

**TRANSFER FEASIBILITY STUDY**

**NEW JERSEY STATE LIBRARY**

**DEPARTMENT OF EDUCATION**

**OCTOBER 1995**

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## **TRANSFER FEASIBILITY STUDY NEW JERSEY STATE LIBRARY**

### **I. INTRODUCTION**

In a recent report initiated by Governor Whitman, *Government That Works*, the concept of relocating the administrative oversight of the New Jersey State Library from the New Jersey Department of Education (DOE) to a more appropriate location was highlighted. A recognition by the department, the library community and the Governor's office that this issue was in need of further exploration, prompted the current feasibility study.

In exploring the various potential entities to provide adequate oversight responsibility, Thomas Edison State College (TESC) surfaced. This was primarily due to the recognition that the missions of both institutions, although not identical, were parallel, and, in fact, had the capacity to complement each other. Both the Library and the College are dedicated to the concept of "life-long" learning and both excel at providing their educational services at a distance to all of the citizens of New Jersey.

In order to explore the issue entirely and assess whether such a transfer would be a beneficial affiliation, the department has completed a detailed feasibility study. This report serves as a summary of that process, which outlines the issues identified and areas which would need resolution prior to any further action.

### **II. PROCESS OF STUDY**

After several preliminary meetings, a Library Steering Committee was established with representatives from the department, the College, and the Library staff. (See Appendix A for Membership List) It was determined that the best method to explore the various areas that warranted review, was to create several topic specific working groups. The result of their work is discussed in the next section. In addition to the reports submitted, several meetings were held with various Library constituents to gain their input into the process.

In order to assure the maximum level of input into the feasibility study process, a comprehensive communications effort was undertaken. Activities focused on the following areas and events.

- Correspondence outlining the feasibility study was forwarded to key legislative officials, leaders in the Library community, and other interested parties.

- The Governor's office was involved in discussions regarding the possible benefits of the transfer.
- The Attorney General's office, through the Deputy Attorney General's office, was involved in the legal issues.
- Library staff were invited to be part of the process by involvement in staff meetings, as well as membership on the working groups.
- Key Library associations and organizations were invited to provide comments and express concerns either through written correspondence or by participating in a joint meeting with representatives from the department and the College.
- Informational packets, including a Question & Answer (Q&A) document answering general questions and information sheets on the College, were made available.
- An article printed in the State Library's newsletter, *Fleeting Impressions*, discussing the feasibility study was distributed to all public library officials throughout the state.

In discussing this issue with the many people and organizations involved, responses were predominantly favorable to the concept of transferring the Library to another entity. It has been noted that in looking at systems nationwide, there is no state which has their State Library associated with an institution of higher learning. Many are excited about the opportunity of New Jersey being a model for such an affiliation.

Every effort possible was made to assure that this process included input from all interested parties, and that the final determination was based on the best interest of all concerned.

### **III. SUMMARY OF WORKING GROUP REPORTS**

The specific working groups established for the purpose of this study included: Transition; Human Resources; Data Processing; Facilities; and Fiscal, State Aid, & Grants. A summary of each of the working groups' reports follow, outlining participating members and specific information relative to their area. (See Appendix B for complete Working Group Membership List)

## **A. Transition**

The transition working group was charged with identifying issues regarding the organizational, structural, and transition components of the proposed transfer. The members of this working group included: Jennifer Seeland, DOE; Carron Albert, TESC; Catherine Crill, DOE; Marilyn Veldoff, State Library; Nancy Kaplan, AG's office; and Renee Swartz, Library Advisory Council.

- Structurally, the Library would need to be considered an affiliate of the College and retain the name as it presently exists.
- The head administrator for the Library would be able to hold the title "State Librarian" and would not hold any college or academic title.
- All current statute and code would need to be reviewed and revised and/or recodified in order to adjust to the College structure.

## **B. Human Resources**

The human resources working group was charged with identifying personnel issues such as benefits, job titles, and seniority. The members of this working group included: Ernest Coluccio, DOE; Carron Albert, TESC; Brian Goldsmith, State Library; and Anita Ashkinazy, Donna Remely and Abbey Demel-Brown, CWA representatives.

### **1. Benefits**

- The College is covered by the same state benefits programs as the department. Therefore, there would be no change in benefits for employees of the Library.

### **2. Leave Time (Paid and Unpaid)**

- Paid leave, i.e., vacation, sick, administrative and unpaid, covered by Title 4A, are the same at both the Library and the College. Therefore, the amount of entitlements, as far as leave time is concerned, would not be affected with the transfer. The only difference would be on how to request and grant the leave requests administratively which would need to be addressed by the Library and College.

