
Commission Meeting

of

NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

LOCATION: Committee Room 9
State House Annex
Trenton, New Jersey

DATE: October 26, 2001
10:00 a.m.

MEMBERS OF COMMISSION PRESENT:

B. Carol Molnar, Chairwoman

Anthony F. Annese, Vice-Chair

Robert A. Roth

Edward J. Troy

ALSO PRESENT:

Gerald Traino
(representing Assemblyman Francis J. Blee)

Mary Messinger-Gault
(representing Assemblywoman Barbara Buono)

Gail Alexander
(representing Peter R. Lawrance)

John Geniesse, Acting Executive Director



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

TABLE OF CONTENTS

Page

New Jersey Commission on Capital Budgeting and Planning	
Richard Waldis	
Assistant Commissioner	
Division of Administration	
New Jersey Department of Corrections	4
Robert J. Worden	
Management Specialist	
Division of Management and General Support	
New Jersey Department of Corrections	10
Adel W. Ebeid	
Chief Technology Officer	
Office of Information Technology	
New Jersey Department of the Treasury	11
Major General Paul J. Glazar	
Adjutant General	
Headquarters Command	
New Jersey Department of Military and Veterans' Affairs	21
Ronald S. Tuminski	
Assistant Commissioner	
Management and Budget	
New Jersey Department of Environmental Protection	36
Cari Wild	
Assistant Commissioner	
Natural and Historic Resources	
New Jersey Department of Environmental Protection	44
APPENDIX:	
Testimony submitted by	
Assistant Commissioner	
Richard Waldis	1x

TABLE OF CONTENTS (continued)

	<u>Page</u>
Supporting documents submitted by Adel W. Ebeid	6x
APPENDIX (continued):	
Photographs submitted by Major General Paul J. Glazar	23x
Testimony submitted by Assistant Commissioner Ronald S. Tuminski	38x
mlc: 1-52	

B. CAROL MOLNAR (Chairwoman): I'd like to call the meeting to order.

In accordance with Public Law, Chapter 231, the Open Public Meeting Law, the Commission has provided adequate public notice to this meeting by giving written notice of time, date, and location, being filed at least 48 hours in advance, by mail and/or fax, to *The Trenton Times* and *The Star-Ledger* and filed with the office of the Secretary of State.

We'll now take the roll call.

MR. GENIESSSE (Acting Executive Director): Mr. Brune. (no response)

Mr. Roth.

MR. ROTH: Here.

MR. GENIESSSE: Ms. Messinger-Gault, for Assemblywoman Buono.

MS. MESSINGER-GAULT: Here.

MR. GENIESSSE: Senator Kenny. (no response)

Mr. Annese.

MR. ANNESE: Here.

MR. GENIESSSE: Mr. Angarone. (no response)

Mr. Traino, for Assemblyman Blee.

MR. TRAINO: Here.

MR. GENIESSSE: Senator Littell. (no response)

Mr. Troy.

MR. TROY: Here.

MR. GENIESSSE: And Ms. Alexander.

MS. ALEXANDER: Here.

MR. GENIESSSE: And Ms. Molnar.

MS. MOLNAR: Here.

Thank you.

MR. GENIESSSE: Madam Chair, we have seven Commission members or their designees. That constitutes a quorum.

MS. MOLNAR: Thank you.

Since we have a quorum, I'd like to approve the minutes of our prior meeting. Do I hear a motion to approve?

MS. ALEXANDER: I so move.

MS. MOLNAR: Do I hear a second?

MR. TROY: Second.

MS. MOLNAR: Okay.

We'll take a roll vote.

MR. GENIESSSE: Mr. Roth.

MR. ROTH: Abstain.

MR. GENIESSSE: Ms. Messinger-Gault.

MS. MESSINGER-GAULT: Yes.

MR. GENIESSSE: Mr. Annese.

MR. ANNESE: Yes.

MR. GENIESSSE: Ms. Molnar.

MS. MOLNAR: Yes.

MR. GENIESSSE: Ms. Alexander.

MS. ALEXANDER: Yes.

MR. GENIESSSE: Mr. Troy.

MR. TROY: Yes.

MR. GENIESSE: Mr. Traino.

MR. TRAINO: Yes.

MR. GENIESSE: Madam Chair, we have six votes in the affirmative. That is sufficient to adopt the minutes.

MS. MOLNAR: Thank you.

Our next item is the Executive Director's report. Do you have anything to report?

MR. GENIESSE: Just very briefly, a couple of things. We have passed out -- with the respect to the Department of Military and Veterans' Affairs, there was a reprioritization of some of their priorities. So we've passed out a sheet which indicates that. And we've also passed out -- the Department of Corrections had submitted a lengthier summary of their Department, and we have, in fact, passed that out as well. They've presented a more condensed version, but this is a full-size version of that.

And finally, just a correction. I guess this should go to our, as far as our transcribers in the future, Commissioner Mintz, who was a Commission member -- a Executive Branch Commission member -- had resigned, I think, effective December of last year. Mr. Troy is now the appointed Commission member. And that was reflected in the minutes. I just wanted to correct that.

Thank you, Madam Chair.

MS. MOLNAR: Thank you.

We'll begin our capital requests. Our first department is the Department of Corrections. I'd like to welcome Assistant Commissioner Waldis.

ASST. COMMISSIONER RICHARD WALDIS: Good morning, Madam Chair, members of the Commission.

Do we need this, or am I loud enough? (referring to the microphone)

MS. MOLNAR: Can you turn it on?

MR. GENIESSE: I think they need it.

ASSISTANT COMMISSIONER WALDIS: Is that okay? We're all right now?

HEARING REPORTER: That's on. (referring to the microphone)

ASSISTANT COMMISSIONER WALDIS: Okay. Good.

I'd like to begin this morning, if I may please, by introducing to my right Mr. Robert Worden, who's our principle Capital Budget Analyst. With me today are members of the Department of Corrections staff. I believe sitting behind me is Deputy Commissioner Faunce and other Department staff who are available, as needed, to respond to your questions.

In the interest of time, recognizing the Commission has a full agenda this morning, I'll make just a few brief opening remarks. As Mr. Geniesse indicated, we have submitted, and you have, I believe, a copy of the Department's narrative submission that was included in our FY '03 budget request. What I'd like to do is just touch upon some of the highlights of that presentation.

First of all, I would like to make the point that the Department's capital needs, as well as our operating needs, are directly impacted by the number of State sentenced offenders. We have seen a decrease in the total number of State sentenced offenders population by about 12 percent over the

last two years. For the Fiscal Year that ended June 30th, there was a decrease of approximately 2900. So far, this Fiscal Year, that is the first three months of the Fiscal Year, we've seen a decrease of approximately 95 in the total State offender population.

There are a couple of reasons for that phenomena. One is a decrease in the reported crime rates. I think we're all familiar with that. As we've read in the paper, this is a phenomena nationwide. We've also -- and related to the reduction in reported crime rates, there has obviously been a reduction in new admissions. Concurrently, we've seen an increase over the past year in the number of parole hearings, which has resulted in an increase number in parole releases.

We see that the population will stabilize at about current levels for at least the next 18 to 24 months, basically, through Fiscal '02 and '03. We do see, however, a potential increase in the population growth beginning in Fiscal '04, reflecting a couple of phenomena. One, an increase in the number of the population who are within the 19 to 29 age group, which is the most highly crime-prone group. Other factors that will affect future population growth will be dependent on the state of the economy. There have been studies done that has correlated unemployment levels with crime rates. There's always, of course, the phenomena of the impact of legislation, which affects -- revises the criminal code.

In 1997, there was passed the No Early Release Act, which requires that State sentenced offenders complete 85 percent of their term before they can be considered for parole release. We see the impact of that legislation beginning to accrue in Fiscal '04, '05.

The reduction in the number of State sentenced offenders has impacted directly on the number of inmates who are incarcerated in county facilities. Two years ago, there was approximately 5200 State inmates incarcerated in county facilities awaiting admission to our institutions. Today, that number is somewhere in the neighborhood of 2000 or less.

