
Commission Meeting

of

NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

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

DATE: October 2, 1998
10:00 a.m.

MEMBERS OF COMMISSION PRESENT:

B. Carol Molnar, Chair
Senator Bernard F. Kenny Jr.
Assemblyman Louis A. Romano
Margaret M. Villane
Anthony F. Annese
Robert A. Roth
E. Martin Davidoff

ALSO PRESENT:

Caroline Joyce
(representing Senator Robert E. Littell)

Keith Davis
(representing Assemblyman Francis J. Blee)

Valerie Murray
(representing James A. DiEleuterio Jr.)

Lewis A. Scheindlin
(representing Janice Mintz)

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

We will now take the roll call.

MR. SHIDLOWSKI: Mr. Martin Davidoff.

MR. DAVIDOFF: Here.

MR. SHIDLOWSKI: Mr. Anthony Annese.

MR. ANNESE: Here.

MR. SHIDLOWSKI: Mr. Robert Roth.

MR. ROTH: Here.

MR. SHIDLOWSKI: Caroline Joyce, representing Senator Littell.

MS. JOYCE: Here.

MR. SHIDLOWSKI: Senator Kenny.

SENATOR KENNY: Here.

MR. SHIDLOWSKI: Keith Davis, representing Assemblyman Francis Blee.

MR. DAVIS: Here.

MR. SHIDLOWSKI: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Here.

MR. SHIDLOWSKI: Ms. Valerie Murray, representing Treasurer DiEleuterio.

MS. MURRAY: Here.

MR. SHIDLOWSKI: Mr. Lewis Scheindlin, representing
Commissioner Janice Mintz.

MR. SCHEINDLIN: Here.

MR. SHIDLOWSKI: Ms. Margaret Villane.

MS. VILLANE: Here.

MR. SHIDLOWSKI: Mr. John Geniesse, representing Mike
Ferrara.

MR. GENIESSSE: Here.

MR. SHIDLOWSKI: Ms. Carol Molnar.

MS. MOLNAR: Here.

MR. SHIDLOWSKI: We have a quorum, Madam Chair.

MS. MOLNAR: Thank you.

Our next order of business is the approval the minutes of
December 12, 1997. I believe that was in your package.

MR. ROTH: Motion to approve.

MS. MOLNAR: Do I hear a second?

ASSEMBLYMAN ROMANO: I'll second it.

MS. MOLNAR: Is there any discussion or questions? (no
response)

If not, we'll take the roll.

MR. SHIDLOWSKI: Mr. Davidoff.

MR. DAVIDOFF: Here.

MR. SHIDLOWSKI: This is a vote.

MR. DAVIDOFF: I mean yes.

MR. SHIDLOWSKI: Mr. Annese.

MR. ANNESE: Yes.

MR. SHIDLOWSKI: Mr. Roth.

MR. ROTH: Yes.

MR. SHIDLOWSKI: Ms. Joyce.

MS. JOYCE: Yes.

MR. SHIDLOWSKI: Senator Kenny.

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Mr. Davis.

MR. DAVIS: Yes.

MR. SHIDLOWSKI: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Ms. Murray.

MS. MURRAY: Abstain.

MR. SHIDLOWSKI: Mr. Sheindlin.

MR. SHEINDLIN: Yes.

MR. SHIDLOWSKI: Ms. Villane.

MS. VILLANE: Abstain.

MR. SHIDLOWSKI: Mr. Geniesse.

MR. GENIESSSE: Yes.

MR. SHIDLOWSKI: Ms. Molnar.

MS. MOLNAR: Yes.

MR. SHIDLOWSKI: They're approved.

MS. MOLNAR: Next order of business is the approval of the minutes of the September 11, 1998 meeting.

MR. ROTH: Motion to approve.

MS. MOLNAR: Do I hear a second?

ASSEMBLYMAN ROMANO: I'll second it.

MS. MOLNAR: Any questions or comments?

ASSEMBLYMAN ROMANO: If I may, one comment. If those are the minutes that we received, they seem to be very -- how can I say? -- abbreviated. I mean, heretofore, we've had quite lengthy minutes provided.

My other colleagues, have you noticed now it's -- what is it? -- three sheets? I have no problem with it. I just want to know if everybody understands what we have now.

MR. SHIDLOWSKI: I believe that we captured the spirit of the discussions. We have transcripts and tapes of the meeting, if anybody has any question or requires more detail.

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

If not, we'll take a vote.

MR. SHIDLOWSKI: Mr. Davidoff.

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Annese.

MR. ANNESE: Yes.

MR. SHIDLOWSKI: Mr. Roth.

MR. ROTH: Yes.

MR. SHIDLOWSKI: Ms. Joyce.

MS. JOYCE: Yes.

MR. SHIDLOWSKI: Senator Kenny.

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Mr. Davis.

MR. DAVIS: Yes.

MR. SHIDLOWSKI: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Ms. Murray.

MS. MURRAY: Abstain.

MR. SHIDLOWSKI: Mr. Sheindlin.

MR. SHEINDLIN: Yes.

MR. SHIDLOWSKI: Ms. Villane. (no response)

Mr. Geniesse.

MR. GENIESSSE: Yes.

MR. SHIDLOWSKI: Ms. Molnar.

MS. MOLNAR: Yes.

MR. SHIDLOWSKI: They're approved.

MS. MOLNAR: Thank you.

Next items are the executive director report.

MR. SHIDLOWSKI: I just have a few brief remarks, Madam Chair. There's been a change in today's agenda. We had originally scheduled the Building Authority project reports to be presented today. They'll be presented at our October 30 meeting. There's also been a change in the order of presentation because of a scheduling conflict. Acting Secretary of State Cronheim has requested that she be allowed to make the first presentation, and the revised agenda reflects that.

I'd also like to welcome all of the new Commission members who are joining us today. Mr. Geniesse in particular has been a past member of this Commission, and so we're pleased to have him.

We're providing Commission members today with the briefing materials for our organizational meeting next week. We won't be making a mailing. The materials we're providing today are the briefing materials for next week's meeting. Apropos to next week's meeting, I've been informed that Assemblyman Blee, Assemblyman Bagger, and Senator Inverso will not be attending next week's meeting. They'd all been invited.

The only other thing that I have to report is that we have received all of the capital requests at this point in time.

MS. MOLNAR: Great.

MR. SHIDLOWSKI: Madam Chair, that concludes my report.

MS. MOLNAR: For next week's meeting, Senator Littell indicated he will be there, and Senator Kenny indicated that he would be there. I believe Mr. Bagger will be represented by Beth Schermerhorn. We were thinking of asking a designee from Inverso's office. Mr. Davidoff had requested that.

Any questions or comments? (no response)

If not, we can move on to our capital requests.

Our first department is the Department of State. It's an honor and a pleasure to welcome Acting Secretary of State Carol Cronheim.

CAROL CRONHEIM: Good morning. First, I want to thank the Commissioners for the opportunity to appear before you this morning. I appreciate the chance to talk to you about the capital needs of the Department of State.

As you'll see from the backup documentation, the first three priorities -- the Archives facility, the War Memorial, and the visual arts display equipment for the Council on the Arts -- are needed to ensure that the new

Department of State Building, better known as the Archives Building, and the War Memorial are fully operational when they open. The fourth priority -- the renovation of the State Records Center vaults -- will pay for itself in about two and a half years. In addition, we are seeking funding for Morven and the State Museum. Let me briefly run down some of the issues we'll be discussing.

First, the equipment for the new archives. This includes things like carts, ladders, and microfilm readers and printers that are not part of the furnishings order for the project. These items were excluded on the assumption that the Archives could use the equipment it already has, and it will. However, thanks in large part to the hard work of Senator Littell, who isn't here today, the Archives is more than doubling in size and going from one floor to two and a half. We will need more of these items to make the archives user-friendly and ensure a smooth transition from the old archives to the new facility.

Next, the War Memorial is also in need of some bare essentials to open. As you can see, we're talking about tables and chairs, refrigerators for our catering operation, dollies, pianos, etc. In the great tradition of the theater, we're begging, borrowing, and stealing -- well, at least, renting -- these items until we can get our own, which would be much more cost effective. Since the opening date is early January, it is very important that we get these items as soon as possible to run efficiently.

Next, we list a relatively small request for the Arts Council's exhibit space in the new building. This will be the Council's first chance to display some of the work they've been doing around the state on public

projects, but they don't have the necessary equipment. Purchasing this equipment will help us complete the new Archives Building.

Next is a request to expand storage and upgrade the environmental controls in the microfilm and magnetic media vault, part of the Division of Archives and Records Management. This action will prevent deterioration of valuable records. It will also provide additional revenue. Without any change in fees to reflect the improvements, this expansion will bring in an increase of more than \$70,000 annually. That means this capital investment of \$197,000 will pay for itself in about two and a half years.

The next item I want to bring to your attention is a capital request for historic Morven, the former Governor's residence in Princeton now run by our State Museum. Phase I of this project is slated to begin soon and finish by next summer. The nonprofit board, Historic Morven, Inc., raised almost \$900,000 for this project in private funds and applied for and received more than a million dollars in New Jersey Historic Trust funding for this project. So no General Funds have gone towards this project at all.

My original request was to ask you to consider approving funds for Phase II so that we could seamlessly go from the end of the first phase into the second phase while staff and equipment were already on-site and geared up. However, since our original submission to you, we discovered that the original project cost estimates done by the board were a bit rosy. They were not aware of, and therefore didn't include, some of the built-in fees and contingencies owed to the State. These costs amount to about \$100,000. I would like to alter my request, therefore, to reflect this need as well if possible. A

commitment to fund this shortfall would go a long way toward enabling us to go out to bid as soon as possible on Phase I.

Finally, we want to bring to your attention the needs of the State Museum building itself. As many of you know, it is in dire need of rehabilitation. The background work has been done to renovate its Natural History Hall, a place where many New Jersey schoolchildren come to learn each year. It's important that the information and the experience we provide be both educational and exciting. We are making this request in the knowledge that long-range plans call for the renovation of the entire State Museum as part of the overall rehabilitation of the Capital Complex.

These initiatives will serve many purposes. They will improve efficiency and public access. They will make it possible for us to open new facilities that will help revitalize Trenton. And they will help make the Department of State truly a Department of State pride that can bolster New Jersey's image, economic health, and quality of life.

I want to thank you for your attention to these matters. My Administrative Director, Kathy Kisco, and I are happy to answer any questions you may have.

MS. MOLNAR: Thank you.

Any questions or comments?

ASSEMBLYMAN ROMANO: I have a quick question, if I may.

MS. MOLNAR: Assemblyman.

ASSEMBLYMAN ROMANO: On your first page, the last paragraph, when they talk about the State realizing or appreciating \$70,000

annually, how is this cost generated? I mean, who pays this money that will generate 70,000?

MS. CRONHEIM: It's based on fees that--

ASSEMBLYMAN ROMANO: For what?

MS. CRONHEIM: For storage of media records that are mostly computer records in the magnetic media vault. We would expand some of the shelving in that area so that we could take in more of these records from the municipalities and other agencies that want to use the archives facility for this use. There is no other similar facility anywhere in this area.

ASSEMBLYMAN ROMANO: So what I'm hearing is this 70,000 is predicated on the receipt of fees to other State agencies.