### **3. Pension**

- The College has the same pension system as the department. Since the College is autonomous, library employees would need to be taken off the existing system and placed on the College's system. This would not cause any break in service and library employees would not lose any service for

pension purposes, however, this may take the Division of Pension sometime to process resulting in the need for back payments.

#### 4. Service Awards

- The College does not participate in the New Jersey State Awards program. However, the College would be willing to entertain the establishment of a "Library Service Awards Program" which would recognize and reward years of library service.

#### 5. Salaries

- The salary compensation levels would continue to be the same for Library employees as long as they stay in classified titles covered by Title 4A. In addition, their anniversary dates would be determined in accordance with union contracts and Title 4A, the same way they are determined now.

#### 6. Titles

- Currently, within the College and university system there exists a series of Librarian 1, 2, & 3 titles represented by the AFT. According to the Administrative Code that originally defined those titles within the State College environments, "Librarian - means employees serving in the titles Librarian I, II, & III, which carry concurrent academic rank." The College does not currently use this series and it is the position of the College that all staff in the Library should be transferred in their current titles which are represented by the CWA.
- Titles which are common only to the department, i.e., Manager 1, Education Program Assistant, Planning Associate, and Education Planner, cannot automatically be absorbed by the college.

#### 7. Seniority

- Library employees would maintain their total state seniority. Lay-off rights would be within the College.

#### 8. Unit Scope

- There was some concern as to what would constitute the unit scope for promotional examinations. The possibility of the Library maintaining its own unit scope would need to be considered.

#### 9. Promotional Lists

- If the Library were to maintain its present unit scope, Library promotional lists would remain in effect until their scheduled date of expiration.

#### 10. Personnel Management Information System (PMIS)

- PMIS is currently set up to allow an individual entry when transferring employees. If approved by the Department of Personnel and Treasury, a blanket transfer would need to be prepared to allow for one entry for the transfer, rather than approximately 98 for all employees and vacancies. Since no PMIS processing is currently done by Library Administration, all PMIS processing for the Library would need to be assumed by the College's Human Resources office.

#### 11. CWA Request

- CWA requested that consideration be given to grandfathering the classified titles in Education. This would allow the Library employees to maintain their rights in the department even though they transferred to the College. The request was denied on two bases: 1) Department of Personnel and the Department of Education are not likely to approve such an exception, and 2) if the split with the department is made, it should be a complete break.

### **C. Data Processing**

The data processing working group was charged with identifying what information, databases and operational programs must be transferred; what systems are similar; what equipment will need to be transferred; estimating the amount of time and staff needed to transfer information and equipment; and identifying any other issues which need to be resolved. The members of the working group included: Bob Fortenbaugh, State Library; Howard Bookin, DOE-IRM; and Drew Hopkins, TESC.

#### 1. Information Systems To Be Transferred

- The major systems maintained by the department for the Library include: the Electronic Data Collection (EDC) program, annual Public Library statistics, systems to process state aid and grants, the analysis of contract Library performance, and specialized mailing lists. Each of these systems could be absorbed by the College's MIS unit given sufficient time and resources. In the interim, the Library would need to continue to contract with the department to maintain these systems for one complete cycle following the transfer.

#### 2. Library and College Interconnectivity

- The Library could be connected to the College wide area network to allow Library staff access to the accounting, purchasing, database, and e-mail systems currently in use at the College. This communications link would require the purchase of additional hardware and software. Emphasis will be placed on establishing the accounting and purchasing connection first.

## **D. Facilities**

The facilities working group was charged with exploring the building arrangements, including ownership, security, operations, maintenance, and mail operations. The members of the working group included: David Corso, DOE; Frank Hagerty, TESC; and Oliver Gillock, State Library.

### **1. Building Ownership**

- There are two facilities associated with the operations, the State Library located at 185 West State Street, Trenton; and the Library for the Blind and Handicapped, at 2300 Stuyvesant Avenue, Trenton.
- Both Library buildings and College buildings are owned by the State of New Jersey and are maintained and operated by the Treasury, Division of Property and Management (DPM). The land for the Library for the Blind has been deeded to the Department of Education. A Conveyance of Real Property Deed would need to be obtained. If the department agrees to the transfer of ownership, this procedure can be effectuated without delay.
- The Library FY 1997 capital budget would be included in the Department of Treasury Capital Budget request for funding related to capital improvements at the Cultural Complex. Funding would be requested for renovations of Levels 2, 3, and 5, as Levels 1 and 4 were completed previously. Funding for the renovations will be provided by the New Jersey Building Authority Bond Funds. The funding through capital improvements at the Cultural Complex would continue regardless of the Library's administrative location.