The stabilization of the inmate population has presented us with an opportunity to review our current bed space utilization. To accommodate the phenomenal increase in growth that we have experienced in prior years, we have been forced to convert certain institutional bed space for housing purposes that was not originally designed for that purpose. Such areas would include gymnasiums, day rooms, and even hallways. We're looking -- and this is an ongoing process that we are midway -- to take a look at the current utilization of bed space and making what we think are appropriate adjustments.

I would just like to bring to the Commission's attention that there are two construction projects now underway. We have begun construction of a new 352-bed minimum unit housing facility at Southern State Correctional Facility. Now that project is being estimated at a cost of approximately \$13 million. That project is being funded through a Federal grant of approximately \$11 million and the balance, approximately \$2-plus million, in State appropriated capital funds.

We are about to begin a construction project at our satellite unit in Jones Farm. That project will basically entail replacing the existing number of beds with new dormitory style housing units. No increase in population will be housed at that site. This project is simply to replace the existing number of bed spaces. And that project is scheduled to be completed in Fiscal 2003, at a cost

of about \$7 million. And that project is being funded from the 1989 Bond Funds. So there are those two major projects that are underway that I wanted to bring to the Commission's attention.

Our capital project request for '03, as you've seen, is quite extensive. We have listed projects totaling almost \$107 million. I would just like to take a minute to try to summarize major priorities that that request represents.

First, is a priority -- is the continuation of our efforts to enhance perimeter security at our various institutions. Enhancements would include such things as the installation of double chain-link fences, Razor Ribbon, closed circuit TV's, and impact lighting. The details of the request are included in the Department's budget submission.

The second major priority for the Department is to continue to address fire safety code compliance requirements. In this regard, we are talking about either the installation or replacement of fire detection alarms and suppression systems. We have in fact been working very closely with DCA in identifying those areas of remediation. And therefore the priorities that you see in this request, which is brought together in our Priority Number 2, reflects the highest priority needs in this regard, as we have discussed with the Department of Community Affairs.

We've also included in our request -- are various projects such -- to include such things -- projects as roof replacements, water supply repairs, other critical repairs necessary to address deferred maintenance needs, while at the same time to maintain its current number of institutional bed spaces.

You'll also note in the Department's request, that we have included a request for funding to begin the architect engineering studies to replace

modular units that have been put into service throughout several institutions. Also, more specifically, to replace our Southern State Correctional Facility, which is comprised almost totally of modular housing units. These units were purchased in 1981 and forward and have long exceeded their normal life expectancy, requiring an inordinate amount of maintenance, and they're not energy efficient. And we think it's prudent to begin planning for the replacement of those modular units.

Members of the Commission may also be familiar with our prior discussion with regard to replacing the East Jersey State Prison. That facility is our oldest facility, constructed in 1886. It's in a chronic state of disrepair. It requires continual maintenance. We feel that that institution should be replaced. And the objective of replacing that institution with a facility that is designed to be more operating efficient. It will have certain technological security enhancements as part of the facility design.

At this point, I would like to conclude by asking the Commission to give careful consideration to our highest priorities as we have identified. And I'd like to at this time welcome any questions, Madam Chair, from yourself or members of the Commission.

MS. MOLNAR: Thank you.

Any questions or comments from the Commission members?

MS. MESSINGER-GAULT: I have one.

MS. MOLNAR: Ms. Messinger-Gault.

MS. MESSINGER-GAULT: I don't want them to leave without a question. (laughter)

Just a quick question on East Jersey. It's the one that you want to replace. I noticed that in '04, you want \$161 million, and you're seeking that entirely from the General Fund. Have you discussed with Treasury the possibility of a general obligation bond or any of the legislators?

ASSISTANT COMMISSIONER WALDIS: I know that's been -- there has been discussion, I think, at the Governor's Office, Treasury level, with regards of how to fund a project of this magnitude. I'm understanding that there has been some discussion, but I don't know the outcome. With regard to considering, seriously, some long-term financing alternatives, we recognize, as I think the Commission recognizes, the difficulty or the inability, if you will, to fund a project of this magnitude from current operating funds.

MS. MESSINGER-GAULT: Okay. Thanks.

MS. MOLNAR: Mr. Troy.

MR. TROY: Good morning, Dick.

ASSISTANT COMMISSIONER WALDIS: Good morning.

MR. TROY: If I could just ask a question on your priority for the security enhancements. I presume that's fencing, towers, and whatever. Is this an issue in terms of security of the facility itself, or are these fences falling down, or are there electronic enhancements now? What exactly is the issue in terms of enhancing the security perimeters?

ASSISTANT COMMISSIONER WALDIS: Well, I think the request is really driven by a combination of factors of which you mentioned. That is, these perimeter security enhancements are designed to replace perimeter security fencing that are for walls that are deteriorating due to age. We also see this as an opportunity to enhance the security of our perimeters through the

incorporation of the latest technology, if you will, such as impact lighting and closed circuit television.

MR. TROY: Thanks.

If I may?

MS. MOLNAR: Sure.

MR. TROY: I know there was quite a bit of discussion about guard towers, you know, manning of guard towers, and there was a lot of back and forth in terms of an effort to reduce the manpower requirement to man these towers versus the safety issue for the residents. Could you provide us with a status or an update of where that discussion is?

ASSISTANT COMMISSIONER WALDIS: There was concern expressed by local citizens, local legislative members. And in response to that concern, Acting Governor DiFrancesco directed us to continue to provide correction office staffing in towers and those perimeter security in those particular locations. And that, in fact, is and will be done.

MR. TROY: So, Dick, then this request here is -- would it also replace guard towers that are manned, or would this actually replace these guard towers with electronic fencing?

ASSISTANT COMMISSIONER WALDIS: There won't be -- in all the cases that I'm familiar with, they will basically be able to upgrade the existing perimeter security to my knowledge.

ROBERT J. WORDEN: That's correct. There are no replacement of towers.

ASSISTANT COMMISSIONER WALDIS: The towers will not be removed.

MR. TROY: Thank you.

MS. MOLNAR: Any other questions or comments?

MR. GENIESSSE: Madam Chair.

MS. MOLNAR: Yes, Mr. Geniesse.

MR. GENIESSSE: Dick, there are a couple of requests, I think they're Priority Numbers 13 and 15, to replace locking systems at some institutions. Given the relatively lower priority, are we to assume this is not a severe security issue in terms of these requests?

ASSISTANT COMMISSIONER WALDIS: It's a safety concern, but I would not, obviously, call it a severe, immediate security critical issue. If it was, obviously it would have been higher in the Department's budget request.

MR. GENIESSSE: Thank you.

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

ASSISTANT COMMISSIONER WALDIS: Thank you.

MS. MOLNAR: We will review your request. Thank you.

All right, we're going to have to take this a little bit out of order. Our next department will be the Office of Information Technology. Adel Ebeid. **A D E L W. E B E I D:** Good morning, Madam Chair and members of the Commission. My name is Adel Ebeid, and I'm the Chief Technology Officer for the State of New Jersey. And it's my pleasure to present to you today the Office of Information Technology's capital budget request for Fiscal Year 2003.

Before I start, I'd like to recognize members of my management team who helped shape this budget request and who will assist me in answering any of your questions. Kathy Krepcio is my Chief of Staff; Odysseus

Marcopolus, my Director of E-Government services; Tim Tingo, Director of Network Infrastructure and Telecommunications; Norm Linker is the Project Leader for our new Disaster Recovery Initiative; and to my right is George Hulse, Chief Financial Officer; and Janet Russell, Budget Unit Supervisor.

I want to thank the Commission members for your support of OIT's budget requests in the past. Under your tutelage, OIT has come a long way since the first time I spoke to you, three fiscal years ago. And through your support, we've built out the State's technology infrastructure to a world class operation, kept up with the demands of State agencies, and supported the E-government efforts that benefit the citizens and businesses of the State of New Jersey.

Our capital budget request for Fiscal Year 2003 totals \$14.6 million and touches on the same three themes that have guided our capital budget requests over the past three years. But first, we seek to strengthen the State's technological infrastructure, namely the Garden State Network. Secondly, we wish to continue taking a leadership role in the State's E-government efforts. And finally, we need to build the facility and capability to ensure operational continuity for the State's mission critical systems and infrastructure. This has become more critical in light of the September 11th tragedy.

