -- the difference between 3 and 8?

MR. SOLECKI: We're talking about Department Priority No. 3, campus lighting?

MS. MOLNAR: Yes, campus lighting; and Priority No. 8.

MR. SOLECKI: I think we're talking about two sections of the area. Katzenbach is a large complex. They want to take care of what they view as more urgent areas for lighting and make that their primary request for this year.

MS. MOLNAR: Okay.

MR. SOLECKI: And the other lighting may be, perhaps, put off for another year.

You're right, we do have 54 requests here from the Department of Education. Some of these agencies you will see a lot of requests from. We had talked to them about focusing on their top two or three. That doesn't mean that we don't want them to tell us what their other needs are; we do. We wanted them to give us a better analysis of their top three needs so that when it came down to figuring out how we were going to divvy out what little bit of capital funding we had, that we had good information to make those decisions. That's why you're probably going to continue to see some multiple requests, not necessarily the top two or three.

MS. MOLNAR: Okay.

MR. SOLECKI: But hopefully the top two or three that we are seeing are tight and very specific.

And as you can see with Department Priority No. 3, they've given you specific areas, specific buildings where they want those lights.

MS. MOLNAR: Okay.

MR. SOLECKI: They realize it might be difficult for us to give them \$665,000 this year for No. 9 and \$200,000 this year for Priority No. 3. That's why they've said, "For Fiscal Year '14, we're going to ask for additional lighting."

MS. MOLNAR: Yes, the other one was 8 -- Priority 8, of \$186,000.

MR. SOLECKI: Excuse me, 8. It's the same thing. They're asking for that funding in 2014.

MS. MOLNAR: Good.

MR. SOLECKI: They're trying to stretch their request out a little bit.

MS. MOLNAR: All right, '13 versus '14.

Item No. 4: It says, "This project was previously funded but never implemented. The funds reverted to the State." What happened there? Does anybody know?

MR. SOLECKI: I do not know what happened there. I can try to find out and get back to you.

MS. MOLNAR: Yes, Assemblyman.

ASSEMBLYMAN MALONE: During budget hearings and stuff there have been some discussions about somebody else taking over the

Katzenbach School. Is there any more in that area that is occurring, or is that just something that has gone by the wayside?

MR. SOLECKI: No, I have not heard anything more about that. In fact, when we were out there, I met the Director, and he's got big plans for developing Katzenbach. It is a big campus. The operating section is on one side of the lake, and there are a bunch of buildings on the other side of the lake. He's starting to make -- take action to get some sublease folks into those buildings and consolidate his sections on the other side. I think at one time that facility was supposed to hold up to 700-800 kids. Right now, I think they have about 150. So he recognizes he's got more than he needs out there, and he's trying to generate some additional revenue by subleasing those properties out.

ASSEMBLYMAN MALONE: I know somebody from Middlesex was interested in taking the students from Katzenbach. I don't know if they were going to do it on the Katzenbach site or move them up to a facility up in Middlesex. But that could be one of the issues that plays into this.

MR. SOLECKI: One of the folks who are interested in moving into that other side of the lake is the College of New Jersey. They're thinking about putting some dormitories in there.

ASSEMBLYMAN MALONE: Okay.

MR. SOLECKI: And the Director at Katzenbach was hopeful that once that -- if that deal happened, perhaps some of those receipts could go into restoration of some of these buildings, and perhaps be used for capital needs such as the lighting needs and the AC needs at Katzenbach.

ASSEMBLYMAN MALONE: Has there been any discussion about potentially declaring the property surplus and selling it to other entities? I know that was a concern that I think Assemblywoman Bonnie Watson Coleman had at one time.

MR. SOLECKI: I have not heard anything about that.

ASSEMBLYMAN MALONE: Okay.

MS. MOLNAR: You're saying the campus is much larger than what they need today with 170 children. Could we, for our next meeting, get something from Education about the plans for Katzenbach?

MR. SOLECKI: Sure.

MS. MOLNAR: Senator.

SENATOR OROHO: Thank you very much.

Just from a general perspective, Education has 54 priorities. I just want a clarification. Are they really in priority order 1 through 54? I mean the top priority is--

MR. SOLECKI: Yes, they are.

