
Commission Meeting

of

NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

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

DATE: October 18, 1996
10:00 a.m.

MEMBERS OF COMMISSION PRESENT:

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

ALSO PRESENT:

Thomas Neff
(representing Senator Robert E. Littell)

David Rosseau
(representing Senator Bernard F. Kenny Jr.)

Robert A. Kull
(representing Treasurer Brian W. Clymer)

Christina Higgins
(representing Michael R. Ferrara)

Paul Shidlowksi, Acting Executive Director



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

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B. CAROL MOLNAR (Chair): I'd like to call the meeting to order. Our Executive Director will take the roll call.

MR. SHIDLOWSKI: Mr. Davidoff.

MR. DAVIDOFF: Here.

MR. SHIDLOWSKI: Mr. Annese.

MR. ANNESE: Here.

MR. SHIDLOWSKI: Mr. Roth.

MR. ROTH: Here.

MR. SHIDLOWSKI: Tom Neff, representing Senator Littell.

MR. NEFF: Here.

MR. SHIDLOWSKI: Dave Rosseau, representing Senator Kenny.

MR. ROSSEAU: 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: Commissioner Anselmini.

COMMISSIONER ANSELMINI: Here.

MR. SHIDLOWSKI: Christina Higgins, representing Mike Ferrara. (no response)

MR. SHIDLOWSKI: Ms. Molnar.

MS. MOLNAR: Here.

MR. SHIDLOWSKI: We have a quorum.

MS. MOLNAR: Thank you.

In accordance with the open public meetings, the Commission has provided adequate public notice of this meeting by giving written notice of the time, date, and location at least 48 hours in advance. This notice has been mailed and faxed to *The Trentonian*, *The Star-Ledger* and filed with the Office of the Secretary of State.

First item on the agenda is approval of minutes. Our colleague, Mr. Davidoff, had some excellent comments last time, and so we revised the August 16 meeting minutes. Also, we're approving the September 20 minutes. Can we do it together?

MR. SHIDLOWSKI: I believe we can do them together.

MS. MOLNAR: If no one objects, we'd like to approve both minutes together. There's one typo. Roll call should be R-O-L-L. Other than that, any comments? (no response)

MR. SHIDLOWSKI: Mr. Davidoff.

MR. DAVIDOFF: Yes.

MR. SHIDLOWSKI: Mr. Annese.

MR. ANNESE: Yes.

MR. SHIDLOWSKI: Mr. Roth.

MR. ROTH: Abstain.

MR. SHIDLOWSKI: Mr. Neff.

MR. NEFF: Yes.

MR. SHIDLOWSKI: Mr. Rosseau.

MR. ROSSEAU: Yes.

MR. SHIDLOWSKI: Assemblywoman Murphy.

ASSEMBLYWOMAN MURPHY: I will abstain on the minutes for which I was not here -- present -- and will vote yes for those which I did attend.

MR. SHIDLOWSKI: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Yes.

MR. SHIDLOWSKI: Mr. Kull.

MR. KULL: I'd like to vote yes for the August minutes and abstain on the September minutes.

MR. SHIDLOWSKI: Commissioner Anselmini.

COMMISSIONER ANSELMINI: Yes.

MR. SHIDLOWSKI: Ms. Molnar.

MS. MOLNAR: Yes.

The next item is Executive Director's report.

MR. SHIDLOWSKI: In the interest of time, since we have a lot of presentations today, I'd just like to limit my remarks to a few housekeeping matters.

Commission members received a note with their briefing materials. We would like to not have to reproduce all the briefing materials a second time for the meeting. The volume is getting pretty great, and it's quite a job to try to reproduce it and collate it twice for the meeting.

We've developed criteria for the evaluation of the Capital Requests. It will be sent to the Commission members with the mailing for the next meeting. I'd appreciate comments back in writing. We'll try to incorporate that into a final draft. That report, which is a new part of the Commission's responsibilities, is being finalized by the Office of Public

Finance. It will be made available to the Commission members prior to the November 22 meeting.

My understanding is that the Treasurer feels strongly enough about the importance of this report and that he has tentatively agreed to make the presentation. We still do not have the final total for the Capital Requests. It's been something of an iterative process going back and forth with some of the departments to get them to refine their requests. The total estimate, I would say, is going to approach about \$2 billion this year.

That concludes my report, Madam Chair.

MS. MOLNAR: Thank you very much.

One other housekeeping item. I did receive a letter from the State Police. They have a new facility that's being opened up, the southern regional headquarters. Unfortunately, dedication ceremony is today, so they send their regrets that we couldn't be there today for the ribbon cutting. But they've invited us to come down at another time. So if you can let Paul know if you want to go at all, and if so, what's your availability. Maybe you could arrange for us to attend, as many members as possible. It sounds like a great facility, and we did dedicate 12 million. This Commission has been supportive of that project.

Now, as Paul mentioned, we do have a very full agenda. If possible, we may have to limit questioning. We'll try and go around and try to cover as many as possible. If we can't finish, if you want to write your questions down, and we'll give your questions to the presenter, and they can get back to Paul and the Commission.

Any comments or questions or suggestions? (no response)

Okay. The first presentation is the Commission on Higher Ed and Higher Education facilities. We have Mr. Alfred Cade and Arnold Speert.

Welcome, gentlemen.

A L F R E D J. C A D E, Ed.D.: Thank you. Good morning. I'm Al Cade, Chair of the Commission on Higher Education. I'm accompanied at the table this morning by Mr. Robert Gertz, the Director of Fiscal Policy for the Commission, and of course, you know Dr. Arnold Speert of William Paterson College.

I appreciate the opportunity to appear before you this morning to discuss the capital needs of our colleges and universities. Last year my predecessor, Joe Williams, appeared before you and discussed the Commission's proposal for a five-year facility renewal program for the State's senior public institutions. As you may recall, we proposed an annual expenditure of 1.5 percent of the replacement value of the facilities at New Jersey's 11 public four-year colleges and universities. Thomas Edison College is not included in that request because the Department of Treasury traditionally funds the maintenance of the College as State-owned and leased facilities. Indeed, Edison has recently broken ground on some-- To renovate some town houses on State Street, as a brief walk out here will tell you.

The proposal calls for the State to annually provide a half of 1 percent of the replacement value up front and an additional half of 1 percent if the institutions contribute a half of 1 percent, for the total of 1.5 percent per year. The Commission was pleased that you recommended that \$34,520,000 be included in the Governor's Fiscal Year 1997 budget, as the State's share of

the first year of the five-year plan. Unfortunately, no funding was provided in the final Appropriations Act.

My task is to again request that you recommend funding for this program in Fiscal '98. The needs have not changed. If anything, they have become exacerbated and gotten worse. As a recent member of the Board of Trustees from Rowan College, I can tell you that the condition of the facilities, if not properly maintained, will get far more expensive to renovate and upgrade. The Commission also believes that the State should make a commitment to what might be called a technological infrastructure, that is, the capital requirements for new technologies.

Some of this infrastructure is being provided through the equipment leasing and higher education facilities trust funds but more will be needed in the years to come. For now we have no specific requests for funding in addition to that in these two funds. But I do urge you to consider these needs in future years. Perhaps the colleges and universities in the State can work with other agencies that come before you in the coming years with similar requests.

In conclusion, let me say that the Commission and the higher education community are mindful of the State's ongoing fiscal constraints. However, we strongly believe that New Jersey must invest its limited resources strategically both to preserve its existing assets and to spur economic growth. Although dollars are scarce, New Jersey can ill afford to ignore the infrastructure that supports critical teaching, learning, and research activities at our colleges and universities.

The State's higher education system plays a vital economic role in preparing the work force, providing cutting edge research, and serving specific needs of business and industry. A continued investment in higher education will pay handsome dividends in terms of economic development and competitiveness.

Thank you very much for the opportunity to speak with you today on behalf of the Commission on Higher Education. Dr. Arnold Speert, the Chair of New Jersey's Presidents' Council and the President of William Paterson College, will elaborate further on the details of the capital needs of our institutions.

MS. MOLNAR: Thank you.

A R N O L D S P E E R T, Ed.D.: Thank you. On behalf of my colleagues, the presidents of the colleges and universities in the State, thank you for the opportunity to appear before you.

In its plan for higher education, the Commission on Higher Education articulates a vision that stresses that through teaching, research, and public service, the colleges and universities will support the State's public policy goals of economic growth, social stability, and enhanced quality of life.

As leaders, we relish the challenge of priming the economic engine of our State by preparing our students to become a highly skilled and socially responsible work force and supporting our faculty as they conduct important applied and basic research on the critical, social, and scientific problems we face in New Jersey. I know that as a body concerned with our capital infrastructure, you would agree that keeping our students and faculty safe and at the forefront of the technological revolution that we ourselves have spawned

is a necessary condition for enabling the full potential of our institutions to serve the State and its citizens.

When I confer with my colleagues, they all share a common challenge: The human and economic development that we at the colleges engineer is increasingly dependent on our students learning and our faculties using the most current information technology tools. To one degree or another, all of my colleagues are in a real quandary about how to deal with this issue. The choices we face are sobering.

I needn't belabor what you know too well to be oppressing and longstanding renewal and rehabilitation problem on the campuses, but let me use my own campus as an illustration. We estimate that this year alone at William Paterson we have fallen an additional \$2 million behind in our efforts to maintain and improve the functionality of our physical plant. When President Fran Lawrence testified before you last year, he estimated an aggregate backlog of some \$400 million already existing at that time.

We believe that this year alone the annual unmet need easily approaches another \$80 million. Everyday our facilities staffs deal with countless decisions about failing heating and cooling plants, leaking roofs, outdated wiring, asbestos abatement, ventilation, toxic waste disposal, and countless other emergencies, which directly affect the quality of learning and the health and safety of several hundred thousand students and tens of thousands of faculty and staff. At the same time, they struggle to coax contemporary technology to work, let alone flourish, in a 1950's infrastructure.