Our first theme involves the State's technical infrastructure, the Garden State Network. Since OIT took responsibility for the Garden State Network in the early part of 1999, we've significantly extended its reach and capabilities. The Garden State Network has become a Supernet for the executive branch. OIT has quadrupled the Network's bandwidth to allow State employees to conduct their business in a more efficient manner. And the

increase in bandwidth also allows citizens to quickly file through many of the government services over the Internet instead of standing in line to receive them over-the-counter. In the future, the Garden State Network architecture will also allow us to extend its capabilities to other branches of government and local government as well.

With E-government applications, a large part of New Jersey's future, upgrading the Network has become a continuous process. We've disciplined ourselves to upgrading a third of the Garden State Network every year. We request \$4.5 million for Fiscal Year 2003 to accomplish this task. This funding will allow us to keep up with the increased bandwidth demands of State agencies to support all future applications for E-government.

The second theme of our request will solidify our leadership role in E-government. Your support of our E-government initiatives yielded a number of success stories over the past year. The award winning New Jersey portal became our most powerful tool in helping citizens transact business with State government.

On an average day, the New Jersey portal attracts 2.7 million hits, and nearly 30 billion bits of information are sent to citizens. The portal is divided into, what we refer to as, service channels that provide citizens and businesses and government information without requiring them to know which State department provides it or how the bureaucracy is structured.

GovConnect, part of our personalized myNewJersey channel, has received critical acclaim from a variety of media sources. Our E-government initiative has allowed motorists to renew more than 50,000 vehicle registrations on-line each month through Access DMV.

Thirteen percent of the 1.7 million New Jersey SAVER property tax returns were filed over the Internet this year. In addition, citizens no longer have to go to an office to conduct some government business. As we offer more services, we naturally need more equipment, such as servers, to host these applications.

Perhaps the best indication of our progress is reflected by the national recognition we received this past year. In the Council of State Governments Eagle E-Government Awards Program, New Jersey was an Award of Excellence winner for the New Jersey portal, and in part three of the *Center for Digital Government's State Survey: Management/Administration*, New Jersey ranked number one with a perfect score of 100. And I want to thank all of you for the part that the capital budget played in these achievements.

So we can return and present even more success stories to you next year, our request is for \$4.1 million to expand the E-government infrastructure. For agencies to increase the number of services they offer on-line, the equipment to host these applications needs to be in place for them. All departments and agencies could use the E-government environment. The shared infrastructure eliminates the need for agencies to purchase their own equipment to host these E-government applications. The New Jersey portal is an excellent example of how E-government applications have been successfully hosted in a shared environment.

Finally, our third theme centers on the new leadership role OIT must take in the aftermath of the recent tragedy. We must exercise due diligence to ensure the availability of mission critical applications and data systems. OIT

already had begun planning to increase disaster recovery capabilities prior to September 11th. The attacks brought these efforts to the forefront.

New Jersey's increased commitment to E-government requires us to keep downtime at a minimum. If disaster should strike, our initiatives will enable crucial areas of the network to continue running. Keeping our customers' needs in mind, our goal is to provide disaster recovery for all our environments.

To meet the disaster recovery requirements that have become all too clear, we request \$5.5 million for the construction of an OIT Availability and Disaster Recovery Site. We're very concerned about providing operational continuity to the State agencies that we support. This site will provide us with that capability. We've been in discussions with State Police and Law and Public Safety about using their Hamilton site that's currently under construction. The site will provide full redundancy for the Garden State Network and duplication of non-mainframe data. Disaster recovery is the insurance policy for our networks. Redundancy is critical when dealing with computer networks that require high availability, such as those in State government.

Finally, two additional projects that support our appetite for innovation are Voice Over Internet Protocol and wireless technology. We are requesting \$400,000 to implement and evaluate Voice Over Internet Protocol technology at OIT. OIT will test the feasibility of converting the entire State telephone network to this new technology through its own experiences. Voice Over IP also allows voice and data to travel over the same circuit, saving space and eliminating redundancy.

Installing wiring at the State House has been quite a challenge because of the historical restrictions of the building. OIT's requesting \$100,000 in Fiscal Year '03 to install a wireless network. In addition to providing the State House employees with the ability to access the Internet in various locations, this project will also allow OIT to test the feasibility of implementing wireless networks at other locations.

At this time, myself and my entire staff welcome any questions you have on the capital budget request or about any progress we've made to date. And I want to thank you, Madam Chair, and the members of the Commission.

MS. MOLNAR: Thank you.

I have two questions.

MR. EBEID: Sure.

MS. MOLNAR: Before I load this into my computer, what is this?
(referring to a CD-ROM)

MR. EBEID: This is a -- it's going to take you for a tour of an architecture that we've adopted within the Office of Information Technology. And that architecture highlights three critical areas in our development environment: how we protect the core data from intrusion by an outside choice, how we design applications, and access to data. So its called a three-tier architecture, and its a division of many of my staff that are sitting behind me. So we are very proud of it and we're hoping to share it with you.

MS. MOLNAR: Thank you.

My other question. Last month, DMV was here explaining their one-stop shopping when you go to the agency in the future. Do any of your priorities include funding for their system?

MR. EBEID: None of them specifically include funding for the DMV; however, our intent is that we build the shared infrastructure centrally, and that DMV and other State agencies would use it as an alternative to developing their own infrastructure.

MS. MOLNAR: That would be Priority 2?

MR. EBEID: That's correct.

MS. MOLNAR: Good. Thank you.

Any other questions or comments?

Mr. Troy.

MR. TROY: Good morning, Adel.

I just wanted to chat a little bit with you on the disaster recovery initiative.

MR. EBEID: Sure.

MR. TROY: I presume now that OIT has a hot site somewhere, I mean, all the systems are backed up. Is that under a vendor contract in terms of someone's doing it? Could you just give us a quick overview of how you're doing this today, and how that will be different in terms of your Priority Number 3?

MR. EBEID: Sure. I'll do my best, and I may have to call onto Norm Linker, but currently, we have contracts with two vendors. And the two vendors provide us with disaster recovery for our mainframe systems. And we have SunGard and Integris, and they provide support for the two mainframes that we have: IBM and the Bull environment. And that certainly runs or houses, at least, most of the mission critical mainframe based applications.

However, what we've seen is over the last three years, agencies migrating from a Legacy platform onto a more distributed environment. That distributed environment has not been incorporated in our disaster recovery plans. So the budget initiative for FY 2003 would allow for that to take place. We would provide a disaster recovery environment for our non-mainframe environment, as well as for core points of our wide area network.

MR. TROY: May I?

MS. MOLNAR: Sure.

MR. TROY: Just for another discussion. In terms of the expansion of the Garden State Network, bandwidth, etc., you know, Adel, coming from the Department, we struggle with giving all State employees access to the Internet and then what do they do with it. And, you know, our position has been that the Internet to us is the same as a telephone. And if you want to call the airlines to make a reservation, whether you use the telephone or the Internet, that's acceptable. So I believe most departments have written a policy that says occasional use of the Internet is acceptable, but I also, you know, we monitor the Internet use in our Department and I see the hours of usage and how they go up and down. For some reason, Tuesday is the day when a lot of State employees are out there. Do you think combining the fact now that a lot of State employees are getting access to the Internet vis-à-vis their desktop and having the ability to go out there and -- I don't want to say surf the net, but do business, do you see increases? I mean, are you monitoring that usage? And I know there is no way to break that from business use versus personal use other than looking at the sites themselves, but could you comment, in some way, how

that's impacting and what that does in terms of you needing to expand bandwidth and whatnot throughout the network?

MR. EBEID: Because of how the complete network, end-to-end, has been architected, we are limited to how much we can monitor. We monitor up to a certain point, and then we sort of support a model that calls for agencies to follow up with their due diligence and monitor the Internet traffic once we deliver the bandwidth up to their front door.

I could tell you that, under the direction of the CIO, over the last 12 to 18 months, she has championed several policies that empower agencies to install certain hardware and software that would allow for that kind of monitoring. And there has been a lot of discussion about small usage for personal reasons, and I think we have left that up to each administration, each agency to decide what's acceptable for them or not.

I don't feel that we have the kind of abuse that perhaps folks really refer to sometimes. I do however feel that there is probably a decent amount of personal use, but at this point trying to monitor that and trying to quantify it is probably a logistical and an administrative nightmare. I think if we continue empowering the agencies with the tools they need so that they can do their own monitoring, behind that front door, I think long-term that's probably a better policy.

