
Commission Meeting

of

COMMISSION ON CAPITAL BUDGETING AND PLANNING

“Capital recommendations for Fiscal Year 1998”

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

DATE: December 13, 1996
10:00 a.m.

MEMBERS OF COMMISSION PRESENT:

Senator Robert E. Littell
Senator Bernard F. Kenny Jr.
Assemblyman Louis A. Romano
Assemblywoman Carol J. Murphy
Robert A. Roth
E. Martin Davidoff, Esq.

ALSO PRESENT:

David Strathern
(representing Michael R. Ferrara)

Robert A. Kull
(representing Brian W. Clymer)

Edward J. Troy
(representing Linda M. Anselmini)

Paul Shidlowski
Acting Executive Director



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

TABLE OF CONTENTS

	<u>Page</u>
John J. Gallagher Jr. Director Division of Administration New Jersey Department of Agriculture	11
Lynn B. Mathews Equine Programs Specialist Division of Markets New Jersey Department of Agriculture	15
John J. Forker Director Office of Institutional Support Services New Jersey Department of Corrections	24
Edward Doolan Director Direct Services Division of Field Services New Jersey Department of Education	45
E. David Barth Director Division of Financial Management and General Services New Jersey Department of Environmental Protection	51
Thomas J. Domenico, Ph.D. Acting Assistant Commissioner Division of Public Health and Environmental Laboratories New Jersey Department of Health and Senior Services Margaret Tursi	68

TABLE OF CONTENTS (continued)

	<u>Page</u>
Administrative Analyst I Bureau of Operations New Jersey Department of Human Services	78
Sergeant Mark Kaminski Division of State Police New Jersey Department of Law and Public Safety	104
Madeline C. Crane Manager Facilities Services Office of the Attorney General New Jersey Department of Law and Public Safety	107
James Y. Pao Administrative Analyst I Facilities Support Services Juvenile Justice Commission New Jersey Department of Law and Public Safety	112
Major Michael S. Dzurisin Chief Planning Section Office of the Adjutant General New Jersey Department of Military and Veterans' Affairs	115
Robert K. Goertz, Ph.D. Director Fiscal Policy Commission on Higher Education New Jersey Department of State	119
Paul J. Haverkamp	

TABLE OF CONTENTS (continued)

	<u>Page</u>
Director Fiscal Services Office of Telecommunications & Information Systems New Jersey Department of the Treasury	124
Louis Jensen Director Telecommunications Office of Telecommunications & Information Systems New Jersey Department of the Treasury	127
Anthony R. Mazzella Director Division of Property Management New Jersey Department of the Treasury	138
ses: 1-151 (Internet edition 1997)	

ASSEMBLYMAN ROMANO: May I have your attention, please?

You're in for a treat.

ASSEMBLYWOMAN MURPHY: Or a treatment. (laughter)

SENATOR KENNY: Unrestrained.

ASSEMBLYMAN ROMANO: Unrestrained today. I can show them the button to shut you off. (laughter) In any event, we would like to begin the meeting.

Oh, we're honored with Senator Littell. I think out of courtesy-- Senator Littell, would you be so kind as to Chair the meeting in the absence of Ms. Molnar?

SENATOR ROBERT E. LITTELL (Acting Chairman): I guess so.

ASSEMBLYWOMAN MURPHY: Lou, you see how fleeting is power?

ASSEMBLYMAN ROMANO: It reminds me of the election of '91.

SENATOR KENNY: The highs and the lows.

ASSEMBLYWOMAN MURPHY: Absolutely. (laughter)

SENATOR LITTELL: Good morning. This is a meeting of the Commission on Capital Budgeting and Planning. We are in compliance with the Open Public Meeting Act, Public Law 1995, Chapter 231 and have met all of the requirements under that.

Do you have to read that, Paul?

MR. SHIDLOWSKI: I don't think so.

SENATOR LITTELL: We'll have the call to order and the roll call.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Here.

MR. SHIDLOWSKI: Mr. Annese? (no response) Mr. Roth?

MR. ROTH: Here.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Here.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Here.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Here.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Here.

MR. SHIDLOWSKI: Robert Kull, representing Treasurer Clymer?

MR. KULL: Here.

MR. SHIDLOWSKI: Edward Troy, representing Commissioner Anselmini?

MR. TROY: Here.

MR. SHIDLOWSKI: Dave Strathern, representing Mike Ferrara?

MR. STRATHERN: Here.

MR. SHIDLOWSKI: Ms. Molnar? (no response)

We have a quorum.

SENATOR LITTELL: Thank you. Okay, we have a quorum.

The Executive Director's report is next.

MR. SHIDLOWSKI: I have a number of housekeeping items to attend to first.

We have not prepared the minutes from the November 22 meeting. In order to prepare the recommendations for the Commission, we concentrated our efforts on that. We will be preparing the minutes subsequent to this meeting and will send them out to Commissioner members as soon as they're available. We'll vote on both the meeting minutes from November 22, as well as today's meeting at that time.

I was asked at our last meeting to research the legislative intent relative to the amendments to the Commission's statute that added the debt report to the Commission's responsibility. We researched the Committee reports relative to the amended statute and there were only some references to changes in the appointment method for public members.

I then contacted Legislative Counsel, and he indicated to me that the statute should be interpreted as plain language and that if the authorities had been intended to be included in the debt report that it would have stated it plainly; however, it is up to the Commission to determine the content of what content fulfills the legislative requirement for the debt report.

I would like to speak a little bit about the capital requests and the staff recommendations. As Commission members know, over a billion and a half dollars were requested. With few exceptions, I think we would all acknowledge that most of the requests were fairly worthwhile. The choice to recommend one project over another sometimes became very difficult for the staff.

We are also -- the Commission staff members -- employees of the Office of Management and Budget. Even in our attempt to recognize the capital needs that exist, we sometimes find it a little difficult to make

recommendations without regard to the fiscal challenges that face the State. Our task, as we saw it, was to recognize the most pressing needs that existed. To do this, we had developed a criteria to help filter the requests. Our highest priorities in our final recommendations were projects that protect lives and maintain the viability of existing program space.

About the requests themselves: The largest category that was requested was infrastructure, that was over \$445 million. That request was skewed by the request for the Transportation Trust Fund, which was \$380 million all by itself. If you factor this out, then preservation projects, which total \$276 million, were the most common requests, followed by requests for major rehabilitation, about \$133 million, and new construction projects, \$111 million.

We have continued our practice of recommending funding for asbestos abatement and hazardous materials removal projects, underground storage tank removal projects, and Americans With Disabilities Act compliance projects from central accounts. The Division of Property Management and GSA requested amounts for those three items on behalf of all State agencies. In looking at the requests, therefore, we have an overstatement with regard to those three items.

ADA projects, the total request was \$27 million; \$13 million had been requested on behalf of agencies by the Office of Disabilities Management. The staff has recommended about a third of that, \$5 million.

Requests for asbestos and hazardous materials totaled \$75 million, and \$28 million had been requested on behalf of State agencies by GSA. The staff is recommending \$15 million in that particular case.

The total request for underground storage tanks was \$102 million; \$98 million had been requested on behalf of State agencies. Staff are recommending approximately half, \$50 million.

Fairly uniformly, when there were requests for those kinds of funding, the staff recommendations were made to the central account or a portion of it in the central account.

Just to switch gears a little bit, generally speaking, we had provided material to the Office of State Planning and to the Council of Economic Advisors to fulfill our mandate in that regard. I think with maybe a few hiccups we generally complied with the State Plan. I had a consultation with the staff from the Council of Economic Advisors, and generally speaking, they had no objections to the staff recommendations.

Subsequent to this meeting, any adjustments that are made to the staff recommendations will be compiled and published in a seven-year Capital Improvement Plan, which will come out probably around the end of February.

That concludes my report.

SENATOR LITTELL: Are there any comments or questions?

ASSEMBLYMAN ROMANO: Mr. Chairman.

SENATOR LITTELL: Yes, sir. Assemblyman Romano.

ASSEMBLYMAN ROMANO: Let's go back to the letter provided us from Paul Shidlowksi. You know, we did get quite a bit of material here. Our review today--

If I go to the second page, you're saying, "However, voting on the specific projects, it is our intention to use the summary of requests and recommendations." I wonder if you could be more plain language about this

in how we intend to go about this today, as to what you are recommending, then we're going to the summary, etc. You know, just to let us all be on the same playing field here.

MR. SHIDLOWSKI: Okay. We provided you several documents to work with.

ASSEMBLYMAN ROMANO: Right.

MR. SHIDLOWSKI: In reviewing the projects, you had the resources of the specific project requests that you received prior to the meetings. We have a summary report which only lists the project description and the amounts requested for Fiscal Year '98 without the other information. It includes all of the projects, not just the projects recommended by staff, but it includes the ones we didn't recommend, giving you an opportunity to amend the staff recommendations by adding funding for additional projects that hadn't been recommended or if you care to reduce amounts recommended by staff.

ASSEMBLYMAN ROMANO: Excuse me again, Mr. Chairman. What you are referring to is this one here? (indicating)

MR. SHIDLOWSKI: Yes.

ASSEMBLYMAN ROMANO: Because your first page looks a bit different than my first page. No, it's the second page, rather. Let's see from far away there. Okay, no, it's just with the glasses, I guess. All right.

MR. SHIDLOWSKI: Okay. The way that we had always proceeded in the past is that we voted by Department. If Commission members cared to examine individual recommendations we did so, but generally speaking, we voted on the Department recommendations.

ASSEMBLYMAN ROMANO: I have no further questions, Mr. Chairman. I just wanted to--

SENATOR LITTELL: Thank you, Assemblyman Romano.

MR. DAVIDOFF: Mr. Chairman.

SENATOR LITTELL: Yes, sir. Mr. Davidoff.

MR. DAVIDOFF: I have several questions.

First of all, I think the work that the staff put together is tremendous.

SENATOR LITTELL: Is your microphone on there?

MR. DAVIDOFF: Red light?

SENATOR LITTELL: Red means go.

MR. DAVIDOFF: Red means go. Thank you.

The report which you put together was extraordinarily comprehensive and was an excellent working document. I compliment the staff on that. A couple of questions and clarifications regarding your report.

Your discussion with Legislative Counsel, was that a written opinion or was that an oral discussion that you had between you and Legislative Counsel?

MR. SHIDLOWSKI: It was oral advice.

MR. DAVIDOFF: Okay. In your report, on Page 4 of the first of the three reports, the Capital Requests and Recommendations for FY '98, you list a hierarchy of criteria used to evaluate the capital requests. You list eight criteria.

Number seven in that criteria is projects that reduce operating costs, which I thought was far along down the list. Generally, if I can do a

project I will cut my operating costs and give you a long-term benefit, I view that as a project we should be doing.

So I would like to ask the Chair if we could put this on our agenda for our next meeting, to consider the hierarchy of criteria so that when we come about this cycle the next time, we have something in the beginning that we all are in agreement on. That would be appropriate, sir.

MR. SHIDLOWSKI: We did solicit Commission members' input on these criteria. Although I agree that projects that reduce operating costs certainly have a place in our recommendations, sometimes we have what, I think, are more pressing needs regarding life safety, as well as projects that maintain the viability of existing program space. We have requirements to meet certain certification standards, etc., that could make an investment in some other project that would reduce an operating cost moot.

SENATOR LITTELL: Paul, I think all he is asking for is that we put it on the agenda for the next meeting and have a discussion about the priority process and what is important and what is not.

Is that correct?

MR. DAVIDOFF: Yes, it is correct.

May I go on to my next comment?

SENATOR LITTELL: Sure, go right ahead.

MR. DAVIDOFF: Thank you, Mr. Chairman.

The discussion you had about the central GSA accounts for ADA, underground storage tanks, and the like: Did we receive a presentation of those budget items?

MR. SHIDLOWSKI: We did. It was made by Mr. Mazzella on behalf of the Division of Property Management and GSA. They are responsible for the management of the buildings in the capital complex, as well as responsible for some of these larger issues.

MR. DAVIDOFF: Thank you.

SENATOR LITTELL: Are there any other comments or questions?

ASSEMBLYMAN ROMANO: Again, if I may, Mr. Chairman. I just asked-- Because even right now, as Mr. Davidoff was referring to Page 4, we all scrambled for which document were we looking at. I wonder if there is a way, if we are going to jump from document to document here, if we can make them *A, B, C, D*, or whatever the case is, or someone should be more specific about the document that they are looking at, so we're all not scrambling through paper here. Unless we're all going to be directed to the one that we're supposed to be voting on, then that is a different story. I don't say this as a criticism. I just say this so that we can all understand what is going on here.

SENATOR LITTELL: Okay. Maybe in the future when you send out a revised copy you can mark across the top revised and the date it was revised and say that this will be the document that we're working from. Something like that, maybe get a stamp?

MR. SHIDLOWSKI: Okay.

SENATOR LITTELL: Are there any other comments or questions? (no response)

Okay, let's move on. The capital recommendations for FY 1998 by the Department of Agriculture is the first one on the agenda.

Okay, is everybody clear on what sheet we're working on?
(affirmative responses)

MR. DAVIDOFF: Mr. Chairman.

SENATOR LITTELL: Yes.

MR. DAVIDOFF: May I make a recommendation as far as what we work off of? In the series of documents that we received, there was one that said Summary of Requests and Recommendations -- it is the second of the three -- Summary of Requests and Recommendations, Fiscal Year 1998 through Fiscal Year 2004.

SENATOR LITTELL: Right.

MR. DAVIDOFF: In that is 46 pages which list all of the projects line item by line item and provides a total for each Department. I would suggest that we work off of that in that it does list all of the projects, as far as when you're going--

ASSEMBLYMAN ROMANO: Mr. Chairman, for myself, what I'm doing to cross back-- In the Capital Requests and Recommendations -- this one (indicating) -- if you follow page by page with it, it gives an explanation of why they chose a particular item and why they did not choose another.

MR. DAVIDOFF: That's right.

ASSEMBLYMAN ROMANO: Okay. So it is two separate documents.

MR. DAVIDOFF: Right. I'm just saying that as far as a-- We have all read that beforehand. Just to see all of the projects at a glance, because there may be some we might want to approve or not approve, that this may be a good start. I know I have some specific line items I'm going to make suggestions on.

SENATOR LITTELL: Okay. All set?

MR. SHIDLOWSKI: I think so.

SENATOR LITTELL: Is there anybody here from the Department of Agriculture?

JOHN J. GALLAGHER JR: (speaking from audience) Yes, I am with them.

SENATOR LITTELL: The one recommendation that you have on here that I question is the \$350,000 being recommended for a new grandstand for the Horse Park. It seems to me a modest tent or a rental for a tent would suffice for the amount of time you use that facility. Would you want to address that?

MR. GALLAGHER: Yes, Senator.

HEARING REPORTER: Mr. Chairman, could you have the witness come up to the microphone?

SENATOR LITTELL: Sure.

Would you come up to the microphone, please?

ASSEMBLYMAN ROMANO: Mr. Chairman, is there a representative from every Department here so that we might be able to address questions or to ask if what is being recommended is in order or not in order?

SENATOR LITTELL: Well, my recollection, Assemblyman Romano, is that they have always had someone here.

ASSEMBLYMAN ROMANO: Do they have the information that we have in our hands?

MR. SHIDLOWSKI: Yes. We requested that Departments all send representatives.

ASSEMBLYMAN ROMANO: No, but I am saying do they have what we are following here as recommended by the Commission?

MR. SHIDLOWSKI: The staff acquainted the Departments with the recommendations, yes.

ASSEMBLYMAN ROMANO: Okay.

MR. GALLAGHER: Senator, good morning.

My name is Jack Gallagher, from the Department of Agriculture. I am the Director of Administration. With me is Lynn Mathews, our Equine Information Specialist, who works with the recreational aspects of the equine industry in New Jersey, including the continuing development of the Horse Park.

Senator, in answer to your question, we have had a tent at the Horse Park for a number of years to serve as a spectator seating area. We have had major problems with tents in the last couple of years, in particular. They have been a safety problem in the sense that we have a series of prevailing winds that tend to blow frequently through the Horse Park. We have had two instances of the tent blowing down.

One instance, fortunately, did not involve any public spectators, but did involve some Horse Park staff. I can graphically tell you that one of

the large, metal tent pegs that hold this tent down -- it is about 50 by 175 feet long -- literally was ripped from the ground and was thrown through the back of a pickup truck window in which the staff member was sitting. So it was a very close call.

Other members of the staff, including Ms. Mathews, were under the tent at the time. About 10 minutes subsequent to that, our State Board of Agriculture was to have their meeting and luncheon underneath of the tent. So we were happy that they were not there, of course. But there are safety considerations involving tents. A hard, fixed structure, we think, is the answer, and that was the basis for our request.

SENATOR LITTELL: Are there any comments or questions?

Yes, sir. Mr. Davidoff.

MR. DAVIDOFF: The red light isn't coming on. (referring to microphone) Oh, well. Can you hear me? (affirmative response)

We had this discussion in great detail when you appeared. In light of that, we had the discussion that possibly the money could be raised through some sort of public-private partnership and that there are admission fees tied to this, and the like.

So, without having to repeat our discussions we had before, I would like to move that we approve the Animal Health Laboratory equipment for \$65,000, assuming that if nobody makes a motion on the grandstand then it won't get approved. While I am not disapproving, I just want to get on with what I think is appropriate, and if we want to have a vote separately on that, that is fine.

The reason I would not support the grandstand would be that we have so many critical life safety needs in this budget that we're not going to be able to do, even if we recommend them, because of the limited resources. I don't think it is responsible of this Commission, even though it is a terrific thing-- I would love to do it. In the reality, I don't think it would be a responsible thing for us to do.

So I would like to move the approval of the Animal Health Laboratory equipment expenditure of \$65,000.

SENATOR LITTELL: Okay. We have a motion. Are there any comments or questions?

ASSEMBLYWOMAN MURPHY: Yes.

SENATOR LITTELL: Assemblywoman Murphy.

ASSEMBLYWOMAN MURPHY: I have one question, and that is to--

MR. DAVIDOFF: Point of order, need there be a second, Mr. Chairman?

ASSEMBLYWOMAN MURPHY: Is there a second to the motion?

SENATOR LITTELL: What was your point, sir?

MR. DAVIDOFF: I didn't hear a second. I'm sorry.

SENATOR LITTELL: Oh, go ahead then.

ASSEMBLYWOMAN MURPHY: Was there a second to the motion?

SENATOR LITTELL: No. I asked if anybody had any comments or questions about the motion. Then I'll go on and ask for a second.

ASSEMBLYWOMAN MURPHY: I see.

Thank you, Mr. Chairman.

I was curious as to the revenues generated from the Horse Park in the area where the grandstand is located. Is this a revenue producer that will be negatively affected by no construction of a grandstand?

MR. GALLAGHER: Right now, Assemblywoman, I can tell you that every nickel that is raised by rental fees for the Park, stall rental fees for horse stalls, sale of bedding material for the horse stalls, etc., goes right back into the Park for the operation and maintenance of that park.

Right now, we are essentially breaking even. If we had to go out and buy another tent, which, in fact, we have to do, we don't know how we're going to be doing that.

ASSEMBLYWOMAN MURPHY: Do you have a sense of the cost of the tent as opposed to the cost of the grandstand?

L Y N N B. M A T H E W S: The last tent that we put in that position cost us \$45,000 and blew down within six months of the new tent being up. The life expectancy of a tent if, in fact, it stays up is five years. We have just had a very dramatic problem of the winds taking it.

ASSEMBLYWOMAN MURPHY: I think what I am trying to ascertain, however, is: Does the grandstand or the development of a grandstand produce additional revenues outside of the moneys that are produced through the stalls, etc.?

MR. GALLAGHER: Yes, it would, Assemblywoman, in the sense that in the rear compartment or rear portion of the grandstand we expect to put vendor areas. With a concrete floor, we can do that. Vendor areas -- tack

type of vendors and other equine-related vendors -- that, in a sense, would provide revenue, yes.

ASSEMBLYWOMAN MURPHY: Those would be additional vendors outside of the ones you presently have?

MR. GALLAGHER: Correct.

ASSEMBLYWOMAN MURPHY: Thank you.

SENATOR LITTELL: Thank you, Assemblywoman Murphy.
Senator Kenny.

SENATOR KENNY: Each Department here has established priorities, and the Department of Agriculture has just two priorities for a total of \$415,000. These are small amounts of money in the scheme of things and have been given a high priority by the Department, and they have only come in with these two items.

So I think it is appropriate to support it, the \$350,000. Having been to the Horse Park on a number of occasions, I think they need it. It's a great facility, and it attracts people from all over the State. I think it's appropriate so I would not be supportive of the prior motion. I intend to support the request as presented.

