



**ANALYSIS OF THE NEW JERSEY BUDGET**

**DEPARTMENT  
OF STATE**

**FISCAL YEAR**

**2005 - 2006**

# NEW JERSEY STATE LEGISLATURE

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# DEPARTMENT OF STATE

Budget Pages..... C-12; C-20; C-30; D-313 to D-370.

## Fiscal Summary (\$000)

	Expended FY 2004	Adjusted Appropriation FY 2005	Recommended FY 2006	Percent Change 2005-06
State Budgeted	\$1,086,462	\$1,248,019	\$1,230,250	(1.4)%
Federal Funds	27,699	33,352	35,064	5.1%
<u>Other</u>	<u>20,798</u>	<u>52,568</u>	<u>52,897</u>	<u>0.6%</u>
Grand Total	\$1,134,959	\$1,333,939	\$1,318,211	(1.2)%

## Personnel Summary - Positions By Funding Source

	Actual FY 2004	Revised FY 2005	Funded FY 2006	Percent Change 2005-06
State	330	355	374	5.4%
Federal	214	205	229	11.7%
Other	115	113	121	7.1%
<u>Colleges &amp; Univ's*</u>	<u>20,147</u>	<u>20,216</u>	<u>20,216</u>	<u>0.0%</u>
Total Positions	20,806	20,889	20,940	0.2%

FY 2004 (as of December) and revised FY 2005 (as of September) personnel data reflect actual payroll counts. FY 2006 data reflect the number of positions funded.

\* Position data is displayed as "State-funded" positions for the three years.

## Introduction

The Department of State carries out a diverse mission of artistic, cultural and historical development and preservation. It oversees the operation of the New Jersey State Museum, the Division of Archives and Records Management, the New Jersey State Council on the Arts, and the New Jersey Historical Commission. The latter agencies provide grants and technical assistance for a variety of artistic and scholarly endeavors throughout the State. In FY 1999, the Department of State was reconfigured to better reflect its emphasis on cultural and historic programs. Accordingly, the Old Barracks and the War Memorial previously budgeted in the Department of Treasury, and the Public Broadcasting Authority previously budgeted in the former Department of Commerce and Economic Development, were transferred to the Department of State. The Public Broadcasting Authority is designated as in, but not of, the Department of State for administrative purposes. Additionally, following the elimination of the Department and the Board of Higher Education in

## Introduction (Cont'd)

1994, the Commission on Higher Education, the four-year public colleges and universities, the Educational Opportunity Fund Program, and several other miscellaneous programs were all established "in, but not of," the Department of State. Furthermore, in FY 1997 ongoing efforts to promote efficiencies within State government resulted in the transfer of the State Library to the Department of State. Under State law, Thomas Edison State College administers the daily operations of the State Library system, which includes the Library for the Blind and Handicapped and the Law Library. Also, in 2002, Executive actions transferred the Historic Trust from the Department of State to the Department of Community Affairs pursuant to Reorganization Plan No. 001-2002; and the Office of Faith-Based Initiatives from the Department of Community Affairs to the Department of State by Executive Order No. 31. The program provides grants which enable faith-based organizations to undertake a range of social service activities.

In order to be consistent with the data as it is displayed in the Governor's budget, the funding and position data that are budgeted in the Department of State for Higher Educational Services are included in the above tables. Other explanatory material is not included in this analysis but is contained in a separate analysis of Higher Educational Services.