And I do feel that a lot of the State employees are becoming very aware of the consequences of surfing inappropriate sites. The word is getting around. So we, I know, internally, I mean, not only do we maintain a network, but also oversee 1100 employees, and we've seen a tremendous decrease in personal use. We issue periodic reports and rely on the managers and directors

to follow up with the inappropriate use. Over time we have seen a considerable decrease.

MS. MOLNAR: Any other questions or comments?

Mr. Geniesse.

MR. GENIESSE: With respect to Priority Number 3, OIT Availability and Recovery Site, OMB staff had raised a question with regard to the availability of server farm moneys and that the request had been reduced or produced by that cost. Can you clarify that question? Are server farm moneys available for this project?

MR. EBEID: If the memorandum of understandings that we've signed with State agencies are all executed before the end of Fiscal Year 2002, I am not projecting any surplus in the server farm moneys. So that, and at this point, I think we're on track for implementing the server farms that we've agreed to with the State agencies. So, the \$5 million fund, I think, will be depleted by or before the end of this Fiscal Year.

MR. GENIESSE: Thank you.

MS. MOLNAR: Thank you.

Any other questions or comments?

MS. ALEXANDER: I have a question.

MS. MOLNAR: Ms. Alexander.

MS. ALEXANDER: Thank you.

Through the Chair, as a follow-up to that last question, how many MoUs have you executed? With how many agencies?

MR. EBIED: We've signed four MoUs. One is currently in the process today with the Law and Public Safety, so that would be a total of five.

And we continue to look for opportunities where we can add value to State agencies. So I would imagine that most likely we'll have more MoUs signed before the end of the Fiscal Year.

MS. ALEXANDER: Thank you.

MR. EBEID: You're welcome.

MS. MOLNAR: Thank you.

Any other questions or comments? (no response)

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

MR. EBEID: Thank you.

MS. MOLNAR: Our next department is the Department of Military and Veterans' Affairs. I'd like to welcome General Glazar.

MAJOR GENERAL PAUL J. GLAZAR: Good morning.

MS. MOLNAR: Good morning.

MAJOR GENERAL GLAZAR: How are you today?

MS. MOLNAR: Good.

MAJOR GENERAL GLAZAR: Good.

Welcome everybody. This morning, it's my pleasure to appear before you and present our Department's 2003 capital improvement plan. The plan is in keeping with my vision of providing and maintaining a world class infrastructure that supports our New Jersey National Guard, our Naval Militia, and provides the best possible services so richly deserved by our New Jersey veterans. This plan identifies 14 projects, totaling \$12.8 million and emphasizes our most critical concerns.

The first request in our Fiscal Year '03 plan is for additional funding to complete the demolition and reconstruction of our Vineland Veterans' Home.

Thanks to the Commission's efforts, a total of \$16.7 million has been appropriated over the last three years for the construction of this project.

The new Vineland Veterans' Home is currently at the design development phase, or approximately 35 percent complete. Unfortunately, changes in Federal healthcare regulations, on-site conditions, and various mechanical and plumbing system infrastructure items have increased the project by an additional \$5.7 million. Specifically, revised accessibility standards resulted in increased floor areas throughout the facility to allow for adequate wheelchair clearances and the complexity of phasing utilities, including the construction of new temporary utilities to allow the existing campus to function during construction and new soil borings, which revealed problem areas, which have to be removed and replaced with a controlled fill to provide adequate bearing for construction.

This additional funding request of \$5.7 million will have a State share of \$2 million and a Federal share of \$3.7 million. This will bring the State total to \$18.7 million and the Federal total to \$34.7 million for a new project cost of \$53.4 million. I have provided the Commission a detailed spreadsheet which illustrates the increased costs.

I would like to point out that if the facility is constructed without the additional \$5.7 million worth of projects, any building system failure that occurs within the 20 year amortization period will not be funded by the Federal government, resulting in the State being responsible for 100 percent of the repairs.

The Federal Department of Veterans' Affairs has favorably reviewed the design development submission with minimal comments. We are currently

awaiting their notification on which qualified projects will be funded for Fiscal Year '02.

And you can see in the presentation that the virtual images illustrate the design concept of the new Vineland Veterans' Home. (referring to photos in statement)

Priority Number 2 deals with a total electrical system replacement at our Jersey City Armory/Interactive Community Resource Center. This facility was constructed in 1929. As depicted in the photographs, this antiquated system is inadequate to handle the increased electrical demands caused by the combined military and community use, which also includes an after school youth program.

The photos show that system. And as you can see, you know, appropriate for Halloween, it's a Frankenstein style electrical panel there, with the huge knife switches.

Priority Number 3 addresses our fire/life safety concerns. Your funding in 2001 allowed us to continue to move forward in working together with the Department of Community Affairs in correcting various violations within our facilities.

This current year's request will maintain the momentum initiated by previous years' capital funding. It includes the installation and upgrade of fire suppression systems at nine National Guard facilities.

It's a typical example of an installation that you see depicted there. (referring to photos in statement)

Priority Number 4 is a new request this year to incorporate security enhancements at all of our facilities statewide as a result of the events of

September 11th. As the Adjutant General, I am committed to providing the safest facilities available for all members of the National Guard, Naval Militia, and the State's veterans residing in our three veterans' homes, as well as the citizens within our local communities.

At this time of heightened awareness, our facilities must be properly protected and secured so that we may respond to any State or National emergency and be a symbol of security within the community.

Our Teaneck and Jersey City facilities were used extensively in support of the terrorist attacks on the World Trade Center as a command post and mobilization center for our military personnel and various law enforcement, fire, and hazmat response units. This request will provide funds to begin the installation of force protection security measures against terrorism, to modify our facilities without changing their character and functionality.

Projects will include the upgrading of existing or new installation of access control security systems, security fencing and lighting, windows and door glazing modifications, and limiting airborne contaminants. While complete protection against all potential threats for every inhabited building is cost prohibitive, the intent of this request is to enhance existing protection projects for National Guard facilities, which are also matched with an additional 50 percent of Federal funding support.

Priority 5 focuses on various projects under the preservation category. Our armories and interactive community resource centers will receive much needed roof replacements. The photos on the next page illustrate the problems; the continuing roof patch jobs and some of the leaking that's caused by the roof leaks.

Another new request this year focuses on the replacement of our information technology systems. Funding for this request will allow us to purchase and install high speed servers, large capacity storage area network hard drives, server replication equipment, and other devices to maintain and upgrade our network capabilities.

Currently, the Department maintains two networks. These networks support both our State and Federal missions which are critical to our day to day operations, as well as our Joint Emergency Operations Center, where interaction with other State agencies and Federal agencies are maintained on a 24 hour, 7 days a week basis. Current failure rates and equipment life cycles are such that we cannot maintain a system reliability of 99 percent.

The next two items, Priorities 7 and 8, address renovation and rehabilitation projects under the infrastructure and construction categories. These include window replacements, various masonry repairs, and much needed latrine and shower renovations throughout our 200 facilities.

The funding requested is consistent with my long range real property management objectives of upgrading and maintaining these facilities based on future use requirements. The following photos illustrate some of our continuing problems that we have.

Priority 9, which is also a new request, would allow for a much needed paving, curbing, and sidewalk repairs at 26 facilities statewide. In June of this year, a paving study was completed for us by the Department of Transportation, which identified necessary repairs. Typical projects will include milling, resurfacing, and resetting of storm drains, patching, striping, and crack sealing.

Priority 10 addresses environmental compliance and deals specifically with the asbestos abatement program. We have previously identified these concerns in the Department of Health surveys of our buildings. This capital request continues to address these issues in order to alleviate major health concerns.

Priority 11 focuses on energy improvements at six facilities statewide. They are the first of a five phase energy audit program that is sponsored by the National Guard Bureau and conducted through outside contractors. Typical projects will include installing programmable thermostats, fluorescent lighting upgrades, motion sensors, boiler controls, and high intensity discharge light retrofits. With the installation of the aforementioned projects, it is estimated that the total energy savings will be \$50,000 with a payback of four years.