SENATOR OROHO: Okay.

MR. SOLECKI: We've stressed to the agencies that, "We'll be fortunate if we can fund your number one priority."

SENATOR OROHO: Right.

MR. SOLECKI: "So please make sure you have them prioritized in the order that you need them."

SENATOR OROHO: Understood, and I appreciate it.

Any discussion as to what kind of criteria they used for determining that, "This is our number one, this is our number two, this is three, or four?" Because one of the criticisms that I have had -- and I very

much appreciate the streamline approach -- is the issue when it comes to operating impact. Because you will see in number -- with respect to windows, or roofs, or safety-related criteria, most of the time there is going to be some sort of operating impact -- either energy efficiency or, a number of times last year, rental of facilities and whatnot.

Are they trying to focus more on operating impacts so we can determine what kinds of paybacks there happen to be on these capital projects?

MR. SOLECKI: I reviewed the minutes from last year, and I noticed that this subject came up a few times. Based on the sites that I've visited -- and I've visited a lot of them -- for most of these folks, they haven't received any capital money in quite some time. And what we're talking about here isn't a payback but, basically, fundamental life-safety issues. If you've got hard-of-hearing children and they can't hear and see in darkness, that's not necessarily--

SENATOR OROHO: Understood. When it comes to-- Obviously, that would be our highest priority. We know that capital funding hasn't been available in quite some time. So we would always expect our number one priority to be anything that has a safety-related issue, period.

MR. SOLECKI: And I think that's what you're going to find in most of these requests.

SENATOR OROHO: Okay.

MR. SOLECKI: Most of the time it's life-safety, it's hazardous materials, it's environmental concerns.

Being an OMB analyst, we're all about payback, we're all about return on investment. So there is definitely attention there in terms of, we'd much prefer to see some bang for the buck. But we also have to be attentive to fundamental life-safety issues.

SENATOR OROHO: Understood. And I want to make everybody clear that that is not my question -- as to whether-- If it's, obviously, a public safety issue, that is automatically a high priority. I am just always very -- and it's probably easy for the departments to prioritize because they have gotten very little capital money. And now it's just, a lot of times, maintenance and public safety. But at the same time, I'm always very interested as far as what criteria-- I mean, once you get off the public safety issue -- and probably, still, we're dealing only with public safety.

MR. SOLECKI: That's right.

SENATOR OROHO: But hopefully at some point in time the finances of the State will improve and we'll be able to do some of the much more needed projects -- that we have a priority system in place to say, "Okay, how are we evaluating the resources that we have?" Allocating for public safety is easy. We have to do it. Then it becomes, "Okay, what's next?"

MR. SOLECKI: Right.

SENATOR OROHO: And, to me, it's almost getting it ingrained into the system as to how we analyze where we're going to allocate capital.

MR. SOLECKI: I think as we look at the next batch of submissions for our meeting in November, you'll start to see more and more requests for HVAC systems, boilers, chillers, steam, condensation-types of

issues. Those are things-- And we've got a huge list of those items across all State entities. One of the things we're looking at doing, and one of the things we are doing, is analyzing the payback. How fast are we going to recoup our savings because our utilities bills are going to come down once we implement these ideas? And it's a question of a net present-value analysis and figuring out which are the top priorities, because we can't fund them all at once. But that's definitely a part of our thinking in terms of payback and impact, financially, with some of these requests. I don't think you're going to see a whole lot of that stuff with these first six or seven that we're seeing today.

SENATOR OROHO: No, I agree. I've been through them already.

MR. SOLECKI: When you see Corrections next time, and you see Human Services next time, you're going to see a lot more energy-efficiency projects.

SENATOR OROHO: Okay.

MR. SOLECKI: And to be fair, yes, we know it's going to save money by doing it, but from their point of view, we've just got to have these systems fixed because there is water dripping all over the place or there is steam coming out of the ground. We know there is lost energy. So even in those instances, sometimes, these agencies feel it's more of a life-safety, operational type of situation, whereas we're going to push them harder on the financial impact.

SENATOR OROHO: But even in situations like that, it is good for us to know what kind of operating impact we would have. Because obviously the operating impact affects their budget.

MR. SOLECKI: Right.

SENATOR OROHO: All right. Thank you.