SENATOR LITTELL: Thank you, Senator Kenny.

Are there any more comments or questions?

Mr. Davidoff.

MR. DAVIDOFF: Part of the work of this Commission is to try to get the most important items, ultimately, passed in the final budget. Last year, the Department of Agriculture requested \$1.1 million. We recommended the \$65,000, I assume, for the Animal Health Laboratory equipment, and that

did not even get appropriated. So I think we have to look at the realism of trying to get done what is most important.

The Health Lab has health significance for animals and humans. I think it is important to stress to the Governor and the Legislature that this is a very vitally important item.

With respect to my motion, approving my motion doesn't necessarily disapprove-- Since there are two items, we can just vote on each item since there is a controversy on one of them. I would suggest that we follow that format.

SENATOR LITTELL: Okay.

You have heard the discussion. Is there a second to Mr. Davidoff's motion? (no response)

Failing to hear a second, your motion is inappropriate at this time.

Are there any further motions with regard to this?

SENATOR KENNY: I would move the two requests.

SENATOR LITTELL: Senator Kenny makes a motion to approve both requests.

ASSEMBLYMAN ROMANO: I'll second that, if you will allow me.

SENATOR LITTELL: Seconded by Assemblyman Romano.

Are there any comments or questions on that? (no response)

A roll call, please.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: No.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion passes.

SENATOR LITTELL: The motion passes.

Thank you very much.

MR. GALLAGHER: Thank you.

SENATOR LITTELL: The next item on the agenda is the Public Broadcasting Authority. Whoever is here to represent them, please come forward.

There is a list of items here and an amount of money. Are there any comments or questions?

ASSEMBLYMAN ROMANO: Mr. Chairman, if I may.

SENATOR LITTELL: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Mr. Shidlowksi, in the Capital Requests and Recommendations and in your paragraph explaining-- This money now-- Actually, what we're looking at here is, I believe, this equipment, is it not always considered capital outlay?

As I read this, "Although such funds could be applied to the capital requests, NJN intends to allocate the \$2.5 million to the purchase and upgrade of equipment for its television and reward networks, etc."

You have me somewhat confused here.

MR. SHIDLOWSKI: If I can just step back. The Public Broadcasting Authority entered an agreement with the Food Network to receive a sum of money over a number of years. The agreement that Public Broadcasting struck with the Treasurer was that these funds would be used exclusively for the replacement of broadcasting-type equipment. In some cases, things like vans, for example-- We don't normally recommend vehicles as capital because of their useful life, in some cases.

Although I would consider a lot of the equipment to be capital to the extent that they are using it for broadcast equipment replacement as opposed to repairs to facilities, etc., and the antennas, we are recommending those items, specifically.

ASSEMBLYMAN ROMANO: Well, just in answer to that then. What we're talking about is \$585,000 out of capital funds requested here, to be authorized by us, and whatever portion of that \$2.5 million, which is going to be provided over the next six years. We're not talking about that money at

all. All we're doing is noting that that money is going to be used for other items as you have delineated here.

MR. SHIDLOWSKI: That's correct.

ASSEMBLYMAN ROMANO: But these are not the items that you're purchasing with that at all. This you're taking out of capital?

MR. SHIDLOWSKI: That's correct.

ASSEMBLYMAN ROMANO: Okay. I just wanted to ask that question.

SENATOR LITTELL: Okay. Now that we have that clarified, are there any other questions or comments?

MR. TROY: Senator, just one question.

Paul, if I may, on the report that we have here in front of us, The General Fund Recommendation, is this under the category of the Department of Commerce and Economic Development?

MR. SHIDLOWSKI: Yes.

MR. TROY: Okay. Thank you.

Thank you, Senator.

SENATOR LITTELL: Okay. Is there anybody else?

Mr. Davidoff.

MR. DAVIDOFF: I'll get this. (referring to microphone) There we go.

In our earlier review of the Public Broadcasting Authority, we were made aware of their grant from the TV Food Network dollars. Again, relative to the other extraordinarily critical needs, people residing with leaky roofs

having to wait until 1999 or 2000 and other things, we have \$595,000 recommended here.

I would recommend the first two items and half of the third -- these emergency repairs. They have a budget plus these TV Food dollars that could be used to handle the others. Therefore, I would move that we allocate -- that we approve \$310,000, Projects 1 and 2, and \$130,000 toward Project 4.

SENATOR LITTELL: Okay, we have a motion to approve Item 1, Item 2, and part of Item 3. Correct?

MR. DAVIDOFF: Items 1 and 2, and \$130,000 of Item 4.

SENATOR LITTELL: Okay. Are there any comments or questions on that?

MR. DAVIDOFF: Mr. Chairman.

SENATOR LITTELL: Yes.

MR. DAVIDOFF: In the effort to save time, I would ask that you ask for a second. If there is no second, then there is no need to discuss my motion.

SENATOR LITTELL: Okay. Well, sometimes the discussion on a motion generates the second or not. If you prefer it that way, I'll be glad--

MR. DAVIDOFF: I will do which ever the Chair wants. I'm trying not to waste the time--

SENATOR LITTELL: Is there a second to Mr. Davidoff's motion?
(no response) Hearing none, that motion is dead.

What is your pleasure for the request from the Public Broadcasting Authority?

MR. ROTH: Mr. Chairman, I move to approve \$595,000, as recommended by staff.

ASSEMBLYWOMAN MURPHY: Second.

SENATOR LITTELL: We have a motion and a second to approve \$595,000 as outlined in the report.

Roll call, please.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: No.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion is carried.

SENATOR LITTELL: The motion carried.

Thank you, gentlemen.

Next is the Department of Corrections. Mr. John Forker. This is a rather extensive list. It is obviously a--

ASSEMBLYMAN ROMANO: Just the ones on the first page.

SENATOR LITTELL: --a major Department.

I have some personal views on this that I would like to discuss at some point.

ASSEMBLYMAN ROMANO: Mr. Chairman.

SENATOR LITTELL: If the members want me to go over there to do it, or I can do it from this chair.

ASSEMBLYMAN ROMANO: What is that? The comments?

SENATOR LITTELL: I have some comments with regard to--

ASSEMBLYMAN ROMANO: Mr. Chairman, Mr. Chairman, you sit right there, and you say whatever you will.

SENATOR LITTELL: Okay. (laughter)

Well, I'm not really the Chairman of this, so I don't know how Carol would do it.

UNIDENTIFIED MEMBER OF COMMISSION: Today you are, sir.

ASSEMBLYMAN ROMANO: If I was there that would not hold me back from saying anything.

SENATOR LITTELL: Not much holds you back from saying what is on your mind anyway. (laughter)

Does anybody else have any comments or questions?

ASSEMBLYMAN ROMANO: I just have one, and then you can take off on your--

On Page 11 of this one (indicating), Capital Requests and Recommendations, at the bottom there, Projects Not Recommended, I just have a question. Why are we not-- You know, this kitchen floor replacement, this has come up about the past three years from what I can remember here. What are we doing in the meantime with this kitchen floor?

Through you, Mr. Chairman, what is the story with this floor? I mean, are people falling over the holes? What is going on there with this kitchen floor?

JOHN J. FORKER: What occurred, Assemblyman, is we had put a request before JBOC for money to be drawn down from the bond--

ASSEMBLYMAN ROMANO: Push your button. Your button is not on. (referring to microphone)

MR. FORKER: Okay.

We requested through JBOC an appropriation to fix the kitchen floor. As you remember, last year it was denied by the Capital Planning Commission (*sic*). The JBOC Committee approved it. So we will be able to fix the floor through the appropriation bond issue moneys and avoid having to ask the Commission for money.

This is Northern State's kitchen floor, correct? Because I don't have the document that you have in front of you, but I assume that is what it is. We have the appropriation at this point.

ASSEMBLYMAN ROMANO: Well, I'm happy to hear that, Mr. Chairman. I have no other questions.

ASSEMBLYWOMAN MURPHY: Good.

SENATOR LITTELL: Assemblywoman Murphy.

ASSEMBLYWOMAN MURPHY: No, that was my only comment. I was delighted to see that being taken care of.

SENATOR LITTELL: All right.

Mr. Davidoff.

MR. DAVIDOFF: Being that this is the largest Department, I spent most of my time on this one. It was a very detailed report.

There are five items, and if we're looking at the Summary of Requests and Recommendations, Fiscal Year 1998 through Fiscal Year 2004 -- what I have been calling the second document -- beginning on Page 2, Items 15, 16, 17, sewer grinders and flow meters, sewer line shredders, as well as Items 44 and 45, sewer line shredders and sewage grinders, these provide--

The total cost of these items is \$437,000. There are savings that are associated with each of these items totaling \$233,000. None of these items have been recommended by Commission staff. Even if you assume for the moment that the savings are only half of what the Department of Corrections said they would be, it would still be a 26 percent return, a very fast payback, and seems to be a smart thing to do in lowering our overall operating budgets.

For that reason, I would move that those five items be added to the recommended list.

SENATOR LITTELL: Is there a second to that motion?

SENATOR KENNY: Yes, I'll second it.

SENATOR LITTELL: We have a second to that motion by Senator Kenny. Are there any comments or questions?

ASSEMBLYWOMAN MURPHY: Is there discussion by staff relative to the rationale behind not putting the sewage or sewer line, etc., in the budget?

MR. SHIDLOWSKI: Our understanding is that the savings was a-- It was a productivity savings as opposed to a dollar savings, that the staff involved in maintenance to clear the drains, etc., would be employed in some other capacity. There would be no real dollar savings in the budgets of these facilities at the end of the year.

In addition, they are small projects. If they do, indeed, yield the kind of operating savings that the Department is suggesting, then it is something that should be dealt with in the maintenance budgets of the facilities.

SENATOR LITTELL: Okay. Just so we know, do you want to read off the numbers so we can check them again and make sure we have the--

MR. DAVIDOFF: Yes, I would like to do that. Also, I would like to hear a response from the Department on Mr. Shidlow's--

But the numbers are Items 15, 16, 17, 44, and 45.

SENATOR LITTELL: Items 15, 16, 17--

MR. DAVIDOFF: Items 44 and 45.

SENATOR LITTELL: Items 44 and 45. Go ahead.

MR. DAVIDOFF: Those are their priority numbers, not project numbers -- Department priority numbers.

SENATOR LITTELL: Roll call, please, on the motion and the second.

MR. DAVIDOFF: I wanted to hear a--

SENATOR LITTELL: Oh, you wanted to hear their--

MR. DAVIDOFF: --response from the Department on Mr. Shidlow's observations.

SENATOR LITTELL: Mr. Forker.

MR. FORKER: There is a cost savings associated with the flow meter being installed on East Jersey.

MR. DAVIDOFF: It's not the flow meter.

MR. FORKER: On the other ones, it's actually man hours that aren't involved in continually unclogging the systems. With the flow meter, there is an actual \$35,000 savings, because we have a true flow meter than assuming at this point.

MR. DAVIDOFF: Wouldn't the labor save overtime charges?

MR. FORKER: Yes.

MR. DAVIDOFF: You would be able to actually reduce actual operating costs?

MR. FORKER: Yes.

MR. DAVIDOFF: On these other projects, also?

MR. FORKER: Yes. It's operational.

ASSEMBLYWOMAN MURPHY: Do you have a sense of what that dollar figure would be in terms of the operating costs? What sort of savings would you save in operating costs, man power?

MR. FORKER: We estimated on each of these projects: \$50,000 on one, \$48,000 on another, another \$50,000, another \$50,000. They are estimated costs on how many times people had to be called in when there were clogged lines to maintain them.

MR. ROTH: Mr. Chairman.

SENATOR LITTELL: Yes, sir.

MR. ROTH: Those costs you just quoted on the order of, what is it, \$150,000 to \$200,000 total, that's all overtime, right?

MR. FORKER: This thing keeps going off. (referring to microphone)

It will either be associated directly to overtime or the lack of being able to perform other maintenance functions, which may have been cause to work overtime in that area.

MR. ROTH: Could you give us an indication of what percentage of your overtime budget that number represents?

MR. FORKER: I can't right at this moment. I can get it to the Commission if you think it's necessary.

MR. ROTH: Is it a significant portion of your overtime budget?

MR. FORKER: I think it would vary from institution to institution.

MR. ROTH: All right.

SENATOR LITTELL: Thank you, Mr. Roth.

I have a request that I would like to bring up now, if I may.

Either that or we just vote on your five items. Maybe we ought to do that.

We have a motion and a second on Items 15, 16, 17, 44, and 45, that they be included on the list.

Correct? Is that your motion?

MR. DAVIDOFF: That is correct, and I am dealing with numbers that are Department priority numbers. Those are the numbers I'm using.

SENATOR LITTELL: Okay. Paul says he knows what you are referring to.

Roll call on that portion.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: The motion carries.

SENATOR LITTELL: Motion carried, okay.

Now, I would like to talk, if I may, for a few minutes about Mountainview at High Point, which is in Sussex County. We went through this process last year, and I had the support of the Commission to eliminate the proposed finances for Mountainview.

There are two portions, one on Page 7 of the Capital Requests and Recommendations, in which there is \$13 million recommended for general preservation projects. I would ask that you just add to that that preservation projects are supported provided that no money is spent at the High Point/Mountainview Correction Facility and, on Page 9, that you eliminate the \$1.9 million recommended for High Point sewage treatment plant renovations.

This is supported by the comment on Page 12 that says the kitchen replacement project at the High Point Unit at Mountainview Youth Correctional Facility for \$1.1 million is not recommended because of the uncertainty of the future of the facility. The sewage treatment issue would first need to be resolved and the status of the facility determined.

I can tell you, as can Mr. Forker, that the Department has been unable to come up with a solution that is cost effective or that has proven to work in those circumstances. This is the highest point in the State of New Jersey. It is High Point State Park. There has been an ongoing controversy over the environmental aspects of the existing system.

The existing system has been shut down now for almost two years. They haul the waste away from that facility in tractor trailers on a daily basis. The Department has come up with a plan, which, according to the Sussex County Department of Health, is flawed. It involves building a greenhouse

over a fragmities field (phonetic spelling) the size of a football field or several football fields, a greenhouse to be heated with propane gas. I can tell you, having been in the propane gas business 35 years of my life, that that is not a cost-effective treatment plant.

Secondly, the information that the consultant we used to determine this plant was based on erroneous information. The process would require that we continue to haul the waste from those facilities if the plant doesn't work. The Sussex County Department of Health has provided detailed comments to the Department.

I respectfully ask that you, one, adopt the language on Page 7, which says that none of those funds -- I'm not asking that you take any of the \$13 million out, just that none of those funds -- be used for High Point Mountainview Correction Facility and that on Page 9, the \$1.9 million recommended for the sewage treatment plant, which I just described to you, that is not cost effective and will not work, be eliminated.

This is an ongoing problem. I have discussed personally with the Governor. She has assured me that they will do an alternative analysis to determine whether these prisoners can be relocated at some point in the future when the Bridgeton Prison opens. She has promised me a thorough review of that, and until that is resolved, I ask that you support my position once again.

MR. DAVIDOFF: Senator, a question on that.

SENATOR LITTELL: Yes, sir.

MR. DAVIDOFF: Sir, you're proposing that we delete Department Priority No. 26, and that Department Priority No. 22 not be used for Mountainview Youth Correction Facility. Is that correct?

SENATOR LITTELL: Which list are you on?

MR. DAVIDOFF: This is on the--

ASSEMBLYMAN ROMANO: Number 2 of 46.

MR. DAVIDOFF: Yes. Page 2 of 46 of the '98 through 2004 Summary of Requests and Recommendations. The second document. I think Paul can show you.

SENATOR LITTELL: Okay, 26 is the sewage treatment plant renovations at Mountainview Youth Correction Facility. What was the other one?

MR. DAVIDOFF: Is it No. 22? Is that the maintenance you're talking about, No. 22, Department priority? If that is the case, I would support that, Senator.

SENATOR LITTELL: That is one of them. That is not the whole--

MR. SHIDLOWSKI: They were components of other recommendations.

MR. DAVIDOFF: Components of it.

MR. SHIDLOWSKI: The staff had made recommendations for a series of preservation projects. The Senator is saying that we not support any components of those related to Mountainview or not perform any projects at Mountainview with those funds.

SENATOR LITTELL: That is correct. That is what I asked for.

ASSEMBLYWOMAN MURPHY: Is there a sense of what that dollar total that we are talking of removing is? It is easy to find line-item No. 26. It is not easy to locate the other dollar sums.

MR. SHIDLOWSKI: It's not--

ASSEMBLYWOMAN MURPHY: Okay. Okay.

SENATOR LITTELL: Shall I make a motion to that effect?

MR. FORKER: Senator, may the Department respond just as clarification?

SENATOR LITTELL: Sure, the Department--

MR. FORKER: The Department, as the Senator points out, is doing a -- taking a look at alternatives of operating that facility versus housing the inmates at the Bridgeton facility. As everyone knows, we have an overcrowding problem in the State and relocation of 250 inmates is not an easy chore.

As far as the sewage treatment plant that is being recommended for the High Point facility, the Senator is correct that there is controversy as to whether or not that is an appropriate type of system that should be installed at High Point. However, the Department is in the process of requesting from the Department of Environmental Protection a permit for that plant.

From the information that has been received from the consultant that the Department hired in order to design this facility, he has indicated that it may work up in that area. The Department is planning to have a meeting with the county officials up in the High Point area to describe what we perceive as operation of that facility versus what their concerns are. Hopefully, we can resolve that issue.

So, from a Department standpoint, although we are looking at other alternatives and we are considering economic impact, as the Senator

pointed out, we do think there is a system that may work up in that area. But we are concerned about the loss of 250 beds.

SENATOR LITTELL: Is there anybody else?

Do we have a second to my motion?

MR. ROTH: I'll second the motion, Senator.

SENATOR LITTELL: Thank you.

On the motion and the second, a roll call, please.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Abstained.

MR. SHIDLOWSKI: The motion carries.

SENATOR LITTELL: The motion carried. Thank you very much.

Are there any other items on the Department of Corrections' list that anyone wants to raise questions about?

ASSEMBLYMAN ROMANO: Mr. Chairman.

SENATOR LITTELL: Assemblyman Romano.

ASSEMBLYMAN ROMANO: I have no problem with the items as listed, notwithstanding that you had taken out those other items which you had problems with.

I just would like to go back to my colleagues here-- You recall, at our last meeting, I provided you with information regarding the Hudson County Jail. As we go through this process, each time we talk about more beds. The State is going to have to come up with something, because each year comes out the emergency resolution or the emergency order by the Governor forcing counties to continue to keep State prisoners located therein.

As I reminded you last week, Hudson County can very well rent that space to Immigration and Naturalization at a much higher rate than what they are being paid by the State of New Jersey. Hudson County needs the funds. We still have not brought to a closure the amount of funds that Hudson County will receive over the idea of what Hudson County had collected for the past several years. That was denied last year, which was through calender 1995 and then in our last budget, and we are still going through the same process in this budget.

I understand there have been negotiations. They saw a light at the end of the tunnel, and then somebody closed the tunnel. In any event, this

can't continue. When you talk about the Department of Corrections and we talk about performing a service to the State here, it cannot be a one-sided view. It cannot be a one-sided operation. I mean, to force upon counties State prisoners and just leave them there and not make any real attempt to figure out where they are going to place them eventually I think is ludicrous. I think it becomes a sham.

I will give Corrections whatever they need. I will take them on their word here, but I think we have to start looking to bigger and better jails.

Thank you, Mr. Chairman.

SENATOR LITTELL: Thank you, Assemblyman Romano.

Do you want to comment on that at all, Mr. Forker?

MR. FORKER: I prefer not to.

ASSEMBLYMAN ROMANO: You don't have to. (laughter)

SENATOR LITTELL: Yes, Mr. Davidoff.

MR. DAVIDOFF: In reviewing this budget, and again, very detailed, I noted that for East Jersey State Prison, there is over \$23 million to be spent in the time horizon on specific projects already identified. In addition to that, there are the portions of Priority Items 21 and 22, the fire compliance and roof repairs. There is a study that you were asking for in Item 25 to look at the perimeter wall, which, who knows, that may be another \$10 million, after you finish that study, that you will be coming back to us for. So we are looking on a time horizon of spending \$30 million on the East Jersey Prison, including \$5 million alone just on the dome. It leads me to believe that--

I understand you are currently having a Master Plan evaluate all of your prisons and to see what is the best usage. My comment is that maybe

it would be prudent for us to hold off on these repairs until we see what your Master Plan is, because it's very possible your Master Plan may say it's not worthwhile to keep East Jersey as it is.