Project 12 is the proposed Veteran's Adult Day Care Center at the Paramus Veterans' Home. This project, similar in design to the Adult Day Care Center at the Menlo Park Home, will consist of a 32-person unit that will be fully certified and staffed to provide necessary services to those individuals who do not need the 24-hour care of a nursing home but do require some assistance with daily living. Funding provided for this project will support my commitment to provide veterans with alternatives to long-term institutional health care.

The next project, our Priority 13, which was originally a request to construct a multiagency training center at our National Guard Training Center in Sea Girt, is being deferred at this time as a result of a business plan study that was conducted at the Commissioner's (*sic*) request. Instead, I am requesting

funding for the development of a master plan to identify all facility requirements for programs detailed in the business plan.

The master plan will compliment the business plan and recognize infrastructure requirements and provide a timetable for construction to support current and projected programs. I believe the results will be conclusive in demonstrating the potential for Sea Girt to be a major training center for multiagency use.

Priority 14 will provide funding to design a rehabilitated project of approximately 4000 square feet of dormitory living space at the Sea Girt Training Facility. This program space will be constructed to meet current National Guard Bureau and United Army training standards. The current facility does not meet various fire/life safety codes and program space criteria, which could ultimately jeopardize potential Federal funding and school accreditation if not completed.

The final request, Priority 15, is for the reconstruction of a new Armory/Interactive Community Resource Center in the city of Camden. Although no funding is requested for this year's submission, I am bringing this request to your attention for future consideration. It is my intention to bring back a National Guard presence to the city of Camden in a partnership with the local community and expand our activities in support of local economic development plans and revitalization efforts. This facility will replace the Cherry Hill Armory/Interactive Community Resource Center, which lies within a flood plain and is being encroached upon by new highway construction.

An adjacent watershed has also accelerated building deterioration and settlement. The need to find an alternative site in Camden County for a new armory/interactive community resource center is critical.

I appreciate your continued support in helping us implement an effective long-range capital plan that meets the training needs of your National Guard and provides those critical services and programs so richly deserved by New Jersey's veterans.

I would like to now bring you up to date on various projects that have been initiated or completed with previous years' funding.

At the Brigadier General William C. Doyle Cemetery, we recently completed a master plan that establishes a 20-year timeline for continued development of the facility. This master plan will provide for the design and construction of approximately 20 acres of replacement burial crypts; conversion of the current maintenance facility into a reception/information/interment center; the rehabilitation of the existing administrative building, facility, chapel; and the installation of columbariums.

This \$34 million project, which is 100 percent Federally funded, will result in greater operational efficiencies while maintaining the same level of quality and personal support to the veteran's family during this most difficult time. Our cemetery is the most active of all State veterans' cemeteries in the country. It is projected that over 2500 interments will be conducted this Fiscal Year.

In concert with the master plan, a project to install over 2500 precast concrete inground lawn crypts is underway at the cemetery. The

installation of this system will alleviate problems with burials during inclement weather and increase the total number of interments.

At Lakehurst, we are continuing the design of a consolidated logistics and training facility. It is expected that the project will reach the design development stage, or 35 percent design completion, by March of 2002. This project is Federally funded and will be completed in three phases at an estimated cost of \$58.6 million. This 619,000 square foot training and maintenance complex will significantly contribute to increasing the readiness of our units and enhance the capabilities to provide necessary vehicle maintenance and repair support.

With your continued support, we were able to accomplish various projects at our armories, or as we like to call them, our interactive community resource centers.

I have provided you with a booklet containing photographs of various projects that have been completed with funding provided in previous years. Also included are projects that are planned or currently under construction. These projects include: the installation of fire suppression systems at our Atlantic City and Newark facilities; roof replacements at Jersey City, Westfield, Vineland; and skylight replacements at Newark. Much needed ADA improvements are underway at the Jersey City Armory, and a latrine/shower renovation was completed at Toms River.

We have also accomplished asbestos abatement at Lawrenceville, West Orange, and Westfield. New boilers were installed at Franklin and Port Murray. Drill hall renovations were completed at West Orange and Westfield, and a radon remediation system was installed at Phillipsburg.

These improvements support our ongoing commitment to the soldiers, sailors, and airmen of the New Jersey National Guard to provide world class facilities to meet mission requirements and to maintain their high state of readiness. With over 200 structures, at an average age of 46 years old, we remain the fourth largest Department in total assets and the third largest in total buildings. With a veteran population ranked as the ninth largest in the Nation, and the oldest, it is imperative to have quality facilities available for their care and well-being.

During the past year, over 2500 New Jersey National Guardsmen responded to more than 300 domestic and civil support missions. These included two community outreach programs for our homeless veterans, the support of two winter storms, and our most recent missions in support of the New Jersey Guard members, who are supporting the World Trade Center relief efforts by providing security at Newark, Atlantic City, and Mercer airports, as well as the Salem Nuclear Power Plant, as well as bridges and tunnels, because we're putting them out starting today. And in the whole course of the operation, over 6300 State, active duty mandates were expended in support of these operations. And we have a contingent that's currently over in Bosnia, right now, also providing rotation for our peace keeping missions.

Our facilities are also used for after school youth activities, as part of the National Guard Drug Demand Reduction Program. Over 6300 students, from 47 schools throughout the State, participated in community sponsored activities at our facilities. These programs serve as a positive alternative to idleness and drug abuse.

I trust you can see from the booklet we have provided, the capital funding made available to us has been put to good use. And I thank you for the opportunity for this presentation. We're prepared to answer any questions that you might have.

MS. MOLNAR: Thank you, General.

MAJOR GENERAL GLAZAR: You're welcome.

MS. MOLNAR: I have a couple of questions. You do involve the community in some of your armories, which provides a nice revenue stream?

MAJOR GENERAL GLAZAR: Yes, ma'am.

MS. MOLNAR: Now, I'm told that these armories are now on high alert. Is access being restricted to the public? What is the status of that?

MAJOR GENERAL GLAZAR: No, what we've done is, we've tried to balance the security awareness in our armories, right now, with our access to the public. A typical example, on Election Day, the Woodbridge Armory is used as a polling place. Well, we feel it's not necessary to make the members come in and sign in because they're doing that in the course of casting their ballot, as well as putting soldiers out, because the local law enforcement folks will be there.

If there is a rental or a show, we require the agent to come in and provide additional security. But, again, it's treated as a public building, but it's also treated in the military prospective as a place where we do store weapons, and we do have sensitive items and equipment. So we balance that, and we don't exclude the public. We try to really just maintain that balance of heightened security awareness, access to the public, and doing all the right things that we've been trying to do over the years.

MS. MOLNAR: Will you be requiring photo IDs if there's continued access, like schools, for example, using it?

MAJOR GENERAL GLAZAR: Well, when we do the normal ID checks, we do look at photo IDs, and actually all of my military members have them, all of my Department members have them. And what we ask the public to do is to provide something. Depending on the current threat that we know about at the time, depending on what type of an event it might be, again it's that critical balance that takes place, of common sense, good judgement, but heightened security awareness.

MS. MOLNAR: Thank you.

Any other questions or comments?

MS. ALEXANDER: I have a question.

MS. MOLNAR: Ms. Alexander.

MS. ALEXANDER: Through the chair, first let me add my humble appreciation and thanks for what you and your Department and the New Jersey Guard are doing for us.

MAJOR GENERAL GLAZAR: Thank you, very much.

MS. ALEXANDER: And my question goes to the technology and upgrades that you want to put in for security purposes. Are you working with or looking towards Governor Ridge's new proposal to work with both Federal, State, to drip down so that all of our technology, our communications systems are all inter --

MAJOR GENERAL GLAZAR: We're about three years ahead of Governor Ridge in the state of New Jersey.

MS. ALEXANDER: Congratulations.

MAJOR GENERAL GLAZAR: We've got to brag about that.

What we have accomplished, what the Governor has put into place with the new Task Force, is an advancement of our New Jersey domestic preparing and planning and working group that we started in, I guess it was 1998, through Governor Whitman's efforts, looking at weapons of mass destruction, trying to focus our state of emergency plan, but also to use the technology that's out there to enhance what we're trying to develop.