Certainly, our constituents have benefited from the much needed and appreciated JEC and HEFT support. But I believe you also understand

that one-shot injections can not sustain us. The colleges and universities have clearly demonstrated and will continue to demonstrate responsibility in our annual commitments of other institutional resources to the maintenance and improvements of each of our campuses.

I'm here seeking your support for a long-term commitment to provide adequate capital resources for all our institutions to become the very best so that our shared aspirations for an economically vital State, with an informed and productive citizenry, can be realized.

The conclusions of a growing cadre of economic impact studies on investment in higher education are unequivocal. A dollar invested in higher education returns well more than a dollar in economic growth, and the benefits to human well-being are incalculable. Thousands of our best and our brightest youngsters leave us every year to attend institutions in other states. Research shows many never return and, in fact, become influential leaders contributing substantially to the economic growth and well-being of their new home states. We all recognize the vital importance of reversing this out-migration. The condition and capacity of our buildings and facilities must be improved and maintained for safety sake and to support the kind of technologically rich education that our future economic and personal well-being demands.

To be the best, we must have and offer the best. Each of us in collaboration with the Commission on Higher Education and our colleagues in the private sector is carefully evaluating our academic programs and services to assure the public that we are both doing the right things and doing those things right. Commitment to the higher education-wide recognized standard of support for our physical plant operations is needed for New Jersey to

prosper. Join me and my fellow presidents in urging that investment in higher education become a priority. Join us in affirming that the economic development we spawn and the human development we nurture are vital assets for achieving the goals of the State. Join us in recommending that, at minimum, a funding base of at least 1.5 percent of the value of our physical plants be provided to maintain them on an annual basis. The investment will prove to be worthwhile.

Thank you.

MS. MOLNAR: Thank you for your presentation.

Are there any questions or comments from the Commission members?

Marty.

MR. DAVIDOFF: Just to clarify. I understand the 1.5 percent that you are asking, which, if I'm reading this correctly, is a minimum of 17 million and a maximum of 34 million. You are asking for another \$499 million in capital improvements, also, is that correct?

DR. SPEERT: What we're saying is that there are \$499 million in capital improvements that are backlogged on our campuses. We recognize that there is no way that you would be able to provide that. What we believe is that the 1.5 percent, as described by Commissioner Cade, would be a means of us keeping up with at least the continuing--

MR. DAVIDOFF: At least not getting behind--

DR. SPEERT: Correct.

MR. DAVIDOFF: --on these so that we have--

DR. SPEERT: Correct.

MR. DAVIDOFF: --a capital funding. And that's not available in your current operating budget to provide.

DR. SPEERT: No, it is not.

MR. DAVIDOFF: Okay. I just wanted to clarify. Thank you very much.

DR. SPEERT: Thank you.

MR. SHIDLOWSKI: If I could interject at this point in time, the individual colleges have submitted requests which total almost \$500 million. If the Commission is recommending this ongoing funding year after year of the 17.3 million or 34.6 million -- if the colleges contribute a like amount -- this is in addition to and somewhat overlaps the requests that are made by the colleges.

MS. MOLNAR: Could you advise the Commission, what the commission -- the colleges received last year in capital funds?

MR. SHIDLOWSKI: We did recommend the 34 million. The final Appropriations Act included a minimal amount of 2.3 million approximately. And that wound up on average to be either 200,000 or 250,000 to each college, a very minimal amount.

MS. MOLNAR: Thank you.

Any questions?

David, right?

MR. ROSSEAU: Right.

I guess a quick question for Paul. Everything is listed here as Department Priority No. 1, and then it goes by project numbers. Is it safe to

assume that the project number is their priority within Priority No. 1 or was this just--

MR. SHIDLOWSKI: That's just the way that they were entered into the system.

MR. ROSSEAU: Is there any way--

MR. SHIDLOWSKI: It has no meaning other than--

MR. ROSSEAU: Is there any way that we could get the colleges and universities somehow to give a priority within priority, and understand we want them all to be Priority No. 1, but within it, is there any way they could just--

DR. SPEERT: I believe the submission-- I only have the submission for William Paterson College. I'm just using this as an example, but I believe that we've listed five items under Priority No. 1. We listed two, four, six, seven items under Priority No. 2. Two, four, six, seven items under Priority No. 3. We do have five items under Priority No. 4, and it goes on.

MR. DAVIDOFF: The front two pages--

MR. ROUSSEAU: Okay, so you have done it. I was looking at Rutgers. I know Rutgers didn't do it and a few of the other ones, because everything is listed as Priority No. 1.

MR. SHIDLOWSKI: If I could clarify a bit. Where we received these relative priorities from agencies and institutions, the staff have been going back and having discussions about giving us an absolute priority. I don't think it's reasonable to expect that everybody is going to receive all of their funding. So we're trying to address the highest priorities submitted by all the

agencies and institutions. It may not be reflected at this point in time. It will definitely be reflected in the recommendations from the staff.

MS. MOLNAR: Yes, Mr. Davidoff.

MR. DAVIDOFF: One other question. What kind of support do the colleges, overall, get from alumni? I'm not looking at dollars for this moment, but what percentage of alumni contribute to the annual alumni funds to support the colleges?

DR. SPEERT: Again, I can only speak for William Paterson College. Most of the public institutions have just started really developing a substantial base of alumni. Alumni giving at William Paterson increased, over the 10 years I'm the most familiar, from 35,000 to about 235,000 a year. Most of that money we use for scholarship support.

MR. DAVIDOFF: What percentage of alumni is contributing?

DR. SPEERT: I think we have a fairly high percentage nationally, but I think it's probably on the order of approaching 20 percent.

MR. DAVIDOFF: Twenty percent of the alumni is contributing on an annual basis for William Paterson?

DR. SPEERT: For William Paterson. Again, I--

MR. DAVIDOFF: We don't have-- You don't have--

DR. CADE: I think you'll find that that's comparable to most of the publics, except that there is an aggressive move on to increase that participation on the part of all of those schools.

MR. DAVIDOFF: Because I know private colleges get about 50 percent of participation.

DR. SPEERT: Yes. Yes. The only other thing I note along those lines is it is very difficult to get alumni to contribute to redoing roofs and asbestos abatement, etc. In general, as I said, we've used alumni contributions for scholarships, for merit scholarships at William Paterson College. You can get individuals to contribute to new construction but not to the rehabilitation and repair generally.

MS. MOLNAR: Any other questions or comments?

ASSEMBLYWOMAN MURPHY: Excuse me?

MS. MOLNAR: Yes, Assemblywoman Murphy.

ASSEMBLYWOMAN MURPHY: Dr. Speert, while I would not probably have thought of this had not the latter conversation taken place, but in addition to seeking alumni support for the scholarship funds, are foundations within the university-- This sort of thing used-- I think of the beautiful hall that was redone. On the magnificence of that, are there not foundations centered around the kind of thing, for the arts or whatever, that do support to maintain something of that order?

DR. SPEERT: Yes, and in fact, we have established foundations, but the public institutions are rather new at attracting dollars. We do not have the substantial endowment. We were fortunate to, over a course of three years, to attract close to a quarter of a million dollars to redo one of the buildings on campus. When we've been able to do that, we've attempted to do that. That's a manor house on campus, and it linked us with our past history and the community. One can be very clever about those things, but the kinds of substantial increases that we have before you would not be covered by those.

ASSEMBLYWOMAN MURPHY: Yes, and certainly they do not make up the amounts that you are seeking for this. I recognize that. Thank you, Dr. Speert.

DR. SPEERT: Thank you.

ASSEMBLYWOMAN MURPHY: Thank you, Madam Chair.

DR. CADE: May I comment--

MS. MOLNAR: Sure.

DR. CADE: --piggyback on the response? The program that the Commission is proposing has part of it college and institutional participation of half of 1 percent. The whole idea is for the government's investment to encourage the public institutions to be more aggressive in seeking out foundations, alumni, etc. I really believe that -- to the extent that the State's investments manifested in this unglamorous area -- it can encourage the private donors to invest. These are not attractive or sexy items -- roofing and asbestos removal -- they are not like the technology things. We think it's critical to get additional funding and not just to totally rely upon the State's funding for this particular endeavor. But the way to do that is for the State to step up to the plate.

As an alum, I sort of asked my state college in another state, what's the state doing about this particular area? It's a critical question that all alum I think ask, particularly in State-supported, State-assisted institutions.

MS. MOLNAR: Thank you.

Mr. Romano.

ASSEMBLYMAN ROMANO: Just one brief comment. I have to be allowed to say this, you know. I haven't said anything this morning.

MS. MOLNAR: You're quiet.

ASSEMBLYMAN ROMANO: My colleague, Assemblywoman Murphy, taking off of what you had said, you know what the problem is: Continental Airlines is not looking to have the roof on one of these buildings named after them because the amount of people who could see the advertisement would be greatly circumscribed. So I mean that's another area of what we have to look at.

How many buildings do you have in Paterson there?

DR. SPEERT: Twenty-five.

ASSEMBLYMAN ROMANO: Twenty-five. Think of 25 good names, and who knows, who knows what tomorrow may bring.

Thank you, Madam Chair.

MS. MOLNAR: Thank you, Assemblyman.

David.

MR. ROSSEAU: As a follow up on that, there is actually an interesting proposal at Montclair State College, I believe, where a private developer is coming in to build a baseball stadium and an ice hockey facility for the college. The college is giving them the land and the State House Commission has to approve it, because there were some legal problems, and in return the private developer is going to allow the college to use it during normal college time. And during the summer, they are attempting to use it for a minor league baseball team during the summer. They'll use it for open hockey and things like that, and ice skating and things like that in the winter time. So, I mean, there is that private-public partnership going on at least in Montclair.

MS. MOLNAR: Thank you.

Marty, you have a follow up?

MR. DAVIDOFF: I just have a quick comment.

The materials you put together were excellent. I thank you very much for providing your statements in advance. That's very very helpful to do that. I just wanted to compliment you on that. It makes it easier for us to do our job.

MS. MOLNAR: Thank you for your comments, Marty.

No other questions? (no response)

I'd like to thank you for your presentation, and our staff will be looking at your requests.

DR. CADE: Thank you.

DR. SPEERT: Thank you.