## Key Points

- The FY 2006 budget recommendation for the Department of State, excluding Higher Educational Services, totals \$75 million, a decrease of \$11.9 million (13.7 percent) from the FY 2005 adjusted appropriation of \$86.9 million. Included in the budget proposal is \$21.2 million for Direct State Services, a 26.3 percent or \$7.5 million decrease; \$35.3 million for Grants-In-Aid, a 12.6 percent or \$5.1 million decrease; \$18.5 million for State Aid, a 10.2 percent or \$1.7 million increase over the FY 2005 adjusted appropriation of \$16.8 million; and the elimination of \$1 million in capital funding.
- **New Jersey State Council on the Arts:** The FY 2006 budget recommends \$25.6 million for the New Jersey State Council on the Arts, a \$3.1 million decrease from the FY 2005 adjusted appropriation of \$28.7 million. The entire reduction is due to a decrease in Grants-In-Aid funding, including a \$2.6 million or 51.4 percent reduction in funding to support the Newark Museum and the elimination of \$500,000 for the New Jersey Symphony Orchestra. The FY 2006 recommendation continues the \$22.7 million FY 2005 funding level for Cultural Projects.
- **Division of State Museum:** The FY 2006 budget recommends \$4.5 million to fund the Division of State Museum, a \$1.8 million or 28.4 percent decrease from the FY 2005 adjusted appropriation of \$6.3 million. The recommended appropriation continues FY 2005 Direct State Services funding levels for the operational expenses of the War Memorial (\$250,000) and the Old Barracks (\$375,000). The FY 2006 budget also recommends a 50 percent or \$1.5 million decrease from the FY 2005 adjusted appropriation of \$3 million to fund an operational grant to the Battleship New Jersey Museum and a 37.5 percent or \$300,000 decrease from the FY 2005 adjusted appropriation of \$800,000 to provide an operational grant to the War Memorial.
- **Historical Resources:** Total State funding for Historical Resources, which includes funding for the New Jersey Historical Commission, is recommended to decrease by \$200,000 or 3.9 percent from the FY 2005 adjusted appropriation of \$5.2 million to \$5 million in FY 2006. This change results from a \$200,000 decrease in funding for the Ellis Island Foundation.

## Key Points (Cont'd)

- **Public Broadcasting Authority:** A General Fund appropriation of \$5.9 million is recommended for the New Jersey Public Broadcasting Authority, a \$1.5 million or 20 percent decrease from the FY 2005 adjusted appropriation of \$7.4 million. The decrease is due to a \$500,000 reduction in funding for salaries and wages at the authority and the elimination of \$1 million in capital funding for microwave technology at the New Jersey Network.
- **State Library:** The FY 2006 recommended budget includes \$22.9 million in funding for the operations and major State aid programs of the State Library. This amount represents a 15.8 percent or \$4.3 million decrease from the FY 2005 funding level of \$27.2 million. The decrease is due to the elimination of \$6 million in Direct State Services funding for the Knowledge Initiative Program, a new initiative in FY 2005 designed to provide New Jersey's entrepreneurs, small business owners, researchers and students with access to proprietary databases. The total also includes a \$1.7 million increase in debt service payments on bonds issued under the Public Library Project Fund, which provides grants to public libraries for construction, expansion and rehabilitation projects.
- **The Office of the Secretary of State:** In FY 2006, the Governor recommends an appropriation of \$8.1 million for the Office of the Secretary of State, a \$250,000 decrease from the FY 2005 adjusted appropriation of \$8.3 million. The decrease reflects the elimination of funding for the Citizens Task Force on the Constitutional Convention. The recommended FY 2006 appropriation includes \$3.7 million in Grants-In-Aid funding, the same amount as the FY 2005 adjusted appropriation. Of the \$3.7 million, \$3.0 million will fund grants awarded by the Office of Faith Based Initiatives, and \$720,000 will fund the New Jersey Cultural Trust.
- **Records Management:** A Direct State Services appropriation of approximately \$3.0 million is recommended for the Division of Archives and Records Management (DARM), a \$781,000 or 20.9 percent decrease from the FY 2005 adjusted appropriation of \$3.7 million. However, the FY 2006 recommended budget also includes language which provides that subject to the approval of the Director of the Division of Budget and Accounting, up to \$1.2 million is appropriated to DARM to coordinate and implement an effective record storage system for the State and local governments, and up to \$1.1 million is appropriated to the microfilm unit in DARM. If these conditional appropriations are made at the maximum levels, the total FY 2006 recommended appropriation of \$5.3 million represents a \$1.5 million or 40.6 percent increase over the FY 2005 adjusted appropriation of \$3.7 million.
- FY 2006 recommended budget language also provides for \$28 million in grants to counties and municipalities for public records management activities. According to information displayed on DARM's website, two new grant programs have been initiated to fulfill this objective. Beginning in May 2005, the Public Archives and Records Infrastructure Support (PARIS) grant program will award grants to fund strategic advancements in county and municipal government archives and records programs. Also, the Records Disaster Recovery Triage (Records DIRECT) grant program will provide direct, immediate emergency management assistance to disaster-stricken county and municipal government agencies to recover vital, permanent or archival public records damaged by fire, water, and other man-made or natural phenomena. Included in 'Other Funds', these grant programs are supported by revenue from a \$5 increase in county recording fees that was approved in 2003 (P.L.2003, c.117).