MS. CRONHEIM: Well, mostly municipalities that need a place to store these--

ASSEMBLYMAN ROMANO: Oh, municipalities, okay.

MS. CRONHEIM: Right. They need a place to store these records, and there's no similar location. And there's a demand for this, so we're just trying to realize the demand, respond to it.

ASSEMBLYMAN ROMANO: Thank you.

And thank you, Madam Chair.

MS. MOLNAR: Any other questions or comments?

Caroline Joyce.

MS. JOYCE: Although this isn't addressed in the capital request during the budget process, it came up that the Archives will need some funding for relocation costs, to inventory what they have now and to actually get it

moved to the new facility. Is this being addressed now? Is there a timing issue?

MS. CRONHEIM: There is a timing issue. That's why it's not in this capital request. Because by July 1, it will be a little too late because then it will be a whole -- another year before the archives can move. So what we've been doing is working with Treasury on putting out a request for information to see what kind of vendors are out there who could do this sort of work. And the Treasury has brought in an expert, and we have used our experts at the Archives to put together what kind of an RFI would be appropriate. They're looking into that. We're working with Treasury to get the money for the move together so we hope to have that addressed.

MS. JOYCE: Do you anticipate that you will have the funding in place to complete the move?

MS. CRONHEIM: I do anticipate that we are going to work that out. Yes.

MS. MOLNAR: Mr. Davidoff.

MR. DAVIDOFF: Good morning.

MS. CRONHEIM: Good morning.

MR. DAVIDOFF: I also think it's a great idea for you to keep these archives up to date and provide space for the municipalities. I applaud that effort.

A couple of things on this budget request. First of all, I see no request for '01, '02, '03, '04, '05, '06 in here. You were supposed to provide us-- Does that mean we can expect you won't be coming back for any more capital requests? Is that correct?

MS. CRONHEIM: On these projects, yes.

MR. DAVIDOFF: No. No. On any projections?

MS. CRONHEIM: No capital requests on any projects in the future?

MR. DAVIDOFF: You're supposed to be providing us a six-year plan for all capital projects, not just what's this year, so that we can be anticipating what your--

Am I correct, Mr. Executive Director?

MR. SHIDLOWSKI: That's correct.

MS. CRONHEIM: Gee, well, we're not up on our six-year plan. I have to admit I've only been in the Department since July 1, so we are happy to get this year's plan done. But we will do that in future years.

MR. DAVIDOFF: It certainly important at least to be looking two or three years out in giving this Commission -- and I would ask that you provide the staff that information, through the Chair.

MS. CRONHEIM: Sure.

MR. DAVIDOFF: I would make that request that you provide the staff of your information for the out-years.

MS. CRONHEIM: Sure, that's no problem. We'll get that to you.

MR. DAVIDOFF: The other thing is, and the staff points out in the materials that they have provided to us and I-- The Natural History Hall for 8.4 million -- last year the request was 2 million. Two million, 8.4 million so--

MS. CRONHEIM: Let me explain what they did with that.

MR. DAVIDOFF: Please.

MS. CRONHEIM: When they researched redoing the Natural History Hall, the 2 million was to actually just redo that exhibit. But then as we were looking at it in the context of the Museum, which the Treasury Department has a report that should eventually be a part of the Capital Complex renovations, we found that if we just redid the exhibit but didn't do the underlying infrastructure needs -- the plumbing, the electricity, the heating -- that we would have to tear that exhibit out again when the Museum itself was done. So it didn't make sense to sort of put a coat of paint over a house that was leaking or falling down. This reflects that change.

MR. DAVIDOFF: How many square feet are we talking about? How large a facility?

MS. CRONHEIM: Square feet, that's a good question. This is just the one hall. That is a good question. I have someone from the Museum here, so maybe they could possibly help me out.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Eight thousand.

MS. CRONHEIM: Eight thousand. There we go.

MR. DAVIDOFF: Okay. So 8000 square feet is going to cost \$8 million. Well, 2 million is for the new exhibits; as you said, that was last year. But it's going to cost \$6 million to renovate the infrastructure of 8000 square feet?

MS. CRONHEIM: The estimate that the Treasurer's Department did for the museum complex and the auditorium was \$30 million. As you may know, that complex is in very bad shape, so there's no denying that. It's a 1960's structure, and it is leaking, and it is falling down, and it probably has

other environmental issues. And it's going to cost a lot of money to rebuild it, yes.

MR. DAVIDOFF: And what is causing the leaking? Is that because we haven't been properly maintaining the facility?

MS. CRONHEIM: I think part of it is maintenance and part of it is the original design of the building. Things they did for 30, 40 years ago that they don't do anymore in construction.

MR. DAVIDOFF: So if we put \$8 million down to this building, what's going to assure us -- I'm sure somebody like me asked this question 30 years ago -- what's going to assure us that it's not going to be -- all of a sudden the maintenance for the building is not going to be what it needs to be in order to keep this building in good condition to avoid future large expenses of money?

MS. CRONHEIM: Well, I do think that the future will hold the rest of the renovation of the museum. As you know, the Department of Treasury handles most of our large building projects like that, and we have to rely on their experts at Treasury. But I do think you're going to expect some maintenance every 30 or 40 years probably on these.

MR. DAVIDOFF: I would hope that it would be enough maintenance to avoid 30 years from now having to spend another \$30 million.

MS. CRONHEIM: I hope so. I hope so.

MR. DAVIDOFF: Thank you very much.

MS. MOLNAR: Any questions? (no response)

I had one question for you. Normally, the Building Authority funds furniture and equipment. We were wondering why we were being asked

for funds for the War Memorial. Normally, the expense is picked up by the Building Authority, something.

MS. CRONHEIM: There were some changes in the original project order on the War Memorial. These were originally included, but as other projects had needs, these items dropped off the radar screen, and most of them are necessary -- sort of lifts and refrigeration for the catering -- very basic things for a concert hall in a civic center of this type. It's not a large request, and we're sure we'll be able to make money back on this. The point of the War Memorial is the hope that we'll be able to have it be self-sustaining in the future, so we need to make sure that they are able to be state of the art with their catering operations and their concerts and events.

MS. MOLNAR: Good. Thank you.

Mr. Davidoff.

MR. DAVIDOFF: One more question. Have you explored for the improvements of the museum a public-private partnership or--

MS. CRONHEIM: We've been talking about that actually. I think one of the things that we can do is, it's very hard to raise money for the infrastructure pieces we were talking about, but I think when it comes to the exhibits, which will be phases, we've been talking about various corporations wanting to sponsor it. The exhibit will be sort of a circular thing. And I wouldn't go forward if we weren't trying to also do public-private partnership on this because I think it's important to bring the community in on this project. They have to feel like they have some ownership of our State Museum.

MR. DAVIDOFF: So if we do work on a public-private partnership, if we put in money for the infrastructure, does this mean we would be putting in less?

MS. CRONHEIM: I think we could probably work out a public-private partnership that would help. If there was a certain commitment from the State, it always makes it easier to raise private funds. People want to match a State commitment.

MR. DAVIDOFF: So one consideration should be we do the infrastructure and adjust this budget to -- that money be available if you can raise the funds from private industry for the exhibits.

MS. CRONHEIM: I think that certainly would be a workable way to proceed with this project. It may be a good way to do the infrastructure for then the entire museum and we go forward with the private side of the fund-raising.

MR. DAVIDOFF: I appreciate your candor on that.

MS. MOLNAR: Any other questions or comments? (no response)
If not, I'd like to thank you for your presentation.

MS. CRONHEIM: Thank you very much.

ASSEMBLYMAN ROMANO: May I ask-- Ms. Cronheim, when we talk about the building, are we talking about the old Board of Education building that's now been converted here?

MS. CRONHEIM: Yes, that's going to be the Department of State, 225 West State Street. Should be opening next spring.

MS. MOLNAR: Thank you.

Our next department is the Commission on Higher Education. I'd like to welcome Alfred Cade, Chair of Higher Ed Commission, and Victoria Bruni, Chair of the Council of State Colleges.

A L F R E D J. C A D E: Good morning. I am Al Cade, Chair of the Commission on Higher Education. And with us at the table this morning is Victoria Bruni, who is Vice-President for Administration and Finance from Ramapo, who will be making remarks when I conclude my very brief remarks.

I am pleased to return for a third year to discuss the capital needs of New Jersey's public four-year colleges and universities. In the past two years, the Capital Commission has offered its support through our proposed five-year facilities renewal program. Although the Governor and the Legislature have not been able to provide the full amount of funding you recommended, the higher education community appreciates your recognition of the need to continually renew our college and university campuses.

While our institutions have many important capital needs, including new construction and addressing environmental and compliance issues, the Commission on Higher Education considers maintenance and renewal of New Jersey's public college campuses to be our most fundamental need.

Deferred maintenance on buildings and infrastructure is a national problem that continues to increase. Across the country, the most college campuses were built at least 30 years ago and are thus in need of renovation. The problem has been compounded in recent years by the deferral of both the routine maintenance and major repair projects as public college budgets felt the pinch of limited increases in State funding.

The story is no different here in New Jersey. Most of the buildings at our senior institutions were constructed during the 1960s and the 1970s and like their national counterparts are now in need of renovation. Although bond programs such as the Higher Education Facilities Trust Fund have helped institutions to address the need for new or rehabilitated academic buildings, many of our campuses still have critical capital needs. According to the preliminary results of a comprehensive facility survey we conducted, the total cost of addressing the capital needs at New Jersey's senior public colleges and universities is over \$2.2 billion. That includes nearly \$400 million in deferred maintenance, renewal, and replacement projects that are essential to protecting the public investment in New Jersey's public higher education campuses.

While the Commission and the higher education community recognize that the State's fiscal resources are limited, we strongly believe that funding our college and university facility renewal is a strategic investment that preserves existing campus assets, enhances the quality of our institutions, and enhances the potential for the economy on the economic growth of our state.

Through your past recommendations, the Capital Commission has acknowledged the importance of maintaining the infrastructure that supports teaching, learning, and research at our public colleges and universities. You have recognized the economic dividends New Jersey reaps from a higher education system prepared to serve the workforce, conduct research with commercial applications, and directly meet the needs of business and industry.

Whether it is through a five-year plan, such as we have proposed in the past, or through some other funding mechanism, we hope that the Capital Commission will strongly recommend increased funding for facilities

renewal in New Jersey senior public colleges and universities. In doing so, you will ensure the future health of our higher education system and the prosperity of our State.

Thank you very much. That concludes my remarks.

I'd like to turn it over now to Vice-President Victoria Bruni from Ramapo.

V I C T O R I A B R U N I: Good morning. I'm Victoria Bruni, Vice-President for Administration and Finance at Ramapo College in Mahwah. And I'm also Chair of the Council of Vice-Presidents for Administration and Finance for the State College and University Sector. I am pleased to have this opportunity to talk with you about our sector, the State colleges and universities, and our particular capital needs.

First, I'd like to thank the Commission for the support given to higher education in the past. I need also to recognize this administration for providing capital funding in specific initiatives: The equipment leasing fund, which with the 25 cents-on-the-dollar match from the colleges, provided funds for needed scientific and computer equipment. The Higher Education Facilities Trust Fund, a State fully funded source of critical funds for capital improvements on our campuses. And what we're working through now, the Higher Education Technology Infrastructure Fund, which allocated funds to be matched dollar for dollar by the institutions, for technology, networks, communications links, and the like.