MS. MOLNAR: Thank you.

Next item is the Edison State College, State Library, Mr. John Livingstone, State Librarian. I'd like to welcome.

JOHN H. LIVINGSTONE: Good morning, Madam Chair, and members of the Commission. I appreciate very much the opportunity to be here and testify before you this morning. On my left is Vice-President of Thomas Edison State College, Mike Scheiring, and on my right, Oliver Gillock, from our staff at the State Library.

I wanted also to take this opportunity to thank the Commission for the support that you gave us for the upgrading and installation of shelving in the Library for the Blind. That was a marvelous project, which is now completed. We've improved that shelving area from two-tier level to three-tier

level with built-in sprinkler system and well-lighted area. I certainly invite you to come over and visit with us at the Library for the Blind and take a look at this. For the first time, it allows us to utilize the full space of that storage facility with the triple-tier fixed shelving in place. So we are very grateful for that support.

We have three capital needs that are quite urgent and necessary for the State Library. Number one deals with the installation of a fire-suppression system at the State Library on levels two, three, five, and six of the State Library.

We've been very fortunate over the last 33 years that there has been no major fire in that facility. Because, as I know you realize, we have many very unique collections that cannot be replaced under any conditions should they receive the kind of fire and smoke damage that is possible under today's conditions. For example, we have one of the strongest genealogy collections in the State utilized by people all over New Jersey, up and down the coast, and throughout the United States.

We have, as you well know, a very fine law library and is constantly in use from the attorneys of the State. We have also a unique collection of Jerseyana materials. We buy everything that's published by New Jersey authors and about New Jersey. And if you go back and look at some of that original material, it's just irreplaceable. And at the same time, we're a State documents depository. So everything published in the way of a document that comes out of the State is housed at the State Library. We're a partial Federal documents depository, as well.

We have a rare book area with materials dating back to the 1600s and in a few cases even earlier that obviously just could not be replaced. A few years ago, \$679,000 was appropriated to begin this project. At the urging of Senator Littell and at our very serious interest, as well, we want to continue this project and finish it off. It's going to require \$641,000. It will permit us to put in the proper fire-suppression equipment on levels two, three, five, and six, where the mechanical roof area is located.

The way it's been set up at the present time, when the archives which will be moving into a new facility leaves, we will finish off the project on that level two area, thereby reducing some of the cost of the project making it easier to install. So this is an area that we are vitally interested in, and we feel we definitely need to move forward on.

Our second request is for \$714,000 to upgrade the equipment and the furniture on level four. That's a public service area, one level above the street level. In 1993, that area was renovated. However, money that was appropriated to replace the furnishings was removed for other budgetary purposes including, I believe, to help balance the State budget. So as a result, while the floor has been renovated, we're still living with 33-year-old furniture. In some cases, it's broken. In every case, it's shabby. We now have up-to-date wiring that is like spaghetti going back and forth winding around this furniture that was not meant for that type of installation. And in other cases, we have furniture that was built for 1960s uses, but those have changed with technology. For example, the carrels -- the study carrels -- at that floor are too small under today's conditions. In 1960, it was only necessary to open a book, a research paper, a document, and sit there and do your research. Today, we

need PCs, we need CD-ROM towers, and things of that sort that permit us to offer the latest in technology to the patrons that are using the State Library.

We have a reference and information area that's been strung together with an old table, a desk, and a few chairs. We need a proper reference center on that floor. We need map cases, we need reader printers, and we need proper cabinetry. So that's a \$714,000 project.

And finally, we require \$160,000 to upgrade the equipment at the Library for the Blind and Handicapped. Now, \$80,000 of this will go toward renovating and upgrading the telephone system, which is now a keyed-type system, analog system, that is old, slow, and doesn't give the variety of uses that a modern system would permit. It means we must rewire and, in some cases, wire for the first time certain areas. It will permit us, also, to bring in level five wiring so that we can wire up for PCs at our service desks within the Library for the Blind as well.

The second part of that request is another \$80,000 to upgrade the equipment of our audiovision operation. Audiovision is a remarkable service given by the Library for the Blind in which a number of volunteers come in each day, read from the newspapers of New Jersey the news of the day and other activities that are pertinent to New Jersey residents. Then it's broadcast out to our lined customers around the State, who have on loan special receivers so that they can receive these broadcasts. We broadcast every day of the week, seven days a week from 1:00 in the afternoon till 12:00 midnight.

This equipment is now 11 years old. It's giving us problems. We have breakdowns because of it. The recording equipment that the volunteers use -- six tape recorders -- three are broken beyond repair. Three others we

have to cannibalize parts for because they're so old they don't make those kinds of replacement parts any longer. So we require at least three modern recorders that will permit us now to not just record on tape, but on CD hard disk. The updating of the audiovision equipment will widen our resources to our services to our customers through the fact that they, for the first time, will be able to dial in on their own telephone to get any kind of news that they are interested in at any time of the day and night. We can't offer that service at the present time. By adding a dish for receiving, we will be able to also gain access to other services that are doing the same type of broadcasts to our blind patrons and tap in on those additional news services that will, also for the first time, be available to all the customers of the Library for the Blind.

So it's \$160,00 to upgrade the equipment at the Library for the Blind, \$714,000 we require for proper furnishings for level four of the State Library, and \$641,000 will permit us to finish off the fire-suppression system and protect the resources at the library.

Thank you very much for this opportunity.

MS. MOLNAR: Thank you for your presentation.

Any questions?

Mr. Roth.

MR. ROTH: Good morning.

MR. LIVINGSTONE: Good morning.

MR. ROTH: Thank you for your presentation. I enjoyed it.

Questions about the fire-suppression system. Do they use inert gas? Do they use chemicals? Do they use water? Or all three?

MR. LIVINGSTONE: Well, a combination, but I'll turn that over to Mr. Gillock because he's worked with that all along.

OLIVER P. GILLOCK JR.: Over the book collections, we have preaction system, which is water. But the water is held back by air, and it requires the head melting and a smoke detector going off to release the water. In that way, the materials are protected somewhat. The office areas have wet systems -- water in the lines. The computer room has a preaction system as well. Our rare book room we would hope to have a halon-replacement system. We can't have halon now.

MR. ROTH: That's probably the most expensive approach anyway. But it really is necessary or the water will cause as much damage as the fires.

MR. LIVINGSTONE: One thing that has improved since the early days of fire-suppression systems is the possibility of freeze-drying books, which is done all the time. If we can localize the situation, then even wet books can be restored through the freeze-dried method.

MR. ROTH: Another question pertaining to the furniture request. You're talking about and-- I understand the need for new furniture to meet the requirements of the modern age. Are you also talking about putting in computers, PCs, things in that nature?

MR. LIVINGSTONE: Well, that's not part of this request, no.

MR. ROTH: Okay. That's a separate request somewhere else.

MR. LIVINGSTONE: Well, that kind of thing will be part of our budget.

MR. ROTH: Okay.

MS. MOLNAR: I have one question. Do you dedicate any of your operating budget for the audiovisual needs?

MR. LIVINGSTONE: Yes.

MS. MOLNAR: So this--

MR. LIVINGSTONE: Yes, we do.

MS. MOLNAR: --request is above and beyond anything you could absorb in your operating budget?

MR. LIVINGSTONE: That's correct.

MS. MOLNAR: Thank you.

Any other questions from Commission members?

Chris.

MS. HIGGINS: I had a question. Originally, when the 679,000 was allocated in '93, was it expected that that would pay the full cost of the fire-suppression system?

MR. LIVINGSTONE: Yes, but-- And originally it was several hundred thousand beyond that, that was originally appropriated. And then that was reduced so that we now have-- That 679,000 will permit us to do the level three level and possibly level six, which includes the mechanical area. The 641,000 is necessary to complete the rest of the floors.

MICHAEL SCHEIRING: Chris, if your question is, do we know the amount was going to be larger, yes, we did. The full funding was not provided.

MS. HIGGINS: All right. That was where I was going.

MR. SCHEIRING: Okay.

MS. HIGGINS: Or are we seeing, I don't know, some additional cost for some reason?

MR. LIVINGSTONE: No.

MS. HIGGINS: Okay. And with regard to the audiovision, are there any fees requesting from the users?

MR. LIVINGSTONE: No, they're not.

MS. HIGGINS: Is that under consideration?

MR. LIVINGSTONE: We haven't considered that up till now, no.

MS. MOLNAR: Mr. Annese.

MR. ANNESE: I just have a question, a little clarification of some of the information we got regarding the Library for the Blind and Handicapped. Am I reading this correctly, that you service approximately 10,000 individuals in the State?

MR. LIVINGSTONE: That's correct.

MR. ANNESE: And that those people circulated, borrowed 500,000 items last year?

MR. LIVINGSTONE: Correct.

MR. ANNESE: That seems like a lot. That's about one item per week.

MR. LIVINGSTONE: It is a lot. Yes, it is a lot. These are audiocassette-type things-- Records, special records that play on special recorders, and that sort of thing goes out constantly from the Library for the Blind.

MR. ANNESE: Okay, thank you.

MR. LIVINGSTONE: You're welcome.

MS. MOLNAR: Any other questions or comments?

ASSEMBLYWOMAN MURPHY: Comment only, that my mother is in a nursing facility, and the books, the tapes are circulated through the facility by the director and very, very well utilized and very well enjoyed.

MS. MOLNAR: That's good to know. Thank you.

Any other questions or comments? (no response)

If not, I'd like to thank you for your presentation. Our staff will be reviewing your requests.

MR. LIVINGSTONE: Thank you very much.

MS. MOLNAR: Thank you.

Our next department is the Department of State. I'd like to welcome Leah Slosberg, Director of the State Museum. Leah has appeared before this Commission many times. Welcome.

LEAH PHYFER SLOSHBERG: Thank you. It's a pleasure to be here again. I'd like to introduce John Cantner, from our Division of Administration, in the Department of State.