We look at our efforts now in New Jersey of one of bringing technology together to give us a portal to make us a weapons of mass destruction Homeland Security Center of Excellence. And to focus through a secure portal, all of the agencies and activities that would come to bare in a situation like this, whether it's in a process of identifying beforehand through intelligence gathering -- which money was funded to the State Police, for now, under the new Bill -- for intelligence gathering, placing that against our key assets that we've identified in the State by doing a continuing survey of what's critical to the infrastructure of the State, whether it's through the transportation hub that we play in the region or whether it's through the information piece that we have in New Jersey or whether it's key asset protection: bridges, tunnels, the rail links, the highways. And then taking and looking, with the intelligence, what protection assets we can place against those, as we have with the security that we've enhanced at the airports, the bridges, the tunnels, and the nuclear power generation facilities.

Capturing all of that and getting it on a secure portal to allow us to interact with the appropriate Federal agencies, State agencies, county and local municipalities, and in a virtual emergency operations center type concept,

with access up and down through the National Guard Bureau, FBI, or whatever the requirement might be at the time. Governor Ridge's -- the new office of Homeland Security, we feel quite positive on that, and that's why some of the initiatives that were asked for, the Garden State Network, we actively are involved with. From the previous testimony that I was listening to, we signed up for one of those MoUs, because it makes sense for us. It's why our information technology piece is a balance of everything the State is currently providing for other State agencies, plus what we need specifically for the Department in conjunction with working with law enforcement activities and military installations and military agencies.

MS. ALEXANDER: Thank you.

MAJOR GENERAL GLAZAR: So, three years ahead, though, I would predict.

MS. ALEXANDER: That's terrific. Thank you.

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

If not, I have one comment. You do get terrific public relations. I live in Westfield, so I want to thank you for your bus.

MAJOR GENERAL GLAZAR: Good.

MS. MOLNAR: I'll hand -- give this to you. (referring to a packet)

MAJOR GENERAL GLAZAR: I'll come get that.

MS. MOLNAR: The other question I had, I'm wondering if your Department could reach out -- because I live in Westfield. At the Westfield Train Station, there is a veteran that comes every morning panhandling and wears a sign, "I'm a veteran and I can't afford to live." I'm just wondering if

someone in Veterans' Affairs could somehow reach out to this older gentleman. He's a senior citizen.

MAJOR GENERAL GLAZAR: Absolutely. Absolutely.

MS. MOLNAR: He has been there for, like, six months. There's nothing wrong with panhandling, but there must --

MAJOR GENERAL GLAZAR: Well, we'll get him to the proper agencies for assistance if he's not enrolled in anything on the veteran's side of the house. If he truly is a veteran, we'll assist him in every way that we possibly can. We run veterans outreach programs, and definitely he's one of the individuals that we can reach out to.

MS. MOLNAR: Terrific. He's there every morning, like, from 7:00 a.m to 8:00 a.m. at the train station.

MAJOR GENERAL GLAZAR: Okay, we'll get on his schedule.

MS. MOLNAR: Thank you, so much.

MAJOR GENERAL GLAZAR: Thanks, Carol.

MS. MOLNAR: I'll leave this for you. (referring to a packet)

MAJOR GENERAL GLAZAR: Okay, I'll come and get that.

Thank you.

MS. MOLNAR: Thank you for your presentation.

I'd like to welcome Ron Tuminski, from the Department of Environmental Protection.

ASST. COMMISSIONER RONALD S. TUMINSKI:

Good morning.

First of all, I'd like to thank you, Madam Chair, and members of the Commission, on behalf of Commissioner Shinn and the Department for the

opportunity to present DEP's capital needs for Fiscal 2003. With me today, to my right, is Cari Wild, who is the Assistant Commissioner for Natural and Historic Resources. We also have staff from Budget and Finance, Dave Barth and Dave Prentice.

Overall, DEP's 2003 capital budget request totals approximately \$699 million. I have summarized the sources of funding on Page 2 of the testimony, and I will only highlight that the General State Fund request is \$135 million of that request, about 19 percent, while Federal Funds constitute \$232 million, or approximately 33 percent of our request. The remainder of the moneys come from special funds, such as the Garden State Preservation Trust, Shore Protection Funds, CBT Funds, and Environmental Infrastructure Trust. You will see one of the themes throughout the testimony is our ability and direction to leverage Federal moneys in many of our programs.

While we are seeking the Commission's concurrence with our FY 2003 Capital Spending Plan, the Department will also be presenting its priority listing of Site Remediation and Environmental Infrastructure projects to the Legislature for review and approval, in accordance with the legislation that established those funding mechanisms.

I would like to highlight the following, with respect to our FY 2003 request. In terms of open space funding, the State's goal continues to preserve an additional one million acres by the year 2009, with 300,000 of those acres preserved as open space or farmland by 2002. To date, we have already acquired 224,118 acres, including 79,079 acres of farmland, and have another 17,217 acres under contract, for a total of 241,335 acres. So therefore, we are approximately 80 percent of the way towards our 2002 goal.

In concert with the open space preservation goal and the State's established funding mechanism, DEP's FY 2003 Capital Plan includes \$131.7 million in requested funds for Preservation Trust projects. Specifically, \$54 million is included for State Acquisition, while \$77.7 million is included for the Green Trust Program, for loans and grants to local governments and nonprofit entities.

The efforts of the Green Acres Program to achieve the one million acre goal, will be further bolstered by the addition of 922 acres of environmentally sensitive lands associated with watersheds, groundwater recharge, and wellhead protection areas and stormwater management. This year, this will be accomplished through the DEP's partnership with the Environmental Infrastructure Trust. And this financing will be put in place next month.

In terms of recreational opportunities, more than 30 percent of our State residents take part in some form of wildlife associated recreation: fishing, hunting, bird watching, wildlife photography, and feeding birds.

Over 15 million visitors enjoyed New Jersey's Parks and Forests in 2000. The opportunities are provided in over 39 State parks, 11 State forests, 4 recreational areas and golf courses, 115 wildlife management areas, 42 natural areas, and 23 individual historic sites. These areas encompass some 610,100-plus acres of New Jersey.

Last year, the Garden State Preservation Trust presented in its Stewardship Report, and that report has been handed out this morning to all of you, along with our testimony. In that report, the Trust called for the establishment of a \$25 million per year dedication for capital purposes. For

Fiscal Year 2002, while the Governor's Budget recommended \$25 million, the final adjusted appropriation was set at \$20 million during the final appropriation process, \$16.5 million of that went to Parks, while \$3.5 million went to Fish and Wildlife. The Capital Plan before you builds upon the Garden State Preservation Trust's recommendation and seeks, at a minimum, the continuation of the \$25 million as recommended by the Trust.

In reviewing our request, you will see that total funding requests of \$63.4 million are included in our FY 2003 capital budget for our Parks and Forests and Fish and Wildlife areas. These requests focus on enhancing the quality of the recreational experience for New Jersey's citizens, as well as the visitors to our State. Of the urgent category, \$11.4 million, or about 33 percent of our request, would be used to renovate, rehabilitate existing Parks and Fish and Wildlife facilities in order to bring them into environmental compliance; eliminate health and safety issues; repair roads, parking areas, and bridges, within those recreational areas; and also address the current backlog of deferred maintenance.

While the above requests have been conveyed to the Chair and the members of this Commission for your consideration, we understand that the recommendations of the Trust, the Garden State Preservation Trust, will continue to weigh heavily in this matter.

One of the key indicators that is reported on, as part of the Governor's Sustainable State Initiative, is beach and bay closings. The State's shoreline and the quality of our ocean waters are vital to New Jersey's economy. Accordingly, one of the Department's major initiatives for FY 2003 is to implement a Coastal Beach Closure Abatement Program for Wreck Pond, in

Spring Lake and Sea Girt, as well as addressing those stormwater discharges to the coastal bathing areas in the Wildwoods.

Specifically, \$5 million is requested for the dredging and the associated dredge material disposal of Wreck Pond, while \$2 million is requested for a 100 foot extension of the Wreck Pond stormwater outfall. In addition, \$4.3 million is being requested for the feasibility, design, and construction of a stormwater discharge system to abate beach closings in the Wildwoods.

When I appeared before the Commission last year, there was a question specifically on beach closures within the past year. We have that information available, and I would note that in 2001, there were a total of 40 ocean beach closings, and the information we've been able to put together shows that 35 of those 40 were, in fact, associated with Wreck Pond. So there is a significant impact on the closures due to Wreck Pond.