It may end up being worthwhile to build a new prison and maybe use East Jersey for the most violent 800 criminals. But could you comment on that, because I am very concerned about pouring \$30 million in the next several years in a facility that is only going to want more money, and, you know, locking systems have to be redesigned. There are all kinds of stuff here.

I am very leery about investing in something, especially domes, which, as we know, don't have a very long life around here-- Putting \$5 million in a dome, you might as well close off that area and let people walk outside to get across to the other side. Let the dome fall through, you know.

Your comments on that, please?

MR. FORKER: Yes. As you mentioned, we have a Master Plan that should be completed -- the last date I had was January, which is looking at every facility within the Department, East Jersey being one of them.

One of the requests that we had of the group that is doing the Master Plan is that they look at East Jersey to see what needs to be done as far as replacement of existing cells and the facility itself. Our understanding is, regardless of what recommendations are made by the group, that these repairs are necessary.

We have had them review our recommendations to ensure that they are following conformance with what the Master Plan is coming up with. Even if a new facility needed to be constructed, say, adjacent to the existing facility, in order to renovate interior cells within the facility, then we're talking

four, five, six, seven years down the road. That facility needs to continue to operate regardless. I mean, we're talking 2000 inmates inside a facility within the State. So our recommendations were that these items needed to be done.

With regard to the dome, specifically, because that has been an issue over the years, we have looked at it-- Because of the historic value of the dome, there has always been a problem in not replacing the dome. The numbers that you were given here, \$5 million, is to repoint it and fix the existing dome. We have asked them to research thoroughly whether or not we can do something else rather than have the dome there. At one time, that was the largest span, I guess, in the United States and it's an historical -- or nonsupported span in the United States. So it may be a lot less money than what is in the recommendation right now, but it is going to be a significant number regardless.

SENATOR LITTELL: I would just add to that, so you know, Senator Gormley and several other Senators have a bill, which has already been released from one Committee, that would provide for a bond issue. It is my recollection -- I don't have it here with me -- there was \$220 million of that for a new State prison, \$80 million for a new juvenile facility, and \$50 million for the counties to expand and enhance their facilities -- a \$350 million bond issue. Now, that hasn't gone all the way through the process yet.

But your present Bridgeton system is about a \$240 million facility, and if they built another one, they might be able to do it for the same or less. That is -- what is it, 2500 or 2700?

MR. FORKER: It's 3000 at Bridgeton for the agency's sake.

SENATOR LITTELL: Total capacity of beds when you're done?

MR. FORKER: At Bridgeton, it's 3200.

SENATOR LITTELL: It's 3200. I'll accept up to 3200, and 500 of those beds are set aside for drug rehabilitation programs, a minimum security sort of program. So they are making efforts to expand.

Having sponsored the legislation, along with Senator LaRossa, for that prison, it took five years just to get the planning process done and get a shovel in the ground. It's probably going to be two and a half years of construction by the time you're finished and occupied?

MR. FORKER: That's correct, Senator.

SENATOR LITTELL: So it takes a fair amount of time. In the meantime, you may need some of these things that are on the list. We don't even know that they may end up being throwaways later on. You can't turn the people loose, and you can't operate an unsafe facility. So I just ask you to take that into account, as well.

MR. DAVIDOFF: May I ask one question? If we didn't approve the \$5 million for the dome this year, would you get by for the year? I know it is a deteriorating situation--

MR. FORKER: It's significant.

MR. DAVIDOFF: --but is it imminent that it is going to fall down this year?

MR. FORKER: It's not so much the dome falling down as much as the structural damage being caused by leakage that is going all the way down to the foundations that is the concern. It is significant.

MR. DAVIDOFF: Now, you say this may be able to be done for a lesser amount. How much less do you think it might be able to be done for?

MR. FORKER: I'll have a better idea when the Master Plan is completed, because they are researching, you know, do you have to replace everything exactly like in kind, or can you just make it -- not a flat roof, because Senator Ewing would have a fit (laughter) -- but do something other than the dome.

MR. DAVIDOFF: Well, my thinking is -- and I'm not making this a motion, I would like to hear from other Commission members -- being there is a major Master Plan, at least put the \$5 million on hold, move it toward next year, as we are putting here a five year-- I guess through 2004-- Move it from this year to next year. Keep it in the Plan, but let's save the taxpayers some money until we're sure what the Master Plan says, and then come back next year and we can allocate it. All the other repairs -- which they're another \$10 million in repairs -- we keep in there for East Jersey, but at least with the dome, maybe move that until we're certain as to where that stands in the Master Plan. I'd like to hear some thinking--

SENATOR LITTELL: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Mr. Chairman, I just want to reinforce my continuing respect for Commissioner Fauver. This dome has been back, just like the kitchen floor, for several years here.

In fact, I believe it was No. 9 on your priority. You have many needs, and that, to come up as No. 9, I have to respect it. Plus the fact that OMB, before they make any recommendations, always sits with members of the Department to determine what is needed. I'm going to go on the basis of trained professionals in the area who have determined that this is not something that can be put off.

On that basis, if you will allow me, I would like to make a motion to pass, at this time, the Commission recommendation of -- what is that? -- \$665-- No. What's that total there? Is it \$65,432,000? That is million, is it not? (affirmative response)

MR. DAVIDOFF: Point of order. I assume you mean less the \$1.9 million?

ASSEMBLYMAN ROMANO: Less the ones that were taken out, right, that's what I'm trying to--

ASSEMBLYWOMAN MURPHY: Plus the \$447--

MR. DAVIDOFF: Plus the \$437--

ASSEMBLYMAN ROMANO: I don't have a calculator here.

MR. DAVIDOFF: It's 437.

ASSEMBLYWOMAN MURPHY: I got 447, which shows you I shouldn't use my calculator.

MR. SHIDLOWSKI: Mr. Chairman, we have all of those changes to the staff recommendations noted. I would suggest we vote on the remainder of the Department of Corrections' request with the changes as approved by the Commission.

SENATOR LITTELL: Okay.

Mr. Davidoff.

MR. DAVIDOFF: I have two or three other questions and comments I would like to make on the budget.

SENATOR LITTELL: You're certainly welcome to make them.

MR. DAVIDOFF: I'll try to make them very quickly. It is our biggest line item.

Mr. Forker, on Priority No. 22, regarding the \$13 million for roof replacement/repairs, again, keeping in mind the very tight budget we're in and the fact that we have taken out Mountainview, would it be realistic to phase that in over two or three years, those repairs? It is a very large number and 20 percent of what is being proposed here. Is that something that, realistically, you could do over two or three years?

MR. FORKER: Instead of getting the \$13 million now to do all the roofs?

MR. DAVIDOFF: Well, the proposal is \$11 million, yes.

MR. FORKER: They're all at separate institutions, which are badly in need of repair.

MR. DAVIDOFF: So you could pick the worst ones and--

MR. FORKER: We have. (laughter)

MR. DAVIDOFF: You've been doing that-- The reality of this is, every time we propose \$65 million, the Governor comes back and we get -- I don't know what it was last year -- \$9 million or \$10 million, and if we're trying to prioritize here, this is a-- You indicated the dome was No. 9, this is No. 22, and we're all the way down on the list. Is there a way to get a plan to do this? That is one comment I'll make. If anybody else thinks it's appropriate, I would phase that in.

But a specific recommendation I would like to make is the addition of three other items: Item 65 is a reverse-flow correction that would cost \$71,000 and save \$40,000 per year. Item 66 is a hot-water system hookup that was requested at \$118,000 that would save \$50,000 a year.

The other item I would request was not even on the priority for this year, but I wonder why, because it involves safety. It's Item 115, closed-circuit surveillance for the 324 most violent criminals in our system. We have no video surveillance here in 1996 of these criminals. There are physical altercations which are listed. It is a very, very small amount, and I think as a safety concern, I would recommend that.

So those three very small items I would recommend be added to the budget, and I ask the other Commission members-- I would like to move that as an amendment to Assemblyman Romano's--

SENATOR LITTELL: We have a motion from Mr. Davidoff to add Items 65, 66, and 115, if I heard you correctly?

MR. DAVIDOFF: Items 65, 66, and 115, that is correct.

SENATOR LITTELL: Okay. The total--

MR. DAVIDOFF: The total dollars are \$258,000.

SENATOR LITTELL: It's \$258,000 in addition to the total here. What's your pleasure?

ASSEMBLYMAN ROMANO: I accept the amendment. Make that part of the original motion.

Does anyone want to second the motion, including what was characterized by Mr. Davidoff? Is anybody going to second it?

MR. TROY: I will second.

SENATOR LITTELL: We have a second. A roll call, please. This includes a vote on everything we have gone over with the elimination of the High Point Facility, the addition of the three projects here, and the admonition from Assemblyman Romano to get the dome fixed.

MR. ROTH: Senator, also the sewage treatment, I believe, is included.

MR. DAVIDOFF: Yes, the five items.

ASSEMBLYWOMAN MURPHY: Yes, the 437--

MR. SHIDLOWSKI: Those were already approved by the Commission, I believe.

Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion passes.

SENATOR LITTELL: Okay.

Thank you, gentlemen.

Next is the Department of Education.

ASSEMBLYMAN ROMANO: Mr. Chairman.

SENATOR LITTELL: Yes, sir.

ASSEMBLYMAN ROMANO: I just have a question for my good friend from the Department of Education who's here.

Are you satisfied with the explanations given for devoting some of the work to other projects? I mean, what is being given here is \$2.5 million as against \$2.7 million, which was your request.

EDWARD DOOLAN: Yes.

ASSEMBLYMAN ROMANO: Can you live with this? You find this to be in order?

That is Mr. Doolan, by the way.

MR. DOOLAN: Yes. Thank you, Assemblyman.

We originally had about \$12 million to \$13 million in terms of priorities coming from the school districts. We turned that into \$2.7 million in terms of priorities. We thought that those were the top priorities. Your first criteria in terms of reviewing had to do with protecting the lives of people. We thought that the \$2.7 million were the priorities that needed to be funded. I can't say that I'm fully satisfied, but--

ASSEMBLYMAN ROMANO: I wonder, now, Mr. Chairman, if Mr. Shidlowski could possibly bring us up to speed on this, to explain to us about the Department of Education.

SENATOR LITTELL: I'm sorry, I didn't--

ASSEMBLYMAN ROMANO: See, I can well appreciate the retrofit of the underground storage tanks comes from another account. However, when we talk about replacing exterior siding and refacing the dam, is it expected that this work, what is not being funded, will be funded under the accounts that are referred to in the report, Mr. Shidlowksi?

MR. SHIDLOWSKI: With regard to the underground storage tanks, yes, Assemblyman.

With regard to the exterior siding, I have to tell you, that I am unsure exactly whether alternative funding would be available for that. Probably not.

With regard to the dam, it was our understanding that the dam was recently reconstructed a number of years ago. We have some questions about exactly why the dam currently requires refacing.

MR. DOOLAN: This past summer, there was a very bad rainstorm -- one of the hurricanes in August -- and the dam was greatly damaged at that time. The road, Sullivan Way in West Trenton, was closed for about six weeks. Most of the structural problems of the dam were taken care of, but the refacing was not, and the engineers recommended that that should be a priority.

ASSEMBLYMAN ROMANO: Mr. Chairman, having heard that, and as I said, I have the highest regard for Mr. Doolan-- He has been here two or three years now with these requests here, and if they have determined out of the range of projects that they had in mind to be able to accept the \$2,748,000 as having the highest priority-- But now, if we would just remove from that the underground storage tanks which would be \$64,000--

Am I correct, Mr. Shidlowksi?

MR. SHIDLOWSKI: Yes.

ASSEMBLYMAN ROMANO: To provide him with the \$80,000 for the exterior siding and the refacing of the dam, we might have some happy warriors here.

SENATOR LITTELL: May I bring one thing to light, Assemblyman Romano?

ASSEMBLYMAN ROMANO: Of course you may, Mr. Chairman.

SENATOR LITTELL: Is this a high-hazard dam? Is this a high-hazard dam? How is it classified?

ASSEMBLYMAN ROMANO: High hazard.

SENATOR LITTELL: High hazard.

MR. DOOLAN: I'm not exactly sure, are you, Dave? (speaking to associate) You're not sure? (negative response)

We're not sure. We can certainly get back to you.

SENATOR LITTELL: There are funds available in the DEP for a grant for high-hazard dams for public facilities. It would seem to me that you would go after that money if it's in that category. We can leave the recommendation in, as Assemblyman Romano proposed, but before you get around to the appropriations process you should examine that and come back to us and tell us whether it qualifies and whether there are funds available.

MR. DOOLAN: We can certainly do that.

SENATOR LITTELL: Okay.

ASSEMBLYMAN ROMANO: On the basis of the comments that you made, excluding the retrofit on the underground storage tanks, including

the caveats from the Chairman, I would like to make a motion to pass that for the Department of Education.

SENATOR LITTELL: Are there any comments or questions?

MR. DAVIDOFF: What are we passing, the \$2.5 million or the \$2.5 million plus the \$66,000?

ASSEMBLYMAN ROMANO: The \$2.5 million plus the \$146,000. No, no, wait a minute. We're just putting in the \$80,000, aren't we? The resurfacing of the dam, we're hoping--

ASSEMBLYWOMAN MURPHY: Refacing the dam.

ASSEMBLYMAN ROMANO: No, we are putting in the dam, right. The \$80,000 and the \$66,000, \$146,000.

ASSEMBLYWOMAN MURPHY: Excuse me. Why are we putting back the exterior siding?

ASSEMBLYMAN ROMANO: Because that money can't come from anywhere else.

ASSEMBLYWOMAN MURPHY: But is that cosmetic or it that absolutely necessary?

MR. DOOLAN: That does include asbestos in the siding. That was one of the reasons why it was a priority.

UNIDENTIFIED SPEAKER FROM AUDIENCE: That's the reason why we didn't recommend, because it couldn't come out of the statewide account.

SENATOR LITTELL: I calculate 2684.

ASSEMBLYWOMAN MURPHY: It can come out of another account with the asbestos removal?

ASSEMBLYMAN ROMANO: Excuse me, Mr. Chairman, what did that gentleman say back there?

MR. SHIDLOWSKI: That the funding-- That since it included asbestos, which had escaped me, that funding would be available from the central account, and that was the basis for the staff recommendation.

ASSEMBLYMAN ROMANO: So all we have to add in then is--

ASSEMBLYWOMAN MURPHY: The dam.

ASSEMBLYMAN ROMANO: The dam, \$66,000.

SENATOR LITTELL: It's 2604. Am I right?

ASSEMBLYWOMAN MURPHY: Correct.

ASSEMBLYMAN ROMANO: You're right, as always, Senator.

SENATOR LITTELL: We have a motion that we recommend 2604 for the Department of Education.

Are there any comments or questions?

ASSEMBLYWOMAN MURPHY: Second.

SENATOR LITTELL: We have a second.

Are there any comments? No? (no response)

Okay. Roll call, please.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion passes.

SENATOR LITTELL: Motion carried.

Thank you, gentlemen. Check that out and get back to the staff.

MR. DOOLAN: Thank you.

SENATOR LITTELL: The Department of Environmental Protection.

ASSEMBLYMAN ROMANO: Mr. Chairman, if you will allow me--

SENATOR LITTELL: Go ahead.

ASSEMBLYMAN ROMANO: I don't know to say if the glass is half full or half empty or what, but I am happy that the Commission has recommended the \$500,000 to take care of the dangerous situation at Caben Point Pier (phonetic spelling). That is very important.

I am equally happy that they have decided to put in the \$2,020,000 for the sanitary facilities as was listed in your documents.

However, there is an item that we keep skirting over, and this morning as I visited my sister at Palisade General Hospital, again, it came right to the forefront. The seawall is gone along the Hudson River waterfront in certain areas. We seem not to be able to do anything with that, plus my good old favorite in Palisades Interstate Park, Ross Camp.

Now, either we can make these funds available through capital or under the shore funds. What is the proper term for that? The shore restoration funds? I mean, does the Hudson River constitute shore restoration, or do we have to go to the ocean for it to be the shore?

E. DAVID BARTH: Assemblyman, I'm not certain as to the specific definition regarding shore protection, whether or not it does include upper reaches of the Hudson. If it does, it would be more than likely an eligible project.

ASSEMBLYMAN ROMANO: Well, I want to make that point here, because it's not in right now. For your own point, I understand that further down the river there have been some funds for restoration of certain piers and the shore from those funds.

MR. BARTH: The restoration of the shoreline in the Hudson River, Newark Bay, the upper section of Newark Bay, and things have been funded out of harbor cleanup money that has been provided 66 percent from the Federal government, 34 percent from the State itself. Those moneys-- There are still some harbor cleanup funds available out of the 1980 natural resources funding, which may be a viable option.

ASSEMBLYMAN ROMANO: Well, I wish you would make an effort to have someone take a look at north of the Lincoln Tunnel, along that area, what is going on up through the George Washington Bridge, namely the Ross Stock (phonetic spelling) area, because that is -- how should I put it? -- the poor man's park for picnics at the Ross Camp area. You would find in the summer, regardless of the mud and regardless of the ability not to park -- people will park at the top of the hill and walk down with their packages and carry the packages on their shoulders to get down to some green area. They still do it, and I think they deserve something better than that; although, it's just a river and it's not the blue ocean.

MR. BARTH: Yes, sir.

ASSEMBLYMAN ROMANO: Thank you.

SENATOR LITTELL: Would you please investigate the issues the Assemblyman has raised here and give us your written comments?

MR. BARTH: Yes, I will report back.

SENATOR LITTELL: It may be something that the Army Corps of Engineers ought to be looking at, but if it is in need of repair, somebody ought to look at it and find out who's responsible.

MR. BARTH: Yes, sir.

SENATOR LITTELL: Senator Kenny.

SENATOR KENNY: Thank you.

Regarding Liberty State Park, the Department requested \$4 million for the terminal complex, the HVAC, and \$1.8 million-plus for contingencies. Could you just explain the reasons for that request? Because the Commission here has recommended zero funding for those items.

MR. BARTH: That is correct. We are unaware as to the specifics as to the Commission's staff recommendations relatively to what projects should be included and what shouldn't. But as the Department presented its capital budget need to the Commission, we identified the HVAC and the other terminal needs as being a major undertaking of the Department to fully make that terminal functional.

SENATOR KENNY: All right. What are the contingencies? The \$1.85 million, what are those contingencies?

MR. BARTH: Senator, I'm not specifically certain on those items, but I can get back to the Commission through the Director.

SENATOR KENNY: You don't know what those contingencies are?

MR. BARTH: One of the items that we have provided to the Commission, through our full submission, was that it was for unexpected construction costs, construction fees, permits--

SENATOR KENNY: In connection with the terminal?

MR. BARTH: Yes.

SENATOR KENNY: Oh, okay. May I know the reasons why the Commission recommended zero funding?

MR. SHIDLOWSKI: It was related to the availability of \$10 million in the 1995 Green Acres bond fund for--

SENATOR KENNY: The \$10 million bond fund, is that money being-- Because I know there has been a lot of discussion around and meetings regarding using those funds. I have been at some of them. Is the terminal supposed to be addressed by those funds?

MR. BARTH: I do not believe so, Senator. That is why it was requested here. The major focus of those funds out of the 1985 fund was for green park area--

SENATOR KENNY: Correct.

MR. BARTH: --recreational development. The facility is necessary to support that.

SENATOR KENNY: Yes. My understanding is that the Green Acres funds, the bond funds of \$10 million, is, in fact, being allocated for Green Acre uses, not for the terminal. The terminal is going to be a commercial facility, and it's going to be used for -- when it gets HVAC -- all sorts of tourism-associated events there at the park, including the ferries that will come there, people going to the Statue, the Science Center, Ellis Island, etc.

SENATOR LITTELL: The Battleship New Jersey.

SENATOR KENNY: The Battleship New Jersey.

So the Green Acres funding is desperately needed in order to make the eastern perimeter areas of the park open space, active and passive recreation, and there are a number of plans that Jim Hall of DEP has been meeting with people about in order to spend that \$10 million in a Green Acres fashion, not in a terminal fashion.

This is an item that is of concern to me, so I am going to request that the Commission restore these funds into our request, \$5.850 million for the terminal. I request that be restored, and then, perhaps, the administration and the Department can give us a clearer understanding as to the allocation of the bond funds toward this project, if any dollars are supposed to go toward it,

because it was my understanding that there are no Green Acres dollars to go toward the terminal.

MR. BARTH: Yes, sir.

SENATOR KENNY: Okay.

So I would make a motion to that effect.

SENATOR LITTELL: Senator Kenny has made a motion that the \$5.850 million be added to the list of projects here based on the theory that the terminal project is not included in the \$10 million in the Green Acres.