The New Jersey State Museum, located at 205 West State Street, is requesting FY '98 capital funding in the amount of \$200,000 for the design of its Natural History Hall. Each year the museum serves about 325 (*sic*) visitors, including 70,000 schoolchildren from throughout the State. The Natural History Hall is the centerpiece of the museum's exhibition and educational services in natural sciences.

The Natural History Hall, located on the museum's second floor, is approximately 7800 square feet with a 20-foot-high ceiling. The exhibits within this hall were designed and built during the 70s. These exhibits are in

serious need of replacement. Some have deteriorated badly, as they have surpassed their expected period of use. Others contain a dated presentation style and much of the information presented has been rendered obsolete by new discoveries. Some of the obsolete and dated exhibits have already been removed by the museum in order to make space for *The Great Russian Dinosaur Exhibition*. *The Great Russian Dinosaurs* is a visiting exhibit that offers a once-in-a-lifetime opportunity to see bizarre fossils including colossal dinosaur skeletons recovered in Russia and Mongolia and to compare these specimens with those recovered in North America and in New Jersey.

This exhibition is but one example of the way that the Natural History Hall is a focus of museum operations. In fact, this traveling exhibition is receiving national attention and audiences. However, once *The Great Russian Dinosaur Exhibition* concludes its engagement at the museum, the Natural History Hall will remain behind in dire need of significant exhibit redesign and exhibit replacement, so that museum collections highlighting New Jersey's natural history can be exhibited there.

Capital funding for FY '98 would implement a design phase allowing the production of drawings, specifications, and cost estimates for a construction phase. The designer would be asked to use as many specimens and artifacts as possible to support the things to be presented for the six physiographic regions of New Jersey, to use interactive computer technology, and to tie the exhibitions to the nationwide geographical information system. Further, the design phase would also include plans for an expanded science theater within the Natural History Hall, revamped electrical support lighting

to the exhibit, and HVAC to conform with the appropriate building codes of today.

Each of these aspects is necessary and desirable for the museum visitors. For example, the science theater would be expanded to seat 100 children, nearly double its present capacity. The need for this space is indicative of my earlier statement that some of the exhibits have surpassed their expected usefulness. When the 65-seat science theater was constructed, most schools brought only one busload of children to the museum. Now, one specific school may bring two or three busloads. So that's why we want to go to a larger science theater.

The State Museum has responded to the need for an updated Natural History Hall by producing an in-house planning document that reflects a comprehensive treatment of New Jersey as a natural entity and its distinctive natural history. In that plan, the six natural physiographic regions of the State will be exhibited with great numbers of specimens and a thorough treatment of all aspects of earth and life sciences. Current technologies of presentation would also be included such as interactives and the GIS system, as we call it, video projection, and electrical and environmental support systems needed for them. It will meet the new code requirements.

This type of exhibit will fit well with the lesson plans of New Jersey's school teachers who often combine class visits to the museum with their classroom curriculum for the year. It will also serve as a educational tool for individuals and family visitors. In fact, this interdisciplinary approach to the renovation of the Natural History Hall reflects the recommended standards of the core scientific curriculum document produced by the New Jersey

Department of Education. The Natural History Hall project, which includes the design assistance, that would be funded with the \$200,000 FY '98 capital funding award is a replacement project. Therefore, it will have similar operating costs to the present exhibition hall. However, funding for professional design assistance will ensure that the museum's planning document is appropriately translated into an actual design with drawing specifications and cost estimates for this construction phase.

Thank you.

MS. MOLNAR: Thank you, Leah.

Any questions from Commission members?

Carol Murphy.

ASSEMBLYWOMAN MURPHY: Good morning.

MS. SLOSHBERG: Hello.

ASSEMBLYWOMAN MURPHY: Thank you so much for being here.

I've been to the museum a couple of times, but I'm afraid I don't know nearly as much about it as it's obvious that you do. So if I may, please--

MS. SLOSHBERG: Please.

ASSEMBLYWOMAN MURPHY: What sort of traffic do you have in the museum?

MS. SLOSHBERG: Well, we estimate our attendance at 325,000 a year.

ASSEMBLYWOMAN MURPHY: And is that bulk schoolchildren, or is that general public coming through?

MS. SLOSHBERG: No, we count schoolchildren, and that's the 70,000 figure that I mentioned. We also count all of our program attendance, and it's on that basis that we make the projection of our 325,000.

ASSEMBLYWOMAN MURPHY: So are you-- Is the museum on certain tours, that go through, of the city? Is that included as a tour thing that operators would utilize?

MS. SLOSHBERG: Yes. We actively pursue adult tourism. Our highest visitor group, I think, we would have to say though are family groups, and they come on weekends to the museum.

ASSEMBLYWOMAN MURPHY: And they come because they come as individual families--

MS. SLOSHBERG: Right.

ASSEMBLYWOMAN MURPHY: --not necessarily a group of 500 families coming to see something?

MS. SLOSHBERG: Right.

ASSEMBLYWOMAN MURPHY: Do you have a friends of association within the State museum?

MS. SLOSHBERG: Yes, we do. Our friends group is at least nearly 30 years old.

ASSEMBLYWOMAN MURPHY: Wonderful.

MS. SLOSHBERG: It has been a wonderful organization for us. It has solicited gifts-- Its focus has been to raise money for the collection and to solicit gifts for the collection. Those gifts having been approved by the curator. They also actively solicit funds for programs at the museum. On rare

occasions, they have funded capital projects. They did fund the solar observatory on the roof of the museum.

ASSEMBLYWOMAN MURPHY: Right. That was quite an achievement, wasn't it?

MS. SLOSHBERG: Unfortunately, I think this project since it's a planning project-- It's difficult to get planning money as a donation, because people are not sure that it's going to happen. I think that once you have drawings, you have really hard numbers, it's possible to fund raise for it.

ASSEMBLYWOMAN MURPHY: It's like prevention money. People have to wait too long to see the results. And then having all this, it would say that you probably have a very active group of docents.

MS. SLOSHBERG: Absolutely. In fact, the docents are handling the bulk of the service to those 70,000 children. They do a lot in terms of coming in selling tickets to events and helping us on weekends, too. In fact, I think, we could fill up the State House garage practically with our docents corp.

ASSEMBLYWOMAN MURPHY: And the last couple of questions. Do you rent space there for large events? Do you advertise to have events take place at the museum as a generation of funds for you all?

MS. SLOSHBERG: Yes, we do have a facility-use policy. It is limited to incorporated organizations, either business or nonprofit. We are not renting to individuals at the present time.

ASSEMBLYWOMAN MURPHY: I see.

MS. SLOSHBERG: And we do market that. We market it especially to our corporate members. We would like, if we can find the time

in our schedule, to develop a marketing brochure to just send out to the general corporate community. Because we think that the museum and the corporations that have used our facility, think it's a wonderful place to have a meeting, to have a party, or some kind of social event.

ASSEMBLYWOMAN MURPHY: If, for instance, this Russian exhibit were to come, would it be something to which you might have an enormous party and sell tickets, to draw attraction and develop sponsors, and invite corporations to buy tables, etc.?

MS. SLOSHBERG: Actually, the Russian exhibit is here right now, and we did raise in excess of about \$50,000 from the corporate community. We had a marvelous party back in September to open that exhibition.

ASSEMBLYWOMAN MURPHY: Thank you.

MS. SLOSHBERG: And people enjoyed dining with the dinosaurs.

ASSEMBLYWOMAN MURPHY: I should say they would.

Thank you very, very much for tolerating all these questions. I appreciate it.

MS SLOSHBERG: Fine. I'm so glad you're interested.

MS. MOLNAR: Thank you.

How long is the Russian dinosaur exhibit here till?

MS. SLOSHBERG: Well, we were publicizing December 22, because the Russians were going to require those specimens to be back to their customs officials by the first of January. But we have-- They've relented, and we're going to keep it at least through the month of January.

MS. MOLNAR: Good.

The other question for the nonmuseum folks here, a docent is a tour person?

MS. SLOSHBERG: A docent is a museum educator.

MS. MOLNAR: Okay.

MS. SLOSHBERG: Either a person who takes someone on a guided tour through the exhibition or gives a seated lecture.

MS. MOLNAR: Thank you.

Mr. Annese.

MR. ANNESE: Regarding your plans for the new display, what's the life term or life expectancy you expect of the new display if it were to be installed?

MS. SLOSHBERG: Oh, I would like to say that it would be no more than 10 years but, I think, that 20 is probably is more like it. Let's face it. Some people love the exhibits and the old museum of natural history that have been there for 50, but it really depends on what your objective is. Since this exhibit is going to be high technology, we really want it to be that. I would say that it would need substantial revisions in 10 years.

MR. ANNESE: And in terms of the space with this and your permanent exhibit, would it be half your space, three quarters, 10 percent, roughly--

MS. SLOSHBERG: Oh, it would be all of the space.

MR. ANNESE: All of it. All your space would be a permanent exhibit?

MS. SLOSHBERG: Right. And the way we envision doing it, New Jersey is divided into six physiographic regions. Our new plan is to present six sections of the hall, which in each section would tell the geology, the paleontology, and the ecology of that region, and by tying it into the geographical information system. For example, if-- I live in Stockton. If a child came from the Stockton school, we envision them seeing these exciting specimens there, real things, but also being able to sit down at a computer, type in information about where he lives or she lives, and then learn very specifically about his neighborhood and his town. My town happens to be very interesting from a geological point of view. So the child from Stockton could learn a lot about the Stockton geological deposit.

MR. ANNESE: Thank you.

MS. MOLNAR: Any other questions?

Marty.

MR. DAVIDOFF: Yes. You have here the \$200,000 cost of the design phase. Any idea as to what the total cost of the construction might be to the nearest couple of million dollars or, in fact, where it's going to be funded? Are you expecting to come back to the State to be funded, or are you going to have that funded through private sources?

MS. SLOSHBERG: I think that we would come back to the State for funding. Hopefully, it might be on some kind of matching basis. However, in terms of total cost, I would not like to go on record saying what it would cost, because the design will determine the cost. I think that, you know, you--

MR. DAVIDOFF: Can't get me to closer to that order of magnitude, 10 million, 100 million--

MS. SLOSHBERG: No. No.