These funds were sorely needed, warmly welcomed, and much appreciated, but they have not been sufficient to deal with the wider range of critical capital needs we're all facing on our campuses today. We in the State

College University Sector take seriously our fiduciary responsibility to the State to care for and preserve the capital assets entrusted to us. As you know, we do not own our physical plant. The State of New Jersey does. But we need consistent, predictable, and adequate funding to do that fiduciary responsibility.

Ramapo as a college is entering its second quarter century, which means that just about all of our physical plant is over 25 years old, and it is showing its age. Last year a transformer blew up and put the campus in the dark. This year we suffered another unrelated power outage that surged through some computer equipment, damaging it irreparably, before putting us again in the dark. Both incidents stemmed from an aged electrical infrastructure that needs major overhauling. We have leaking roofs that need replacement but can only be patched for lack of funds. Our HVAC system is cranky and needs attention. Our walks and parking lots are patched instead of renovated. I could go on and on.

Each of my colleagues could tell a similar story. For example, at Montclair State University, the electrical system will max out with the completion of their science wing, and their steam tunnels are ancient and need serious attention. Deferred maintenance has become a chronic problem on all the campuses because we lack the funds to address serious capital preservation issues in a planful way.

Investment in the physical capital of higher education is as important as investing in human capital. Just as we must pay attention to adequately compensating and developing our people in higher education, we must also pay attention to renewing and expanding the physical capital used

on our educational enterprise. Why? One reason is to remain competitive with other institutions of higher learning so that we can attract and keep New Jersey's students in New Jersey. But more importantly we need, indeed we have a duty to the citizens of New Jersey, to provide a safe and technologically up-to-date learning environment that not only meets the expectations of students and their parents, but that also fosters the skills and competencies demanded of students when they enter the workplace.

We cannot prepare our students for the 21st century in facilities that are inadequate, aged, or crumbling from neglect. You have heard about the staggering capital needs of our senior public institutions. I can attest from our experience at Ramapo that those needs are real. We have identified at Ramapo over \$100 million worth of needed capital improvements over the next seven years. This next year alone we've identified over 34 million in construction projects and about 7 million in needed preservation, compliance, environmental, and infrastructure projects.

Unfortunately, the record of New Jersey in addressing these kinds of needs through the State budget has been poor. For years, higher education's infrastructure has been shortchanged. What we need in higher education is consistent, predictable, and adequate capital funding in order to continue to deliver a quality education to our students. Think of the world we live in today and the winds of change blowing strongly through our institutions the information and technology revolution, the influence of the Internet, the explosion of scientific knowledge.

We're not talking frills when we want to build smart classrooms with the latest technology so our students are prepared for what they will find

in the workplace. We're really not talking frills when we want our science and engineering students to experience the contemporary equipment and technology they will need in the workplace. We are not talking frills when we need to upgrade our facilities to comply with laws regarding asbestos abatement, ADA compliance, and environmental health and safety. And we're not talking frills when we need to renew and replace aging HVAC systems, electrical networks, steam plants, and old energy-hungry boilers.

We are ready, willing, and able to invest wisely and stretch our capital dollars, but we need to know we can count on consistent and predictable amounts over given periods of time so that our investments in renewal and renovations can be well planned and economic.

Finally, may I share a closing thought? The State colleges and universities have over the years carefully husbanded their resources attempting to respond to campus needs. However, capital investment, particularly maintenance, has been underfunded because of lack of consistent support from the State. Let me illustrate -- let me demonstrate the dilemma we face. Our sector only has a few sources of funds for operations, State appropriations and tuition. And some colleges may have a little endowment income or a bit from grants, but the State and the students are our principle source of revenues. And in the operating budget, just about all these revenues are spoken for without much left over for capital maintenance.

If this dollar bill (indicating) represents our revenues available for operations at the college -- and I'm not foolish enough to take this pair of scissors (indicating) and cut up a dollar bill. We conserve our dollars on

campus. But here's a copy (indicating). Where does this dollar go? (cuts copy of dollar bill) Well, that's compensation, salaries, and benefits -- 70 cents.

(continues cutting copy) Here's another 20 cents. This 20 cents goes for things like computer licenses, maintenance, postage, telephones, books, and materials for the library -- all those things -- those goods and services that you need on campus.

Oops (continues cutting copy). Fuel and utilities -- 3.5 cents out of this dollar is going to fuel and utilities.

Here's 7 cents left. Where do we get the money to build on campus? We have to borrow it. Here's 6.5 cents out of that 7 cents that goes to debt service. And here's what we have left for additions and improvements. If you can see it, your eyes are better than mine. One-half cent out of our dollar.

When we need to make physical plant improvements on our campuses, you can see why we need State funds. Without capital funding from the State, our institutions' operating budgets will become ever more burdened with debt. Students will be paying that debt through higher tuition and fees, or the needs will go unmet. For the future of our State and the citizens of New Jersey, I sincerely urge you to recommend increased capital funding for facilities renewal and expansion at the State colleges and universities.

MR. CADE: That concludes our formal remarks. We are available for your questions.

MS. MOLNAR: Thank you.

It is said that a picture is worth a thousand words. I'd like to thank you for your bill.

Any questions or comments?

Mr. Davidoff.

MR. DAVIDOFF: Good morning. I have an 18-year-old daughter who just started college at MIT. I certainly appreciate the reasonableness of the New Jersey State college tuition after paying the bills up there.

You talked about your budget. What is the total tuition of the New Jersey colleges that are collected? I want to know what that half cent is of that you have to spend?

MS. BRUNI: I don't know what the total tuition is at other schools, but at our school tuition and fees amount to about 16 million.

MR. DAVIDOFF: Does anybody have that information -- what the total tuition is that the colleges are collecting?

MR. SHIDLOWSKI: I believe it's probably available.

MR. DAVIDOFF: Does anybody have a ballpark guess from Treasury, or anybody that you brought with you today -- have any idea?

MR. CADE: Bob, do you have an idea of what that ballpark figure would be?

MS. MOLNAR: Could you identify him for stenographers, please.

ROBERT K. GOERTZ: Sure. I'm Robert Goertz. I'm the Director of Fiscal Policy for the Commission on Higher Education.

I'm going to guess that total tuition -- the total budget, and which is what that dollar is representing, for the 12 -- actually for the 11 higher

education institutions is about \$1 billion. That's what that dollar's representing, about a billion. Now of that--

MR. DAVIDOFF: In tuition mostly or in total?

MR. GOERTZ: Well, no, that's the total budget. Of that budget, about 750 million, or so, are State appropriations. Another 200 million to 225 million is tuition, and the other is other. That's sort of the revenue stream. I've given you the--

MR. DAVIDOFF: So the State on operations is contributing 750 million a year toward the operations of the universities? Is that correct?

MR. GOERTZ: The State contributes about 60 cents on every dollar. So I may be underestimating the overall costs, but I think the direct State appropriation to the 12 public institutions is about 750 million.

MR. DAVIDOFF: So New Jersey education is basically already being funded by the State to about 60 percent?

MR. GOERTZ: Yes. I think that-- Let me step back. I think that 750 million includes the State's contribution to fringe benefit costs.

MS. BRUNI: If we in higher education-- If you look at the total budget, we also have a portion of the budget which is known as auxiliary, which is not supported by the State. If we include our total budget, the auxiliary plus that which is supported by the State, the State contribution is actually for Ramapo only about half. Of the education in general, the State support is about 60 percent.

MR. DAVIDOFF: Now in your analysis there of your dollar bill, you said 0.5 percent of the tuition. I assume you meant of the total budget of a billion dollars, approximately, was what you had left for improvements.

Taking that, if my math is correct, that's \$5 million. In your proposal, you're proposing that your match be \$18 million. Tell me how you're going to get from 5 million to 18 million?

MS. BRUNI: At Ramapo, we have three options for that. One is to fund-raise, which in the public sector is not easy. We don't have a history of fund-raising, but all of us are engaged in private fund-raising. We can borrow it, or we can take it out of our reserves. Our reserves at Ramapo are very modest and have been carefully built up over the years. Right now, we have debt service of almost \$3 million and our reserves are about 4.5 million. I don't think it's fiscally prudent to be taking out of reserves to match on capital. But what we have had to do with the matches of those initiatives that I mentioned on the equipment leasing fund, we borrowed on the Higher Education Technology Infrastructure Fund. We have borrowed both long term and short term to come up with our match.

MR. DAVIDOFF: All right. Well, this concerns me. It sounds like you don't have the money to-- The proposal that he put forth, and have put forth here now for the third year, is the State put up 1 percent -- \$36 million -- and we, the institutions of higher learning, we'll put up \$18 million. And it sounds like, from your description, you can't come up with the 18 million without invading your reserve, which is not a reasonable long-term solution, and without borrowing, which is not a reasonable long-term solution. So I ask you again, all three of you, how are you going to-- The State says, "Okay, here's 36 million." You just said, "Hey, I only have half a percent left here." How are you going to possibly come up with 1.5 percent -- and we're not talking tuition, we're talking 1.5 percent of total budget approximately--

How are you going to come up with it? And I haven't heard an answer that says, "Yes, we absolutely can come up with it." And then I have a follow-up question to that.

MS. BRUNI: I could have brought another--

MR. DAVIDOFF: And I'm not just looking at Ramapo. I'm looking at all the sites.

MS. BRUNI: Yes. But I think that it's helpful for me to be here as a representative of a college that is struggling with these kinds of questions. And I often think of ourselves as the bumblebee. Aerodynamically, the bumblebee cannot fly, and yet the bumblebee flies. I think fiscally one looks at the State colleges and universities and thinks, with the shape you're in, how can you be in the shape you're in? And somehow we stretch those dollars. Somehow we make it happen. We make the patches instead of the replacements and that sort of thing.

So we have been so starved for capital that we are willing to humble ourselves, to stretch ourselves to get predictable and adequate funding. If you have nothing and by borrowing a dollar you can get two dollars, I think that that is preferable to having nothing and getting nothing. Because we're going to have to do the patching. We're going to have to do the minimal repairs, whether we get funding from the State or not. And what we do is we degrade the quality of the education that's available to the students. If you get into an emergency situation, you have to meet the emergency. So in those emergencies, you will go to the sources that you have available to you.

So that we appreciate the concern and the thoughtful recommendations of this Commission, and we would be grateful-- We are

extremely grateful for the Higher Education Facilities Trust Fund because that was a total infusion of capital from the State with no strings attached. And believe me, at Ramapo we used every dollar carefully. But if we can get a predictable infusion of capital and we have to make a match, we will do that.

MR. CADE: May I?

MR. DAVIDOFF: Please.

MS. BRUNI: I'd prefer not to have to.

MR. CADE: May I comment on that?

MR. DAVIDOFF: Absolutely.

MR. CADE: I chaired the committee which originally came up with this proposal that the Commission has put forth, which was a five-year proposal for funding. The institutions were part of those discussions and would rather have not been required to have a match with those in that proposal, but agreed. This effort is so important, so compelling that they were all willing to agree to that percentage match. They have various strategies -- different strategies on how they would do it. I have not nailed anybody to the wall to convince me that you can, but I am also convinced that it is so compelling and so important that they are willing to and they are capable of coming up with their match.

MR. DAVIDOFF: Now, in that line, it is so important-- Last year I sat here with you--

MR. CADE: Yes.