### **2. Security**

- The Library at 185 West State Street utilizes two security guards and the Library for the Blind, 2300 Stuyvesant Avenue, utilizes one security guard. Security coverage for the Library buildings and the College is provided by the Division of State Police with funding for this service contained in the Library budget. No change in security or funding for security would occur.

### **3. Parking**

- The Library staff would receive a permit for permit swap for parking in the new Stacy Park garage. A total of 62 permits would be needed.

### **4. Mail Operations**

- Mail operations would continue as currently operating, with the opportunity to consider consolidation of services in the future if appropriate.

## **E. Fiscal, State Aid, and Grants**

The fiscal, state aid and grants working group was charged with reviewing the fiscal, budgeting and distribution of grant funds. The members of the working group included: Farouk A. Hassieb, TESC; Barbara Breeden, DOE; and Brian Goldsmith, State Library.

### **1. Budget Development and Preparation**

- The Library would continue to prepare its own budget, which would be considered "in but not of" the College's budget and submitted by the College President directly to Treasury.

### **2. Payroll**

- Arrangements would need to be made to establish a separate account with Ceridian, the College's payroll service vendor, for the Library employees in state and federally funded positions. Employee payroll and time records would need to be electronically transferred from the Library Administration Services to the Human Resources office through PMIS, with all future payroll payments provided through the College's system. Any hard copy records in this area would need to be transferred to the College along with the official personnel files.

### **3. Purchasing**

- Purchasing could be done through the College's automated purchasing and accounting system. Purchase orders could be approved electronically by the College administrative services office, and could be printed at the Library and distributed to vendors by its staff. Prior to the system being in place, it may be necessary to operate under a dual system.

### **4. Cash Management/Budget Drawdown/Investment**

- The College would be able to manage the Library's cash resources in parallel to the College's own resources. It would be necessary to open up new bank accounts. The Library would be able to access the earnings on the investment of its cash resources. The Library would also be able to carry over unexpended fund balances across fiscal years.

### **5. General Ledger/Financial Reporting**

The Library does not maintain a traditional general ledger and there is no balance sheet information available to record its assets, liabilities and fund balance. The College would need to create and load library charts of accounts into the College, not as distinctive and separate entities, but as

part of the overall financial complex as a related entity with separate assets, liabilities, and fund balance accessibility.

- An independent auditing firm would be required to ensure compliance with AICPA, FASB guidelines.

#### 6. Fixed Assets System

- The Library does maintain a fixed assets system, except that the state mandated requirement is \$1,000 per unit. Since the College's internal policy and procedures call for a fixed assets acquisition threshold of \$300, it would be necessary to inventory and evaluate the current assets at the Library in order to account for its historical value on the balance sheet. It may also be necessary to engage a specialized firm to undertake this task if it is significant in nature.

#### 7. Travel Services/Central Motorpool

- The Library staff would discontinue using the state's travel system and begin using the College travel service to book and authorize travel arrangements, in addition to utilizing the state motor pool service and the College's policy and procedures.

#### 8. Grants Management

- The Library's budget includes nearly \$13 million in state aid, including both formula entitlements and competitive grants. Certain portions of the Library's federal funds are distributed in the form of competitive grants. There is currently no equivalent of this function at the College and procedures, equivalent to current regulations, would need to be developed for awarding and payment of grants.

#### 9. Federal Funds

- In terms of the financial management of federal grants, the College currently receives federal funds and has procedures in place for drawdown of funds, recording of expenditures, and fiscal reporting. There is nothing to prevent the Library from its eligibility to receive and distribute federal funds.

#### 10. Internal Audit

- An internal audit position may be needed to ensure that all transactions for the Library be filtered through this section to ensure that quality control and compliance with grants and contracts are in place.

#### 11. External Audit and Single Audit, A133 Federal Audit Compliance

- The College's audit firm would need to expand its scope of annual audit to include the library financial statements and the single audit A133 Federal Audit compliance.

#### **IV. ISSUES TO BE RESOLVED**

Based on the information obtained in this study, it does appear feasible to consider transferring the Library to the College. However, prior to that occurring there must be resolution to the issues outlined below.