MR. DAVIDOFF: --5 million or--

MS. SLOSHBERG: No. I would say that it would be in the \$2 million to \$3 million range, and that would be dependent on the amount of technology that we use in it.

MR. DAVIDOFF: So really in your five-year plan, although it shows zero, there is going to be some \$2 million to \$3 million in there--

MS. SLOSHBERG: Right.

MR. DAVIDOFF: --that you're looking for, but that's currently not in your plan. You might want to work with--

Madam Chairman, if it's appropriate, if we can at least have that information even on that range indicated that's not precise in the five-year plan, so at least when we're sitting down with this at the end, we're aware of it.

MS. MOLNAR: I guess since they don't know the number, they can't put it in. Maybe it could be as an aside or a parenthetical, perhaps, or a note.

MR. DAVIDOFF: That will be fine. A note-- So that when we're looking for some concept of-- Because I had no concept whether it was 2 million or 20 million.

MS. SLOSHBERG: Right.

MS. MOLNAR: Good point.

Any other questions or comments? (no response)

If not, I would like to thank you, Leah, for coming again.

MS. SLOSHBERG: Thank you once again.

MS. MOLNAR: Yes, once again. Thank you for coming.

MS. SLOSHBERG: You've always been very nice to the museum.

MS. MOLNAR: Thank you.

The next presentation is Department of Treasury, Office of Telecommunication and Information Systems, otherwise known as OTIS, and the presenter will be Hank Murray, the Acting Assistant Administrator.

HANK MURRAY: Good morning. Thank you. It's a pleasure to be here representing Ron Maxson, who is attending a couple of other meetings.

Basically, OTIS provides computer and communications expertise to the various parts of State government. We presently operate three computer centers and have recently consolidated our personal staff down into two major locations.

Our requests to the Commission deals with upgrading our computer equipment, providing us with an ability to upgrade our communications network, and the last piece is to acquire some infrastructure upgrades dealing with our power-supply systems, air-handling equipment, and the structure to keep the computer systems operable.

MS. MOLNAR: Thank you.

Any questions or comments?

ASSEMBLYWOMAN MURPHY: You go first. No, you go first this time. I'm beginning to get a guilt feeling here.

MS. MOLNAR: Okay.

MR. ROTH: Last year, this Commission put \$250,000 in the budget to help fund some computer hardware and software for DCA so that it could put in a program to allow financial transmissions between the State

and the municipalities. It's not mentioned specifically in your budget, but there are a number of sections that pertain to State use of E-mail and things of that nature. Could you tell me, is that subject at all covered by your request here? Because I know the money was eventually pulled out of the budget by the Governor last year.

MR. MURRAY: There are a number of initiatives presently underway dealing with linking local government to our network and providing access for things ranging from E-mail to actual computer applications and to the providing of information. This gets, I guess, kind of fuzzy when you consider the Internet as one way of allowing access to OTIS files. I guess the answer is that we are pursuing installing wire, routers, hubs, and gateways that will accommodate that kind of communication. We're also working with the different departments, Community Affairs, Education, in trying to scope out what kind of application and what transmission facility would best fit that application.

MR. ROTH: Is this still in the discussion phase, or are you really starting to put together the equipment and software that's needed? Because I remember as far back as 1991, I was at a League of Municipalities convention and OTIS made a presentation then that was actively involved in putting together this program. Here it is five years later, and we haven't seen the first aspect of it put into operation. I'm just kind of wondering when, if ever, this is going to be done.

MR. MURRAY: Parts of the network are in operation today, and we'll be glad to provide to the members a status of what is in place, what the

plans are for this fiscal year, and what the projects that deal with the future are. We can make that available.

MS. MOLNAR: Thank you.

Any other questions or comments?

Carol.

ASSEMBLYWOMAN MURPHY: Yes. I was delighted to have read the study that came from Brian Clymer to us, the baseline study on the Office of Telecommunications Information Systems. It seemed to indicate that a Gartner Group had come in and had done quite a study on OTIS. And with technology changing as fast as it has and the kinds of things available of changing almost daily, I wondered if part of what we were being asked to look at in the capital request today fits in with what seems to be an opportunity for OTIS to shift a bit and grow a lot. Or am I reading it all wrong? I was very excited by the report.

MR. MURRAY: Real Decisions is a group within the Gartner Group, and that was the outfit that actually did the baseline study.

ASSEMBLYWOMAN MURPHY: Right.

MR. MURRAY: Part of their recommendation was for OTIS to further consolidate. Going back, OTIS began in 1984, and there were five separate data centers at that time. Forgetting the consolidation, we effectively picked up three other data centers. We have now gone from a possible eight data centers down to three. The Gartner Group has recommended that further consolidation occur both to increase our ability to provide data processing services, as well as to impact our ability to control growth and to better respond to agency requests for information processing services. So the request

is to acquire computer equipment and additional communications capability so that we can accommodate the switch from three to two facilities.

ASSEMBLYWOMAN MURPHY: To move into what was outlined--

MR. MURRAY: That's correct.

ASSEMBLYWOMAN MURPHY: --in the report? It seemed to be a report which would give OTIS a definition of challenge.

MR. MURRAY: Definitely.

ASSEMBLYWOMAN MURPHY: I really thought it had a lot of positive overforecasting for the agency. I was quite excited by that for the agency itself and for the beneficiaries. And I also noticed that when the library -- which just spoke to us, the Library for the Blind at the New Jersey State Library -- came and spoke to us, they spoke about needing to replace the digital telephones and category three wiring, which would be OTIS standards. Is that looking to meet the projections or to meet what is passed, and would this equipment then be obsolete?

MR. MURRAY: The current wiring more falls in a definition of category five which gives you a fiber-optics transmission capability, and that is not only the current, but it is the future.

ASSEMBLYWOMAN MURPHY: It is the future, yes. Yes, it is. Clearly. So category three is not necessarily the way they want to go, they want to put in the category five and move it up.

MR. MURRAY: Well, category three still works. Category three will be around for a while.

ASSEMBLYWOMAN MURPHY: But if you read *Time Magazine* almost any week, it's hard to tell isn't it?

MR. MURRAY: It does change.

ASSEMBLYWOMAN MURPHY: I thank you very much for those questions.

MR. MURRAY: Thank you.

MS. MOLNAR: Any other questions or comments?

ASSEMBLYMAN ROMANO: I just have a comment, if I may.

MS. MOLNAR: Assemblyman Romano.

ASSEMBLYMAN ROMANO: I've been guilty-- But I keep mentioning that anything when we talk about computers, etc., we get capital requests that everything should be passed through OTIS. I don't understand how an individual's department or such can put its capital needs without it being passed through your office. Now, I understand that you're an information processing group, but are you also an information group? By that, I mean, can they get information out of OTIS?

MR. MURRAY: Yes, they can.

ASSEMBLYMAN ROMANO: Okay. Let's go back, because right now we have an issue. In fact, several weeks ago, Mr. Doolan was in the audience when we had a bill up in Appropriations dealing about high-tech centers, etc. My colleague, Assemblyman Malone, had indicated he had some problems that in terms of the equipment, in general, found through certain schools becoming now anomalies or anachronistic that were there any recommendations or how could one recast that equipment with the state of the

art. Plus the fact that too often schools are buying equipment that will not withstand the test of time or the future expectations.

Now, years ago, I recall-- I used to be a business administrator with a board of education, and when anything came up about State contracts, I was always being told, "Well, OTIS has to review it, OTIS has to do this." I'm spoiled with that where I expect you people to come up with the information. Is it wrong for us to say that everything that's being bought through this State -- by State authorities we're talking about -- should come through OTIS, number one, for a review in terms of large scale projects?

Can you possibly help schools through the Department of Education in making recommendations? Let's say, for example, that a school is looking now to upgrade or to get involved in high tech, can you give them a basic program? It would appear to me that many of the schools are now on their own, and everybody is reinventing the wheel with hiring a consultant to determine what they should have to provide. Whereas, we have a State agency the ability of which, I think, is well taken by everyone. I've heard nothing but the highest regard. Can't you help in this whole situation in terms of schools upgrading computers? I don't expect you to go in and do the work -- I want to talk to you about that -- but putting together a program. Before I left, I know I had successfully put together several State contracts, if you will, with Bell Atlantic for putting in pan work, to be able to put in fiber optic, etc. We prepared for other things, as well as incorporating it with fire alarms and with emergency alarms, audio alarms. Do you want to make any comments about that?

MR. MURRAY: That's a very deep subject, and I could probably talk for five hours.

ASSEMBLYMAN ROMANO: All right.

MR. MURRAY: Let me say that--

ASSEMBLYMAN ROMANO: I'm just saying, for myself even, am I wrong in saying OTIS should be at the lead agency?

MR. MURRAY: OTIS would love to be the lead agency across the State, but OTIS' prime responsibility is to support the executive branch of government from the computer-communications aspects. We do work with departments, like education, to provide whatever technical assistance we can. Through the Department of Treasury, we also work with internal GSA organizations in structuring computer contracts to facilitate ordering and installation of current computer equipment through any shared buying that that agency cares to use. OTIS is more than willing to support.

We did participate two weeks ago, and that day which was an attempt to wire different classrooms and schools across the State into the Internet, and it was kind of the first step in a longer-term process and project to provide that capability at a local level.

To answer your question, OTIS will be glad to assist.

ASSEMBLYMAN ROMANO: All right. Thank you.

Thank you, Madam Chair. Sorry to take up the time with that, but I felt it was an opportune moment.

MS. MOLNAR: Any questions?

Linda.

COMMISSIONER ANSELMINI: I guess I noticed in the presentation that it indicates that the funding necessary for the year 2000 problem is not in here. I guess my question is, once OTIS has a handle on that, are you entertaining or anticipating coming back to the Commission to put up the funds to fix that problem?

MR. MURRAY: I don't know what the direction will be from the approach of getting the necessary funding to handle year 2000 effort. There are a number of activities underway. We are seriously studying and we are seriously working at how do we best satisfy the change in the year 2000. I would expect that between the efforts that OTIS is doing, as well as other State agencies, that a firm approach for the year 2000 will be in place shortly. Again, as with the previous comment, we can make available what we have presented on the year 2000 to the executive branch.