MR. DAVIDOFF: Is it Dr. Cade or Mr. Cade?

MR. CADE: Mr. Cade.

MR. DAVIDOFF: Mr. Cade. I sat down here with you, Mr. Cade, and I said we gave you \$5.8 million, not we, but the Legislature. We gave you \$5.8 million in Fiscal '98. You had told us we can come up with 18 million. Did you spend the 18 million last year? You said, "No, we didn't." This year we came up with \$11.75 million, all right. I want to ask you, have the universities -- their piece, their match of 18 million that they're going to put in for Fiscal '99 -- are they going to spend it on these kinds of improvements?

MR. CADE: I'll have to defer to the universities to ask that question. I cannot speak for them. I wouldn't dare do that.

MR. DAVIDOFF: Okay. Ramapo, for example, could you put in your half percent match for your Fiscal '99?

MS. BRUNI: Yes, we have.

MR. DAVIDOFF: You have put in your half percent match?

MS. BRUNI: Absolutely.

MR. DAVIDOFF: Well, that's good. I'm glad to hear that.

How about the other colleges? Have they included a half percent match in each of their budgets for this Fiscal '99?

MR. GOERTZ: It's not identified as a specific half percent match. I took a quick look at the '97 spending for plant funds, and that could be from a variety of different sources of given fund accounting. It could be debt service. It can be balances. It could be a bunch of other different kinds of things. There was-- For the ones that I happen to have on hand, FY '97 financial statements, I would say, yes, they did put in. They spent far more than \$18 million from various sources, as much as 10 times that.

MR. DAVIDOFF: Towards these types of improvements that we have here.

MR. GOERTZ: Well, I can't say that.

MR. DAVIDOFF: Okay.

MR. GOERTZ: This is-- They spent-- This would include spending for new construction, spending for renewal and replacement, spending for infrastructure. I think a lot of it depends on the individual campus, and what the needs and priorities on that particular campus are.

MR. CADE: It's a moving train, as you well know.

MR. DAVIDOFF: And the thing is-- I guess what I've been looking for, and I won't take too much more time, and I'll just make a comment is: This is the third year we have this proposal to put up a half percent toward these types of projects. As I indicated, my view is that if these are so important that whether or not the State puts up its share of the money, that you should be putting up your half percent and making sure that these deferred maintenance projects get in, making sure that you've provided a long-term solution toward funding these projects, and then-- As you see, we're whittling at this. We got almost 6 million the first year. We got almost 12 million the second year. We have been supportive of this, but it's hard for us to be supportive without some concrete evidence that you have been putting in the money toward these projects.

And what I'm going to ask, through the Chair, if you could provide the staff saying, "Yes, we are providing this dedicated half percent, or no, we aren't. Here's how it's being provided toward these kinds of deferred maintenance and capital budget requests," so that we understand that you're --

that half cent that you're tearing off the bill, it's got to be a penny and a half in order for you to just keep your share of this commitment, which is, as you say, so vitally important to maintain our buildings. And if you do it, and you're taking it out-- The State's providing 750 million, maybe 600 million, but it's a lot of money. If the State sees that you're taking care of your deferred maintenance and making the problem become less of a problem, I think, through what we're doing and through showing responsibility on part of the universities and colleges, maybe we can convince the Legislature next year to go a little bit more and eventually get to that place where we think we need to be.

MR. GOERTZ: Excuse me. If I may, one of the things that we did discover -- and we started this survey process almost a year ago, and we've been trying to wrap it up with cooperation and clarification from the institutions. We've been surveying all sectors of higher education. One of the questions we asked is how much the institution spent in FY '97, which was when we started this, the most recent completed budget year on deferred maintenance. The answer for the four-year public institutions was \$36 million. That's as against the need of \$391 million that they identified in deferred maintenance.

Now, deferred maintenance, as we define it, is different from any of the categories, if you will, that you see on the Capital Commission. It probably is as close to preservation as any of the other categories. But the definition that's used in higher education is maintenance that should have been budgeted and was not done in a given year usually because of funding constraints or other emergencies. The colleges collectively are putting in twice

what the match would have required them to do. Now, whether-- I hope that sort of helps clarify that -- clarify the discussion.

MR. DAVIDOFF: It helps. I just would ask that the staff help discern what these projects are versus -- and advise us as to whether that's being done or not, in their professional expertise, through the Chair, if that makes sense.

MR. SHIDLOWSKI: Well, we'll discuss this with Mr. Goertz and see if we can come up with a solution.

MR. GOERTZ: We'll also be happy to give you the summary from financial statements or from the-- The easiest way to do that is, as reported, through the integrated postsecondary education data system, that gives us a quick summary. We'll give you that in terms of the overall budgets for the 12 public institutions in total. I just don't happen to have that with me, but it's readily available. So I'll provide that to the Chair and all.

MS. BRUNI: If the other senior publics are similar to Ramapo, we have funded it, as I said before, not very much out of operating, except for the debt service that is growing because of borrowings to find the money and also dipping occasionally into our reserves when we have an emergency situation, which is why we build the reserves to begin with.

MR. DAVIDOFF: Thank you.

MS. MOLNAR: I'd like to thank Mr. Davidoff for his insightful observations.

Are there any other questions or comments?

MR. ROTH: Madam Chair.

MS. MOLNAR: Mr. Roth.

MR. ROTH: You just mentioned debt service in this context. Debt service isn't deferred maintenance.

MS. BRUNI: No. No. I'm saying that of my dollar bill, after taking care of the compensation and the goods and services of fuels and utilities, there's 7 cents left. Six and a half of that 7 cents out of the operating budget goes toward paying interest on debt.

MR. ROTH: Okay. I misunderstood you.

The one thing I'd like to add to Mr. Davidoff's comments is I think this is an important part of our analysis, and it should probably be submitted with their budget request to us in a formal report each year, if the rest of the Commission goes along with that.

MR. DAVIDOFF: I do.

MR. SHIDLOWSKI: We'll include that in the instructions next year.

MR. DAVIDOFF: Along with the torn-up dollar bill showing where it's all going.

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

If not, I'd like to thank you all for coming, and we will consider your requests. Thank you.

MR. CADE: Thank you.

MR. GOERTZ: Thank you.

MS. MOLNAR: Before we call up our next department, I have a letter -- memo, sorry -- addressed to us, the members of the Capital Budgeting Commission (*sic*) from Senator Littell, who chairs the Senate Budget and Appropriations Committee, and it pertains to the State Archives and the State

Library. So before we call the State Library up, I would like to -- he would like us to read his memo into the record.

“I would like to stress two capital funding requests that are before this Commission today. The first is the 502,000 request for the State Archives, as the renovation of the Department of State building did not include funding for capital equipment for the Archives. Because the Archives must have this equipment to operate in its new facility, this request is of vital importance. The funding will serve to protect and enlarge the State’s documentary heritage, as well as allow the Archives to offer new programs to stimulate heritage tourism in Trenton.

“The second capital request is for the State Library renovations. The State Library is close to 35 years old and now requires significant interior and technological renovations to allow it to function in the 21st century. The Library also deserves the same attention to renovation that the neighboring State House Complex has received. As the State Library possesses unique and precious documents to this date and serves as a useful resource to the public, it is now time that we take care of its capital needs. The FY 1999 Appropriations bill included funding for both of these times, yet, these amounts were subsequently vetoed from the budget. It is our responsibility to the citizens of this State to hear these capital requests and recommend the capital funds necessary to preserve the integrity of these valuable public facilities.”

Now, representing the State Library, I’d like to welcome Jack Livingstone.

Good morning.

JOHN H. LIVINGSTONE: Good morning. Thank you very much. I'd like to introduce Mike Scheiring, Vice President of Thomas Edison State College, on my right. And I certainly want to thank Senator Littell for his perceptive recommendation.

As you said, I'm Jack Livingstone, the State Librarian, and I want to thank you for this opportunity to appear here this morning. In the last year, as an affiliate of Thomas Edison State College, the State Library has moved two capital budget projects toward completion and has a third project underway.

The State Library fire suppression system is reaching the last stage of installation. The telecommunication wiring and audiovision broadcast equipment work at the Library for the Blind and Handicapped is virtually completed, and a portion of the computerized research system for State Library patrons and staff is now being installed.

It's the action of this Commission in recommending this funding that has opened the door for the State Library to become current with today's technology and to participate as a full partner in the State's Libraries 2000 Technology Plan for public libraries. The Libraries 2000 Plan is framed as a partnership, building upon local investment and local strengths. It is practical, cost effective, and workable and has received recognition as a model for other states. As we direct this massive effort, it becomes essential that several capital project needs be met if the State Library is to effectively participate.

Our first priority is to again request funding of \$479,000 for the Library for the Blind and Handicapped for the acquisition of an automatic circulation system and to become year 2000 compliant. This project was

recommended for funding last year through the interdepartmental ADA account. However, due to a reduction in appropriations to this account, funds were not available for the project.

The Library for the Blind and Handicapped serves 12,000 visually handicapped users, and they borrow over 500,000 items each year. Their obsolete circulation and information system can no longer handle this load. And if the year 2000 issue is not resolved, the operation will be out of business. In fact, this issue is of such pressing importance that we have delayed the implementation of most of the capital project for automation of the State Library, which you also recommended last year, and are shifting most of this \$450,000 to the Library for the Blind and Handicapped to install the new circulation system, while resolving the year 2000 issue in a timely fashion.

Our second request is for \$400,000 for an architectural-engineering study to review and update the building renovation program for the State Library. This study, which would inventory library collections, determine growth rates, specify the impact of technology on the Library's services, both to State government and to the libraries of the state, is a necessary first step in updating the State Library for the future.

The third priority is the complete renovation of the State Library at a cost of \$13.8 million. The State Library has been working under a severe handicap in trying to meet the informational needs of State agencies, the Legislature, and the executive branch by working in a 33-year-old building designed and outfitted for an earlier age. For example, the Library needs to be properly wired with category five cabling for telecommunications and for such

hardware as servers and PCs, which are necessary to provide Internet access and access to documents and other vital publications.

The State Library is one of New Jersey's research treasures contained in a building that is functionally obsolete. The original furniture, now over 33 years old, is still in use. It is unsightly, often broken and patched, and not ergonomically designed for today's technology. The public is sitting on the same chairs, working at the same tables, walking on the same tile as in 1965. The lighting is a patchwork of fixtures and luminescences. Microfilm cabinets are not only old, but they weren't designed to store today's CD-ROMs. Wall leaks have caused plaster to crumble leaving pockmarked walls. The wear caused by thousands of people using the Library each year for over 33 years has left its mark. We're living with the physical remains of a mighty research institute, old, outdated, unserviceable furnishings, workstations too small to hold a computer and related equipment, broken chairs, and original lights and ceilings.

The renovation project begun in the 1980s was but a downpayment on the long-range needs of the State Library facility. Fiscal Year 2000 will be an 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.

The State Library serves the Legislature, the executive branch, State agencies, the libraries of New Jersey, and the people of the state. An updated and fully functional building is necessary to do this job.

To summarize, the building needs to be completely wired for technology. Workstations for computers and associated hardware are required, furniture must be replaced, new and altered space needs require changes in stack area, office space, and meeting rooms. 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.