New Jersey's Financing Infrastructure: The Environmental Infrastructure Financing Program has certainly proven to be a valuable asset to the State, in terms of water quality protection. Earlier this month, project sponsors, again, had the opportunity to submit planning documents for consideration for 2002 financing. Eligible projects fall under the broad categories of Wastewater Treatment facilities, Stormwater and Nonpoint Source Pollution, and Water Supply facilities, and specifically includes such projects as those dealing with wastewater and drinking water treatment facilities, new water supply wells, combined sewer overflow problems, stormwater management, landfill construction and closures, brownfields remediation,

streambank stabilization, and even now, open space acquisition, as I referred to earlier.

In terms of clean water, the Environmental Infrastructure Financing Program is in its second decade. Since 1987, the Trust and DEP have provided more than \$1.65 billion in low interest loans to finance clean water projects. By leveraging this financing, New Jersey residents have saved nearly \$500 million, or 30 percent, as a result of these low cost loans.

This year's financing, which closes on November 9th, will fund an additional 36 county municipal projects worth some \$194 million. The projects will address such problems as removing and replacing combined sewers, replacing collapsed or cracked sewer pipes, as well as the purchasing of equipment necessary to increase sludge handling capacities. The 2002 financing program, which corresponds to our Fiscal Year 2003 request, currently includes 62 projects, with a projected cost of \$367 million.

In terms of taking care of our water supplies, the Federal Safe Drinking Water Act amendments of 1996 provided this State with the opportunity to leverage State loan funds to improve drinking water infrastructure facilities. The current Drinking Water State Revolving Fund Priority List identifies 210 projects and a need of \$710 million. We expect that \$132 million in projects will be financed this November, next month.

Our Fiscal Year 2003 Capital Request of \$3.6 million from the 1981 Water Supply Bond Fund, represents the sixth year of financing under the Federal Drinking Water SRF, and that \$3.6 million will serve to match \$18 million in Federal funds that are available to the State. As with the \$82.4 million in Federal funds available in Fiscal Years 1997 through 2001, the

Department will continue to leverage these moneys through the Environmental Infrastructure Trust.

New Jersey's Shore Protection Program remains a viable one with an annual dedication of \$25 million. That funding, coupled with Federal and local support, has been, and will continue to be, critical to the State's efforts to protect this vital resource. As many of you may be aware, it has been almost ten years since the major storms back in October of 1991. Since that time, \$154 million in Federal money has been leverage and brought to New Jersey for shore protection efforts. We now have a stable source of funding, at \$29 million per year. And over 22 million cubic yards of sand have been placed on New Jersey's beaches. That equates to almost one million truck loads of sand.

Finally, the coastal areas of our State continue to generate some \$16 billion a year, in terms of tourism. Over the course of the past year alone, beach work has continued in Deal, Asbury Park, Ocean Grove, Avon, and Bradley Beach.

Our FY 2003 Capital Request of \$28.9 million, for shore protection, focuses on beachfill projects that cover such areas as Long Beach Island and Manasquan Inlet to Barnegat Inlet. As in the past, our request for dedicated shore protection funds will be used in large part to leverage some \$73.4 million in Federal funds.

Flood control projects contained in our request include both the deferred maintenance of culvert repairs/replacements and funding required as the State's match to Federal H.R. 6 funding. Specifically, some \$15.9 million in State funds will leverage some \$52.6 million in Federal funds. Major projects

to be continued with these funds in 2003 include: Green Brook, Poplar Brook, Ramapo River at Oakland, and Newton Creek.

The Department's request also includes capital moneys to address the Bayshore Floodgate. Specifically, half a million dollars is being requested to address capital needs involving the roof replacements and exterior repointing of the Floodgate buildings.

Our FY 2003 request, with regards to dredging, includes \$6 million in capital moneys needed to maintain New Jersey's navigational channels and harbors. The funds will not only serve to eliminate the hazards of shoaling and the lack of regular routine maintenance, but will also leverage an estimated \$4 million in Federal funds.

In terms of our site remediation programs, our FY '03 request includes some \$81.7 million in funds in order to address ongoing projects, water line replacements, O&M, and the closure of sanitary landfills. Offsetting part of these needs, we anticipate Federal participation from the Superfund, at a level of \$30 million, and a continuation of the CBT, the Corporation Business Tax, of a 4 percent dedication, at \$25.5 million. Further, the Fiscal Year 2000 (*sic*) request anticipates the commitment of \$20.7 million in CBT funding for underground storage tanks.

To date, the availability of the dedicated CBT funds, the 4 percent dedications to the Department for cleanups has allowed the State to avoid the issuance of approximately \$128.1 million in bonds. This has saved the State an estimated \$108.2 million in interest, which would have been incurred if we had continued on funding these projects through the traditional bonding method.

In addition to the above, I'd also like to mention and bring your attention to some other requests contained in our FY 2003 submission. The Department has included \$1.6 million in capital funds in order to complete and upgrade our IT infrastructure by replacing switches and routers throughout the facilities; replacing our NJEMS, which is our Environmental Management System, servers with two redundant servers; and the purchase of related hardware. These initiatives are critical to the ongoing development of our environmental management data, or NJEMS system, as well as contributing to the Governor's goal of New Jersey being the on-line State. It will also increase, by tenfold, our ability to exchange information within the Trenton area, outside of our complex and with the Federal government.

We are also requesting the continuation of your support, for the past two years, for the Tire Roundup and Disposal Program. This initiative has taken on even more importance over the past two years, given the direct association between the fact that tires serve as a breeding ground for mosquitoes and thus potentially contribute to the West Nile Virus problem within the State. Accordingly, we seek your approval to utilize another \$2.4 million to address this in Fiscal 2003.

Requests on behalf of the Palisades Interstate Park Commission that are included in our budget submission, are included at a level of \$5.9 million. Specifically, the Commission is seeking \$3.7 million for recreational development, the Boat Basin restoration, and \$2 million for road improvements along the Henry Hudson Drive for paving and drainage.

The request for the State Mosquito Control Commission is also transmitted in our budget and includes \$600,000 for a equipment storage

facility and some \$625,000 for the addition or replacement of equipment. The equipment purchases will be used on other water management projects and will eliminate breeding sites of mosquito species implicated in the St. Louis encephalitis and the West Nile virus.

I'd like to thank you for your time. If there are any questions, the DEP staff members here today and I will be glad to answer them. Thank you.

MS. MOLNAR: Thank you.

I have two quick questions. Liberty State Park, you're requesting \$3 million for improvements to the grounds and public access areas. What actually is involved with that?

ASSISTANT COMMISSIONER CARI WILD: There are a number of improvements that are necessary at Liberty State Park. Our joke at DEP is that everything there cost at least a million dollars. It's just a straight cost there.

Some of the improvements are related to the walkway, we've got a deteriorating walkway. It's an extension of the actual walkway that goes along the Hudson River, there, but that's one of the areas that requires improvements. There are required improvements to and surrounding the terminal building, which -- Liberty State Park has been a major focal point of New Jersey's response to the September 11th events. There have been a number of things that have happened there that were not anticipated, including the construction, implementing of the Family Assistance Center. Points that have been used in the past for commutation purposes and then had been converted to only being used for recreational purposes, have since been converted back to serving as a point of commutation. The ferry service there is now serving as a point to get

commuters over to Manhattan. There are a number of improvements that have been made, but the things that we've had to deal with over the past month have, sort of, made us think about numerous improvements that are going to be required throughout the park to enhance public access there.

MS. MOLNAR: Is there any Federal funds available because of this new use?

ASSISTANT COMMISSIONER WILD: We certainly will be seeking FEMA reimbursement for the activities that were taken in direct response to September 11th.

MS. MOLNAR: The other question I have, Henry Hudson Drive, or Parkway, is there any DOT's funds available for that paving or drainage work?

ASSISTANT COMMISSIONER WILD: This was with respect to the Palisades Park.

MS. MOLNAR: Palisades Park, yes.

ASSISTANT COMMISSIONER TUMINSKI: There's no one from the Palisades Park Commission. We can verify that and get back to you on that. I'm not sure.

MS. MOLNAR: Okay. Thank you.