MS. MOLNAR: Thank you. That will be helpful.

Chris.

MS. HIGGINS: Do we have more information detail on the first item? I guess it's a question for Paul, because based upon what I read, I wouldn't have enough information to make an informed decision. The 8.5-- Is there more detail that we have in our records, and if not, then I would request for OTIS to amplify on this, because I don't have a basis.

MR. SHIDLOWSKI: We've been informed by OTIS that they have a tremendous amount of backup available for all of these projects. We have to make a decision about how much information to provide to the Commission members before the volume becomes unmeaningful. We had

asked them to make their justifications brief. I believe that they can supply us some additional information, through the Chair.

MS. MOLNAR: Thank you.

MR. SHIDLOWSKI: Okay, if the Commission members would indicate what particular projects that they are interested in.

MS. HIGGINS: Well, I guess that goes to the second question. We have maybe 12 number one priorities. The same comment that has been made previously. I think we need to prioritize a bit more.

MR. SHIDLOWSKI: Again, in all cases where we received relative priorities, we've asked folks to go back and give us absolute priorities so that we can better judge what their real needs are.

MS. HIGGINS: So then I would hope that in that interaction, perhaps if the top five or whatever were amplified so that we would have an understanding of how the needs are being currently met, what the change required is, and what that represents, and what are the negative consequences of not providing. Because I don't have enough to make a decision based upon what I see.

A very specific question with item -- Priority No. 1, item two. The one about electronic vaulting. It suggests that -- the disaster recovery, sorry -- the current process is labor intensive and that this would allow an improvement in the process. So my question is whether there would be positive impact in terms of the operating budget, positive in terms of cost savings, and what that might be?

MR. MURRAY: We can respond to answer that question. Basically, the approach would be to use a silo and eliminate the magnetic reel

handling. It would have minimal impact on the current staffing level, per se, but there would be a filter effect with the newer technology using cassette as opposed to reel, but we can give you more information on that.

MS. HIGGINS: That seems to contradict the statement about it being extremely labor intensive.

MR. MURRAY: No. The current process is labor intensive because of the magnetic reel handling.

MS. HIGGINS: But it would save a few people, no people?

MR. MURRAY: The same people who do the current disaster recovery and backup are the computer operators, who when they are not doing that backup, are doing other computer operations. It's not that you would go from a staff of 15 down to a staff of 10. You normally have 4 or 5 people who are doing this on the second and third shift of computer operations as part of our normal backup and batch processing phase.

MS. HIGGINS: If they aren't doing this, what would they be doing instead would be part of, I think, what we might be looking for.

MS. MOLNAR: Thank you.

Any other questions or comments? (no response)

If not, I want to thank you for your presentation.

MR. MURRAY: Thank you.

MS. MOLNAR: Next department is Department of Treasury Interdepartmental requests. Our presenter is Anthony Mazzella, Director Division of Property Management.

I believe George Gross is also here.

ANTHONY MAZZELLA: Good morning, Madam Chair, and Commission members. To my left is Mr. George Gross, the GSA Administrator, and to my right is Mr. Dave Millstein, who is the Director of the Office of Disability and Management at ADA Compliance.

I'd like to thank the Commission for allowing us the opportunity to appear today and comment on the interdepartmental portion of the Department of Treasury's capital budget. Before I begin, I'd like to thank Paul Shidlowski and the Commission staff for their assistance and advice in preparing this budget request.

The funding request before you focuses in the three priority areas, that being: Priority No. 1, life-safety facilities preservation and/or environmental remediation; Priority No. 2, being building and life-safety code compliance; and Priority No. 3, being our nonemergent maintenance and general renovation and upgrade requests.

Since our formation is Division of Property Management within the GSA, the focus of our organization has been the standardized application of facility usage, particularly among the office space environment, and reduce our need to go outside the State-owned inventory by reutilizing existing facilities and reducing our lease-space inventory.

With the recent completion of the statewide facilities master plan, the Department of Treasury has identified the baseline office space needs for agencies in the executive branch. It is our expectation to look at future lease-reductions opportunities through more efficient utilization of State-owned facilities focusing on the minimal capital improvements necessary to effectively utilize this space. This capital budget request presents an accurate up-to-date

need in support of our future lease-reduction objectives. Important to add at this point was that our lease-reduction initiatives in the current and Fiscal '98 years totaled approximately \$10 million. All of these efforts are achievable through the cooperation of the various departments who utilize the lease facilities statewide. Their efforts toward reducing costs through consolidation and working smarter has played a major role in our success to save in this area.

Our continued expectation to more effectively utilize our State-owned inventory is premised on our ability to secure our needed capital funds. While several of these projects are repeated requests from the FY '97 budget requests, our needs for funds in these areas continue to remain a priority if we are to responsibly protect our assets.

Thank you for your attention during this brief comment, and at this time, I would be happy to answer any questions you may have on our specific requests.

MS. MOLNAR: Thank you.

Any questions or comments from Commission members?

ASSEMBLYMAN ROMANO: Madam Chair, I just have one question here. That request for the 200 acres of land-- Let me go back into which one it is on your numbers here. You know, we started several years ago-- Let me just figure out-- By project number 94026. Which is easier for you to follow?

MS. HIGGINS: What page?

ASSEMBLYMAN ROMANO: Page 6 of 10.

MR. MAZZELLA: The site acquisition.

ASSEMBLYMAN ROMANO: You know, "This primary purpose of this office park will be to house all back-office operations." You want to tell me how this figures in with this potpourri of buildings, rental and purchased, that we were trying to consolidate as much as possible? So what does that do with that concept of consolidation?

MR. MAZZELLA: Well, this particular request focuses on initiatives that other departments have brought forward pursuant to consolidating and privatizing various services that are provided to institutions. Let's say, for example, it was emanated as a part of the privatization concept towards the food facilities for all the institutions. And one major facility could be identified as a central Mercer County area with easy access to the Turnpike and major arteries. In addition to that, if a centralized taxation, back-office operation could also save office time and consolidate the several locations that exist during the tax time when we have the excessive hours utilized for inputting, I believe, it's the tax returns and things of that nature. A back-office operation could also be colocated there. In addition just based on the artery -- the major artery access, it was a suggestion that there could be consolidation of two or three State Police barracks on the site such as this. So our initial request was to look at what potential sites in a planning environment could provide us this sort of a land mass and, based on that involvement with the other departments, to determine if there could be a major consolidation of this sort accomplished there.

ASSEMBLYMAN ROMANO: Could you just explain to me a better description of back office?

MR. MAZZELLA: Back office would be an office environment that does not necessarily have a public-access requirement, engineering offices within the DOT, taxation audit offices that deal with inputs of tax forms and things of that nature.

ASSEMBLYMAN ROMANO: Thank you, Mr. Mazzella.

MS. MOLNAR: Any other questions or comments?

Dave.

MR. ROSSEAU: Yes. I would like to follow up on that one.

Could you give us a specific location on the property -- I mean, you don't have to write it out in writing -- a specific location on the property, who currently owns the property, how much they are currently paying in property taxes to -- I would guess it's probably either Hamilton Township or Washington Township -- because I'm assuming that once it becomes a State property, it'll come off the tax rolls. And as we all know, that we haven't been keeping up with our obligations on the payment in lieu of taxes program.

The other thing that seems very odd is, on the first, when you start talking about building a building for a private operation for the privatization of the food service operation. If we were truly going to privatize the food service operation, shouldn't we be requiring the private vendor to come up with his own building?

MR. MAZZELLA: That would be appropriate given that's how the privatization of that food service came about. We could also provide the facility at our standard, and then have the operator come in and operate it. Again, there has not been a specific location identified at this point. We would

simply be looking at planning and, then, ultimately acquisition if it we were to move forward here.

MR. ROSSEAU: So, in essence, you would be then-- If the Commissioner approved this, and the Legislature included it in the budget, would you think by next June you would have a specific location, so the Legislature would be informed on what piece of land you're buying and the impact that it will have on Hamilton Township or Washington Township? This is an area of 195 and 130 where there is a lot of interesting and private development. And I'm sure that the local officials in both of those towns would much rather have private development going on there, which is going to add to the tax rolls, than a State office building that's going to diminish the tax rolls.

MR. MAZZELLA: Well, I don't necessarily believe that a State office building would diminish the tax rolls. I think it would provide-- Generally, there would be an opportunity for pilot negotiation with the municipality. Second, there would be additional commerce in that particular area which could, in fact, generate economic spinoff for the area. Again, our objective here is to initially do the planning to ascertain whether the feasibility and cost savings could be achieved in this effort.

MR. ROSSEAU: I would disagree on the pilot. We actually don't even have a pilot program anymore. It was all folded into the consolidating municipal aid program in DCA, which has been flat for the last two years.

MR. MAZZELLA: As a point of information, within our separate efforts utilizing the Economic Development Authority as a developer for our agency to provide space, we have negotiated pilots with the City of Trenton

and other municipalities to the extent that they exist as a part of our rent account obligation, and that is included in our rent account submission.

MR. ROSSEAU: That's EDA billings. That's EDA billing authority, etc., where there's always been that separate payment in lieu arrangement. This would be a piece of property owned by the State of New Jersey.

MR. MAZZELLA: Yes. I would suggest that once a procurement took place that subsequent renovation or subsequent development would possibly take place through an EDA, and the like and, therefore, producing the pilot necessary to resolve that issue of loss of taxes.

MS. MOLNAR: Thank you.

Mr. Roth.

MR. ROTH: On the question of pilots, I think we're only talking about aid to the municipality itself. The reality of it is that the property presently is generating taxes that contribute towards the cost of education as well as county taxes. Pilot programs I do not believe provide or have any provision for school tax or county tax. Am I incorrect?

MR. MAZZELLA: I would be happy to provide the Commission with a copy of our current pilot agreements with the City of Trenton for both the Trenton office complex and one we're drafting now with the recent purchase of the Riverview building for the Department of Education. I don't remember, specifically, if it deals with educational costs. The formula, as I understand it, was based on construction costs and creates some sort of a percentage based on the construction of the entire project.