MR. SOLECKI: Okay.

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

I had one question about Item 12. I know it's 12 on the list, but when they replace things to be ADA compliant, are there any Federal dollars, or is there a State fund for ADA compliance? I can't remember.

MR. SOLECKI: There are not any Federal dollars, but there are State dollars.

MS. MOLNAR: Is there a separate fund for ADA compliance?

MR. SOLECKI: Yes, basically in the Interdepartmental Account with DPMC -- that's Steve Sutkin's group -- we essentially budget funding for ADA projects.

MS. MOLNAR: So would this project be coming out of that fund?

MR. SOLECKI: Yes, most likely it would. We have a gentleman over there who basically goes out and looks at all of the ADA requests, ranks them, and funds them.

MS. MOLNAR: So they're asking for money in 2015.

MR. SOLECKI: Right.

MS. MOLNAR: So there's a good chance that out of the fund it might be funded.

MR. SOLECKI: Correct.

MS. MOLNAR: All right.

MR. SOLECKI: Not necessarily in 2013. There are probably more stressing ADA priorities at this point.

MS. MOLNAR: All right, got it.

Okay, that's it for Education.

The next department is the Juvenile Justice Commission. We have-- Oh, that's interesting. We have their top 24 items.

My one question on department (*sic*) two: roof replacements. There is a central account for that, correct, where they could get the funds out of?

MR. SOLECKI: That's correct. As I mentioned in my opening remarks, we have a separate roof fund. Basically the receipts are derived from the sale of assets, and we use those proceeds to replace roofs.

MS. MOLNAR: So they're asking for \$1.5 million.

MR. SOLECKI: As their second priority.

MS. MOLNAR: The second, yes.

MR. SOLECKI: We're talking about three different roofs at three different facilities.

MS. MOLNAR: Is there a good chance this could be funded out of the roof fund?

MR. SOLECKI: There is a chance. Perhaps maybe we could at least do the chapel, which is their highest priority. It's the same situation with agencies across the State. They all have requests for roofs. Given the economy, there are not a whole lot of proceeds coming into the sale-of-real-property account. So we can only distribute what's collected in there. And based on the economy -- and we're not selling several State properties, so there's not a whole lot of money in there.

MS. MOLNAR: Now, who decides which roofs get done and paid out of the roof fund?

MR. SOLECKI: We'll go through a ranking process of all roofing requests, much like Interdepartmental does with their ADA requests, and determine which are the highest priorities that need to get funded first.

MS. MOLNAR: So it's done at OMB.

MR. SOLECKI: It starts at OMB, and that will be presented to you folks on December 2 as part of assisting you in developing the capital recommendations.

MS. MOLNAR: All right. And if it is a high enough priority, the chapel may end up on that list.

MR. SOLECKI: Correct.

MS. MOLNAR: All right, got you.

Any questions from the--

MR. STRIDICK: Madam Chair.

MS. MOLNAR: Yes, Mr. Stridick.

MR. STRIDICK: I just have a quick question that I noticed -- and it's actually building upon the Senator's remarks.

On No. 3, which is the fire suppression system -- which is clearly a life and safety issue -- and yet that's a priority that's lower than the roofs and the -- what was the first one -- panel replacements and boiler replacements; more of a systems upgrade. And I was just wondering, in the ranking of their priorities, it seems -- like we were saying before -- the life-safety should really just kind of rise to the top. And yet in their own priority it's not far from the top, but it's not the top. And I was just curious on that.

MR. SOLECKI: Right. And if you were to talk to JJC, they would tell you that we're splitting hairs in terms of which is more important of the three priorities.

MR. STRIDICK: Sophie's choice.

MR. SOLECKI: And so they're trying to split those hairs in saying, "You know what? The ceiling demolition and the fire alarm replacement are just a little bit more urgent to us than fire suppression systems." That's kind of where we're at with things right now.

MR. STRIDICK: Thank you.

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

Okay, our next department is Law and Public Safety.