Finally, \$400,000 is requested to complete the computerization of the State Library. We are really grateful for the Capital Budget Commission's (*sic*) recommendation last year for \$450,000 for automation of the Library. However, with the shifting of most of this money to the Library for the Blind and the news that the State Library's Dynix circulation system is not year 2000 compliant, a fact unknown to us a year ago, it is necessary that this investment be made.

It has also become clear as we move into this new technological age that a continuing capital investment will be needed to replace obsolete equipment and to provide for new developments, unforeseen at this time. Today's technology is changing so rapidly that all our libraries must make a continuing investment in this technology in order to serve the information needs of the public. The State Library's position is no different as it works to open its collections through the Internet to all New Jersey residents.

This is a new era for the dissemination of information. Already much that was available in a published format is only provided electronically.

The latest hardware and software are essential for the State Library to properly serve our clientele. This capital investment will ensure that we can effectively prepare our citizens in the new century.

Thank you very much for this opportunity, and thanks for your continuing support for our capital projects.

MS. MOLNAR: Thank you.

Any questions or comments?

Mr. Davidoff.

MR. DAVIDOFF: I'm a user of your Library, and it's terrific.

MR. LIVINGSTONE: Good.

MR. DAVIDOFF: I commend you.

A question regarding-- Priority 2 is basically the architectural engineering for the expansion?

MR. LIVINGSTONE: Right.

MR. DAVIDOFF: So would it be appropriate to budget that for possibly this Fiscal 2000 and then budget the actual Library preservation project for 2001?

MR. LIVINGSTONE: Well, we feel that if we can get started on this part of the project and we can move right into the renovation without waiting for another year to go by and eliminating some more inflationary costs that we have to be prepared for, I think we can do the whole thing by starting right now with the study and then following right through in that same fiscal year.

MR. DAVIDOFF: Okay. When you're talking about doing things like category 10, 100 wiring and--

MR. LIVINGSTONE: Category five cabling.

MR. DAVIDOFF: They're now coming out with million-bits wiring and other things.

MR. LIVINGSTONE: No. This is the latest in the recommended cabling for--

MR. DAVIDOFF: I would just suggest, when you're doing whatever you're doing with this Library, if the suggested is 100,000 million bits per second, or whatever it is, that if there's million-bit wire out there, you use it because the wire is cheap, putting it in is very expensive.

MR. LIVINGSTONE: Right.

MR. DAVIDOFF: And I would recommend that when you're looking at this renovation -- I cannot stress this -- that you look right to beyond the cutting edge of technology so that five years from now or eight years from now or ten years from now you're not saying, "Well, I need another \$5 million because we have to pull out all that old wiring"--

MR. LIVINGSTONE: Right.

MR. DAVIDOFF: --"and put in the new wiring."

MR. LIVINGSTONE: Right.

MR. DAVIDOFF: I would ask you to -- maybe the way you do it is through a conduit system rather than hardwiring the way it normally is, so that you can bring in other wiring. So normally if you were going to just bring one set of wires to an area, bring two sets of wires so that you have the flexibility for the future.

MR. LIVINGSTONE: I understand.

MR. DAVIDOFF: And I just ask when you're doing that brainstorm. Because I've done it in real businesses, and what happens is, unless they're really pushing the envelope and really thinking far ahead, often they're finding themselves being penny-wise and pound foolish. They're saving a few dollars, but in the long run-- And I ask this Commission that if we go forward and approve this Library and if the Legislature goes for it, and I ask the minutes to reflect this, that they don't be penny-wise and pound foolish. That they have invested in more important things of providing the flexibility for the future. I urge that you do this, and I think it's a terrific project. I think it's very important to this state. I know how much this Library is utilized. I know how much you're putting out on Web because I'm always out there pulling the stuff down.

MR. LIVINGSTONE: Right.

MR. DAVIDOFF: As Senator Littell says, "It's certainly long overdue." Hopefully, you'll be able to run your budgets going forward so that you have certain things like furniture, that you have a phase in with a little bit every year and not looking to replace everything all at once.

That's all my comments, Madam Chair.

MR. LIVINGSTONE: Thank you very much. I appreciate those comments.

MS. MOLNAR: Any other--
Valerie.

MS. MURRAY: Can you tell me the total amount of money that you need for the automation, the computerization, I guess, of the Library for the Blind? You had said that you had requested money, and you didn't receive

it. That you had received \$450,000 for automation of the Library and you shifted that money to the Library for the Blind, yet, you're asking for \$479,000. What's the total cost?

MR. LIVINGSTONE: The total cost for the Library for the Blind will be \$479,000, and that money was recommended by this Commission last year, but as I said, we didn't receive that funding because of the budget cuts. So we're shifting as much as we're able to from the \$450,000 that was recommended for the State Library building, which is a second building, to try--

MS. MURRAY: But how much of the \$450,000 are you shifting to the Library for the Blind?

MR. LIVINGSTONE: I would say, we're shifting about \$300,000 of that.

MICHAEL J. SCHEIRING: Valerie, what we're trying to do is stage it at this point in time. This is sort of-- Recoup the money. We had basically at this time allocated about 150 out of that 400 towards that. The objective is, frankly, if the Commission provides the 479 back. We can't stand still. We need to keep going forward on this. So we're using some of that money that we had last year from this Commission, right now, to support that project.

MS. MURRAY: I'm trying to find out, are you really asking for the money for the Library for the Blind, or are you shifting the money that you did receive for the automation project to the Library for the Blind and then really asking me now for money for the automation project?

MR. LIVINGSTONE: We're asking for the money so that we can again take back what we've already started to invest from the original money for the State Library next door. It is now being used to start to fund the year 2000 issue and to update the circulation system in the Library for the Blind. So it's going to replace that funding which we never received but was recommended.

MS. MURRAY: So in essence, it's not a total of 479 that's going to be going to the Library for the Blind. Part of that money is going to go to the automation project because you've shifted money out of that to pay for the Library for the Blind.

MR. LIVINGSTONE: Right. In total, we'll be spending 479,000 for the Library for the Blind. The question is--

MR. SCHEIRING: Valerie, if I may. We had two projects: \$479,000 for the circulation system, which was to be funded from ADA funding, \$450,000 that was funded by this Commission for library projects. When the 479 dropped off, we shifted 150 from that over to date towards that effort. If we get the 479 back, 150 will go back towards what we were going to do.

MS. MURRAY: That's what I assumed from what you were saying, but my point is this document does not describe that. This document is saying that you're asking for \$479,000 for the Library for the Blind. I would suggest to you that you might clarify it because, if the money has been transferred and we at Treasury are looking at it and saying, "Wait a minute, you don't need all this money. You've already spent \$150,000" -- it would be helpful to us to know exactly where this money is going.

MR. SCHEIRING: Right.

MS. MURRAY: I don't have a problem with the fact that you shifted the money, but this makes it very confusing. And rather than having someone go back and say, "This is not the amount of money that they need, we can cut it," you should clarify where the money is going and why you did this. Rather than putting it in your statement, I think the analysis that was done should be a little clearer.

MR. SCHEIRING: We can clear that up.

MR. LIVINGSTONE: Right.

MS. MURRAY: You don't want it to get cut again, right?

MR. SCHEIRING: Hope not.

MS. MURRAY: Thank you.

MR. SCHEIRING: Thank you.

MS. MOLNAR: That's a good point.

Any other questions or comments? (no response)

If not, I'd like to thank you for your presentation.

MR. LIVINGSTONE: Thank you very much.

MS. MOLNAR: Our next department is the Department of Law and Public Safety. I'd like to welcome Dan Foster, Director of Resource Planning and Management.

DANIEL W. FOSTER: Good morning, Chairwoman Molnar, members of the Capital Planning Commission (*sic*), and Executive Director Shidlowski. On behalf of Attorney General Verniero, I am pleased to be here today to present the Department of Law and Public Safety's Fiscal Year 2000 capital improvement plan.

I would like to take this time to thank you, the Commission members, for your continued support of our Department's capital projects. I also would like to extend my personal thanks to Paul Shidlowski for his guidance, availability, and willingness to address our capital issues. Paul has helped us countless times with both the planning and funding of our capital emergencies.

As in the past, our Department's submission this year includes capital projects for the Division of State Police and the Juvenile Justice Commission, our two most capital intensive agencies. Due to the magnitude of juvenile justice issues and in order to make good use of the committee's valuable time, we are going to take a different approach today. Paul Donnelly, Executive Director of the Juvenile Justice Commission, will present the Commission's Fiscal Year 2000 capital budget after I have finished the State Police's presentation.

We have accomplished much this past year with the money you have recommended for the Division of State Police. I'd like to spend a few minutes summarizing the Division of State Police's Fiscal Year 2000 request. Normally, when we think about the Division of State Police, we think in terms of troopers policing New Jersey's highways. Most people do not realize that the Division operates from 148 State-owned and leased facilities, including 34 road stations, 9 marine police stations, and 9 repair garages. The Division of State Police maintains and repairs its own fleet, which is made up of more than 2000 vehicles and, in addition, services vehicles for Treasury and Taxation. There are also four forensic laboratories and 21 radio tower sites. All of these facilities are in continuous need of preventive maintenance and renovations.

The capital budget request for the Division of State Police includes nine projects for the Fiscal Year 2000 for a total of \$29 million. Of this amount, 1.46 million is for preservation, 421,000 is for compliance, 13.1 million is for the acquisition of equipment and computer systems, 13.9 million is for major construction and rehabilitation, and \$176,000 is for infrastructure projects to repair roads.

Our first priority is an exciting one: a joint facility which clearly demonstrates this administration's focus on working together and consolidating various State agency sites. We are requesting, in conjunction with the Departments of Environmental Protection, Treasury, and Transportation, funds for the construction of a new joint facility. This would include for the State Police a patrol station, a new Troop C headquarters building, a 10-bay vehicle garage, and a pistol range. The facility would also house a revenue collection center for Treasury and for emergency communications for other State agencies. By co-locating, the Division of State Police will be able to provide 24-hour security to these agencies.

The present State Police facility is located on Route 1 and is an old two-story building which is not centrally located to the patrol function, which covers 2300 square miles. The Allenwood Station lease would be terminated and two vehicle repair garages would be closed. A new centrally located building would provide better service to the citizens living in this area. As you recall, the Troop A regional headquarters, which became operational August 1996, came in under budget and on schedule. We hope to have a repeat performance.

The next two capital requests, which total \$1 million, include funds for critical repairs and fire safety projects for various buildings. As you know, the Division of State Police operates many older buildings, and the upgrades required typically include HVAC systems, plumbing and electrical system, and sewer and septic repairs. Included in this request is the replacement of the HVAC system in Building 4 which was recently converted into our Troop *F* headquarters housing 85 employees.

The fire safety projects for Fiscal Year 2000 include the design and installation of fire alarm and sprinkler systems, along with fire extinguisher upgrades. The funding will also provide for a fire code evaluation survey of our owned facilities. This survey will itemize all current fire code violations and identify future fire safety needs.

The next two priorities are a continuation of two Fiscal Year '99 capital projects, the computer-aided dispatch and record system, and the State Police radio replacements. These projects total \$13 million.

The \$5.8 million request for the CAD system in the year 2000 would allow for the expansion of this system to include the entire Division. The funding would complete the replacement of obsolete computers and equipment capable of running CAD and also replace existing network equipment. This appropriation would also fund the second phase of a three-phase records management system expansion project. While Phase I addressed the inadequacies of the Division's existing network and computer infrastructure, Phase II now expands the Division's automated records management capability. This includes a human resource management system, an inventory control system, and an intelligence system. Finally, Phase II takes

the first step in the statewide deployment of mobile data computers through the implementation of a statewide wireless data network. This will facilitate the full allocation of mobile data computers in Phase III.