MR. ROTH: I understand how the numbers are derived, but typically if you look at a property tax bill, 60 percent to 65 percent of it is school tax, and the remainder is split between the county and the municipality. As far as I know, most of the pilots that have been agreed throughout the State only have provided for the municipal portion, and that totally backed out the county and the school tax portions. So literally, these two other government entities are getting shortchanged whenever one of these agreements goes into effect.

Thank you.

MS. MOLNAR: Thank you.

Linda.

COMMISSIONER ANSELMINI: The question I have is-- Does this mean that employees will be moved out of the City of Trenton to a more suburban location in Hamilton?

MR. MAZZELLA: Is this on this same project?

COMMISSIONER ANSELMINI: Yes.

MR. MAZZELLA: Again, I don't know. At this point, we are simply in a very preliminary planning phase to the extent that a site was identified. Then the entire amount will be required. I believe we've identified the quarter of a million dollars would be what we anticipate to plan the prospective occupants. I don't know if those occupants would come solely out of Trenton. They could be coming from other institutions and/or other facilities outside the Mercer County area.

MS. MOLNAR: Tom.

MR. NEFF: Are we also talking about underground storage tanks right now, or do we want to keep talking about the Hamilton project?

MS. MOLNAR: It's up to you.

MR. NEFF: As far as underground storage tank--

MR. MAZZELLA: Underground storage tanks, yes.

MR. NEFF: --cleanups go, I mean, that's a big chunk of change there. I know there's, supposedly, Federal penalties if we don't comply with cleaning up the underground storage tank, but then the Federal government never ever issues penalties anyway. They always say they will, and then they don't. So why should we be funding this when everybody knows the Federal government doesn't issue penalties anyway. It's a big chunk of change to comply with something that no one ever cares to comply with anyway.

GEORGE M. GROSS JR.: If I may address that, right now the Division of Energy Management is looking into taking a hard look at the underground storage tanks that are causing any adverse effect to any nearby water or facilities, and we are addressing those first. We're looking also at changing from oil to gas and thereby eliminating the need for removing the tanks at this moment. We don't know if the Federal government will or will not penalize us starting in 1998. If they come down upon us in 1998 -- and I think the figure is between \$2500 and \$5000 a day -- it's going to be a problem. But we don't know that. We've done the study on the tanks, and it was originally, I think, at \$200 million or \$300 million to take care of all the tanks. With the private sectors doing it, they're going to look to the State and say, "Why aren't you doing it?"

MR. SHIDLOWSKI: The Federal penalties are \$25,000 per incident per day.

MR. GROSS: Thank you.

MS. MOLNAR: Yes. I'm not sure we can disregard the Federal mandate which does kick in, as you said, in 1998.

Any other questions or comments?

Chris.

MS. HIGGINS: On the underground storage tanks, does this reflect our pursuit of non-State funding? Is 97 the gross amount or the net amount after the non-State funding has been pursued? Because I remember--

MR. SHIDLOWSKI: You need to clarify that a little. What do you mean by non-State funding?

MS. HIGGINS: Well, or departmental funding, maybe, is a better phrase.

MR. SHIDLOWSKI: My understanding is that the only departments that have gone forward right now is the Department of Transportation. This \$97 million reflects the balance of the need, net of the higher ed institutions and transportation.

MS. HIGGINS: So higher ed is out? DEP?

MR. SHIDLOWSKI: DEP is part of this.

MS. HIGGINS: Although, I think, there had been some discussion that suggested that DEP might be able to find other funding streams.

MR. SHIDLOWSKI: They haven't come forward yet.

MS. HIGGINS: And on that order, another question on item one, the labor building. Being that the Department of Labor is heavily federally funded, is any of this construction cost eventually considered overhead and, therefore, offset by Federal money?

MR. MAZZELLA: We have not considered Federal funds to be available for it.

MS. MOLNAR: I have one question I forgot. I'm not sure if this is in your bailiwick or the Building Authority, the dome on the State House renovation. I've lost track. You mentioned capital complex. Is that part of the capital complex, the dome?

MR. MAZZELLA: Yes. Actually, the dome reports that were engaged by the Building Authority to evaluate the condition of the dome and estimate the construction costs required to refurbish that dome are due the end of this month. There was a very brief report presented to the historic preservation office yesterday at their public meeting. The budget figures are not out yet. There will be, I'm sure, some formal presentation available to Commission members, the Legislature, and whomever with respect to the estimates on the dome itself.

MS. MOLNAR: Would that be under the Building Authority there?

MR. MAZZELLA: It's anticipated that the Building Authority would be the vehicle that would control the funds necessary.

MS. MOLNAR: David.

MR. ROSSEAU: As a follow up to that, the Joint Budget Oversight Committee, next week, is going to be asked to bless a \$1 million

transfer from the Joint Management Commission to the Building Authority for the dome. That's for structural work on the dome, I assume, right?

MR. MAZZELLA: It's actually for this preliminary phase, the evaluation and structural requirements. The Joint Management Commission has requested \$1 million transfer along with other funds that have been identified to try and set the seed money up to move the project forward.

MS. MOLNAR: Thank you.

Any other questions or comments? (no response)

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

MR. MAZZELLA: Thank you.

MS. MOLNAR: Our next department is Department of Education, Mr. Jay Doolan, Director of Office of Direct Services.

EDWARD J. DOOLAN: Madam Chair and members of the Commission, good morning, and thank you for the opportunity to testify about the Department of Education's 1998 capital budget request.

Our Department's funding requests are in two areas, the regional day schools for the multiply handicapped and the Katzenback School for the Deaf. At the outset I, too, would like to thank Paul Shidlowski and Ted Kukowski from the Commission staff for their assistance and advice in preparing our request. I'd also like to introduce my colleague to the left, Mr. Dave Corso, our Manager of Bureau and of Management Services in the Office of Administration.

It is with some urgency that I report to you today that the main funding source for providing capital maintenance over the past 15 years to the regional day schools and to Katzenback -- that's the State facilities

handicapped bond fund -- was depleted in 1996. The capital projects that you approved last fall and which appeared in the State's 1997 budget are scheduled for completion this year with State capital funds only. No other funds exist to support needed capital improvements for these special schools. Your support of the priority projects we've identified for 1998 is especially critical if we're to fulfill our responsibilities under State law to provide a healthy and safe environment for the students in these State facilities.

I should also note that we have carefully reviewed the requests coming from the schools and have included in our package 12 projects in priority order that we consider critical to the maintenance of the buildings and the safety of the students who use them. Our total request of \$2.7 million is based on intensive review of 41 admitted projects totaling over \$13.2 million. You can see that we've carefully reviewed all the requests and have included only the most essential projects for consideration. Though I am aware of the constraints of funding for capital projects, I can say that each of the projects I'm proposing is essential and merits your serious consideration.

Let me begin with the regional day schools. The Department of Education is required by law to operate 11 regional day schools located in 10 counties throughout the State. At this time, all of the schools are operated by local education agencies under contract with us. Operating expenses are generated entirely through tuition charged to local districts who send students to the regional day schools. Most of our buildings are 15 years old, and we're beginning to see a pattern of need for replacement of key structural units in the majority of the schools.

We're requesting funds for eight projects at the regional day schools at a cost of \$2.3 million. Priorities one, two, four, five, and six involve essential roof and/or heating ventilation and air-conditioning replacements. These include the regional day schools in Newark for 170,000; Morris for 430,000; Jersey City for 425,000; Millburn for 460,000; and Bleshman for 300,000. The roofs requested for replacement have been in place since the original construction of the buildings in the early 1980s. They are badly in need of replacement. The districts have documented that roofs leak, cause air quality concerns, and require expensive ceiling tile replacement. The leaks generate mold and mildew inside the building along with water damage. This in turn impacts on the air quality which becomes a serious health and safety issue for our students. HVAC replacement requests are for units that have reached the end of their projected life span. Replacement of these units will improve the energy management system in the buildings and produce greater efficiency. This will significantly reduce the operating costs of the schools on a year-round basis. But most important, these projects will provide a high standard of air quality to again ensure the health of our students.

Priority No. 8 of the Jersey City School is a request for \$98,000 to repair the exterior masonry wall. Sizeable cracks have formed which will lead to further deterioration of the outside walls of the building. Priority No. 9 is an \$80,000 request to replace sections of broken exterior siding at the Mannington School. The siding contains asbestos, and we're concerned that students may be exposed to it, especially since they play in the area where the siding is damaged the most. School staff and parents are particularly

concerned about the health issues surrounding asbestos, and we want to correct this as soon as possible.

Our eleventh priority is really essential to the State's continued maintenance and support for the regional day schools. This is a request for \$330,000 to conduct a comprehensive compliance facilities review of the 11 schools. This will result in a facilities master plan that reveals the capital needs of the schools and allows us to determine priorities, establish short- and long-term improvement goals, and establish a cost figure for the preservation for the schools over the coming years.

The cost of maintaining the schools will assist in determining how best to seek funding for facilities upkeep in the future. We had requested funding for this last year, but it was not accepted by the Commission at that time. We propose it again and express to you a heightened sense of urgency that a comprehensive capital improvements plan is necessary for the long-term maintenance of our school buildings.

The Katzenback School for the Deaf provides facilities for educational, vocational, and residential programs for deaf and multiply handicapped deaf students and deaf and hard-of-hearing people of all ages from across the State. The campus is composed of 31 State-owned buildings. The Department is requesting funding for four projects at the school totaling \$428,000. Priority No. 3 in our listing will fund the replacement of failed PVC flat roofs in four occupied Katzenback school buildings. This at a cost of 238,000. These roofs have developed starbursts, and as a result, water leaks are found throughout the buildings. Because of this, it is possible that high wind and rain could cause complete failure of the roofs resulting in damage to

the interior of the buildings and, of course, damage to the occupants within. These roofs must be replaced in 1998 if the buildings are to remain functional.