- A. The issue regarding the mechanism by which a transfer would take place appears to be one of the biggest obstacles in moving forward expeditiously. The Executive Reorganization Act would be most desirable because it would be less visible and more expeditious than pursuing legislation. However, both DAGs contend that Section 306 of the Higher Education Restructuring Act precludes colleges from using the Executive Reorganization Act as a mechanism for transfer. Therefore, it appears that legislation will be necessary to effectuate the transfer.
- B. It is noted that several entities, including the Educational Media Association, believe that the position of Library Media Specialist, currently located at the Library, should remain within the framework of the department. This is due to the fact that the role of this position is viewed as a catalyst for all academic instruction. It is through this position that it is ensured that students and staff are effective users of resources, ideas, information, and technology to function effectively in the future. It appears that since this position is viewed as an integral part of the total educational program, it is reasonable to consider relocating this position within the department, Office of Technology's education unit, should the transfer of the Library be approved.
- C. The following issues related to human resources must be addressed:
  - Regarding the time involved in transferring pension information, some delays may be experienced resulting in back payments. The Division of Pensions would need to be contacted to ensure that they would work closely with the department and the College to effectuate a smooth transfer.
  - Regarding titles which are not presently part of the College system (i.e. Manager 1, Education Program Assistant, Planning Associate and Education Planner), the department of Personnel would have to authorize the use of those titles by the College. This type of exception is not uncommon, however, approval would need to be sought.

- Regarding the issue of changes in unit scope, it was determined that the best resolution would be for the College to maintain its own unit scope. However, this would be subject to Department of Personnel approval.
  - PMIS currently requires individual transfer entry for each employee relocated. In order to assure a smooth transition, a blanket transfer could be prepared. However, this would require the approval of the Department of Personnel, as well as, substantial time prior to the transfer.
- D. There are two State Library programs that would not be able to function according to current statute with quarterly drawdowns, similar to the College's set up. Both the Per Capita State Aid and the Library Network programs have significant payouts in the month of October. There would need to be an agreeable solution, such as, 100% of the Per Capita and Network appropriation advanced at the beginning of the fiscal year. Quarterly drawdowns of all other library appropriations may be requested if a 100% advance is not possible.
- E. There are several Library regulations for which there is no comparable structure at the College. For example, procedures for grants management, which are currently outlined in code (N.J.A.C. 6:68), would need a parallel structure to assure compliance and accountability.

## **APPENDICES**

Appendix A: Library Steering Committee Membership  
Appendix B: Working Group Membership

APPENDIX A

LIBRARY STEERING COMMITTEE

R. Steven Blaustein  
Director, Administration  
Department Of Education

Jennifer Seeland  
Director, Office of Interagency Initiatives  
Department of Education

Carron Albert  
Director, Human Resources  
Thomas Edison State College

Ernie Coluccio  
Director, Bureau of Human Resources  
Department of Education

Brian Goldsmith  
Administrative Officer  
State Library

Barbara Breeden  
Director, Budget & Accounting  
Department of Education

Catherine Crill  
Interagency Coordinator, Office of Interagency Initiatives  
Department of Education

Marilyn Veldof  
Head Librarian  
State Library

Peter Peretzman  
Director, Office of Communications  
Department of Education

## APPENDIX B

### LIBRARY WORKING GROUPS

#### Transition Issues - Organization & Statutory/Regulatory Review

Jennifer Seeland - LEAD  
Director, Office of Interagency Initiatives  
Department of Education

Carron Albert - LEAD  
Director, Human Resources  
Thomas Edison State College

Catherine Crill, Interagency Coordinator  
Office of Interagency Initiatives  
Department of Education

Marilyn Veldof  
Head Librarian  
State Library

Nancy Kaplan Miller, DAG  
Attorney General's Office

Renee Swartz, Chair  
Library Advisory Council

#### Human Resources

Ernest Coluccio - LEAD  
Director, Bureau of Human Resources  
Department of Education

Carron Albert  
Director, Human Resources  
Thomas Edison State College

Brian Goldsmith  
Administrative Officer  
State Library

**Fiscal, State Aid, & Grants**

Farouk Hassieb - LEAD  
Controller  
Thomas Edison State College

Barbara Breeden  
Director, Budget & Accounting  
Department of Education

Brian Goldsmith  
Administrative Officer  
State Library

**Data Processing**

Bob Fortenbaugh - LEAD  
Asst. Coordinator  
Library Services

Howard Bookin  
Director, IRM  
Department of Education

Drew Hopkins  
Director, Management Information Systems  
Thomas Edison State College

**Facilities**

David Corso - LEAD  
Manager, Management Services  
Department of Education

Frank Hagerty  
Director, Administrative Services  
Thomas Edison State College

Oliver Gillock  
Coordinator  
Library Planning & Development

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