Previously, all State Police calls and radio communications were maintained by handwritten ledgers. The computer-aided dispatch system eliminates handwritten systems, consolidates dispatching, and incorporates the 911 system. The CAD system also interfaces with the New Jersey law enforcement message switch system and automates the extensive report writing system that records the State Police's responses to service calls. The report management system addresses clerical and report functions by providing for direct entry of data into the system. This will provide immediate accessibility to information throughout the entire Division and virtually eliminate the cumbersome routing and filing of paper reports. The Fiscal Year 2001 budget would see completion of this project.

The continued upgrade of the State Police radio system is the Department's fifth capital priority. The Fiscal Year 2000 request funds the replacement of an additional 300 portable radios and will include the integration of a smart zone system into the existing statewide radio network. A smart zone will allow for seamless roaming, increased channel capacity, expanded coverage, and it will eliminate dead zones that affect the safety of our troopers. This project will also be completed in Fiscal Year 2001.

We are also requesting \$790,000 to continue the design and replacement of roofs for three State Police facilities. These include Building 15 at West Trenton headquarters, which houses the Office of Information Technology computer equipment and criminal evidence; the completion of the

D Block Building roof, which stores our criminal records; and thirdly, the completion of the North Lab roof. Last year, these roofs accounted for four service calls at an average cost of \$900 each.

Our next project for Fiscal Year 2000 includes the renovation of Buildings 2 and 6. This project continues the Fiscal Year '99 capital initiative. With your support, Buildings 2 and 6 will finally be renovated providing for modern office space.

In keeping with Phase III of the State Police master plan, we are requesting funds for the design of a new 36,000 square foot maintenance facility for vehicle repairs and radio maintenance. The existing eight-bay garage services 545 cars a month. It lacks a proper ventilation system and has no storage areas for chemicals or tires. Also included in the project request are renovation costs to convert the vacated garage for additional space.

The last Fiscal Year 2000 request for the Division is road repairs and resurfacing at State Police patrol facilities. This funding would repair the parking areas at the Netcong, Edison, and Washington patrol stations. Troop *B* headquarters and the weigh stations are scheduled for repair the following year. In the past, our building preservation priorities and equipment technology upgrades have prevented this request from receiving a high priority, but the condition of roadways continues to deteriorate.

I want to take one more minute to discuss a capital issue of great importance to our Department, and that is the Sea Girt facility. This facility is used for training purposes jointly by the Divisions of State Police and Criminal Justice, as well as by the Department of Corrections and the Department of Military and Veterans' Affairs. At the Department's request,

a QRB was established, which meets once a month regarding all occupant building needs. This cooperative effort has worked well.

No longer will you see numerous capital requests submitted by the involved Departments. Instead, we have all agreed that the Department of Military and Veterans' Affairs will represent all of our interests at the capital hearings. Therefore, I ask for your support of the Sea Girt requests, as Sea Girt represents an important training area for New Jersey's law enforcement community.

In closing, I would like to thank you for this opportunity to discuss the Department's capital issues.

Now, I have with me, on my left, Sergeant Kaminski and Sergeant Vanderploeg, on the right, who may help address any issues that you may have.

MS. MOLNAR: Thank you.

Any questions or comments?

John Geniesse.

MR. GENIESEE: Good morning, Dan.

MR. FOSTER: Good morning.

MR. GENIESEE: First of all, I just would like to request on the priority number -- for the computer-aided dispatch, records management system, if the Commission could get a complete list of all the equipment that is required for that. I don't believe we have -- staff has that.

MR. FOSTER: Certainly. We'll provide that, through the Chair?

MR. GENIESEE: Through the Chair.

MR. FOSTER: I mean, I could list those things for you if you like, or we can provide a report, whichever is--

MR. SHIDLOWSKI: The report would be helpful.

MR. FOSTER: Fine.

MR. GENIESSE: And, Dan, on that request, and also the radio system equipment request, these are both items which some funding was provided in the current year. The Commission recommended and also provided 2.4 million for the computer-aided dispatch system and 1 million for the radio system equipment. The request is for 5.8 million and 7.2 million, respectively. Is there a way of implementing these requests over a number of years rather than all--

MR. FOSTER: Well, addressing the radio system equipment -- that really is being phased in over a couple of years. The capital commission -- we received \$1 million last year for this year, which we were in the process of purchasing some portable radios. This second phase is to buy additional portable radios. The biggest chunk that is applied to this radio system equipment is the smart zone system. And to apply that to each individual station--

What is it? In each one of the main--

SERGEANT CORNELIUS VANDERPLOEG: It's an overall enhancement of the entire system.

MR. FOSTER: It's about 1.5 million per facility that's cost in there, so in order for us to do it statewide that 7.2 million is needed for the year 2000.

MR. GENIESSE: Lastly, wouldn't these items also be appropriate for forfeiture fund expenditure, and is there any funding available from that source?

MR. FOSTER: Our balance in forfeitures is extremely low at this point, and we have an ongoing need of approximately \$4 million out of forfeiture for State-match purposes to fund law enforcement programs. I believe our balance at this particular time is even less than a million dollars, so there isn't money set aside to do that. We have used forfeiture in the past for part of CAD, which I believe we spent in the neighborhood of \$4 million to get the program started.

MR. GENIESSE: Thank you.

MS. MOLNAR: Any other questions or comments?

MR. DAVIDOFF: Madam Chair.

MS. MOLNAR: Oh, I'm sorry. Mr. Davidoff.

MR. DAVIDOFF: Good morning. Item No. 9, the roads, approaches, and parking -- the description talks about repair. Does this mean you're not doing the repairs out of your operating budget?

SERGEANT MARK S. KAMINSKI: The repairs that are being done are topical, very short term, usually from year to year. With each climatic change of freezing and thawing, the repaired sections revert back to the original condition and then get worse. The types of repairs we're trying to do at these stations is a complete resurfacing.

MR. DAVIDOFF: And when were these last resurfaced? Any idea?

SERGEANT KAMINSKI: I don't have an exact answer to that. I'm guessing, maybe 20 years.

MR. DAVIDOFF: Okay. Now, there's no cost savings indicated here, but if these roads are really bad and there are police cars going on and off them, wouldn't there be some savings in terms of repair costs as to suspensions and--

SERGEANT KAMINSKI: Yes, there would.

MR. DAVIDOFF: There would. Then if you could help quantify that, that will, obviously, make this much easier to go down.

SERGEANT KAMINSKI: We can submit that information through the Chair.

MR. DAVIDOFF: Through the Chair, I'd ask that.

Thank you very much.

SERGEANT KAMINSKI: You're welcome.

MR. DAVIDOFF: That's all. I'd like to comment, this is the kind of thing that should be done to prevent destruction of the vehicles and everything else and just make things easy.

MR. FOSTER: I do have some pictures that I would like to leave with the Commission on Buildings Nos. 2 and 6 and even part of Building No. 7, recognizing from the previous capital committee that a picture is worth a thousand words. We have some that truly will widen your eyes. We'd like to leave them with the Commission.

MS. MOLNAR: Thank you.

MR. FOSTER: Thank you.

MS. MOLNAR: Our next department is Juvenile Justice.

We do have a memo from Senator Littell directed to the members of the Capital Budgeting and Planning Commission regarding the Juvenile Justice improvements and upgrades to High Point. He has asked that I read this into the record.

“I am unalterably opposed to the allocation of any State funding to the upgrade and to improve the High Point facility at High Point State Park in Sussex County for the purpose of housing 64 juvenile inmates. For three long years, I have worked for the Department of Corrections to close the site at High Point State Park and move the inmates housed at that facility to Southwood State Prison. The site at High Point is contaminated. As a result of the level of contamination on the site, the State Department of Environmental Protection ordered the Sussex County Department of Health to issue a cease and desist order. I respectfully request that you take no action on this proposal today or at any time in the future. Senator Littell.”

Now, from Juvenile Justice, I'd like to welcome Paul Donnelly, Executive Director.

PAUL DONNELLY: Good morning, Madam Chair, members, and Executive Director Shidlowksi. Thank you for the opportunity to present our Commission's FY 2000 capital budget initiatives.

For those of you who may not be familiar with the Commission, I'd like to give you some background. The Commission was established by law in December of '95 as a single agency of State government responsible for implementing Governor Whitman's juvenile justice reform initiatives. The Commission's highest priorities are protecting the public, ensuring offender accountability, and fostering rehabilitation.

The Juvenile Justice Commission is responsible for providing residential, rehabilitative, and aftercare services for approximately 1400 juveniles on any given day. Most of these youth are housed in the Commission's 20 community residential and day programs, and four secure care facilities, including one female facility and the boot camp. These buildings are owned, leased, or occupied through an agreement with other government agencies. The Commission is committed to providing a safe, healthy, and secure environment for the staff and the youth in our care. Towards that end, one of the first tasks that we undertook was an assessment of the conditions and needs of all of our buildings, leased and State owned.

Our focus for the future is, first, to continue the improvement of the physical conditions of all existing Commission facilities in terms of security, safety, and health, with a special emphasis given to the implementation of the recommendations of the Governor's Advisory Council for the New Jersey Training School for Boys and our facility evaluation committee's report on residential and day centers. Second, to implement the Commission's master plan with the needed new construction projects which will provide residential housing for juvenile offenders to catch up with our current needs, as well as making sure we are ready for the challenges of the next century.

Our main focus this past fiscal year has been threefold:

1. Responding to various health, safety, and infrastructure issues at the New Jersey Training School for Boys.
2. Addressing the critical repairs at our community residential facilities.

3. Developing the Johnstone campus.

The Commission has completed fire and life safety upgrades at Unit 4 of the Training School. In addition, three roof replacements were completed on time and under budget. Also, paving has been completed for the two parking lots at the school and the patrol road around the perimeter.

During this past year, the Commission has completed numerous, smaller health and safety projects at community program sites in accordance with our facility evaluation committee's report, which we referenced at last year's hearing.

As mentioned previously, we are now moving ahead with Phase I of the fire and life safety improvements at the Training School, which was funded this year. They include an automatic fire alarm and detection system and a new fire suppression system. Also, a central fire monitoring station will be installed uniting all fire detection systems. In addition, the existing electrical distribution center at the Training School for Boys will be upgraded to handle this new system. The Office of Construction and Design is currently developing a scope of work for the electrical system. Additionally, bids have been received for the food service building's structure repairs and construction, which will begin this November.

A number of residential centers are also undergoing renovations, which include the installation of fire alarms, sprinkler systems, and providing a second means of egress. This year, the Commission has also seen a number of septic system failures. We are currently in the design phase for septic systems at two residential centers to address these issues.

The Commission's year 2000 requests are a natural progression of the FY '99 appropriation. The highest priorities identified by the Commission in its FY 2000 capital requests responds to the fire and life safety issues at the Training School and various community programs. For the sake of brevity, I am only going to discuss a few today.