ASSEMBLYMAN ROMANO: I second that, Mr. Chairman.

SENATOR LITTELL: There is a second from Assemblyman Romano.

It is the largest park serving the greatest number of people in the State of New Jersey, as I recall you telling me.

SENATOR KENNY: Right, six million people a year visit the park, and growing. The number is growing. Over a million a year visit the Science Center itself, and as I referred to earlier, many plans are on the table regarding improvements to that park that are going to draw millions more people. So the terminal should stand on its own, as far as I'm concerned, and be able to support itself through commercial activities that are going to be located there.

SENATOR LITTELL: Won't those commercial activities generate funds to repay the expenses?

SENATOR KENNY: Yes, in fact, one of the issues in the park is that it is very utilized by people, but it's underutilized in terms of its economic development benefit to our region. Because when you have six or seven

million people a year visiting a location, we should be getting significant dollars from that group as a tourist entity, and we're really not doing that. We're not doing that very well. So I would hate to see Green Acres moneys used for that purpose, and I'm talking about the terminal purpose.

SENATOR LITTELL: Does anybody have any questions or comments? We have a motion and a second.

Yes, Mr. Kull.

MR. KULL: Thank you.

Just as a point of clarification, there are some other projects listed on Page 10 associated, I believe, with the terminal. This is toward the end of the requests. For example, Items 53 and Project Nos. 53 and 54, for which there is zero dollars as to Department request.

Quickly looking through the other documents, are those funds anticipated for out-years or another funding source, so that there will be additional funding requested for these?

MR. BARTH: Yes, that is correct, Mr. Kull. Actual requests for those projects are in an out-year. In the time sequence of things, they would be in Fiscal Year 1999 or the year 2000.

MR. KULL: Okay.

Thank you, Mr. Chairman, for the opportunity to clarify.

SENATOR LITTELL: Is there anybody else? (no response)

Okay, we have a motion and a second. Roll call, please, for the DEP projects, plus the Kenny amendment.

MR. DAVIDOFF: Excuse me.

SENATOR LITTELL: Yes.

MR. DAVIDOFF: Are we just voting on the amendment, because I do have other general questions on the budget. I thought we were just discussing the added--

SENATOR LITTELL: Okay. We'll just vote on the amendment. I didn't know there were other questions.

MR. DAVIDOFF: Okay. We'll do that, and then, I'll raise a couple of questions.

SENATOR LITTELL: Okay. Let's just vote on Senator Kenny's amendment.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Abstain.

MR. SHIDLOWSKI: The motion carries.

SENATOR KENNY: Thank you.

SENATOR LITTELL: The motion carried.

Now, Mr. Davidoff.

MR. DAVIDOFF: First of all, I think we should keep in mind that there is another \$65 million in the interdepartmental account that is going to go toward hazardous waste and cleanups.

Also, while trying to trace all this conversation through Mr. Shidlowksi, I noticed in the final recommendations that -- the recommended projects and project descriptions -- as I went through this, there were no project numbers in the last document, the third document. I am going to ask that when you do the final-- So that we can eventually cross-reference them, that all of the other documents that we have that they include the project numbers. Is that--

MR. SHIDLOWSKI: That's reasonable.

MR. DAVIDOFF: Okay. The other thing is, I'm going to ask, for next year, the Department of Environmental Protection, I look at the Department's priority on every one of these items, and it's a number one priority. The Department of Corrections did an outstanding job in saying "Here are our priorities, one to a zillion," and I ask that next year, in order to help us focus and to see what is really the most important, we ask that you do that next year.

MR. SHIDLOWSKI: I need to interject at this point. We did go back to the Department. They did share an absolute priority list with us.

MR. DAVIDOFF: Okay. I hope they do that with the Commission members themselves.

The last thing, I'm looking at Project Nos. 101, 102, and 103, a total of \$41 million has been approved or recommended by the staff. Obviously, that is over 80 percent of total recommended budget for shore protection, local flood control, HR flood control. Is this part of multiyear projects -- because I can't seem to find the other portions -- or are these one-time projects?

MR. BARTH: These programs and the actual requests for multiyears represent just the amount of moneys needed in Fiscal Year 1998.

MR. DAVIDOFF: Can you, Mr. Shidlowski, tell me on what page of the final report I can find the out-years on these projects? Because what I am wondering is, can we somehow spread these out a little more and save some money for the taxpayers and maybe have enough for the terminal and other things, because when it gets thrown in the hopper who knows what is going to get cut?

MR. SHIDLOWSKI: The recommendation for shore protection-- I believe we're constrained to provide at least the \$15 million of the \$19,580,000 requested. It's related to the--

MR. BARTH: The realty transfer tax.

MR. SHIDLOWSKI: The realty transfer tax. Thank you.

There is a penalty for us not appropriating that or for the Legislature not appropriating those moneys.

MR. DAVIDOFF: At least the \$15 million.

MR. SHIDLOWSKI: Yes.

MR. DAVIDOFF: Okay. Can you tell me where I can find the out-years on this? It seems to be on Page 20 of that last report, but I can't get my fingers on it.

MR. BARTH: If I may, from the schedules we have, I can give you the numbers.

MR. DAVIDOFF: Okay, fine.

MR. BARTH: But I don't know how they relate to--

MR. DAVIDOFF: All right. Project 101, just real quickly--

MR. BARTH: On the shore protection, the out-years, for Fiscal Year 1999, the Department would be requesting \$18.5 million, and for the year 2000, the Department would be requesting \$15.3 million.

MR. DAVIDOFF: I think we have it. We just don't have the project numbers.

Yes, I see. Basically, you're having for 2000, but nothing in the 2001 to 2004 time frame--

MR. BARTH: That's correct.

MR. DAVIDOFF: --at this point in time, on shore protection. On the next piece, again, you're going out three years but nothing 2001 to 2004, and the third piece is 17.5. It's all this year on the flood control but very small amounts next year, only \$1.2 million and \$300,000.

MR. BARTH: If I may, to clarify on the \$17 million requested on flood control, that is related to HR-6, it is related to the Corps of Engineers and the sequence of their funding several projects in the Passaic River Basin.

MR. DAVIDOFF: Through the Federal?

MR. BARTH: Yes.

MR. DAVIDOFF: So you need that to match the Federal funds?

MR. BARTH: Yes, that's correct.

MR. DAVIDOFF: So on that last one, there is Federal matching that you need on that.

Well, in that light, I would propose then, based upon the information and looking at trying to spread this out over a five-year period, I would recommend, Mr. Chairman, that -- and I appreciate your work in staying with me -- on Project 101 that we reduce that to \$15 million this year, and on Project 102 that we, basically, take the \$15 million that is budgeted over the next three years and put it over five years. So reduce the 5070 to \$3 million.

So my proposal would be to take 101 and reduce it down to \$15 million and 102 and reduce it down to \$3 million, thereby saving, approximately, \$7 million on this budget. That is my proposal, Mr. Chairman.

SENATOR LITTELL: May I ask a question on that? Does that affect your ability to move ahead with the project by not having enough money to complete the total project?

MR. BARTH: Within the flood control request, that would be a grant program, so we would just stagger out the actual award of applications that would be coming in. Within the shore protection, it may affect-- In most of these, the shore protection-related projects are the continuation of HR-6 authorized Federal projects for work that includes the reaches from Long Branch down to Asbury down to almost Belmar.

SENATOR LITTELL: It's my recollection that you have to plan them two and three years in advance, and you have to go through certain steps each year in order to get to a certain point.

MR. BARTH: That's correct.

MR. DAVIDOFF: All right, then I'll amend the motion just to reduce the 5 to 3, which he said he could stagger out.

SENATOR LITTELL: Okay, because we can't afford to lose those shore protection projects. Once you start them you have to move ahead with them.

MR. DAVIDOFF: I appreciate the education. I'll change my motion and just move the \$5.70 million down to \$3 million and to spread it out into the out-years for the remainder.

SENATOR LITTELL: Okay.

MR. SHIDLOWSKI: And Project 103 stays intact?

MR. DAVIDOFF: Yes, I'm only affecting Project 102.

MR. SHIDLOWSKI: Okay.

MR. DAVIDOFF: The proposal is to reduce it from \$5.70 million to \$3 million and to take the remainder and put into the out-years.

MR. BARTH: Understood.

SENATOR LITTELL: Are there any other comments or questions by the members? (no response)

Okay, we have a motion. I need a second. Somebody offer a second on the motion?

ASSEMBLYWOMAN MURPHY: Second.

SENATOR LITTELL: Thank you.

SENATOR LITTELL: Roll call.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

SENATOR KENNY: Yes, he asked to voted in.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

SENATOR LITTELL: Okay. Thank you.

May I have a motion and second, please, on the total DEP budget so that we're clear on it?

ASSEMBLYWOMAN MURPHY: I'll so move to clarify.

SENATOR LITTELL: I'll second that.

MR. SHIDLOWSKI: Okay.

Mr. Davidoff?

MR. DAVIDOFF: This is the proposal as revised for the whole Department? Is that what we're doing now?

SENATOR LITTELL: Less the changes that we just talked about.

MR. DAVIDOFF: Less my changes plus your changes.

SENATOR LITTELL: Right.

MR. DAVIDOFF: All right.

MR. SHIDLOWSKI: The amendments have already been approved. We're voting on the remainder of the DEP recommendations.

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

SENATOR LITTELL: Okay. The motion carried on the DEP budget. That is complete. I'm used to taking motions and the projects all at one time. That is the way we do it in the Budget and Appropriations Committee. It saves a little time that way.

Let's take a five-minute break, stretch our legs, and come right back, please.

(RECESS)

AFTER RECESS:

SENATOR LITTELL: Next, we have the Department of Health and Senior Services.

ASSEMBLYWOMAN MURPHY: If there are no comments, I would like to move the budget as presented.

SENATOR LITTELL: We have a motion to move the Department of Health and Senior Services' budget as recommended. Do we have a second on that?

MR. TROY: I'll second it.

SENATOR LITTELL: We have a second. Are there any comments or questions?

Mr. Davidoff.

MR. DAVIDOFF: Again, it's a matter of priorities. In the original presentation, they talked about these renovations. They talked about new lab equipment. As we know, they perform many valuable services, some of which overlap with other labs.

It would be my recommendation to approve \$750,000 of the \$1.8 million, put the remainder to out-years, and ask the Department to prioritize how they want to spend it amongst the three projects approved by the Commission staff.

SENATOR LITTELL: Okay. Do you want to run through that again? You're talking about Items 1, 2, 3, and 4.

MR. DAVIDOFF: There are four items, three of which were approved by staff, Items 1, 3, and 4, for a total of \$1,816,000. Because these are a variety of items -- some of which will have some savings and they said on some they can consolidate people together and others are renovations -- again, looking at the overall priorities that we have throughout, I would recommend that we approve a lesser amount.

There is no magic to the \$750,000, but it seemed to be enough to handle the highest priority items as far as equipment and to allow them then to phase it in over a period of years or phase it in further.

SENATOR LITTELL: How do the other members feel about the recommended reduction in the proposed amount for the Department of Health and Senior Services? Is there any support for that?

ASSEMBLYMAN ROMANO: I apologize, Mr. Chairman. I went down-- I had to have my coffee, you know.

SENATOR KENNY: I'm sorry, Mr. Chairman, I was with Assemblyman Romano.

ASSEMBLYMAN ROMANO: Discussing heavy business of State.

SENATOR LITTELL: I was looking for Hoboken bread.
(laughter)

SENATOR KENNY: It's coming.

SENATOR LITTELL: It's coming, okay.

SENATOR KENNY: Where are we, looking at the Department of Health?

SENATOR LITTELL: We have a motion and a second to approve the Department of Health.

SENATOR KENNY: Okay.

SENATOR LITTELL: Mr. Davidoff has proposed that it be reduced -- Items 1, 3, and 4, which were recommended by the Commission -- or by the Department -- be reduced to \$750,000, that they decide which are the highest priorities, and that the other portion be done in the out-years.

Did I get the flavor of your explanation?

ASSEMBLYMAN ROMANO: I would like to say something, Mr. Chairman, if I may. This is addressed to OMB, which I'm sure helps with the budget recommended, does it not?

MR. SHIDLOWSKI: Yes.

ASSEMBLYMAN ROMANO: I don't see her here now, she left for another meeting-- I think this is as a result of the ongoing meeting that they had with the Department of Health about, minimally, what they could do in the labs that they needed. I'm not about to second-guess OMB, especially

with the Department of Health with how much money they actually really wanted as to what they are settling for.

I'm under the impression you're settling for this amount now. I wouldn't dare. I wouldn't hesitate-- I should not second-guess anything that was discerned between you and OMB. I can't recall all the testimonies at the time.

Mr. Chairman, you weren't here at that particular meeting. I only say that because you don't know all of the conversations that went on. They placed some critical issues before this Commission in terms of what they do for the State.

I think, especially in the Department of Health, it would be wrong for us to third-guess, if you will, all this business. Rather, I would at least give them what the Commission has recommended, because I have to go on the basis that the Commission recommendation is something that the Department of Health says they can live with.

Or am I wrong?

ACT. ASST. COMM. THOMAS J. DOMENICO: Yes, Senator.

ASSEMBLYMAN ROMANO: Thank you anyway, it's Assemblyman. You'll get my colleague nervous. (laughter)

ACTING ASSISTANT COMMISSIONER DOMENICO: Yes. We have looked at the \$1.8 million, and with taking off some of the equipment items on the list, most of our concern had related to the structure of the building itself and much of the need to bring back that building into more utilizable space.

The fact that we have been doing consolidations with the DEP and will be about to do consolidations with Agriculture, the existing 30-year-old structure that has a lot of disuse in it will not serve our purposes very well. If it goes into other years, it will force us to elongate the way we can get things done in this building.

Then there are technological needs. That is what a lot of the equipment is for.

ASSEMBLYMAN ROMANO: Out of his mouth to our ears, Mr. Chairman. I implore you to follow the Commission's recommendations.

I don't mean this to be hard-nosed, Mr. Davidoff, but only in the case that we listen to the testimony that day, and I have to be guided by, again, the professionals of the Department as to what they can do.

In construction, it's the same thing. We go back to Liberty State Park. I had questioned about the HVAC, and they were doing it all at one time, because then they could make their other renovations to the terminal once they had the HVAC in place.

Is there a motion on the floor?

SENATOR LITTELL: Yes, sir. We have a motion and a second.

SENATOR KENNY: To do what?

SENATOR LITTELL: To approve the 1816 for the three items: Items Nos. 1, 3, and 4. Then we had discussion ongoing about whether that amount ought to be reduced to 750, with the Department being forced to decide which projects are of the highest priority and to do the balance of the projects in the out-years.

ASSEMBLYMAN ROMANO: Well, on that basis, Mr. Chairman, I hope that nobody seconds the amendment so we can proceed with the original motion, which is to provide the funds in the amount of \$1,816,000.

SENATOR LITTELL: Well, let's give everybody a chance.

SENATOR KENNY: May I?

SENATOR LITTELL: Senator Kenny.

SENATOR KENNY: Regarding the preservation of community child care, the Division of--

SENATOR LITTELL: That's Human Services.

SENATOR KENNY: Oh, I'm on the wrong thing. Oh, okay.

SENATOR LITTELL: Health is a very short one.

SENATOR KENNY: Oh, I see.

SENATOR LITTELL: There are four items, three are recommended.

SENATOR KENNY: Oh, I see. I'm sorry. I had the wrong thing.

MR. STRATHERN: May I have a point of clarification, please? The Department requested \$965,000 for Items 1, 3, and 4. OMB is recommending \$716,000 for Items 1 and 3 and zero for 4. Mr. Davidoff is recommending that Items 1, 3, and 4 now be reduced to \$750,000 when it's really lower than that already?

MR. DAVIDOFF: No, it's \$1.8 million.

MR. SHIDLOWSKI: You need to go to the overall list, Mr. Strathern, with the requests from the Departments.

ASSEMBLYWOMAN MURPHY: Page 10.

MR. STRATHERN: But I thought Mr. Davidoff's recommendation only pertained to Items 1, 3, and 4, and not 2.

MR. ROTH: Item 2 isn't in here.

MR. DAVIDOFF: Item 2 isn't in that total.

ASSEMBLYMAN ROMANO: It's zero.

SENATOR LITTELL: It's zeroed out.

ASSEMBLYMAN ROMANO: They took out the lab equipment.

MR. DAVIDOFF: It's not the second line item. The second line item is No. 3.

MR. ROTH: They're not in numerical order.

MR. STRATHERN: Okay. Thank you.

SENATOR LITTELL: And you also should note that the amount requested by the Department is not necessary the amount recommended by the Commission.

In the first item, it is 846 requested. The recommendation is 656. In Item No. 3, it is the same. In Item No. 4, it's the same. That is where you get your differential. Take out the 59 for Item No. 2, and you take out the difference between 656 and 846, and you end up with 1816. Am I right? (affirmative response)

ASSEMBLYMAN ROMANO: Mr. Chairman, without belaboring it, I think Mr.--

I apologize. Your name?

ACTING ASSISTANT COMMISSIONER DOMENICO: Tom Domenico.

ASSEMBLYMAN ROMANO: What is that name?

ACTING ASSISTANT COMMISSIONER DOMENICO: Tom Domenico.

ASSEMBLYMAN ROMANO: Do you people own a restaurant up in Parsippany? (laughter)

ACTING ASSISTANT COMMISSIONER DOMENICO: I wish I did. I pass it all the time. (laughter)

ASSEMBLYMAN ROMANO: What we heard before is, first things first. The renovations to the lab come first. They're looking to forego some equipment at this point in time, but at least the lab renovations will make more useable space, and this is what he had said before.

On that basis, I reiterate again, this is something that has come as a compromise, a compromise you can live with, and I might say, a compromise that the people of New Jersey might be able to live with given the characteristics of the Department of Health.

ACTING ASSISTANT COMMISSIONER DOMENICO: Thank you.

SENATOR LITTELL: Mr. Roth.

MR. ROTH: I simply have a comment about the whole process. Apparently, processes that take place that only the elected members of this Commission know about. These compromises that are being--

ASSEMBLYMAN ROMANO: I wasn't there.

MR. ROTH: I think where heavy, heated discussions resulting in compromises, such as we're talking about right now, have taken place, you might want to put a comment to that effect somewhere in your recommendation, and it might preclude other members from making further

cuts if they understand the process. I know, in this particular case, I had no idea that there was a heavy session of compromise going on -- discussions going on resulting in a compromise.

ASSEMBLYWOMAN MURPHY: There were no discussions which I took part in other than the discussions that took place in this room, in this forum, with all present who were present.

MR. ROTH: Okay. Then it might simply be my fault for not attending the last meeting that I was unaware of this.

ASSEMBLYMAN ROMANO: Mr. Chairman, what you're referring to is what I'm saying to you about negotiations.

MR. ROTH: Yes.

ASSEMBLYMAN ROMANO: OMB who sits here-- I don't have that woman's name right now. I know she works on it. (indiscernible) OMB and Treasury are also both involved, with Paul Shidlowksi. As they go through this, they ask for representatives from the Departments to come in. They sit down, not for the few hours that we're here, but they go chapter and verse, line item by line item by line item. These people have to be satisfied as to the explanations.

On that basis, they come to, if you will, a rapprochement as to what they think the public will stand for to buy, as well as what the Department can live with for the particular fiscal year we're in. But that is not a session that any of the legislators are privy to.

MR. ROTH: I'm sorry if that is the interpretation you made with respect to my comment. I wasn't implying that the legislators sat in on the compromise.

ASSEMBLYWOMAN MURPHY: We want you to understand the process.

MR. ROTH: I only stated that you apparently knew of a process that was going on that the rest of us didn't know about. With respect to that, I really do think that where compromises take place and agreements have been made, we should be made aware of it.

The only reason I'm saying that is that we have had other votes taken today on matters that were discussed, where the Departments were not too happy with the decision and your office, Mr. Shidlowksi, made recommendations to make some serious cuts. This Commission went along with it, and the Departments involved were very unhappy with that decision.

In this particular case, the cuts have been agreed to, and the Department is going along with it without any serious objection. I think where those things take place, we should be made aware of it. That's all.

ASSEMBLYWOMAN MURPHY: I think if you note the Department request and the Commission's recommendation, the difference between those is the discussions that have taken place between all the staff people and the Departments themselves. So that those-- When we get this material, we're the ones who weren't at the table at the time that the intimate discussions took place. Any cuts we make or recommend beyond that are in addition to.

MR. ROTH: I can understand where cuts Mr. Shidlowksi makes may be very unpopular in the Departments that are not in agreement, but where they are in agreement, I think we should know about it. That is my point.