Priority No. 7, at \$64,000, is for the retrofitting of four underground storage tanks. Our plan is to provide cathodic corrosion protection, overflow protection, spill containment, and leak detection for all of the tanks. The New Jersey Department of Environmental Protection gave us until December of 1993 to complete this work. We are now three years beyond the targeted completion date.

Priority No. 10 is a request for \$66,000 to reface the dam on the lower lake of the campus. Engineers have advised us that the face of the dam is cracked and leaking. This will eventually affect its structural adequacy causing erosion and possible failure.

Our final request, Priority No. 12, is for \$60,000 to update the master facilities plan for the Katzenback School. Similar to the request for the regional day schools, this will allow us to establish priorities and determine funding sources for the future. The update would also serve to describe the cost involved in renovating several vacant buildings on campus in order to save these historic buildings and determine how best to utilize them.

That completes my presentation. Thank you very much for your attention. I'd be happy to respond to any questions.

MS. MOLNAR: Thank you for your comments.

Any questions?

Marty.

MR. DAVIDOFF: Yes. Earlier in your talk, you mentioned that some roofs were built in the 1980s.

MR. DOOLAN: Yes.

MR. DAVIDOFF: And already the roofs need replacement. Can you explain why?

MR. DOOLAN: Well, the roofs--

MR. DAVIDOFF: My roofs last 20 years.

MR. DOOLAN: These were-- Most of the regional day schools have flat roofs. They've not been effective in maintaining, and the projection is that 15 years, or so, has gone by. It's now 16 years since many of those roofs, many of the buildings have been built, and they require that kind of replacement. Last year, you gave us funding for three regional day schools roofs, I believe.

MR. DAVIDOFF: I'm concerned here. Some of the \$60,000 and \$70,000 items, you know, caulking and siding, almost look like repairs. Do you not have enough in your operating budget to do the repairs?

MR. DOOLAN: No. The operating budget comes from the tuition that school districts pay for their students. It's for educational purposes only. The State owns these facilities, and we must provide facilities improvements that for any costs that are above \$50,000. The operating budget cannot include construction.

MR. DAVIDOFF: I understand, but does the Department of Education -- should this be a capital budget item or should it be an operating budget for operating the schools from your responsibility-- It appears to me that some of this problem -- and we run into it so often -- is that these buildings are not being properly maintained on an ongoing basis. People are not taking the 5000 or 10,000 a year to maintain some things, and therefore,

we're coming up with having to replace the roofs for \$300,000 to \$400,000. It concerns me that we throw money to replace things, and we are not properly maintaining them. I'd rather spend \$60,000 to repair cracks and things on some of these things. These are good expenditures whether they're capital or noncapital. That's the debate. It's going to cost the State one way or the other. The question that I have is are these schools properly maintaining a tuition of 5000 or 10,000 or 15,000 a year to maintain these roofs so that you're not having to replace roofs as frequently as you seem to be doing.

MR. DOOLAN: It's our sense that the school districts are doing as much as they can under the \$50,000 cap to provide the appropriate maintenance. We've also done a thorough review. There have been a number out of the \$13.2 million requests-- A number of the schools had requested roof replacements. We've explored those and have only included those roofs where there are documentation that there are roof leakages, that things are causing the ceiling damage, and also endangering the health of the students.

MR. DAVIDOFF: Just one last comment on this. I note and I have clients with flat roofs all the time. Yes, it will cost him to get a leak. It will cost \$500 to \$1000 to get someone in to come in and patch the leak and do a proper job of it. I'm just wondering if, maybe, they're so tight on their operating budgets, they're not paying the \$500 or the \$1000 to repair the leaks, and they're kind of waiting until they become infrastructure problems.

MR. DOOLAN: It's our sense, based on the fact that most of the requests that come in to us over the year to be funded through this Commission, the fact that the majority of those funding requests are not funded, that they do take that extra step to ensure that they repair whatever

they can throughout the course of the year and through the operating budget.

MS. MOLNAR: Assemblyman Romano.

ASSEMBLYMAN ROMANO: Just let me at the outside-- Welcome to the club, Mr. Davidoff, because that mantra that you led forth has been all our problem here.

I just want to verify with my good friend, Mr. Doolan, anything less than 50,000 is included within the calculation of the tuition to which this individual school districts pay?

MR. DOOLAN: In most cases, it is.

ASSEMBLYMAN ROMANO: Okay.

MR. DOOLAN: There may be a small surplus that they can tap into from year to year, because it's on a student-by-student basis.

ASSEMBLYMAN ROMANO: But what I'm getting at is any major capital renovations though, in excess of 50,000, are not part of the costs that would be transferred into tuition for the school districts.

MR. DOOLAN: Right. That's absolutely correct. The districts are paying for the educational program only.

ASSEMBLYMAN ROMANO: I think you know me well enough from other situations here where I'm all for keeping the school envelope, so as to say, free from water for all the problems that it would portend. But here, let's go to the facilities master plan. Now this is just for the 11 regional day schools, this 330,000?

MR. DOOLAN: Yes.

ASSEMBLYMAN ROMANO: Okay. What sort of a plan do they use now?

MR. DOOLAN: Many of the school districts that operate the regional day schools have a master plan that may or may not include the regional day school. So from a local district perspective, it may be included, and the local maintenance department for the school district would assist the principal of the regional day schools in looking out for the facilities. So there is obviously local responsibility. They, of course, report to us.

ASSEMBLYMAN ROMANO: Are any of these regional day schools operated directly by the State?

MR. DOOLAN: No.

ASSEMBLYMAN ROMANO: None. They're all coming from--

MR. DOOLAN: Local school districts, special services districts.

ASSEMBLYMAN ROMANO: All right. Thank you.

That's all I have, Madam Chair.

MS. MOLNAR: Mr. Roth, you had a question?

MR. ROTH: I just wanted to know how much finally got appropriated last year for this department's capital budget?

MR. DOOLAN: One million, three-hundred-fifty-one thousand.

MS. MOLNAR: How much?

MR. DOOLAN: One-point-three million.

MS. MOLNAR: Any other questions or comments?

Chris.

MS. HIGGINS: So that the regional day schools are operated purely by the locals. So if there is a roof--

MR. DOOLAN: Under contract with the Department.

MS. HIGGINS: Right. If there is a roof problem, it's up to the local contractor to recognize it and fix it?

MR. DOOLAN: Well, usually the principal of the school district would inform us. It's our responsibility to fix it. They wouldn't fix it. In case of an emergency, we would apply for emergency funding. If there is a repair that can be made for under 50,000, that's part of their annual operating budget, their maintenance budget.

MS. HIGGINS: Right, but given that this is, in effect, contracted for, what assurances do we have that they draw the line such that they recognize those things under 50,000 and deal with them? Is there any follow-through?

MR. DOOLAN: Yes. We have a contract that spells out, specifically, their responsibilities. We also monitor the regional day schools every two years or so. My office maintains almost daily contact with principals, superintendents of the schools that are of the districts that are operating them. If there is anything that goes wrong, we work with them to ensure that they take that responsibility seriously.

MS. HIGGINS: So that if there were a rain and a leak, they would let you know.

MR. DOOLAN: Yes. In most cases, they would plug it up and let us know.

MS. HIGGINS: Or put a wastebasket under it.

MR. DOOLAN: Put a wastebasket under it. Use all the creative things that you can, sure. When there are multiple leaks and when every time

it rains it leaks, then, they know that their roof needs to be fixed beyond plugging it up.

MS. HIGGINS: Thanks.

MR. DOOLAN: You're welcome.

MS. MOLNAR: Assemblyman Romano.

ASSEMBLYMAN ROMANO: I just have a final note. I'm assuming, now, these buildings are owned by the State.

MR. DOOLAN: Yes, they are.

ASSEMBLYMAN ROMANO: But, you know, without-- I know it comes under your jurisdiction. Being part of the State system with the buildings that they own -- take you out of the situation for now. We're talking about a State-owned building.

MR. DOOLAN: Yes.

ASSEMBLYMAN ROMANO: We own many buildings, and this is one of the problems. What is the maintenance plan that the State uses on State-owned buildings? See, this is not totally yours. Now we're talking about interdepartmental -- whatever the case is here -- because we've always said, does anyone go up on the roof to see if it's still there.

MR. DOOLAN: That's why we're requesting funding to move to complete a maintenance plan of our own.

ASSEMBLYMAN ROMANO: You're to be complimented because I know you're trying to take care of the buildings. But what I'm saying here is there's an owner. You're like the sublessee. The owner is the State of New Jersey and the Department of the Treasury who's charged with the ownership and the maintenance of the buildings. Where is this maintenance? We keep

coming back to this here again. Just like we wait until the armories come. I can't wait to see the Technicolored snapshots.

Thank you, Madam Chair.

MS. MOLNAR: It was my understanding that Treasury was doing an inventory of all State-owned buildings.

MR. SHIDLOWSKI: That's true, Madam Chair.

MS. MOLNAR: So is there a time line? I don't remember.

MR. SHIDLOWSKI: I have to say that I don't know that it's been completed or that it was extensive to the extent that they were looking into all of the facility needs, etc.

MS. MOLNAR: I know they were trying to get a handle on the total number of buildings, etc.

Any other questions or comments? (no response)

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

MR. DOOLAN: Thank you.

MS. MOLNAR: The staff will be reviewing your requests.

Under other business, if I failed to tell you, we have sitting with us Robert Kull, who is from the Office of State Planning. I wanted to welcome him. I should have done that at the beginning. My faux pas.

Our next meeting-- We have two meetings in November, the 8th and the 22nd. I know the 22nd is the week of the League Municipality Meetings. Paul is going to canvas the members to see if that will be a problem.

ASSEMBLYMAN ROMANO: No problem. I would come from Atlantic City. Write me in.

MS. MOLNAR: Good. That's good to know. You're so dedicated.
I knew there was some overlap.

Is there anything else you want to cover?

MR. SHIDLOWSKI: No.

MS. MOLNAR: All right. If not, we'll see you twice in November,
once on the 8th and once on the 22nd.

Thank you for coming.

Meeting adjourned.

(MEETING CONCLUDED)