The Commission has requested funding for 24 projects in the amount of 79.4 million. As you know over the past few years, the Commission has had to face a number of capital emergencies, which at times have delayed our planning efforts. We have now reached a point where we are planning for the 21st century. Today's request has attempted to incorporate a number of directions for the future, several of which include new construction projects. For example, we have requested funds for Phase II of the New Jersey Training School for Boys. Phase II includes the installation of the fire alarm systems at the support buildings, as well as the demolition of several condemned buildings on the grounds. This \$7.3 million request will complete those necessary fire and life safety improvements for the Training School for Boys as noted in the Governor's Advisory Council report.

In order to comply with fire safety codes for all our residential centers including sprinkler systems, emergency means of egress, and fire alarm systems, we are asking for \$593,000. Previous appropriations for fire safety compliance were allocated to updating the domestic water distribution system for fire prevention at the Johnstone campus.

The Commission's third priority is for \$2 million in suicide prevention improvements. We deal with a troubled and difficult population. To respond to these various needs, the Commission has conducted inspections

and recommended immediate procedural and physical changes to reduce the number of self-destructive activities. This project will include replacement of specific toilet and sink fixtures, bedding and desks, dormitory light fixtures, air vents, and window hardware throughout our facilities.

Priority numbers four and five would fund critical repairs for community residential centers and for our secure care facilities. They include electrical enhancements, repairs to HVAC systems, and sewer and utility improvements along with repairs due to age, deterioration, and normal wear and tear.

We are asking \$319,000 in Priority No. 6 in order to renovate the Voorhees Residential Center, which currently houses 30 juveniles. Currently, the bathroom and shower facilities can only be accessed by going outside of the dormitory building. Renovations would include construction of a new access to the bathrooms from the sleeping areas, as well as needed renovations to the kitchen area.

The Commission expects that our new 144-bed secure facility will be completed in the spring of the year 2000. In order to meet suicide-safe standards and in accordance with priority request No. 3, the Commission is requesting money to ensure that all sleeping areas, lounge areas, and dining rooms are equipped with furniture that will assist in preventing suicidal and self-destructive behaviors. The furniture chosen will provide for a high level of safety and is maintenance free.

The Governor's Advisability Study Commission has recommended that the Training School reduce its population. Funding of Priority 8 would be the next step in implementing this mandate. It will focus on repairs,

retrofits, and upgrades of buildings that will continue in use following the population reduction. This project will include general Code upgrades, ADA upgrades, exterior wall repairs, and would complete the major design for the Training School for Boys.

There are two separate projects included in the \$41 million for Commission Priority No. 9 involving the development of the secure campus located in Bordentown. As the first of our 144-bed units comes on line, the need to provide sufficient support facilities is essential. This facility would consist of the necessary classrooms, library, vocational shops, visitation areas, food service, and recreation areas. Future development of the Bordentown site would be very limited without this support facility. Our architect is currently designing the 144-bed secure housing unit, which will begin construction later this year. In order to begin the construction on the second secure unit, which is included in the request, we must simultaneously develop this support facility.

In Priority No. 10, we are asking to replace a 35-year-old emergency generator located at our Wharton Track Boot Camp. The current generator cannot provide enough power for the system. It is projected that this generator will cost \$177,000 to replace and will include an automatic switching system.

The next several priorities include roof replacement projects for various residential centers, a sewer connection to the Monroe Township Municipal Utility Authority for our Training School, and funding to expand bed space in place at two existing facilities. Also requested are funds for the construction of a prefab vocational education building for the Boot Camp and

for our Green Residential Center. We also will need to replace specific windows and doors at the Training School. We will need funding to purchase and renovate a facility to be used as a transitional living program for juveniles from Mercer, Monmouth, Ocean, and Burlington counties.

The remaining capital requests for the year 2000 are for funds to install a new electrical system and a fire alarm system at the education building at our Warren Residential Center, renovation expenses at High Point Correctional Facility, and money for the redevelopment of Johnstone Campus, as well as maintenance funding for historical buildings on the site. The latter priority needs to be addressed soon if future development and adaptive reuse of the Bordentown site is endorsed. Construction of a new laundry building at the Training School and utility vehicle purchases finish out the request.

We are available for any questions you may have.

On my left is Chief Administrator Officer Sal Marcello and Director of Facilities, Keith Poujol.

Thank you for allowing us to present today.

MS. MOLNAR: Thank you.

Any questions or comments?

Mr. Davidoff.

MR. DAVIDOFF: The staff has come up with some questions, which I think, since you're here, I should ask on their behalf. Your request, if I'm correct, or if they're correct -- this budget includes funding for the construction of 263 additional beds, 144 in a new juvenile medium security, 64 at High Point, and 55 at residential centers. Is that correct?

MR. DONNELLY: That's correct.

MR. DAVIDOFF: Okay. And their question -- and I think it's a good question, and I'd like to hear the answer. In a report last year, consultant James Austin (phonetic spelling) projected only a slight increase in the total population over the next nine years. What is the justification of the expansion of the bed space?

MR. DONNELLY: I appreciate the opportunity to respond to that. Part of the report of the Governor's Advisory Council on the future of the New Jersey Training for Boys was a commitment to take it down to a population of 300. On any given day, we're operating at about 515 to 520. So you have a 215-bed makeup that you have to do right off the top. We currently have--

MR. DAVIDOFF: You mean we only have 300 beds now?

MR. DONNELLY: No. We have 520. There's been a commitment to take that -- reduce that to 300. So we'll have to make up those 220 beds before we can do that.

MR. DAVIDOFF: Okay.

MR. DONNELLY: All right. We currently have juvenile delinquents backed up in detention centers waiting to come to us that we don't have room for -- approximating 16 to 20 on any given day. Our annual projected growth is, as you cited, was 56 for a total of 285, and that's how we arrived at that figure.

MR. DAVIDOFF: But the 500, 520 that are there now in the existing facilities, that's functional. You have a commitment to bring it down to 300 under what rationale?

MR. DONNELLY: Well, first of all, let me say, it's functional only because we've had to make it functional. That facility has increased in population year in and year out far beyond its capacity of the physical plant to maintain that. However, we have through programing and staffing levels tried to do that. As a result of the study of the Governor's commission on the future of the Training School, they have determined that an appropriate size is 300 and that we will reduce that 300 by the construction of new bids at another location.

MR. DAVIDOFF: Looking at your operating budget because I didn't realize how small the population was, we're looking at spending 150 million over the next three years. What's your operating budget for these facilities?

SALVATORE F. MARCELLO: Which ones? For the whole Commission?

MR. DAVIDOFF: For the total?

MR. MARCELLO: Hundred million dollars.

MR. DAVIDOFF: So we're spending 100 million in operations per year, and we're looking at the next three years an average of 50 million a year. That's 150 million to take care of or to take care of some 550 to 600 juvenile--

MR. MARCELLO: No. No.

MR. DONNELLY: Fourteen hundred to fifteen hundred today, and in the future, we expect a significant increase.

MR. DAVIDOFF: Okay. So what's the 1400 to 1500 versus the 500 number? I'm confused.

MR. DONNELLY: All right. The 500 number is one facility -- the New Jersey Training School for Boys in Monroe (*sic*).

MR. DAVIDOFF: Okay.

MR. DONNELLY: We have parole responsibilities. We have community residential programs. We have day programs. We have prevention responsibilities. We have transport-- We're a pretty comprehensive outfit.

MR. DAVIDOFF: So there's another 900, who are not in overnight facilities through one of these other -- either parole or community service or--

MR. DONNELLY: No. That's not quite accurate either. We have a boot camp. We have a female secure unit. We have the juvenile medium security facility in Bordentown. We have approximately 20 residential centers throughout the state, and we contract with the Department of Health for substance abuse beds. The New Jersey Training School for Boys is given a lot of focus because of the needs that exist there and have existed there for some time.

MR. DAVIDOFF: One of your requests in there was for suicide prevention -- \$2 million. What programs do you have -- noncapital kinds of programs you have with respect to suicide prevention?

MR. DONNELLY: As you may be aware, formerly our facilities were operated by either the Department of Corrections or the Department of Human Services. When the Juvenile Justice Commission was created, one of the first things we did was look at our suicide prevention policies and procedures and, as a result of that, have had an ongoing committee that has

involved a variety of disciplines, including mental health security, custody staff, and has made a number of recommendations which was already acted on in terms of providing suicide-safe rooms and policy modifications, procedural modifications. And we're kind of tapped out on that end, and the rest of the things that we will need to do will require actual modification or construction.

MR. DAVIDOFF: What kind of counseling are you doing with these kids who are potential suicide risks?

MR. DONNELLY: We have a contract, along with the Department of Corrections, for psychological and psychiatric services, which are provided at all of our programs. And the frequency or the amount of the counseling is related to the severity of the suicidal ideations. So it can range from a couple of times a week in a group to daily one-on-one with psychotropic medications and close watch when they're in their room at night.

MR. DAVIDOFF: Are we spending a couple of million dollars a year on these psychologists?

MR. DONNELLY: I don't believe so.

MR. DAVIDOFF: No.

UNIDENTIFIED SPEAKER FROM AUDIENCE: We spend about \$300,000 a year.

MR. DAVIDOFF: We're spending \$300,000 a year. I wonder if we spent \$400,000 a year, would we not need \$2 million of hardware -- if we invested more in dealing with these kids and counseling them and providing them with different kinds of things. I'm thinking out loud, it doesn't require an answer.

There's a question here, and I'm going to ask Mr. Shidlowksi. There's a third question you had here, but I don't quite understand, in our notes about a 19.2 million increase in operating. Could I ask you, on my behalf, to ask that question, Mr. Shidlowksi, because you probably understand it better?

MR. SHIDLOWSKI: Oh, that was related to the new facility at juvenile medium security. You had indicated that there would be a large increase in the operating funds required to operate juvenile medium if you built these new facilities.

MR. MARCELLO: The operating cost is based on the number of beds in the facilities -- 432 times \$44,000 per bed, which is the amount that we're spending currently at the Training School. It would be an offset to that. We would also save about \$8.8 million of the 200-bed downsizing at the Training School. So that in effect would be about a \$10.5 million increase in operating costs.

MR. DAVIDOFF: The 44,000 per bed in a newer facility -- shouldn't that -- the operating costs come down?

MR. MARCELLO: That's possible. When this was calculated, it was calculated on the current cost, but it can, yes.

MR. DAVIDOFF: Well, I think it's a very important concept and very important to, whether or not it makes sense, to fund this. If we can go from 44,000 per bed down to 39,000 per bed, maybe it makes a lot more sense to start thinking about doing some of these capital improvements where it might not make sense if we're not going to get any capital cost reduction.

MR. DONNELLY: It's an excellent point. As a matter of fact, we're looking at our current juvenile medium security facility in the future as to whether we should continue to operate that facility due to the costs of operating it due to the design. So we're well aware of those type of issues, and I can assure you that we take that into consideration. We'll certainly review this and get the most efficient use out of the dollars that we can.

MR. DAVIDOFF: Now, the last question, and this may not be within your area. You're taking care of a juvenile in the justice system after people get in trouble.

MR. DONNELLY: Correct.

MR. DAVIDOFF: After children get in trouble. Well, actually I have a question -- a question that you can answer. The first question is, what's the average age of these children?

MR. DONNELLY: Seventeen.

MR. DAVIDOFF: Seventeen. And the second question is, how effective could we be -- and maybe you do or don't know the answer -- if we invested more money in our education and programs in the communities-- How much could we prevent of these costs if we hit them down the line somehow, or are these just the real hardcore, worst of the worst, and nothing we can do about it?