ASSEMBLYWOMAN MURPHY: Very good.

MR. SHIDLOWSKI: Okay. We do have these meetings. Nevertheless, we exercise independent judgement regarding some of the items so, although we take into account the Department's highest priorities, we do exercise judgement of our own when we make the recommendations to the Commission.

SENATOR LITTELL: Well, for the sake of the process in the future, there ought to be some, at least, footnotes so that members know that this was discussed at an internal meeting, which goes on all the time. The Department either agrees or disagrees, I think that is Mr. Roth's point.

Mr. Davidoff.

MR. DAVIDOFF: Two things. I think what my public member colleague raises may be indicative of how this Commission, from a public member-- We don't see all that is going on, and maybe part of the thing-- As I went through these 14 or 15 Departments, trying to go through hundreds of line items-- It may be helpful for us next year for each of the public members to take 3 or 4 Departments and become specialists in there and maybe sit in on one or two of the meetings with the staff, between our meetings. I think it would be very helpful for us.

That way, when we come in, we have a -- each of us has a perspective and can rely upon each other. As I said, I took 2 Departments on my own, and I spent hours upon hours trying to go through them and analyze them. I think if, next year, we as a Commission say, "Well, let's do some homework in between," and try to allocate the time to do that in the fall, that may be helpful.

Going back to the Department of Health and Senior Services, respectfully, to Assemblyman Romano, I understand these are all important needs. I was also there the day of the live testimony and the questioning that went on. Relative to all the priorities and looking at last year's budget, last year, also, the Department of Health requested about \$1.9 million. Our Commission put in \$1.1 million. The Governor recommended \$326,000, and they got zero. What I'm trying--

My hope is to make this Commission's recommendations more highly respected. That is, when we make a recommendation, they're going to know that we're asking a lot of the tough questions and that we're being tougher on them so that, down the road, if they see our recommendation on here, they know, hey, we're going to think long and hard.

Right now, it appears to me, they see our recommendations and they're always cut dramatically, not just in half, but by two-thirds or four-fifths or something like that. I would like through our work here, when it gets down to the Governor and the Legislature, they can say, "Hey, they've really rolled up their sleeves. They have really dug into these issues. These are really, really important things that need to be done."

That is why, when we're making these recommendations, such as this -- and understanding I'm not getting a second on this suggestion -- that is the reason I'm trying to do that. I think we have to rethink our role here as we go look at this next year, in that vein, to say, "Why are we always being cut? Somebody is not taking us seriously down the road." That may just change the way we approach this.

That's all.

MR. ROTH: Mr. Chairman, just one further comment.

What he said is, I think, very important. I understand the process is a little bit more than just looking at the expense side of the budget. Some of these projects may be very, very worthwhile, and no one denies that they're needed, but what it all boils down to is: What is the income tax rate going to be next year? Can we live with the same number, the same rate that we have this year? Are we going to have to raise it?

Obviously, those are political decisions that are made by the Assembly and the Legislature, and they're not denying the importance of these projects, it's just a questioning of discussing and coming up with what the reality is of paying for all of it. Clearly, it is within the prerogative of the elected representatives and the Governor to determine those priorities and to provide funding accordingly.

SENATOR LITTELL: Thank you, Mr. Roth, and Mr. Davidoff.

There is another benefit that would have accrued to all of us, is that kind of work was done in advance, and that would mean that we wouldn't have to spend as long a period of time here approving all of these. So we'll ask Paul to try and take some of those thoughts into consideration.

Now, we have a motion and a second on the Department of Health's budget as is.

Roll call, please.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: I'd like to pass till the end, please.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: Motion carries.

MR. DAVIDOFF: I'll vote yes.

SENATOR LITTELL: We have approved your recommendation.

Next, is the Department of Human Services.

MARGARET TURSI: Thank you, Senator, and members of the Commission.

SENATOR LITTELL: Am I saying your name wrong? Is it Davidoff or Davidoff? (indicating pronunciation)

MR. DAVIDOFF: The second.

SENATOR LITTELL: Davidoff.

MR. DAVIDOFF: The latter.

ASSEMBLYMAN ROMANO: Davidoff.

SENATOR LITTELL: That's what I thought.

Mr. Davidoff has some comments that he has typed up and was thoughtful enough to share with the members. I would like to give him a couple of minutes to comment on these before we do anything else with this Department.

MR. DAVIDOFF: Just one change I made to that. In No. 4 of my notes, where I say I would defer three projects, after talking to other members of the Commission I would leave in Project No. 137. So that is one change in what I wrote up last night.

SENATOR LITTELL: Cross out 137?

MR. DAVIDOFF: Cross out 137 from being deferred. We would keep it in, in No. 4 of my memo. I'll give a copy here to--

ASSEMBLYMAN ROMANO: Is this on Human Services, Mr. Chairman?

SENATOR LITTELL: Yes, on Human Services.

MR. DAVIDOFF: Yes, I handed out a--

ASSEMBLYMAN ROMANO: Oh, I didn't see it. Do you have a copy for me?

MR. DAVIDOFF: It should be on your-- I have an extra.
(distributes material)

ASSEMBLYMAN ROMANO: Thank you.

SENATOR LITTELL: Do you want to speak for a couple of minutes here and give us a quick summary of your thoughts?

MR. DAVIDOFF: Okay.

First, I would like to ask a question, because No. 5 of my memo talks about a question on project-- With an answer, then I can give a more comprehensive discussion.

Project No. 123, the replacement of the feeders, \$1.9 million-- Could you tell us about that, a little bit more about the essential nature of it, and is that a project that could be broken up over two years? I know it's two feeders. I don't know if it makes sense to possibly do it over two years or not.

MS. TURSI: I don't see any reference that this was ever considered as a two-phase project. The leakage of the hot-water lines -- the underground hot-water lines -- has caused erosion of the main electrical lines, which carry all of the facility's energy, including cogen energy. I can look into the possibility of phasing this in if it were to be begun at midyear. Perhaps the full amount of cash would not be needed.

MR. DAVIDOFF: The reason I said two is there were two feeders mentioned in your notes, two main feeders. So maybe the worst one could be done the first year and the second one done the second year. Is one worse than the other from your knowledge?

MS. TURSI: No, I understand they're both equally damaged by the steam contact. But I can get back to the Commission to confirm that they are eroded.

MR. DAVIDOFF: With that in mind, let me give you my overview. Basically, there are 40 recommendations here, with which I agree with 27. There are 8 I would propose doing in a multiyear fashion. What we're looking at is, basically, right now, we have about \$24.5 million of Commission recommendations. With my recommendations, with the one

adjustment I just made on No. 137, it would put us at approximately \$16.3 million, saving the taxpayers \$8 million.

This would really be done with what I think of as very little, long-term negative effect. The eight projects, through a multiyear effort are identified on the sheets. You'll see on the right it says, allow, for example, for the welfare child care, do it over \$2.5 million over two years. For upgrade, install the sprinkler system at various sites. It's \$3.5 million, is what they have, over seven years. I would just do it 500 a year, instead of 1.2 in the first year.

MS. TURSI: Well, with reference to that project, Project No. 55, the 1.2 represents just year one of a four-year plan.

MR. DAVIDOFF: I understand that, and my suggestion is to do it over a seven-year plan for the same amount of money.

MS. TURSI: Let me say, with regard to the DDD facilities, you'll notice a preponderance of these fire safety/life safety projects-- In fact, these requested amounts supplement application of the '94 bond and allows us to comply with commitments to the Department of Community Affairs and an insistence by ICFMR that these be done within a five-year plan. That clock began ticking some time last year.

MR. DAVIDOFF: I understand that. I also understand last year your appropriation from Capital Budgets was zero. I'm trying to get you \$15 million versus-- That is what I am trying to do, to try to get--

As I was discussing before, if you were here trying to get for the most critical projects what is necessary, and what I am proposing here is putting something together for our Commission to say, "Hey, we have already done all the rubbing out and cutting back, and we think that this is something

we can stand behind strongly, and we want it fully funded.” We don’t want you to see what happened last year, where we approved \$37 million, the Governor recommends \$5 million, and then you get zero. We would like you to get something close to what we’re recommending -- is what I think we’re trying to do. That is my personal view, and I guess the rest of my colleagues will comment.

Let me just go through the overview, and then if there are specific comments or questions, I’ll let everybody do that. In any event, that was my line item.

Project 193 was roof improvements and upgrade to air-conditioning, and I would do the more critical roof improvements. I would defer Projects 48 and 117, and with respect to Project 123, we could leave that in abeyance. If it could be done in two years reasonably, do it in two years. If not, approve that. That would be my recommendation to this Commission.

Before I make a motion, I would like to hear other people’s comments.

ASSEMBLYWOMAN MURPHY: Mr. Davidoff, I would like to ask you a question. When you say, for instance, in Project 155, which is, as it happens, renovate toilets and showers in the Dell Building at Greystone Park, do over two years, would it take two years? Do we have any sense of how long it would take anyone to do that project? Is that the basis for saying do it over two years, or is the basis for saying do it over two years suggesting that you begin at the end of a fiscal year and move it over into the second year also?

MR. DAVIDOFF: My suggestion is only to phase this stuff in to try to provide relief to the taxpayers.

ASSEMBLYWOMAN MURPHY: So that we're really--

MR. DAVIDOFF: However the Department wants to do it.

ASSEMBLYWOMAN MURPHY: However it works that you can pay it out over two years.

MR. DAVIDOFF: Yes. However they do it, obviously, they would not be certain until a year from now that they are getting the second year appropriation, so they would have to pick their highest priority items, do those, and go through it. That is what we all live with.

Again, the idea is to try to get them -- get all the projects addressed that are their high priorities. I read all the materials that were provided, and I'm just making a judgement. It may not be perfect, but, again, I know what happens at the end of the line. There are a lot of zeros on the Appropriations Act from last year. I'm trying to work so that when they look at our recommendations and they say, "Hey, it looks like the Commission is really, really looking at this harder," we'll be able to say, "Hey, listen, look at all of the things we've already done in order to come to a more reasonable number."

The biggest item, as far as a phase in, is the child care initiative. I think it's a very, very important initiative. Having worked with clients in the real estate industry, I understand that when you're dealing with a lot of smaller renovations projects like this, you need a team to manage them, oversee them, to approve the projects, and to do what is necessary. In my mind, it would be better to get that team together to manage over multiple years and to do a \$5 million in one shot and then gone. I would rather see \$2.5 million the first

year, let them get their procedures under their belt, and do \$2.5 million the second year. Hopefully, we'll get \$2.5 every year and we'll keep renovating these throughout the entire State, because child care is a critical need.

I am very much in favor of these renovations, but we need to be realistic in terms of dollars and in terms of the ability to really do a good job. Sometimes just throwing a lot of dollars isn't the answer, you have to build an infrastructure of people to properly make sure that those are being spent.

That was my philosophy when I looked at this. As I said, I only looked at two in detail, and I came up with what I thought was a comprehensive savings of almost \$8 million without, I think, hurting anything long term.

ASSEMBLYWOMAN MURPHY: If I may--

Assemblyman Romano, you have clearly been sitting on Appropriations in the Assembly for a much longer time than I have. Is this a philosophy that has been approached before through the Appropriations Committee in reviewing the capital?

ASSEMBLYMAN ROMANO: I don't believe that the Appropriations Committee, except in a broad fashion when it comes time for the budget-- I have brought it up only because of my relationship with the Commission, but, as Mr. Davidoff had noted, it would appear that the numbers or the recommendations made by the Commission are nowhere to be found in the final document of the budget. Now, that is without being political. It is that we would recommend an *X* amount and what you would find would be an amount in the budget nowhere near the amount of money being recommended.

When you're saying-- What he is talking about, that if we knew the final number ahead of time-- First of all, I'm not the attorney for the Commission, but I think the Commission serves as an independent body divorced from budget allocation but to determine needs. Now, if up front, the Governor were to make a charge and say, "This is what I intend to give you," then you might have a different position to take.

But I still think that the charge of the Commission would be as to what we thought would be needed and making recommendations, and that might be over and above whatever the budget would have in it, let's say, prepared for what they would give us. There is no doubt in my mind that already -- we're now talking about mid-December -- there is a budget number already in the hopper. Okay?

But I serve on the Committee, and I do what I am charged to do to the best of my ability. Then, it becomes a matter, as it goes up the line, for everyone to determine how much money they're going to put in based upon -- you have to remember, too, the recommendations of the Department of the Treasury and OMB again. It comes back to the ballpark.

Mr. Troy, am I correct in that?

MR. TROY: Yes. Speaking for Linda Anselmini but also for Treasury, one of my concerns was that in splitting projects, they won't be able to go out to contract without all of the dollars in place. When we're building a road, we don't build the sewer system, the lights, and everything -- it's all appropriated -- and then the project might span *X* amount of years. So I think, again, projects can be split, for example, if they can renovate--

MR. DAVIDOFF: Multiple roofs, for example. We're talking roofs and buildings. You can do three buildings.

MR. TROY: Yes, right. Separate projects within a heading--

MR. DAVIDOFF: That is what these are.

MR. TROY: --of roofs, yes. But something where you are renovating a shower facility, you can't necessarily do the floor one year and then the next year go back and do the shower heads. I think you have to look at each project, whether it is a contained one--

MR. DAVIDOFF: Or you can do the projects in wing one and two one year and wings three and four the next.

MR. TROY: Agreed, yes.

MR. DAVIDOFF: That is what I'm thinking that these projects are.

MR. TROY: Yes. Splitting projects within the overall scope of--

MR. DAVIDOFF: All I picked to do that are all in the vein, I believe. If I am wrong, then I'll be told.

MR. TROY: Okay. Fair enough.

ASSEMBLYMAN ROMANO: Mr. Chairman, through you to Assemblywoman Murphy. I'm going to make a statement now that only Mr. Shidlowski can answer.

Whatever we make recommendations for, I think the bottom line would be, when a Department gets the money, if it does come -- and let's say the number was greatly diminished or reduced, they don't have to do the project that we are making the recommendation for. There is nothing binding about the recommendations that we make.

Am I correct or incorrect, Mr. Shidlowksi?

MR. SHIDLOWSKI: The Departments are obligated to either undertake the projects as they are appropriated or they have to transfer the money to a more appropriate description.

ASSEMBLYMAN ROMANO: Okay, so a more appropriate description-- So that opens up the barn door. That given, let's say, \$10 million and they're only given \$1 million, then they are going to have to make the determination and, perhaps, change midstream. Well, they're allowed to do that.

ASSEMBLYWOMAN MURPHY: So they might not do two extended year projects. They may focus that money on one project and get one done, and then they have changed the whole order of priority, etc., etc. Interesting.

MR. DAVIDOFF: But that is their--

SENATOR LITTELL: Well, hold on a minute. Mr. Roth had his hand up there.

MR. ROTH: I'm just a little confused by the whole process. I mean, you can't just arbitrarily go in and say, "Let's spread the cost over two years." I mean, if you can spread it over two, why not spread it over three, why not spread it over four? I mean, that would even be a cheaper cost per year.

I think to a very large extent you really have to look at the engineering that is involved. A simple example, perhaps not one of the matters on the floor here, but if you're going to build a sewer line, first you dig a hole

and then you lay the pipe. Then you have to cover the pipe. If you did it in projects, you would have a hole sitting there for three years.

MR. DAVIDOFF: That is not what we--

MR. ROTH: You can't just arbitrarily say, "Let's do one mile this year and another mile next year and another mile a year after that," because you really do have to go out and bid the whole project. Contractors are a little concerned when they don't see money in place to come in and offer you their business. There are practicalities involved here that, I think, are far more pertinent to the process than just the theoretical idea of spreading costs. You can't always spread them.

SENATOR LITTELL: Thank you, Mr. Roth.

Mr. Davidoff.

MR. DAVIDOFF: Two things. Mr. Romano was talking about our role as, one, identifying needs. According to legislation, we are to provide proposals for State spending for capital projects.

ASSEMBLYMAN ROMANO: Right.

MR. DAVIDOFF: Not identify needs to say, "Here is how we think you spend the money."

ASSEMBLYMAN ROMANO: No, no, no. You have it wrong, Mr. Davidoff. When you said Assemblyman Romano -- what he said. They identify the needs. We determine whether the need is pressing enough to support it in the budget. I, myself, have not gone on any roof to tell you if they needed a roof or not. I rely upon them to tell me about the roof.

But given that, we're supposed to sit here and estimate what we think we can afford as to what has to be done first. Before you even come to the Commission, just let me say this--

I don't know if you have understood by now, the first thing in any budget, whether it be State, local, Board of Education, that gets cut to pay for something else is maintenance costs. What we find here more often than not is suffering through what they call preservation projects, which is a new word since I came to the State, because they never put in for maintenance in the operating budgets. They let a small leak get to the point where you have to now do the whole roof because the insulation now has become inundated with water and has lost its *U* and *R* factors, if you will. So now, you have to remove the roof. Whereas, if before, they had repaired the leak, you don't end up with that problem.

So this is part of the silly putty that we deal with here.

MR. DAVIDOFF: Finishing up my-- I agree 100 percent with you, by the way, Assemblyman, that maintenance is-- You have mentioned that many times, and I have agreed with you many times.

ASSEMBLYMAN ROMANO: I think perhaps that part of your suggestions might be we get definitions of what is critical, what is emergency, because, you know, we learned that at the last hearing we had, and that we have enhancement-- We ought to have this in the front of a bill. You know, how we have all the definitions. We need all those new definitions, critical, emergency, etc., so that it can fall into the priority class.

MR. DAVIDOFF: In any event, just one thing about the projects that I phased in over multiple years. At least in my reading of the detail

behind that projects that were provided, this is a case where there might be roofs for 17 cottages. So you could put out a contract that said, "Do four roofs completely," or that you have sprinkler systems over four different properties-- All of the ones that I looked at were -- they are multiple, independent projects that are going to be bid out separately anyway, in many cases, and that these are not things where you're going to do the floor and not do the thing or do the whole-- I mean, I understand that very, very well.

Out of the 40 projects, there were only 8 that I found fit the definition. Hey, maybe this can be done. I looked to see if there was any deferred money to do it in multiple years. There was not. It was all being hit up in the first year. So I made some judgements in order to save the taxpayers money, not in order to be inefficient about how we're doing it. That was the proposal.

So with that having been said, and the discussion, would it be appropriate now for me to make a motion, Mr. Chairman, or do you want more discussion first?

SENATOR LITTELL: You could, except I want to ask you a question.

MR. DAVIDOFF: Sure.

SENATOR LITTELL: If I'm reading correctly here, on Item No. 12, welfare reform and child care, they asked for \$5 million, you say spread it out over two years. Welfare reform is going to be passed through both Houses of the Legislature and signed by the Governor. A big part of that is taking care of welfare recipients' children so they can go to work. Why would you recommend spreading that over two years?

MR. DAVIDOFF: Let me start here. This money is being used to renovate existing child care centers throughout the State. Is that correct?

MS. TURSI: That is right. There would be no acquisition.

MR. DAVIDOFF: Okay. Approximately how many child care centers would \$5 million allow you to renovate, any idea?

MS. TURSI: I'm not sure how much of the projected 20,000 slot need could be addressed by the \$5 million. I'm not sure that this pretends to address all of the 20,000 slots. It has not been broken out by average cost per existing facility.

MR. DAVIDOFF: How large a staff do you think you would need to put together \$5 million of projects in one year? Do you have existing staff capable of overseeing those projects? Would you need additional staff? Have you budgeted that staff?

MS. TURSI: There has been no discussion on a need for additional staff.

MR. DAVIDOFF: No discussion about it.

MS. TURSI: I don't mean there hasn't been any contemplation. There has been nothing uttered about the need for staff.

MR. DAVIDOFF: But obviously you're going to need staff to oversee these projects, to evaluate the applications, to review the architectural plans. Is that correct?

MS. TURSI: That is right, but the Department already has in place architectural and fiscal persons who do these community upgrades in Youth and Family Services, the Division of Developmental Disabilities, and Mental Health, also.

MR. DAVIDOFF: What kind of dollars, volume of construction, are they reviewing right now? Are they reviewing \$5 million worth of construction each year?

MS. TURSI: Well, unfortunately, in the last several years where there has been no appropriation they have been using bond dollars and have been overseeing, I guess, community expenditures of \$7.5 million or \$8 million.

MR. DAVIDOFF: Okay, which of those--

MS. TURSI: I don't know that this would-- If you're getting at, would this tax their ability to do it--

MR. DAVIDOFF: Yes.