I had a few questions that I e-mailed to Tom, and he was kind enough to respond. Item No. 2 -- no, not 2 -- oh, here it is -- I had questions on 5 and 6. Item 5 was the spectrometer. I was curious, if the machinery is in such bad shape, how in the world do they fulfill their obligations now. And the response from the Department is as follows, "We have been using older technology instead of liquid. The equipment is older and is not as reliable. The newer equipment would be faster." I said, "How many counties are they talking with for the contract?" Currently they are only servicing six counties. The other counties go outside and don't use it -- their equipment. "Would this equipment generate more revenue?" They say yes; but I believe our capital folks feel that their fee structure does not support the cost in the long-term viability of the program. Although the new equipment would increase revenue, they estimate no more than

\$25,000 per year, which would be a 10-year payback. So if they don't get the new equipment, the six counties may have to go outside to get service.

Item 6 -- this was intriguing -- the roof. I couldn't understand. It was originally for Revenue, and then they decided to use it for a State Police forensic lab. So when you just change your use, I would think engineers would get involved at that point in time. I don't pretend to be an engineer. But when you say you're going to use a building for something different, I would think internally we would do something to look at it.

My question was: "Where were these architects and engineers during this whole process? Were they consulted?" Here is the answer, I believe, from the Department, "The redesign was done before the building was built. This is a pre-fab building similar to a Home Depot. It is designed to have deflection on the roof under snow loads. When the building was first purchased, it was designed for the Division of Revenue. The original intent of the building was not to have a drop ceiling. It was more like a paper processing plant. Governor Christie then changed the occupancy to the State Police for forensic labs. There then was a need to install drop ceilings throughout the building," since it was now a lab. "When there is a snow load on the building, there is some deflection on the roof which transfers to the drop ceiling. If there was no drop ceiling, you would not be able to notice any deflection." So when there is snow on the roof, the whole drop ceiling buckles. When you look up it probably looks wavy.

MR. SOLECKI: Like any Home Depot building would.

MS. MOLNAR: Yes.

“A roof deflection means the roof is build to bend somewhat when snow accumulates on it. Most people wouldn’t notice it at a Home Depot. However, once you add a drop ceiling to it, the drop ceiling also bends and does not return to its former flatness. For the most part, this makes the ceiling aesthetically unpleasing. There are some minor risks to ceilings, light fixtures, and some moderate ongoing roof repairs.”

It is their No. 6 priority, but it just seemed odd that this wasn’t considered. Now they want \$200,000 for a study. So that really seemed odd.

Any questions or comments now that I have shared those e-mails?

Assemblyman.

ASSEMBLYMAN MALONE: How much of these -- how many of these recommendations actually get into the budget -- the budget process? Does anybody know?

MR. SOLECKI: I would say with the Fiscal Year ’12 budget -- I would say a half-dozen.

ASSEMBLYMAN MALONE: Okay.

Let me ask a heiracy question here: Could you explain to me -- if we’re going-- And I’ve been on the Budget Committee now for -- not this past year -- but the greater part of my career. What is the actual function of this committee, and how does it play into the budget process? And really, in looking at the streamlining of government, how much value does this add to the budgeting process and the final outcomes to the departments?

MR. SOLECKI: That’s a good question. I can tell you that, statutorily, there has to be a capital commission that reviews capital

requests and forwards its recommendations to the Governor. I certainly don't think it hurts to have a set of eyes on the capital requests from the Legislature, from the Executive Office, from the general public.

I'll throw that out to the rest of you folks if you want to talk about that a little bit more.

MS. MOLNAR: When this Commission was set up -- and I believe in the '70s -- I think Tom Kean Sr. was on this Commission -- it was a model for other states. Up until then, capital was just a hodgepodge all over the capital -- no central location. So they created this Commission to have one central location to review all these capital requests. And other states now have modeled their capital after New Jersey. And New Jersey always gets an *A* every year for its capital process. So it does add a central location for us to review it. We do make recommendations to the Governor. Unfortunately, I've lived through many recessions. I was here in '93.

ASSEMBLYMAN MALONE: Even in good times, what has been the normal acceptance of these recommendations into the budget process?

MR. SOLECKI: Well, I think in good economic times, more things get done. There is more funding available to fund them. Right now there is not.