Any other questions or comments?

Ms. Alexander.

MS. ALEXANDER: Thank you.

Good morning. Following up on the Chair question on Liberty State Park, the bill that was passed federally also included funds for mitigation and in other -- anticipation, preparation, preparedness. The ferry service that

was put in place in an emergency measure, is that anticipated as an ongoing, now permanent, source of transportation mode or --

ASSISTANT COMMISSIONER WILD: It actually has reduced significantly over the past couple of weeks since the reopening of the tunnels to bus service. And so now instead of ferry service, they're transferring back to bus service, and there has been some discussion whether we should dismantle what was put in place. I think that its use is temporary because there are restrictions under State and Federal law to use areas within the Park for commutation purposes. It is limited to recreational purposes, but certainly to the extent that the Park is needed to provide a response, a legitimate response, to the September 11th events, it would be authorized for those purposes. And as I think, this is going to be a wait and see. I don't know that anybody wants to do anything drastic in terms of dismantling these things right away, until we see what happens as a result of continued threats to our security.

MS. ALEXANDER: And a follow up on that, the Park Service is doing an assessment of the needs for security and future preparedness for Ellis Island and for Liberty State Park and the Statue of Liberty. Are you working with them to see whether or not this needs to be a part of that plan and therefore would be eligible for funding from the Federal?

ASSISTANT COMMISSIONER WILD: We are coordinating very well with, you know, the National Park Service through the State Police. We serve as the point of departure to get to those Federal sites, and so we will be working with them to determine what kind of improved security is necessary for people who board the ferries to get to the Statue of Liberty or Ellis Island. That's another public access enhancement that we've recently had to

accommodate, or deal with, on very short notice. A metal detector has been put into place and was going to be built outside of the building, and now I think they built a building within the building, in the terminal building, so the people could go through a metal detection system before they get on those ferries. But we are all working together to try to be responsive, try not to step on each other's toes. So, yes, I think that coordination is happening.

MS. ALEXANDER: I wasn't so much concerned about stepping on toes as much as not duplicating efforts.

ASSISTANT COMMISSIONER WILD: Yes.

MS. ALEXANDER: Thank you.

MS. MOLNAR: Mr. Troy.

MR. TROY: Madam Chair, I'd like to address this, maybe, to Mr. Geniesse for a little point of clarification. I have the summary that's provided by the staff, and there are 35 number one's. All of the priorities are number one, and I'm a little confused because the wiring of the building is as important as replacing dams and doing all kinds of things. John, is this -- how do we get 35 number one's?

MR. GENIESSE: Well, I guess you'd have to, probably ask the Department on that prioritization. I guess they had a difficult time prioritizing among those 35.

MR. TROY: I mean are all 35 projects -- I know you're going to say yes -- but are all 35 number one's -- I mean, to me, you know, we have the priority listings so we can, kind of, draw the line somewhere, but I mean \$20 million for dams seems to be number 35, and \$240,000 for wiring seems to be number one. Maybe a point of clarification?

ASSISTANT COMMISSIONER TUMINSKI: We have, in the past, tried to explain to the Commission that because of the number of funding sources, we can't do an absolute priority ranking. But we have, in the past, tried to come back with a priority ranking, after a consultation with the Commissioner and the Assistant Commissioners within DEP, of trying to confirm what the priority ranking would be of the General Fund appropriations. We also have to take into account, as I said, the recommendations from the Garden State Preservation Trust, in terms of what they feel should be included in our \$25 million request. So we have tried to get back to the Commission shortly after our appearance and try to clarify the issue of priorities. We will certainly be willing to do that again this year, so that in your deliberations it would be clear what the priorities are against the various funding sources.

MR. TROY: Madam Chair, can I request that through you, and I guess for the Commission members at their concurrence, that we have some type of priority listing, at least for all the one's and thirty-six's and forty-three's? (Madam Chair nods affirmatively) Thank you.

MS. MOLNAR: Any other questions or comments?

MR. ANNESE: Madam Chair.

MS. MOLNAR: Mr. Annese.

MR. ANNESE: Could you bring us up to date with regards to the West Nile virus and the Mosquito Control Program?

ASSISTANT COMMISSIONER WILD: We are still dealing with the virus, obviously. We are in a good position in New Jersey in that our Mosquito Control Program was light years ahead of other states, because we're

dealing with the St. Louis encephalitis and others on a year to year basis. We took mosquito surveillance very seriously.

This past year, we've just been working within a structure that was put into place back in 1999 when this disease emerged. We've been working very closely with the Department of Agriculture and with the Department of Health, submitting joint requests so that, again, we're not duplicating efforts, and so that we reach a prioritization amongst the groups as to what's the most significant activity that can be taken in response to this virus. Last year, we had a confirmed death in New Jersey. This year, we've had a number of cases, but I don't think we've had a confirmed death yet, although there was one suspected, we are waiting for confirmation.

MR. ANNESE: All right, thank you.

MS. MOLNAR: Any other questions or comments?

MR. GENIESE: Madam Chair.

MS. MOLNAR: Yes, Mr. Geniesse.

MR. GENIESE: The Shore Protection Program had a large carry forward balance from Fiscal 2001, I believe it's approximately about \$27 million. Is there a reason for the delay in the expansion of those funds? Does it take awhile for those projects to go through a process of design, contracts, and so forth? Can you explain that?

ASSISTANT COMMISSIONER WILD: There are design issues, but there are coordination issues that are required when you work with the Federal government to get an agreement that we can agree on. And in the case of Avalon, one of our larger projects this year, we've had an identification issue that has been ongoing and required the Attorney General's involvement. I think

we resolved that and, in fact, we signed off on the language the week of September 11th and sent that agreement to the Pentagon, and I don't know how quickly we'll hear back on that.

Then there are also local issues that are required to be coordinated, and in the case of Absecon, there are four communities that are involved. We have one, Atlantic City, that clearly supports that project and is pushing to have that happen as quickly as possible, but the three other communities have referendums in November objecting to the project or at least objecting to some of the parts of the project related to dunes, dune creation, and dune maintenance. So we continue to work with communities to make sure we get their support, they're involved in call share, and then we have legal issues that come up in these projects, too. So that's mostly the case. And then certainly, once you sign with the PCA, then you get into the bidding process. So the Federal government is concerned with their funds that have been dedicated for these purposes sitting there and not moving. And they, you know, we've been working with them to try to make sure these projects continue to move along, but it is important that we continue to reserve our State moneys so that the Feds can continue to reserve their call share, which is significant, as you know.

MR. GENIESSE: Okay.

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

If not, I want to thank you for your presentation. I believe that ends our capital request presentations. Our next meeting is November 16th. I'm not sure if that's the League of Municipalities.

MR. ROTH: It is.

MS. MOLNAR: It is.

MR. ROTH: It always is.

MS. MOLNAR: We're going to lose Mr. Roth on that one.

MR. ROTH: But I can come in anyway.

MS. MOLNAR: Is there any other business that anyone wants to bring up?

MR. TROY: Madam Chair.

MS. MOLNAR: Yes, Mr. Troy.

MR. TROY: If I could, and maybe to concurrence with my fellow Commission members, when I read over and prep for the meetings, and I think the Commission staff does a very nice job, and they do put comments in there about how much money was appropriated the previous year, in Fiscal Year '02. It's very helpful, too, to see what we've been funding and what hasn't been. Could I ask if the Commission staff could also update us in terms of the status of those dollars. Are they committed, in process?

We're six months in the Fiscal Year, and I think some of the questions today are kind of revolved around -- even though these are worthwhile projects that we hear about, is there really the capacity for the Department to execute? Are they still dealing with prior year funds? It would just be helpful for me if someone could say \$800,000 appropriated and they are at this point, in terms of committing, or there are issues or problems, and if there are any significant carry forward of balances. As John brought up as well, where maybe dollars are carried forward because the project came in lower or whatever else, and these dollars could be redistributed towards other projects? Could I make that request?

MR. GENIESSE: Yes, we could certainly try to do that, at the very least, for the major projects that are available.

MR. TROY: Yes, that would be very helpful.

MS. MOLNAR: That's a good idea, thank you.

Any other questions or comments? (no response)

If not, meeting is adjourned. See you next month.

(MEETING CONCLUDED)