MS. TURSI: --fully or conscientiously? I'm sure, given the significance, the importance of the initiative -- the Welfare Reform Initiative -- and the existing need, not to say the compounding need that will result from welfare reform, that folks would take this very seriously. If they needed to mobilize additional expertise, whether it be community folks or oversight persons, I certainly don't see that they would compromise the good application of these funds for that reason.

MR. DAVIDOFF: It sounds, and I think this confirms my thoughts on this, which were-- My view is that you're going to be taxing resources, and these are important long-term facilities. These are not facilities-- We're not doing welfare reform for 1998. We're doing welfare reform for the next generation.

In my mind to say, "Let's do the \$5 million over two years, and let's keep doing the \$2.5 million every year, let's keep doing this," would be

my approach to this. This is something that in my mind, at a level where you can get to a level where you're going to say, "For \$2.5 million, we can renovate 10 centers a year"-- If this \$5 million is the first of many \$5 millions to come, you're correct, it should be amended to \$5 million.

I have no idea what the Governor intends. I have no idea if your-- I didn't see any out-years on this. I didn't see \$5 million the next year, the next year, the next year. I only saw one \$5 million. If I saw in out-years \$5 million, I would have said, "No, let's not do it over two years."

But being that there are no out-years in their seven-year proposal, and they're only intending to spend \$5 million in the seven years -- this is the Department coming to us -- I'm saying, "Well, let's not tax those resources so hard and let's just do it over two years."

SENATOR LITTELL: Okay, but if you look at child care as a subject, you have to know that the liability of running a child care facility is very high and that the ability for a child to injure himself or herself, certainly, is an important factor. I don't want to be put in a position where we are not taking care of those little children properly, doing everything we possibly can to make sure that they're safe, they're taken care of in an appropriate way. We don't have any control over that. We have to rely on the Department to tell us what they need.

MR. DAVIDOFF: So you would propose to put this up to \$5 million and keep it there?

SENATOR LITTELL: I think it ought to get done to protect the interests of the children.

ASSEMBLYWOMAN MURPHY: May I ask a couple of questions before we vote on that, though?

SENATOR LITTELL: Sure, Assemblywoman Murphy.

ASSEMBLYWOMAN MURPHY: Are these child care facilities-- Through the Chairman, the child care facilities that are going to be upgraded or retrofitted or whatever, are they presently being used?

MS. TURSI: No, they're not. It is anticipated that these would be renovations of open and available, if not fully empty, grossly underutilized, buildings.

ASSEMBLYWOMAN MURPHY: But if they are even grossly underutilized, if there are children in them, they have to be safe for the children who are in them. Am I correct?

MS. TURSI: Yes, you are.

ASSEMBLYWOMAN MURPHY: So they are safe in that sense now if they are utilized buildings. Part of the welfare reform relative to child care also spoke to facilities being developed within the schools. These moneys are not to be used within the school system. Are these moneys to be used for child care facilities separated from the schools?

MS. TURSI: Yes, separated from the schools. There was also to be some emphasis on family day care registration, environments, improvements there.

ASSEMBLYWOMAN MURPHY: All right. This is capital funding only, so this is not--

MS. TURSI: That's right.

ASSEMBLYWOMAN MURPHY: --a provision of vouchers for people to go to an existing child care centers that are established in some other place and not owned or not run by the State?

MS. TURSI: I'm sorry?

ASSEMBLYWOMAN MURPHY: This money does not go to vouchers, if you will, for children who are in not-for-profit or private day care centers in any other places. This \$5 million speaks only to those child care centers that come under the aegis of the State of New Jersey. Am I correct?

MS. TURSI: It would be for contracted day care centers.

ASSEMBLYWOMAN MURPHY: Right. But then it wouldn't go to a United Way day care center located somewhere?

MS. TURSI: Only if the State were contracting for services there.

ASSEMBLYWOMAN MURPHY: But it's capital funding. It's not vouchers. It's not slots. It is the capital--

MS. TURSI: Yes, I understand.

ASSEMBLYWOMAN MURPHY: --to create it, so it's a different bag of money. Is it not?

MS. TURSI: But we're not saying that these would be State-owned, State-acquired sites.

ASSEMBLYWOMAN MURPHY: Okay, so it could be capital construction in any other kind of a site if the State has contracted with them.

MS. TURSI: Where the State has a long-term commitment for the provider of the bought services.

ASSEMBLYWOMAN MURPHY: Thank you.

Thank you, Mr. Chairman.

ASSEMBLYMAN ROMANO: Mr. Chairman, if I may ask--
Where is that \$5 million in the break out here, by the way? What
Mr. Davidoff is referring to, as I see on here, there is a generic--

MR. DAVIDOFF: Project 12.

ASSEMBLYMAN ROMANO: It says, "welfare reform, child
care," No. 12. How is that broken out? What are we actually talking about
for the \$5 million?

MS. TURSI: We're talking about renovations necessary to make
useable existing, underutilized, primarily urban fiscal plants.

ASSEMBLYMAN ROMANO: Existing plants.

MS. TURSI: Existing plants.

ASSEMBLYMAN ROMANO: Not one place, it's several places.

MS. TURSI: More than several.

ASSEMBLYMAN ROMANO: Yes. It's all over the State.

MS. TURSI: We are hoping to find, expecting to find sites where
relatively modest improvements can make it habitable for safe child care.

ASSEMBLYMAN ROMANO: Let's try to be more specific, and
I don't mean this to be -- how can I put it-- I'm not trying to lead you like as
a witness, but what sort of improvements are we talking about?

MS. TURSI: Fire safety primarily.

ASSEMBLYMAN ROMANO: And, what else, life safety?
Because fire safety comes separate from the life safety, as well.

MS. TURSI: When I say fire safety, I mean life safety. It's the
largest category within-- Life safety, of course, means egress and--

ASSEMBLYMAN ROMANO: Are we talking about fire alarms?

MS. TURSI: We're talking about fire alarms.

ASSEMBLYMAN ROMANO: Are we talking about intrusion alarms, break-ins, or anything?

MS. TURSI: I'm suspecting that if that is a placement in a relatively high-crime area that perhaps that would be necessary, but the focus that I've heard till now is that these are infrastructure improvements also necessary to have occupancy, but also life safety matter, primarily fire safety.

ASSEMBLYMAN ROMANO: Are we talking about fire doors, appropriate, let's say, hardware?

MS. TURSI: Fire doors, improvements to windows, not focused primarily for security.

ASSEMBLYMAN ROMANO: We're talking about panic hardware so you can get out, rather than bolts, etc.?

MS. TURSI: I'm not sure if panic bars, per se, would be required at these sites, but certainly that full array of life safety, egress, fire concern improvements.

ASSEMBLYMAN ROMANO: All right. I just did all of this to make a point, Mr. Chairman. If we go to this page here (indicating), when one looks at it, what we're talking about here-- First of all, with the roof replacements, it maybe even understates what I have been trying to say, that we're replacing roofs en masse because we don't do any maintenance work on any roofs. I don't know, I always used the expression, does anybody ever go up on the roof to see if it's still there after a rainstorm.

MS. TURSI: I think, Assemblyman, that some folks are afraid to step on the roof at this point.

ASSEMBLYMAN ROMANO: Okay.

So what we're talking about when we look at the one page, my dear colleagues here, a lot of this -- and we're not here to castigate anyone or provide blame-- What we're talking about here are basic items that have to be done. What we're talking about is not whipped cream on a cake. We're not talking about, let's say, some sort of a construction project for the beauty and the fancy of someone. We're talking about hard-core items that buildings need.

I don't see how we can start to nitpick this here, only for the reason that, again, this list was provided by our staff, made up of OMB, made up of people from Treasury, in conjunction with the various Departments who said, "Look, this is what the bottom line is. This the worst place. This is the next worst place. This is the next one."

To say we're going to do this piecemeal, to spread this out over here, I have no answer for you. All I say is bite the bullet, put it in, and we'll go from there to see what is cut out of the budget by the Governor or the Legislature, if you will. Knowing Senator Littell, though, I doubt very much, because he is always in there for capital funds.

We're not always successful though, are we, Senator Littell?

SENATOR LITTELL: Not always.

MR. ROTH: Senator, may I raise a question?

SENATOR LITTELL: Mr. Roth.

MR. ROTH: I'm a little puzzled about something you said a little bit earlier, that some of this money might be used to upgrade private facilities with which the State, perhaps, has contracted child care. I can't really see how

we can justify providing funds to private owners for this. Wouldn't this be their responsibility to fix it up, and then, perhaps, add a charge to their contract fee to the State to cover the cost?

It seems to me -- and I'm not a lawyer and I don't pretend to be, but there is a provision in the State Constitution that provides making any sort of contributions to private facilities--

MS. TURSI: The Department made the request not without precedent.

Maybe I could ask Mr. Shidlowksi to comment. We have a history with making the request and receiving funds for similarly situated sites in the Division of Youth and Family Services. There was a big contracted site, it's not State owned--

MR. SHIDLOWSKI: There is a precedent, as Ms. Tursi indicates, where the State does often provide capital contributions in lieu of periodic payments for operations to provide those services.

MR. ROTH: Well, if the contribution is considered part of the contractual cost, I would agree that it doesn't violate the Constitution, but if, in fact, we are enhancing facilities that don't belong to us and these people could walk away from the contract a year from now or two years from now--

MR. SHIDLOWSKI: Where the State has made significant investment in that regard, I think that there are reverter clauses to the deeds, generally speaking, so that if we have a provider who walks away from a facility, that facility reverts to the State and we get another provider that meets our needs.

MR. ROTH: Okay, the State's interests are protected. That is my only concern.

MS. TURSI: We have 20-year commitments from these providers who continue to provide us service and that property comes back to us.

MR. ROTH: Thank you.

MS. TURSI: If I could make a comment?

SENATOR LITTELL: Go ahead.

MS. TURSI: With regard to the roofing projects, where it has been suggested that they be spread over four years, I would just like to point out that those were priority one projects. We had priorities one through four, and frankly, in the last several weeks, with Mr. Shidlow's encouragement, we prioritized, with discreet, absolute numbers, many of these projects. So these were the top contenders of priority ones, which numbered about a third of our 130 projects. So that is to say that these have made a number of cuts.

To the extent where we could be modest about the request and keep the total figure down, we tried to do that by spreading these roof replacements over several years. I would point out that these are roofs that are about thirty years old and that have been patched. Our submission details by building roof, what the history has been, what the average expense has been, and the frustration in trying to keep them going and not compromise what may be a kitchen below or a client living area below or electrical equipment within.

With regard to the suggestion that we phase in the fire safety improvements, I would say again that we have a firm commitment and an expectation on the part of the Department of Health that these fire

suppression systems be put in place within time lines not to exceed five years. They were willing to buyoff on a five-year plan, though they wanted the improvement immediately, because we committed, in the case of DDD, virtually all of the '94 institutional bond funds available. So that of a \$30 million total in our Department, \$7 million of the DDD, roughly one-third -- a \$10 million share -- is committed to life safety/fire safety. So these dollars, as large as they seem, only supplement the commitment to make these upgrades at the eight facilities in order to keep certification.

I would concede that at this moment, with regard to the 1.9, two main feeder lines-- I don't have the technical, conclusive word on whether that couldn't be broken up, but I will get back to you on it. I suspect, though, that that is an integrated project that wouldn't lend itself to that kind of phase in.

I'm looking over the remaining projects. It seems that most of the recommendations for the phase in involve then the life safety/fire safety, the roofing, the \$2 million main feeder line, and the \$5 million welfare reform.

I would add that though it might seem tempting to realize a savings in this recommendation by reducing it, that, in fact, if the Commission believes these are real needs and would expect to vote affirmatively on the second, third, and fourth phases in subsequent years, that there really is no savings. If anything, you would likely expect to see this, for lack of a better phrase, deferred maintenance amounting to more dollars and no savings accruing, merely continuing to defer a necessary improvement with the hope that it be accomplished next year with the realization that even if it does, it is going to cost us more and hoping that in the interim we don't suffer infrastructure damage by the deferral.

SENATOR LITTELL: Okay. I think we have had enough discussion on Mr. Davidoff's proposal. I think we have given you a fair opportunity to have an interchange here.

MR. DAVIDOFF: You certainly have; therefore I move the proposal, as modified, leaving No. 137 in, and with all of the phase ins as shown on these sheets.

ASSEMBLYWOMAN MURPHY: Second.

SENATOR LITTELL: There is a motion and a second to accept the reduced amount. I'm not sure what it is going to be when you change that No. 137.

MR. DAVIDOFF: It would be 16331.

SENATOR LITTELL: It's 16331 instead of 24493.

A roll call, please.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: No.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: No.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: No.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: No.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: No.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: No.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: No.

MR. SHIDLOWSKI: The motion does not carry.

MR. ROTH: Mr. Chairman.

SENATOR LITTELL: Yes.

MR. ROTH: I would like to make a motion to approve the staff recommendations.

ASSEMBLYMAN ROMANO: I'll second that.

SENATOR LITTELL: We have a motion and a second to approve the staff recommendations for the Department of Human Services.

Roll call, please.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: I would like to pass until the end.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny?

SENATOR KENNY: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: The motion carries.

SENATOR LITTELL: The motion carries.

MS. TURSI: Thank you very much.

SENATOR LITTELL: Next is the Department of Law and Public Safety.

We have a request for 11298. We have a recommendation of 1553, substantially less than you had asked for in the Division of State Police, under the Department of Law and Public Safety. They're all State Police issues.

Do you want to make any comments on them?

SERGEANT MARK KAMINSKI: Yes, Senator.

Realizing the State's fiscal climate and the emphasis on preservation projects as opposed to new capital construction, many of our requests, a little more than half, are new capital construction. So it is

understandable the reduction in the amount that the Commission is recommending as opposed to our request.

I would have one question to ask the Commission.

SENATOR LITTELL: Is your mike on? Is the little red light on?
(referring to microphone)

SERGEANT KAMINSKI: It is now.

If I could, I would like to ask the Commission's thought process on the forensic lab equipment and the Sea Girt Academy.

MR. SHIDLOWSKI: Okay. With regard to the forensic lab equipment, the initial year cost -- I have to refresh my memory here -- was only the tip of the iceberg. It was first software that you needed, or something like that, that you would need extensive equipment later on to make functional. Is that--

SERGEANT KAMINSKI: The initial request is for lab analytical equipment, gas chromatographs, and that such. The out-year request involves a software package that is quite extensive.

MR. SHIDLOWSKI: Oh, okay. So I have it backwards then.

SERGEANT KAMINSKI: But the purchase of the equipment is the precursor to our situation with our laboratories.

MR. SHIDLOWSKI: Our understanding was, though, that the lab would not have its functionality without the software. Is that--

SERGEANT KAMINSKI: The software is the Laboratory Information Management System, which is a generic term. There are many manufacturers. What it does, essentially, is bring our lab operation into the modern era with regard to collection of data and dissemination of that data.

It also involves built-in quality control checks, which is so important to our lab people when they have to go before a court for testimony purposes.

MR. SHIDLOWSKI: The equipment stands alone without the out-year investment?

SERGEANT KAMINSKI: The equipment can stand alone without the investment -- without the second out-year of the LIM System -- however, the equipment enables the LIM System to function to that much more of a degree of efficiency.

The equipment we have now-- If we were to have the LIM System before the equipment, it would reduce the capability of the LIM System, because the equipment would not be able to keep up with the capability of the LIM System.

SENATOR LITTELL: Is this system designed to evaluate evidence for trials, is that what the forensic lab does?

SERGEANT KAMINSKI: Yes, Senator.

ASSEMBLYMAN ROMANO: Mr. Chairman, if I may.

SENATOR LITTELL: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Am I hearing correctly--
What is your name? I'm sorry.

SERGEANT KAMINSKI: It's Sergeant Kaminski, Assemblyman.

ASSEMBLYMAN ROMANO: Sergeant, am I hearing that if we were to put in the forensic laboratory equipment -- the \$318,000 -- added to what was already being recommended, you would be, at least, a smiling warrior?

SERGEANT KAMINSKI: Yes, sir, we would. We would be that much farther ahead of the game.

ASSEMBLYMAN ROMANO: Everything else under that, the buildings and all, though-- You're saying out of all not being funded, you would be looking for that forensic lab equipment?

SERGEANT KAMINSKI: That and our Sea Girt Academy issue, which we can get into after this.

ASSEMBLYMAN ROMANO: Well, how many items are you looking to put back in?

SERGEANT KAMINSKI: Two, sir.

ASSEMBLYMAN ROMANO: You're looking for the Sea Girt Training Academy, and you're looking for the forensic lab equipment?

SERGEANT KAMINSKI: Yes, sir.

ASSEMBLYMAN ROMANO: So what you're actually talking about is \$1.5 million, roughly?

SERGEANT KAMINSKI: Roughly, yes, sir.

MR. SHIDLOWSKI: With significant out-year commitments. I think that is our point on the Sea Girt Academy, as well, that the \$1,289,000 is an investment for engineering and design services with a substantial out-year commitment to realize that design in construction. Off the top of my head, I don't have the out-year cost.

SERGEANT KAMINSKI: The 1.2 is actual renovation costs. It is incorporating design and construction.

M A D E L I N E C. C R A N E: If I could, that is renovation costs to building eight, which is a primary building at that facility, which is the housing

of the trainees and the classroom facilities which needs some major work on the HVAC systems and some electrical upgrades at that facility. It's quite an old building, and it has not had substantial renovations.

MR. SHIDLOWSKI: Perhaps it's our misunderstanding then.

SERGEANT KAMINSKI: That request actually is comprised of \$530,000 for the Division of Criminal Justice, as well as, roughly, \$650,000 for the Division of State Police.

Our end of it involves renovations to building eight. It involves relocating and reconstructing an ammunition bunker which is now prone to flooding the Division's ammunition, as well as the Division of Military and Veterans' Affairs. You may correct me if I'm wrong, I believe they store ammunition in that storage area also.

It also involves renovations to the gymnasium, specifically the floor, which is uneven and is, at this point, causing injuries to our recruits when they're in there training. If you're unsuspectingly walking along that floor, there is about a 10 to 15 degree rise on a portion of it that catches you off guard and that has caused injuries.

This project would also involve the expansion of an evasive driving skid pad and the construction of a jogging track for the recruits to receive their physical training on. Presently, they are running around the base on the improved and unimproved sections of the macadam and the hard dirt, some of which becomes uneven in the inclement weather.

MR. ROTH: Mr. Chairman.

SENATOR LITTELL: Yes.

MR. ROTH: I would like to move to add these two items back into the staff recommendations. They total \$1.607 million.

ASSEMBLYMAN ROMANO: I second that motion.

SERGEANT KAMINSKI: Thank you, sir.

SENATOR LITTELL: Your recommendation is to add 1289 and 318--

MR. ROTH: That is correct.

SENATOR LITTELL: --to provide the repair work at Sea Girt Training Academy and the forensic laboratory equipment.

MR. ROTH: That is my recommendation.

SENATOR LITTELL: Okay. We have a motion and a second.

Before we take a vote on it, Mr. Davidoff had his hand up.

MR. DAVIDOFF: I was going to move the forensic lab, but-- I don't think we need to-- I would follow the staff recommendation on Sea Girt. I would add the forensic lab.

SENATOR LITTELL: I can tell you that there was a grandiose plan to relocate the State Police to Fort Dix. The Superintendent changed that plan back around to stay at Sea Girt.

Am I correct, Sergeant?

SERGEANT KAMINSKI: You are correct, sir. However, the concept of a joint training academy for the Divisions of Criminal Justice and the State Police is really the premise here.

SENATOR LITTELL: Right.

SERGEANT KAMINSKI: And that is what this project moves forward to.

SENATOR KENNY: At Sea Girt?

SERGEANT KAMINSKI: Yes, sir.

SENATOR LITTELL: At Sea Girt on our own land.

MR. DAVIDOFF: It's always helpful to have the legislators here to fill us in on other aspects of what is going on.

MR. ROTH: My point.

SENATOR LITTELL: It's hard for us to keep up with it all, too.

MR. DAVIDOFF: We hope you'll come to more meetings. They're usually shorter. We're out by noon usually.

MR. ROTH: This meeting is never short.

SENATOR LITTELL: Just let me ask if there are any other issues on this item that anybody wants to bring up? (no response)

Okay. First, we'll take a vote on the amendments to add the 1289 and the 318.

MR. SHIDLOWSKI: Okay.

Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny, yes.

Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Abstain.

MR. SHIDLOWSKI: The motion carries.

MS. CRANE: Thank you.

SERGEANT KAMINSKI: Thank you.

SENATOR LITTELL: You're welcome.

Next is Juvenile Justice.

MR. SHIDLOWSKI: For my clarification, did that include the remainder of the staff recommendations?