ASSEMBLYMAN MALONE: I understand. I've been here in good times and bad times. And the issue is -- and in a sense I'm trying to streamline government, I guess. And, again, I'm not going to be here much longer. But I just look at this as being something that seems duplicative of the process, that is a very exhausting process, that the Senate and the

Assembly go through every year in putting a budget together. I know a number of these topics are brought up -- about replacement of boilers, and steam lines, and other issues come up at various institutions when the departments come in. So I know it's here, but I think it's also, again, rehashed during the budget hearings.

So I'm not sure-- And, again, I'm not sure what the, really, outcome has been of having these hearings and going through this Commission. I'll be honest with you.

MS. MOLNAR: Okay.

Senator, you had a comment.

SENATOR OROHO: I asked a very similar question last year in understanding the process. And I fully appreciate the streamlined process. But the way I see it-- I mean, this is really, in my opinion -- if I'm interpreting this correctly -- the start of the budget process where we, essentially, are part of that prioritization process -- to wading through what would be the proper resource allocation. And that's why I think it's so important as to-- You know, we don't have -- necessarily have the resources to allocate right now. And we're certainly hoping that those times will change. But it's very important -- probably even more important during good economic times -- that we have a process in place to make sure that there is a prioritization of capital resource allocation. But we really are, I guess, the start of the budget process. And then, obviously, what ends up getting into the final budget submitted by the Governor and the Administration would be -- obviously come from the recommendations, some of which come from the recommendations of this Commission in that process.

But I think clearly the most important thing that we can do is make sure -- and, you know, Administration is doing it, obviously, with the streamlined process we have now -- is that prioritization, and the issue of what those -- what the criteria would be. Because we have a lot of different departments to look at and say, "Okay, where are we going to put that -- where are we going to put our capital resources?"

MS. MOLNAR: Right.

One other small job that we have -- occasionally it comes out -- we also decide on bonds to go onto the ballot in the November election. It doesn't happen a lot.

Mr. Annese.

MR. ANNESE: Yes, Madam Chair.

Let me just follow up a little bit on your question. In a sense we're the frontline defense trying to screen for the elected bodies to make your process a little bit easier. Now, unfortunately, some departments don't like our response. If we tell them no, they will come to you and lobby you directly for more money. I think that's part of the problem.

In one sense we used to be the stone wall. I mean, if you look through some of the details here, we have requests for museums in this which -- brand new museums that we know are not going to happen, but it's here anyway. And I think that goes-- To answer your question, people are unhappy with our response, and so they try to get more money from you -- is basically the answer to your question.

SENATOR OROHO: I think just as a follow-up to that-- Throughout the budget process that had happened, we had a prison that was actually torn down a few years ago, and then we had a capital request

last year for a new prison. I think that's part of the coordination of that capital resource that I think we -- is an important role that we do play. But obviously everything we do is a recommendation.

MS. MOLNAR: Okay. Thank you for all those questions and comments.

Now, Law and Public Safety -- any questions or comments that you have for the staff? (no response)

If not, I will move on to Military and Veterans Affairs. They have submitted, let's see, 16 items. I do see Item 3, again, is more roofs. They can go to the central account for that -- perhaps for that.

MR. SOLECKI: That's correct.

MS. MOLNAR: If money comes out of the central account, is there Federal matching money at all?

P A T M U L L I G A N: In the case of DMVA, any State funds are usually matched -- depending on the size and the scope of the project -- will be matched 50 percent with the Feds.

MS. MOLNAR: Okay.

I have no other questions. Any questions from the--

So the first two priorities are boiler, and repair sinking drill floors at Cherry Hill.

The next department is Judiciary.

MR. SOLECKI: Yes.

MS. MOLNAR: Okay. Now, were they going to make a presentation or not?

MR. SOLECKI: They are not. They were asked to do so and they say it's not necessary. They feel their request stands on its own, as do these other agencies.

MS. MOLNAR: Now, the No. 1 item -- we've already funded part of it. They've already started the process, and this is just finalizing it.

MR. SOLECKI: Yes.

MS. MOLNAR: Is this the glass piece -- exterior glass or something on this building?

MR. SOLECKI: Are we talking Judiciary?

MS. MOLNAR: Oh, it's furniture.

MR. SOLECKI: It's furniture.

MS. MOLNAR: Oh, we were doing it floor by floor, I believe.

MR. SOLECKI: Right.

MS. MOLNAR: All right.