MR. DONNELLY: Well, I don't believe that there's nothing we can do about it or I wouldn't have been in this business for the last 24 years. I testified before the House committee on youth violence last week, I believe, and strongly encouraged them to invest dollars in prevention and intervention services so we don't have to continue this spiral of construction to house more

and more delinquents. However, we do have a problem we have to deal with today, and that's what we're talking about. And we are focusing approximately \$8 million a year to our counties to develop the very types of programs that you mentioned. As for the education system enhancement, I'm not qualified to assess the current situation or make a recommendation as for future direction.

MR. DAVIDOFF: Madam Chair, I'd like to make a request, and it may be a little bit outside the scope of what we are able to do, but I'd like to see information. I'd like to-- If you have made proposals regarding prevention, I'd like to see those proposals, if you've already made them. Only just so that we may as a side recommendation in the Legislature say, "Okay, we need these capital, but keep in mind these other things."

It may be outside our scope, Madam Chair, but I personally would like to see it an asset when you provide it to our Executive Director that he provides it to us. I think it's important for us to know, and I'm sure that our legislators already know this, but if they don't, then we'll provide information for them. What kinds of things as a State government that we should or can be doing with our communities to prevent this along the line and provide some-- I'm very, very concerned about the-- It seems we can be dollar wise by preventing this and eliminate a lot of problems at the same time, not just from the budgetary point of view that I look at as a CPA, but from a compassionate view of we have children who we can keep out of trouble, and it would save us money as a society.

MR. DONNELLY: You've almost recited my testimony before the committee last week. Just to inform you, we'd be happy to give you as much

information as you'd like. We'd even be happy to take you to some of the sites. We're funding several hundred prevention programs throughout the state through our Community Partnership Grant Program, which is also part of the juvenile justice reform. As the Legislature and the administration recognized, as you have, you can't do one or the other. You have to do both and you have to do them simultaneously and with similar passion. And that's what our attempt to do-- As a Commission, however, that may not be reflected in our capital requests because we're playing a lot of catch-up. If you noticed, we're just trying to come up to Code in many areas, but we have significant focus. Our executive board, which is chaired by the Attorney General, has made that clear that we will have a balanced response to juvenile crime and delinquency. And we know that prevention is the answer.

MR. DAVIDOFF: Thank you very much.

Thank you, Madam Chair.

MS. MOLNAR: Thank you for your compassion.

Mr. Roth.

MR. ROTH: Madam Chair, good morning.

Particularly interesting is this memo that Senator Littell wrote to us concerning his problem with contamination at the High Point site. It's even highlighted as one of the questions asked by your staff, Paul. I'd like to read that question. "The Juvenile Justice Commission requests indicate a plan to occupy the High Point facility, which has been vacated by the Department of Corrections last year. There has been both local and legislative opposition of a correctional facility at this location. In addition, there has been proposed legislation that would demolish all facilities and return the site to its natural

state. Why does the JJC feel that this is a viable location for a juvenile facility?”

MR. DONNELLY: Let me preface my comments by saying, to the best of my knowledge, we are the only juvenile justice system in the country that has actually lost program sites in the last five years. In recognizing that, we have scoured the surplus property list whenever they come out, and when we think that there may be an appropriate site, we put in a request to be considered. We have either been summarily rejected at a request early on or for other reasons, such as what happened in Cedar Grove facility in Essex County, we've been unable to move forward. We're not married to the High Point facility, but we feel it's incumbent on us to exhaust and investigate any potential site that may be used. And if the wisdom of the decision makers is that we are to go forward, we will go forward. And if the decision is something else, then we will continue to scan and try to find sites for our needs now and in the future.

MR. ROTH: I just can't envision why you would consider a highly contaminated site to be a viable option.

MR. DONNELLY: Well, in addition to the -- just the space needs that we have, we feel it's incumbent on us to start first with State properties because siting any of our programs anywhere is very difficult. In fact, we've been, because of community uproar, been moved out of existing programs. So we're having difficulty holding on to what we have, so we recognize the need to start with State property before we look anywhere else. As I previously mentioned, we're not married to this facility. We will go where we're able to go, and we will do the best job we can, wherever that might be.

MR. ROTH: One further question. That \$8.2 million upgrade that you're requesting, does that include cleanup of the contaminated areas, or is that purely for new facility?

KEITH POUJOL: That includes cleanup of the contaminated conditions, as well as infrastructure improvements and retrofit of the former DOC site and removal of the trailers.

MR. ROTH: Is that just based upon visible contamination at this point? Once you start having to haul hundreds of tons of dirt to different locations and have them burned at high temperatures, you're talking about major expense -- far more than \$8 million.

MR. POUJOL: I believe the level of contamination is speculative at this point. That most of that, I believe, is a result of the septic system problems that they've had in the ponds there.

MR. ROTH: Thank you.

MS. MOLNAR: John.

MR. GENIESSSE: Paul--

MR. DONNELLY: Yes. Good morning.

MR. GENIESSSE: Good morning. Just so I understand the bed space situation here, the 263 beds that are being requested, essentially to replace the redesignation of Jamesburg and for expansion, includes 144-bed unit at juvenile medium. And in addition to that 144 beds, you're requesting an additional -- or two additional 144-bed units for a total of 288 beyond this current year. Is that correct?

MR. DONNELLY: That's correct.

MR. GENIESSE: So you have some projection, obviously, which shows that need in the future for additional secure bed spaces?

MR. MARCELLO: That's-- When you did the 56, by the time the second one would be built, it will be three years from now. That's another 180 beds that you're looking at for us to go into, plus the people in the backup. So yes, it's for the future. And then the third one possibly could be to either replace juvenile medium current facility where it does cost us more than \$44,000 per bed because the facility is not appropriate for our needs.

MR. GENIESSE: I know there was a master plan that was being developed for juvenile justice. Is that complete?

MR. DONNELLY: Yes. We're wrapping up the fact gathering and the recommendations that we will be making to our executive board. We hope to have that project completed in December. We're at the process right now of trying to develop a scope of work to bring on an architectural consultant who will assess our current facilities against our projected need and our master plan and will then make more concrete recommendations next year. In the out-years, we'll be able to have a much better quantified request based on the best minds that are available.

MR. GENIESSE: Through the Chair, I guess the master plan is not available to the Commission yet, but I would like to request, on behalf of the Commission, that we get some information on the future projections of the population to kind of justify the requests for the additional secure bed spaces.

MR. DONNELLY: We'll certainly do that.

MR. GENIESSE: Thank you.

MS. MOLNAR: Are there any other questions or comments? (no response)

If not, I'd like to thank you for your presentation, and we'll consider your requests.

MR. DONNELLY: Thank you.

MS. MOLNAR: Our next item is Other Business. You all have in front of you your packet for next week's meeting. For the agenda, I wanted to add some specificity on behalf of Mr. Davidoff and Mr. Annese. I'm not sure this would fall under five, Role on Objectives of the Commissions, where it says, Separate Item. The three items I would specifically list would be the legislative relief for the debt report -- the due date. Right now that's due at the same time as the capital plan. Perhaps we want to noodle around a different due date for the debt report. Some kind of legislative relief for the due date for the debt report.

Mr. Annese raised the possibility of additional items of criteria for our review for capital. We might want to review our criteria that we should be using now and add or subtract and modify. So we should review the criteria for capital recommendations.

Mr. Davidoff suggested we should noodle around asking for appropriations for funding of a Commission staff.

Yes.

MR. DAVIDOFF: I have two other items I'd like to include.

MS. MOLNAR: Okay.

MR. DAVIDOFF: One is: The due date of our capital budget is December 1, and it just seems December 15 would be more realistic, so we

might want to ask for an extension on that, also, based on at least my three-year history here. I think one year we had it by December 1, but December 15 seems doable.

MS. MOLNAR: Okay.

MR. DAVIDOFF: And the other thing is about-- Obviously, this is just a discussion, but to talk about what is the legislator's desire for knowing the debt of authorities -- independent authorities -- that are in the State but not part of the State overall debt -- at least have that discussion.

MS. MOLNAR: Now, do we know for sure that Treasury will be represented next Friday?

MS. MURRAY: The Treasurer will be here.

MS. MOLNAR: The Treasurer will be there.

MS. MURRAY: Yes.

MS. MOLNAR: Praise God.

Let's see. I think we've added a few items.

Any other items that we may have left out? (no response)

And I guess we can look at the role and objectives of the Commission, also, and the bylaws-- These have been kicking around for a couple of years, so I think we should vote on them. It would be important. I don't think we've ever formally adopted these bylaws, so it would be nice.

MR. DAVIDOFF: Is this a draft of them? (indicating)

MS. MOLNAR: Yes. This draft has been around for a while. You could review them and-- We'll discuss any changes of the bylaws at that meeting. If you have sample language, bring that though. If you're changing

wording, could you bring sample language so we don't sit there writing it out. That will take too long.

Any other suggestions?

MR. DAVIDOFF: Just suggest that all those topics kind of be rolled under No. 5, as you just mentioned, to allow for a kind of spirited, open-ended conversation, which is what we've been trying to have for the last two years.

MS. MOLNAR: Sure. But we want to be specific, too. We just don't want to--

MR. DAVIDOFF: No. No. Have those specific things and then kind of-- Because a lot of them are overlapping and interrelated.

MS. MOLNAR: Yes. And some is legislative relief, so--

MR. DAVIDOFF: Right. Most of them do.

MS. MOLNAR: All right. I don't have a problem rolling those all under five.

Now, our meeting is -- at the request of Senator Littell -- will be at 10:30. He has a long distance to travel, so he asked me to start it a little bit later. I didn't think that would be a problem, so on behalf of the Commission, I agreed to the change. I assume no one had a problem moving it 30 minutes later.

MR. DAVIDOFF: Okay. We will have coffee, and I'll bring the bagels.

MS. MOLNAR: All right.

MR. DAVIDOFF: So if we have coffee there at 10:00, we can kind of congregate around it.

MS. MOLNAR: The location-- It's moved. The location is in the State House building.

MR. DAVIDOFF: Room 103.

MS. MOLNAR: Any other questions or comments?

MR. DAVIDOFF: Actually, I just was thinking. The four categories that we just talked about are all legislative relief. So we could bifurcate the discussion about the role and objectives of Commission as one, while legislative things need to be done versus what other things we want to talk about as for our role.

MS. MOLNAR: Yes. That was my thinking. That's why I had--

MR. DAVIDOFF: So maybe if you put another agenda item that says -- before No. 5, in between 4 and 5 -- that says possible legislative changes and-- It may overlap because a need for the Executive Director-- We may discuss a role in that, but-- The need for staff paid-- The staff--

MS. MOLNAR: That was my thinking to actually separate it. I'm glad you raised that.

MR. DAVIDOFF: --from that point of view, but one with a legislative tilt.

MS. MOLNAR: Yes. Especially for the legislators, in case they have to leave, we can talk-- I think we should talk about that up front at the very beginning and then later on get into our roles and the bylaws--

MR. DAVIDOFF: Okay.

MS. MOLNAR: --which is more administrative.

MR. DAVIDOFF: Agreed.

MS. MOLNAR: Terrific.

Any other questions or comments? (no response)
If not, the meeting is adjourned till next Friday.

(MEETING CONCLUDED)