SENATOR LITTELL: I'm sorry. We voted on the amendments--

ASSEMBLYWOMAN MURPHY: Move to accept the remainder of the staff recommendations.

SENATOR LITTELL: I have a motion and a second for the recommendations as amended.

MR. DAVIDOFF: I so move.

SENATOR LITTELL: Roll call.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: I'm sorry, what is the motion?

ASSEMBLYMAN ROMANO: The total package now.

SENATOR LITTELL: To approve the total package.

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny? (no response)

Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

SENATOR LITTELL: Okay. On Juvenile Justice--

I'm going to have to leave shortly. Sorry, but I have some other things I have to get done today.

Are there any questions or problems with the recommendations for Juvenile Justice?

JAMES Y. PAO: Yes. I have one project I would like to add into the recommendation. It is Project No. 24. That is to connect the sewer line to the municipal utility authority at Jamesburg. It is \$1.7 million.

SENATOR LITTELL: Whereabouts is that--

MR. PAO: That is in Jamesburg.

SENATOR LITTELL: Jamesburg?

MR. PAO: Yes. We did an engineering study and the study -- engineering recommend us to connect sewage, wastewater treatment plant, to the municipal utility.

SENATOR LITTELL: Where are you dumping your sewage now?

MS. CRANE: We have a treatment plant--

MR. PAO: Treatment plant.

MS. CRANE: --on the facility itself, and we were responding to Department of Environmental Protection citations against that facility. They were not in compliance with some of the various regulations. We subsequently had an engineering study done of the plant, which, basically, concluded that the plant needed a major overhaul because of these various improvements that needed to be done. They also made some recommendations concerning that versus the feasibility of hooking into the municipal and determined that hooking in to the municipal authority was really the most economically feasible way to go on this.

ASSEMBLYMAN ROMANO: Mr. Chairman, now that's in keeping with this whole idea of regionalizing or consolidating that the State has today.

MR. DAVIDOFF: Mr. Chairman, could we hear why the staff decided not to include that?

MR. SHIDLOWSKI: There are some questions about the long-term occupancy of the Jamesburg site. There has been legislation

proposed to force the Department to vacate. That issue has not been resolved. We don't recommend any large investments in the facility.

SENATOR LITTELL: Yes, Mr. Davidoff.

MR. DAVIDOFF: I would like to move on the Juvenile Justice Commission, that we accept the staff recommendations of \$8.578 million.

MR. ROTH: I'll second it.

SENATOR LITTELL: We have a motion and a second. Are there any comments or questions? (no response) Okay, without the Jamesburg.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny? (no response)
Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: This is for the amount that you have recommended. Am I correct?

ASSEMBLYWOMAN MURPHY: Correct.

MR. SHIDLOWSKI: Yes.

MR. ROTH: Staff recommendations.

ASSEMBLYMAN ROMANO: The Commission recommendations.

MR. DAVIDOFF: The staff recommendation of our Commission.

ASSEMBLYMAN ROMANO: Okay.

Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

MS. CRANE: Thank you.

SENATOR LITTELL: Next is Military and Veterans' Affairs.

You have several projects here that are recommended at the level or below the level that you requested, and you have a whole list of projects that no money was recommended for. Do you have comments or questions about those recommendations? Are they acceptable?

MAJOR MICHAEL S. DZURISIN: Yes, sir. I am speaking for the Adjutant General. He understands the fiscal constraints that are out there, and he is fine with these figures as of right now.

ASSEMBLYWOMAN MURPHY: I move the Commission recommendations as put forth.

MR. ROTH: I'll second it.

SENATOR LITTELL: We have a motion and a second to adopt the Commission recommendations. Are there any questions or comments?
(no response)

Roll call, please.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny? (no response)
Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

SENATOR LITTELL: Okay.

ASSEMBLYMAN ROMANO: Is that what they mean by biting
the bullet? (laughter)

MAJOR DZURISIN: Yes, I guess.

ASSEMBLYWOMAN MURPHY: You'll know when it happens.

MAJOR DZURISIN: Thank you.

SENATOR LITTELL: I'm going to excuse myself and ask Assemblyman Romano to--

ASSEMBLYMAN ROMANO: It would be my pleasure.

ASSEMBLYWOMAN MURPHY: We can move the next one, can't we, there is only one item?

ASSEMBLYMAN ROMANO: I'll try to do my best, but I don't think I can keep up with your--

SENATOR LITTELL: Oh, don't give me that sauce. (laughter)

ASSEMBLYMAN ROMANO: It was a pleasure to be with you.

All right. We're moving ahead then, right?

ASSEMBLYWOMAN MURPHY: Yes, moving right along.

ASSEMBLYMAN ROMANO: Who is next?

ASSEMBLYWOMAN MURPHY: The Department of State.

ASSEMBLYMAN ROMANO: Department of State.

ASSEMBLYWOMAN MURPHY: They have no recommendation. I move the Commission's recommendation--

ASSEMBLYMAN ROMANO: There is no recommendation?

Is there anyone here from the Department of State? (no response)

ASSEMBLYWOMAN MURPHY: There is a recommendation for them, but no dollars, no dollars.

ASSEMBLYMAN ROMANO: Why, because I'm providing too many notary public applications and the fees?

ASSEMBLYWOMAN MURPHY: That's right.

ASSEMBLYMAN ROMANO: Are there any comments about the-- It was seconded?

MR. DAVIDOFF: I second it.

ASSEMBLYMAN ROMANO: All right.

Mr. Shidlowksi.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell?

SENATOR LITTELL: Yes.

MR. SHIDLOWSKI: Senator Kenny? (no response)

Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

ASSEMBLYMAN ROMANO: Now, we move right on to Higher Education. This is all of the colleges together.

Is there anyone here representing all of the colleges or individually or however you want to do it?

ROBERT K. GOERTZ, Ph.D.: Well, I'm Robert Goertz, from the Commission on Higher Education. I believe that the staff recommendation incorporates much of the proposal that the Commission has made, so I am representing the Commission's proposal.

The Commission's proposal is for, approximately, \$34.5 million per year, which represent 1 percent of the replacement costs approximately for the State-funded buildings at the institutions of higher education.

ASSEMBLYMAN ROMANO: So actually-- We have two. Higher Ed, that is the institutions, and then, the Commission.

That is two separate items, Mr. Shidlowksi?

MR. SHIDLOWSKI: The colleges all submitted individual requests. In addition, the Commission put forth a proposal for this 1 percent replacement cost, which this Commission's staff are supporting.

ASSEMBLYMAN ROMANO: Well, okay. Let's go to the Higher Education-- Does anybody have any comments or any questions?

MR. DAVIDOFF: Mr. Chairman.

ASSEMBLYMAN ROMANO: Yes.

MR. DAVIDOFF: If I understand, .5 percent is outright and .5 percent is based upon matching?

DR. GOERTZ: Correct.

MR. DAVIDOFF: Okay. I think it's a terrific idea. So encompassing that from 75A-- This encompasses from 75A through 75L. Is that correct?

Pages 23 through 43, Mr. Shidlowksi?

MR. SHIDLOWSKI: That's correct.

MR. DAVIDOFF: Good.

I would like to accept-- I move to accept the Commission staff's recommendations on those items, 75A--

MR. SHIDLOWSKI: I think it's less *L*.

MR. DAVIDOFF: Oh, less *L*. Okay, 75A through *K*.

ASSEMBLYWOMAN MURPHY: I second the motion.

ASSEMBLYMAN ROMANO: Where does the matching money come from?

MR. SHIDLOWSKI: The colleges are supposed to provide those funds.

ASSEMBLYMAN ROMANO: Under the private partnership business?

ASSEMBLYWOMAN MURPHY: Raising the funds themselves.

MR. SHIDLOWSKI: Or from other funds that they have at their disposal.

ASSEMBLYMAN ROMANO: Okay.

If there are no further questions, Mr. Shidlowski, the vote.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell, Senator Kenny? (no response)

Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

DR. GOERTZ: Thank you.

MR. SHIDLOWSKI: I would recommend that we vote separately on Thomas Edison, since that was a request on behalf of the State Library.

ASSEMBLYWOMAN MURPHY: And I will move the Commission recommendation with regard to the State Library/Thomas Edison College.

MR. DAVIDOFF: Second.

ASSEMBLYWOMAN MURPHY: You got it.

ASSEMBLYMAN ROMANO: Any other motions or discussion?

(no response)

Mr. Shidlowksi.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

ASSEMBLYMAN ROMANO: Oh, you have a question? (no response)

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell, Senator Kenny? (no response)

Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

ASSEMBLYMAN ROMANO: Moving on to the Transportation Trust Fund. That becomes an omnibus sort of an award.

MR. SHIDLOWSKI: This is the payment to the Transportation Trust Fund Authority. It's primarily supported by motor fuel taxes and some other amounts, as well. This money then supports the bonds that are issued by the Transportation Trust Fund, as well as paying some amount for a pay-as-you-go capital program.

The Transportation Trust Fund actually has separate legislation which has a different process. This is pro forma on the part of this Commission.

ASSEMBLYWOMAN MURPHY: Move that we accept the Commission's recommendation.

MR. ROTH: I second.

ASSEMBLYMAN ROMANO: But likewise, last year, as I was reminded, we put in a higher amount than the Treasurer cut it. He has that right to do that.

MR. SHIDLOWSKI: He does.

ASSEMBLYMAN ROMANO: He does that.

Does anybody have any comments on this? Is there anybody here from Transportation? (no response)

ASSEMBLYWOMAN MURPHY: You have a motion seconded.

ASSEMBLYMAN ROMANO: Maybe John Macadam, the one they named-- (laughter) That's a joke.

ASSEMBLYWOMAN MURPHY: You have a motion and a second.

ASSEMBLYMAN ROMANO: I have a motion and it's seconded. Mr. Shidlowksi, please.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Senator Littell, Senator Kenny? (no response)

Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

ASSEMBLYMAN ROMANO: Next, we have the Department of the Treasury.

Is there anyone here from the Department of the Treasury?
(affirmative response from audience)

Do you want to come up front or just take your medicine in the fourth row? (laughter) It's OTIS, my favorite group, that not only provides guidance to the Governor--

The Department's request was \$21,000. The Commission is recommended \$15,502. Problems, no problems, comments?

PAUL J. HAVERKAMP: This is the first time, Assemblyman, that we have gotten this far in our request. I think if you look at last year, we did not get this far. So, from that perspective, we are quite pleased that there is a recognition of the value of the Commission processing as a strategic resource to the State. A number of other states have done this, which we have informed the Commission of.

If the State chooses to follow this recommendation -- and hopefully, it will wind up in the capital budget for the State -- we will follow states such as Massachusetts and Texas, which have been funding information processing initiatives the same way.

ASSEMBLYMAN ROMANO: I have no further--

Are there any questions?

Mr. Davidoff?

MR. DAVIDOFF: Yes. Not included in here are three items of, what I call 21st century technology. Can you describe them a little bit for us? The High-Speed Communications Network, for \$150,000--

ASSEMBLYMAN ROMANO: Which one is that?

MR. DAVIDOFF: Project No. 046.

The statewide E-mail, Project No. 047, and the Internet Access System Upgrade, No. 050, tell us the nature of these projects and what kinds of efficiencies or what you hope to get from implementing them if you got the budget for them.

MR. HAVERKAMP: Which one would you like to-- You named three of them.

MR. DAVIDOFF: Hit them in any direction you want.

MR. HAVERKAMP: Okay.

Starting out, I guess, with the statewide E-mail, we had noted that there are a number of different E-mail packages being used throughout the State government. There is a product which does do some translation at a fundamental level called Softswitch, which we have been employing in the

State for a number of years, but it is a very fundamental package which translates between different E-mail packages.

The sophistication of the various E-mail packages in the Departments is such that it cannot allow graphics to be transmitted back and forth between the various Departments. When Commissioners or Assistant Commissioners, etc., wish to communicate between each other and even with the Governor's office or the Office of Management and Budget, they cannot do that electronically. Unfortunately, they have to send faxes and hard copy.

MR. DAVIDOFF: So with this million dollars we'll have all of the telephone lines and equipment to link up every State employee by E-mail or every State Manager, at least, in every State Department?

MR. HAVERKAMP: I think it's the managers, yes, not every State employee.

MR. DAVIDOFF: Right.

MR. HAVERKAMP: There is really not a need for every State employee.

MR. DAVIDOFF: But every State Manager would be able to access each other and send graphics, attach files, and this is a fairly sophisticated level?

MR. HAVERKAMP: It's fairly sophisticated. It also-- To my right is Lou Jensen, who is our Director of Telecommunications.

If you would like to comment--

MR. DAVIDOFF: Okay. The only other question I'm going to ask is, with the advent of the Internet -- and you have another item on there

-- would your private system of a million dollars still be needed if you could go through the Internet, or do you not envision that probable possibility?

LOUIS JENSEN: I think the Internet provides the E-mail capability rather quickly. I think the problem, basically, with a very large, widespread E-mail network is a directory. I think the major portion of the cost is the directory so everybody can just send mail and it will get to where its going. Without the directory, you'll have to know someone's address before you actually send it to them. So that would resolve that part of it.

The infrastructure as far as the lines, the telecommunications facilities, that is part of the Garden State Net, which we have some other things on. That will provide the transmission facility to get the messages throughout the State. The Internet also rides on that same infrastructure. That will provide E-mail capability anywhere in the world for anybody who wants to go.

MR. DAVIDOFF: Okay, but you can't send the State E-mail there because of the confidentiality of it. In other words, you have \$400,000 here for Internet, a million dollars for a statewide E-mail system, do you need both?

MR. JENSEN: Yes.

MR. DAVIDOFF: So the statewide E-mail system is what you need to put everybody together and keep them on the same page?

MR. JENSEN: That is part of it.

MR. ROTH: Mr. Chairman.

MR. DAVIDOFF: I--

MR. ROTH: I'm sorry.

MR. DAVIDOFF: That's okay.

MR. ROTH: I just want to follow up on something that you're--

MR. DAVIDOFF: Go ahead, then I'll make--

MR. ROTH: The statewide E-mail system, would that permit Departments like DCA to communicate with municipalities electronically? There has been talk-- There were discussions two or three years ago by OTIS representatives at the League of Municipalities, for example, where municipalities were promised an opportunity to transmit their budgets, financial packages, and any number of other things electronically to DCA and other Departments. If the Internet money were put in there, would that provide that capability once and for all?

MR. JENSEN: I think we've already made some great strides in that area. I think, probably, what you're referring to is about two years ago, in the League of Municipalities-- And I think that might have been premature because the intent was there, but the wherewithal to deliver on that was not there.

Subsequent to that, we have made upgrades to our network and will continue to make upgrades. One of the other parts of these initiatives that you have before you, I believe, is an extension of the network to 567 municipalities and 21 counties. That is going as we speak, and there are other funds in here requested for that purpose, the infrastructure.

MR. DAVIDOFF: Have we approved those already in here? Those are in the approved part?

MR. HAVERKAMP: Yes, sir.

MR. ROTH: Now, does that provide the financing for the municipalities as well?

MR. JENSEN: No, I think the financing-- What this is doing is building the backbone network. There will be a GSN point of presence in every county, and the municipalities and the counties will connect to that. They also have the facility to dial up a central number.

MR. ROTH: Oh, they'll be able to communicate by PC. They don't need any special hardware or anything of that nature?

MR. JENSEN: Well, typically, it's either going to be a PC or a local area net with a number of PCs attached to it. The funding which we're requesting is for the point of presence in each county. I think DCA either has the money or is getting the money to provide grants to the municipalities so that they can-- If they adhere to the standards that DCA sets, DCA will give them funding to buy the PCs of the local area nets. I think that is the way they'll work--

MR. ROTH: I know DCA, right now, is setting up uniform charter accounts for all municipalities to use, which is part and parcel of the process. But I was just a little concerned as to when we could all expect it -- I work for a municipality -- because right now we're still doing things the way they were done 50 years ago.

ASSEMBLYWOMAN MURPHY: Just as a question, also, is there any consideration of linking any of the legislators' offices in on the E-mail and the rest of this thing, because we are not allowed to buy that and make that connection with our own personal funds. That has to be done through the State on the State computers.

MR. JENSEN: We offered the Office of Legislative Services to come on to our backbone and use our Internet services, and there was some

problem with separation of powers which they were concerned with. They didn't want to commingle legislative traffic with executive traffic. I don't know if that has ever been solved or not, but in my estimate that's not really a problem.

MR. ROTH: Couldn't that be done with just a simple addition of another server?

MR. JENSEN: Sure.

ASSEMBLYWOMAN MURPHY: Is there a State plan for where OTIS is going, how it is doing, what its relationship Department to Department is, an actual State Plan for the growth of the OTIS System? I'm asking that right out of ignorance. I have no idea.

MR. JENSEN: I'm not the appropriate person to answer that one.

MR. HAVERKAMP: When you say an overall plan, I mean, there are different plans. We have some plans, obviously, for the data center growth. In the consolidation, which is what we've asked for, we have a networking plan, and that is what the Capital Commission highlight is on, the networking area.

We have undergone, within the last year, a review by a firm by the name of Real Decisions (phonetic spelling), which is a subsidiary of the Gardner Group (phonetic spelling), which is an internationally recognized consultant outfit that does evaluations of data processing organizations. They made a series of recommendations one of which was the data center consolidation. So therefore, they did lay out a set of suggested actions or action plans for us to follow to improve our efficiencies in operation. So that is one of them.

Another one, of course, is, again, to expand the communications which, again, we have incorporated into this capital request.

ASSEMBLYWOMAN MURPHY: Excuse me. But there is no plan that says, "By December of 1997, all the Departments will be hooked into this, and by December of 1998, all the legislative offices will be hooked into," and this sort of thing. There is nothing that says that?

MR. HAVERKAMP: That is correct. We don't have it.

ASSEMBLYWOMAN MURPHY: Okay. Thank you.

ASSEMBLYMAN ROMANO: I just want to remind Assemblywoman Murphy to remember my comments from the last time about the Department of Education, what you have to keep going back to is that they are for the executive branch, primarily.

By the way, when you're talking about plans, rumor has it that they're talking about privatizing you. But we won't go into that right now. I hope you have enough time in. (laughter)

MR. HAVERKAMP: I have 20 years, Assemblyman.

ASSEMBLYMAN ROMANO: Does anybody have any other questions?

MR. DAVIDOFF: I would like to make a motion.

ASSEMBLYMAN ROMANO: I think that's wonderful, Mr. Davidoff.

Is anybody going to second that one?

ASSEMBLYWOMAN MURPHY: Second it.

MR. DAVIDOFF: Well, I haven't made it yet. (laughter)

ASSEMBLYWOMAN MURPHY: That's all right it's 20 till 2:00.
It's as good as anything. (laughter)

MR. DAVIDOFF: The motion is add to the budget \$150,000, for
Item Nos. 46, 47, and 50.

ASSEMBLYMAN ROMANO: Nos. 46, 47, and 50.

MR. DAVIDOFF: With a proviso that when you're doing that
statewide E-mail and you present this before the Legislature, make sure you
have an answer to Assemblywoman Murphy's questions. Make sure you talk
to them about how you're going to integrate E-mail into the Legislature. I
think that is very important.

ASSEMBLYMAN ROMANO: Do we hear a second on that
motion?

ASSEMBLYWOMAN MURPHY: Sure.

MR. TROY: Assemblyman, just one quick question.

ASSEMBLYMAN ROMANO: Go right ahead.

MR. TROY: As part of your recommendations, will any of these
dollars help you deal with the year-2000 problem?

ASSEMBLYWOMAN MURPHY: Yes. Yes, when all of the
computers go, "Sorry, we never heard of 2000."

MR. TROY: Clinko, right.

MR. DAVIDOFF: Yes, they think they have--

MR. HAVERKAMP: Okay. The year-2000 problem, there are a
number of people who are aware of it. It is primarily a software problem, of
which software is not a capital item; therefore, that is why we did not include
it in this. There are, though, inherent problems in certain hardware.

There are, at times -- and you're right, Mr. Troy--

The requested moneys for the consolidation and upgrades would allow our mainframes, in this case, for the most part, to be upgraded to the point where they will also be year-2000 compliant. That is a requirement that we are incorporating in all of our RFPs at this point as a State. That every time we go out, that everything must be year-2000 compliant, so that we will be assured that anything that we acquire will accommodate the change of the millennium.

ASSEMBLYWOMAN MURPHY: How will that assist, help, or make all the computers that you have located all through the State work on that wonderful day?

MR. HAVERKAMP: The mainframe computers house quite a number of the State's application systems to support welfare, payroll, with a wide variation, motor vehicle registrations, etc. There is a plethora of systems that we support. They run on those mainframes. When the mainframes get upgraded, which is part of this request, those mainframes will now be year-2000 compliant from a hardware perspective.