Now, Item 2-- Do we normally fund servers as part of capital, or does that come out of their operating?

MR. SOLECKI: In these economic times, no, we most likely would not fund something like that out of capital. We would ask them to find the money to do that on their own.

MS. MOLNAR: All right. Have we funded servers before?

MR. SOLECKI: You may have seen OIT ask for servers. But you're on a much larger base. You're talking about a lot more dollars.

MS. MOLNAR: That's the last department.

Now, unrelated to Judiciary-- The Division of Human Services -- they installed that huge system to keep track of all the patients, etc. Do we know where that stands? Is that finalized? We were fighting with the

vendor saying they did not do it correctly. And Assemblyman Cryan had some problems with it. I forget what the system is called. Do you remember what it was called? DYFS -- to keep track of their clients. It was a big computer system they bought.

MR. SOLECKI: SACWIS?

MS. MOLNAR: Yes, thank you.

Does anybody know, is that done, finalized? Is that totally over and done?

MS. SCHERMERHORN: I believe their in the process of getting it online. I want to say there are eight stages and they've completed four or six of them, and they hope to be doing some trial testing in the spring.

MS. MOLNAR: That was court mandated, if I remember correctly. Right? They had to report in to the court on the status. I can't remember if it was Federal or State court -- SACWIS.

MR. SOLECKI: That may have been part of the DYFS reform settlement.

MS. MOLNAR: Okay.

MR. SOLECKI: We can find out.

MS. MOLNAR: Could you give us a follow-up on that?

ASSEMBLYMAN MALONE: (indiscernible)

MS. MOLNAR: Pardon me?

ASSEMBLYMAN MALONE: I've been here a long time. And in between the SACWIS and the Motor Vehicle system-- Do you know what my suggestion is? You'll be in some senior home eating soft food before they even come close to getting these things done.

MS. MOLNAR: Really?

ASSEMBLYMAN MALONE: They've had millions and millions of dollars of cost overruns.

MS. MOLNAR: Right. And they were going to go back to the vendor and try to recoup some of it.

ASSEMBLYMAN MALONE: I know, I know. And poor Joe Cryan, I felt, was going to have a stroke--

MS. MOLNAR: I did too. (laughter)

ASSEMBLYMAN MALONE: --about 10 times.

MS. MOLNAR: He was so upset about that.

ASSEMBLYMAN MALONE: God bless you if you can get that to work.

MS. MOLNAR: Okay, I think that's the end of the list here.

Any other business? (no response)

Our next meeting is November--

MR. SOLECKI: The next meeting is November 18, 10:00 a.m. -- same time, same place. Hopefully we're going to hear from heavier hitters. I talked about Corrections, and Human Services, and Interdepartmental.

MS. MOLNAR: They won't be here though. We'll be just reviewing the--

MR. SOLECKI: There may be one or two who want to present. I'm hearing, right now, Corrections probably will want to be here. But as soon as I find out I will let you know.

By next Friday I'm going to send out their capital request to you via e-mail. I will give you a chance to -- give you two weeks to get it,

give you a chance to look it over. And as I said, some may want to testify at the next meeting.

MS. MOLNAR: All right, there may be testimony.

And then in December we have the Debt Report presentation.

MR. SOLECKI: December 2 is our final meeting, and we'll do the debt presentation and generate our recommendations.

MS. MOLNAR: I was going to suggest, perhaps, if there are no presentations, would it make sense for us to meet in a conference room where we're all sitting around a table rather than spread out? It's just a thought.

MR. SOLECKI: Does that violate the public hearings act or anything?

MS. MOLNAR: Are there any conference rooms here that have a big table where there are chairs around the side? (no response)

I don't mind this. I like this. It's the former Supreme Court Chambers. As an attorney I love this. But I don't know if it's conducive to our discussion. If you don't have a problem with it, I don't mind.

SENATOR OROHO: I'm all right. I can see everybody.

MS. MOLNAR: Good. All right, I'll leave it alone. Perfect.

All right, well, I thank you all for coming. We did-- Wow, this is a record, an hour.

SENATOR OROHO: Streamlined. (laughter)

MS. MOLNAR: Meeting adjourned. We'll see you all on November 18.

(MEETING CONCLUDED)