From the software perspective, you know, you're absolutely right, but because, again, the capital request does not support software.

ASSEMBLYWOMAN MURPHY: So is it in your operating budget?

MR. HAVERKAMP: That is what we are working on, yes. We are already starting to do some conversions, but it is a slow process.

ASSEMBLYWOMAN MURPHY: Because if it is not in your operating budget, then the message should go out to every Department and all legislative offices that they need to put it in their budgets.

MR. HAVERKAMP: Absolutely. I agree with you wholeheartedly, Assemblywoman.

ASSEMBLYWOMAN MURPHY: It's going to be a cold day--

ASSEMBLYMAN ROMANO: Before we have the vote, I just want to make a comment.

What you have here, Assemblywoman Murphy, is the anomaly that exists. When you put up a school building, at the time of putting up the school building you can pay for shades under capital construction and the painting of the building.

ASSEMBLYWOMAN MURPHY: But two weeks later you can't.

ASSEMBLYMAN ROMANO: But anytime after that--

Now, in the case of computers, hardware, when you are buying a system, the software should be as the window shades and paint are to a building when you're putting in a system. In fact, if a local school district were buying computers, they would have the software under capital. When you buy it after the fact and then it becomes operating costs--

Having made that statement, let's have the vote right now.
(laughter)

ASSEMBLYWOMAN MURPHY: You're always a wealth of knowledge, Lou. It's wonderful.

ASSEMBLYMAN ROMANO: We try.

MR. SHIDLOWSKI: Okay?

ASSEMBLYMAN ROMANO: Go ahead.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes, with a comment.

ASSEMBLYMAN ROMANO: Oh, a comment. I thought we were ready for a vote.

MR. ROTH: Well, no. I'm voting, yes, but I want to make one comment, as well, with respect to something Assemblywoman Murphy just said.

ASSEMBLYMAN ROMANO: I'm giving you a lot of leeway here. I'm not supposed to allow you to speak. It's okay. Go ahead.

MR. ROTH: The cost of that operation on a worldwide basis, according to many, many publications, is on the order of \$600 billion. So what that is going to cost the State of New Jersey to upgrade to is only anybody's guess. It's all going to have to be appropriated between now and the year 2000. Well, hopefully, before 1999, so that they'll have some time to have it in place by the year 2000.

ASSEMBLYWOMAN MURPHY: We'll do it next year, Lou?

ASSEMBLYMAN ROMANO: Yes.

ASSEMBLYWOMAN MURPHY: Thank you, thank you, Mr. Roth. I hadn't multiplied it out that well. Thank you.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

ASSEMBLYMAN ROMANO: And we come to--

MR. DAVIDOFF: Do we have to approve the whole thing--

ASSEMBLYMAN ROMANO: Yes.

MR. DAVIDOFF: --or we did that?

ASSEMBLYMAN ROMANO: I thought we amended that-- Oh, was that just the amendment?

ASSEMBLYWOMAN MURPHY: I thought we included the amendments and rolled it up.

MR. DAVIDOFF: Oh, okay.

ASSEMBLYMAN ROMANO: Yes. You don't have it as a separate one, you know. This is not legislation.

Now, we have the Department of the Treasury. No?

MR. SHIDLOWSKI: It's miscellaneous accounts.

ASSEMBLYMAN ROMANO: It's miscellaneous accounts.

ASSEMBLYWOMAN MURPHY: I move the miscellaneous executive Commissions.

MR. DAVIDOFF: Second.

ASSEMBLYWOMAN MURPHY: It's the DRBC only.

ASSEMBLYMAN ROMANO: What is that for, \$2000?

MR. SHIDLOWSKI: Yes.

ASSEMBLYMAN ROMANO: Moved, seconded, a vote.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

MR. SHIDLOWSKI: The motion carries.

ASSEMBLYMAN ROMANO: Let's move along now to interdepartmental accounts, my favorite people.

Are there any questions, any comments?

You don't have any statements, Mr. Mazzella, and your colleague?

A N T H O N Y R. M A Z Z E L L A: Assemblyman, no. We have discussed the details of our request with Mr. Shidlowksi and staff and are comfortable with the recommendations they've made.

ASSEMBLYMAN ROMANO: I have one brief comment.

MR. MAZZELLA: Yes, sir.

ASSEMBLYMAN ROMANO: I notice now that you had requested \$13,000 for the ADA service and compliance, you're only getting \$5000. Okay, fine. Here is something you're protracting.

But now we come to the underground-- Hazardous materials and the underground storage tanks, you had asked for 28.3. They're putting in 15. The underground storage tanks, you're only getting 50. I'm assuming that they were able to do this because by the time it takes for you to do this, you may be going into -- pushing it into the next year?

MR. MAZZELLA: And subsequent years beyond that, yes, sir.

ASSEMBLYMAN ROMANO: Okay, so that is why you were able to get away with this.

Does anybody have any questions?

MR. DAVIDOFF: Are these old tanks that are known to be leaking? Is that what is being removed or are you removing all underground tanks?

MR. MAZZELLA: There was a report published that DBC had concluded--

MR. DAVIDOFF: I'm sorry, I don't know what DBC is.

MR. MAZZELLA: Division of Buildings and Construction. They are the contracting entity that would deal with this particular project.

In their recommendations, this would be a complete remediation and removal of any tanks that either are leaking or have a potential for leaking with a replacement if that is appropriate.

MR. SHIDLOWSKI: If I could interject here-- Most of this cost is upgrading of tanks that just don't meet the current standards.

MR. DAVIDOFF: That are not leaking but don't meet the current standards?

MR. SHIDLOWSKI: Correct.

MR. DAVIDOFF: I just don't know--

ASSEMBLYWOMAN MURPHY: It's a toss up.

MR. DAVIDOFF: The cost is just so astronomical.

ASSEMBLYWOMAN MURPHY: Which do you do first?

MR. DAVIDOFF: I have no feeling on it, Mr. Shidlowksi.

MR. SHIDLOWSKI: The particular issue is that the Federal penalties involved are \$26,000 per day, per incident for noncompliance. So the penalties are such that--

MR. DAVIDOFF: Have they ever really imposed these penalties? It seems they always extend the time period.

MR. SHIDLOWSKI: They extended once, is my understanding, and now the deadline is December 1998.

MR. DAVIDOFF: What if you're making a good faith-- Like, I remember 1970--

MR. SHIDLOWSKI: That is what we're trying to do here.

MR. DAVIDOFF: Okay. In 1974, when I was going to undergraduate college, they said in Boston that you would have to start

carpooling and that there were going to be great penalties. Every major company and school had this great plan, and then time went by and nothing happened. I mean, is there any feel for if this is reality or-- How are other states doing it? Are they actually doing it or are they just--

MR. SHIDLOWSKI: I know that a lot of the private companies, certainly, have all jumped on board. The states I couldn't speak of. I know that the State of California is fighting this. They're saying that it's not necessary.

The particular problem with New Jersey is that we get most of our drinking water from groundwater.

MR. ROTH: Mr. Shidlowski--
Mr. Chairman.

ASSEMBLYMAN ROMANO: Yes, go right ahead.

MR. ROTH: The \$50 million that you're requesting for this project, is that purely for upgrading and replacement of tanks? Does it have any money built into it in the event that hazardous, contaminated soils, that have been discovered as a result of this process, will also have to be removed?

MR. SHIDLOWSKI: When we contracted for the particular study that Mr. Mazzella was mentioning, our consultant put in minimal amounts for remediation from leaking tanks. So, no, this will not possibly cover all of the remediation costs.

MR. ROTH: Is it-- I'm not an engineer either. It is reasonable to assume that we're only going to have minimal costs associated with this?

MR. SHIDLOWSKI: In the cases of the leaking tanks, probably not.

MR. DAVIDOFF: How much would it cost to handle the ones that are leaking?

MR. ROTH: It could be astronomical.

MR. DAVIDOFF: That are already leaking-- If you just wanted to do the tanks that are leaking?

MR. SHIDLOWSKI: I don't have those numbers off of the top of my head. I could provide them. We have the reports. I could provide to the Commission members--

MR. DAVIDOFF: I would like to, on those-- On that \$50 million, I'm just not comfortable with it because I don't know -- I can't get my arms around it, and I just-- I'm very, very uncomfortable with that item. It's obviously a huge part of our discretionary capital budget here. I guess I'm grappling, looking for guidance, because I just don't know how to say, "Oh, yes, let's just spend \$50 million of the taxpayers money." We just approved \$185 million for dredging, cleanups, and--

MR. SHIDLOWSKI: One of the statements that we're making here is that we need to bite off a significant chunk of this to meet compliance by December of 1998.

MR. DAVIDOFF: What if we only bit off 25 of the 97? I mean, who knows what the right number is?

ASSEMBLYWOMAN MURPHY: And it may disappear before it gets to the budget process anyway.

MR. ROTH: Mr. Chairman.

ASSEMBLYMAN ROMANO: Yes.

MR. ROTH: Mr. Davidoff, I think you're working in the wrong direction if you want to bite it in half. I think you have to double it, because, conceivably, the soil removal costs could be 10 times as large or even more than that of what has already been provided in the budget.

MR. SHIDLOWSKI: The leaking tanks are only a small portion of the overall number.

MR. ROTH: They have all been tested?

MR. SHIDLOWSKI: They have all been tested.

MR. ROTH: Oh.

ASSEMBLYMAN ROMANO: Given that, do I have a motion on this?

ASSEMBLYWOMAN MURPHY: Moved.

ASSEMBLYMAN ROMANO: Seconded?

MR. ROTH: Second.

ASSEMBLYMAN ROMANO: Mr. Shidlowski.

MR. SHIDLOWSKI: Mr. Davidoff?

MR. DAVIDOFF: No.

MR. SHIDLOWSKI: Mr. Roth?

MR. ROTH: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Yes.

MR. SHIDLOWSKI: Assemblyman Romano?

ASSEMBLYMAN ROMANO: Yes

MR. SHIDLOWSKI: Mr. Kull?

MR. KULL: Yes.

MR. SHIDLOWSKI: Mr. Troy?

MR. TROY: Yes.

MR. SHIDLOWSKI: Mr. Strathern?

MR. STRATHERN: Yes.

ASSEMBLYMAN ROMANO: Is that it?

ASSEMBLYWOMAN MURPHY: When is our next meeting?

MR. DAVIDOFF: Oh, no, wait. We have one other issue. Don't we have--

ASSEMBLYMAN ROMANO: The bonds.

MR. DAVIDOFF: The debt.

ASSEMBLYMAN ROMANO: The bonds are next.

MR. DAVIDOFF: We never approved anything on the debt. We just accepted a report.

ASSEMBLYWOMAN MURPHY: Is there anything else?

MR. DAVIDOFF: Should we do that at another meeting?

MR. SHIDLOWSKI: Well, there is an outstanding question of the debt report and whether it fairly represents a fulfillment of the legislation mandate. We didn't come to a final decision on that issue.

ASSEMBLYWOMAN MURPHY: Do we have another meeting?

MR. KULL: Mr. Chairman.

MR. SHIDLOWSKI: We don't have one scheduled.

MR. KULL: Mr. Chairman.

ASSEMBLYMAN ROMANO: Oh, sorry.

MR. KULL: Thank you.

While we're contemplating that point, I would like to make one comment regarding the interdepartmental accounts. As the Commissioners may be aware, under your enabling legislation--

ASSEMBLYMAN ROMANO: Oh, yes, before we go--

Excuse me. Wait a minute.

Sargeant Kaminski? (indicating pronunciation)

SARGEANT KAMINSKI: (speaking from audience) Kaminski, sir.

ASSEMBLYMAN ROMANO: Kaminski.

SARGEANT KAMINSKI: Thank you.

ASSEMBLYMAN ROMANO: He wants to make a statement, then we will-- I see everybody running out the door. I didn't want him to run out.

SARGEANT KAMINSKI: Not a chance, sir.

I thank the Commission for this irregularity. There was another project I wanted to address that was misplaced. It is very relevant at this point in time. It pertains, in a great part, to Mr. Davidoff's comments throughout the morning.

I refer you to our Project No. 10 on our submission for renovation to buildings two and six at our Division headquarters. I will give a very brief history of building six, which is the point of contention here.

Building six was the original horse stable built in the '30s for the Division of State Police. Upon its termination as a horse stable, it became very crude mechanical shops, repair shops for our maintenance crew. The request that the Commission did not recommend was for \$2.2 million.

However, getting back to Mr. Davidoff's comments, this is a project which can be broken down and split into two projects. Specifically, the one we're concerned with here is building six. We have severe overcrowding at our Division headquarters. I can't emphasize the word severe enough without being overdramatic.

We have had an engineering study and a construction cost estimate from an architectural group. We have a construction cost estimate that amounts to \$675,000 for a renovation of building six completely. If the Commission would see fit, I would ask that that project be recommended for funding, in part, in the amount of \$675,000, which would enable us to completely renovate building six to give us the much-needed office space and relieve the overcrowding that we're experiencing at our Division headquarters.

ASSEMBLYMAN ROMANO: I'm going to defer to Mr. Shidlowksi right now.

SARGEANT KAMINSKI: Building two--

ASSEMBLYMAN ROMANO: Did this come up in any of the conversations?

MR. SHIDLOWSKI: No.

ASSEMBLYMAN ROMANO: Mr. Troy, yes.

MR. TROY: No, nothing.

SARGEANT KAMINSKI: Assemblyman, if I may-- The engineering study had been ongoing and the results had come in after our preparation of the capital budget for the State Police. So I don't believe anyone on the Commission, at this point, would be aware of these results. That is why I was asking that this be addressed before I leave.

ASSEMBLYMAN ROMANO: I have to just say this here. Thomas Ricky (phonetic spelling) and I are good friends. I sit in the seat formally held by Chris Jackman.

I don't know if you know the name.

SARGEANT KAMINSKI: Yes, I do, sir.

ASSEMBLYMAN ROMANO: Okay. But in this particular case, I have to tell you, I think it's a little bit out of order, because there has been no conversation whatsoever with OMB, the Department of the Treasury, and such so that we would be given the benefit of their input. Plus the fact, the last thing, I think, we have to do here as a Commission is to start a precedent of taking a direct request.

Now, what I would tell you to do is have Colonel Williams write a letter to Senator Littell for his consideration in the budget process.

Am I right, Mr. Russo? (affirmative response)

That would be the way to do it. For us to do this cavalierly now, it would be like throwing all caution to the winds, all protocols and saying, "Now, look, we just listened to him, and we're going to do it because he said it." The Commission does not work that way.

Mr. Davidoff.

MR. DAVIDOFF: What is the \$191,000 that was in the request for that building? What was that for?

SARGEANT KAMINSKI: For FY '98.

MR. DAVIDOFF: There is \$191,000.

SARGEANT KAMINSKI: That was going to be for a design -- A and E design.

MR. DAVIDOFF: Which has been done?

SARGEANT KAMINSKI: It hasn't been done, but it would have been incorporated in the \$675,000 figure I gave you.

MR. DAVIDOFF: But the \$191,000 would be for the design, if we allocated that today?

SARGEANT KAMINSKI: It would be less than that.

MR. DAVIDOFF: It would be less than that. How much would the design be for that?

SARGEANT KAMINSKI: Presently for that building the design would be approximately \$65,000.

MR. DAVIDOFF: That was already included in part of the \$191,000 in your request?

SARGEANT KAMINSKI: Yes.

MR. DAVIDOFF: Okay. Being that that was included in the request, I would like to move to amend the budget, to increase it \$65,000, which was part of their original request, for the design of building six.

ASSEMBLYMAN ROMANO: Do I hear a second on this? I don't hear one.

Let me say, Mr. Davidoff, you mean very well, but I think what we're missing here is what is called protocol.

MR. DAVIDOFF: You don't have to explain, sir.

ASSEMBLYMAN ROMANO: The protocol here would be OMB, Department of Treasury, and this would almost be as if we were bypassing the Department of Treasury and Treasurer Clymer.

MR. DAVIDOFF: But this was included in his original request.

ASSEMBLYMAN ROMANO: In the 161.

MR. DAVIDOFF: It was already included, yes.

ASSEMBLYMAN ROMANO: But that was-- In the 161, in the description, it's listed as design, isn't it?

MR. DAVIDOFF: Yes, and that is all I am asking to do.

ASSEMBLYMAN ROMANO: Okay. So they're saying the design--

MR. DAVIDOFF: And that is all I would be--

ASSEMBLYMAN ROMANO: We need the other people who are involved here. I see-- I'll bite the bullet here, but to shoot ahead with somebody coming here representing a Department and just putting something in, I don't think is in keeping with the way we do business here.

MR. DAVIDOFF: Okay.

ASSEMBLYMAN ROMANO: Now, back to you. I'm sorry.

ASSEMBLYWOMAN MURPHY: Excuse me, I must--

MR. SHIDLOWSKI: Assemblywoman Murphy?

ASSEMBLYWOMAN MURPHY: Oh, gracious sakes, yes.

MR. KULL: Okay, thank you--

ASSEMBLYMAN ROMANO: I apologized before, you know.

MR. KULL: That's quite all right. I understand.

Mr. Chairman, just a small point of clarification. One of the evaluation priorities criteria that the Commission uses, consistency with the State Development and Redevelopment Plan -- that is administered by my office -- has been used throughout the Commission staff's considerations in support of most of the projects here.

There was one project in the interdepartmental accounts involving site acquisition that was not included in the Commission's recommendations. That was the-- The staff recommendation was because this site would not be consistent with the State Plan.

I just wanted to make a point of clarification. There has not been a specific site. In conversation with Mr. Shidlowksi and other Treasury staff, there was no specific site identified, and therefore, there is no way to really evaluate the consistency of that request. We would look at considerations such as the planning area, which is located -- whether it is located in the center and also its effect on other centers, such as Trenton if it was to back off its operation.

So that is for the Commission's clarification. A recommendation to staff: In working with the various State Departments, where there is a site acquisition contemplated, if the agency were requested to provide to you a specific site, and perhaps, information on the location with regard to planning area-- That would assist in the evaluation.

Thank you.

ASSEMBLYMAN ROMANO: Mr. Davidoff.

MR. DAVIDOFF: Regarding the debt issue--

MR. SHIDLOWSKI: I think I would--

MR. DAVIDOFF: --could we have a meeting in January?

MR. SHIDLOWSKI: We're, by attrition, here.

MR. DAVIDOFF: We don't have a quorum, probably.

MR. SHIDLOWSKI: Actually, I think we still do, but--

MR. DAVIDOFF: But would we--

MR. SHIDLOWSKI: No, we do not. I'm sorry.

MR. DAVIDOFF: Would we have a meeting in January to do this then?

MR. SHIDLOWSKI: We could schedule one for after the beginning of the new year, whether it's January or February.

MR. DAVIDOFF: So it's my understanding, we have to not only, in effect, adopt the Treasurer's report, but we have to tell the Legislature about bonding and things like that.

MR. ROTH: If at all possible, and you do schedule another meeting, would you please do it mid to late February? January is absolutely out of the question for me to be able to attend. It's my busiest season.

MR. SHIDLOWSKI: Well, we would be consulting Commission members on available times.

MR. DAVIDOFF: And February is mine. (laughter)

MR. ROTH: February is yours. (laughter)

MR. DAVIDOFF: And I would ask that you have none in March.

ASSEMBLYMAN ROMANO: All right. Do I hear a motion to adjourn?

MR. ROTH: So moved.

MR. TROY: He's not given up. (referring to Sargeant Kaminski) (laughter)

SARGEANT KAMINSKI: I thank the Commission for the consideration of the matter.

ASSEMBLYMAN ROMANO: I tell you, and I'm not giving you short shrift, write the letter to Senator Littell. Whether you realize--

Is the meeting over?

MR. DAVIDOFF: We have no quorum.

ASSEMBLYMAN ROMANO: Littell is a heavyweight. Okay? He is the Chairman of the Appropriations Committee. If you can woo him is one thing--

First of all, you're talking about design money. So you're not talking about something that was of an emergency to repair something. That is one thing. You're talking about designing. There is money elsewhere that if they wanted to, they could use under emergency circumstances because the position is so bad.

Am I correct, Mr. OMB? No, you're Treasury. Where is OMB?
Paul, am I correct?

MR. SHIDLOWSKI: Yes.

ASSEMBLYMAN ROMANO: Okay. You understand?

SARGEANT KAMINSKI: Thanks.

ASSEMBLYMAN ROMANO: Because it would set a very bad precedent, especially since nobody seconded the motion. (laughter)

(MEETING CONCLUDED)