## Program Description and Overview

The Department of State was reorganized in FY 1999 to consolidate the State arts, cultural and historical programs and services in one executive department. This reorganization resulted in the following changes: (1) the transfer of the management of the Old Barracks and the War Memorial from the Department of Treasury to the Department of State; (2) the transfer of the powers, functions and duties of the New Jersey Historic Trust from the Department of Environmental Protection to the Department of State (subsequently transferred to the Department of Community Affairs pursuant to Reorganization Plan No. 001-2002); (3) the transfer of the New Jersey Public Broadcasting Authority, designated as in, but not of, the Department of State from the Department of Commerce and Economic Development.

In addition to the New Jersey Public Broadcasting Authority (PBA), the following agencies are located in, but not of, the Department of State for administrative purposes:

- The New Jersey Commission on Higher Education (CHE);
- The Higher Education Student Assistance Authority (HESAA);
- The four-year public colleges and universities; and
- The New Jersey State Library.

Below is a brief description of the major programs within the department.

### Support of the Arts

The activities of the New Jersey State Council on the Arts focus on the distribution of State and federal matching grant funds to artists and organizations whose projects show professional merit and promise in support of the arts in the State. The major categories of matching grant funds for which individuals and organizations may apply are as follows: General Operating Support, General Programming Support, Arts Education Special Initiatives, Local Arts Program Grants, Special Project Support, South Jersey Initiatives, Projects Serving Artists, and Community Arts Collaborations. Effective in FY 2005, 22.68 percent or a minimum of \$22.68 million of the revenue from the hotel occupancy fee imposed pursuant to P.L. 2003, c.114 is dedicated to the council's cultural projects.

### Museum Services

The State Museum performs, among other things, the traditional functions of collecting, exhibiting and interpreting in the areas of natural history, archaeology/ethnology and fine arts materials, scientific specimens with a New Jersey focus and specimens from other cultures and regions for comparative purposes. As a result of the reorganization, this program also includes Maintenance of the Old Barracks and the War Memorial Fund.

### Development of Historical Resources

The New Jersey Historical Commission is responsible for the formulation and implementation of programs that advance public knowledge of the history of New Jersey. The commission sponsors public programs, research projects, publications and commemorative observances and grant-in-aid programs for scholars, teachers and local historical organizations. It also offers information and assistance in connection with State history to public and private organizations and individuals. The commission directly administers the New Jersey Afro-American

## Program Description and Overview (Cont'd)

History Grant Program, which seeks to promote the advancement of the public's knowledge of African-Americans in the State, and the New Jersey History Grant Program. Effective in FY 2005, 3.84 percent or a minimum of \$3.84 million of the revenue from the hotel occupancy fee imposed pursuant to P.L. 2003, c.114 is dedicated to the commission for agency grants.

### Public Broadcasting Services

The Public Broadcasting Authority (PBA) is primarily responsible for operating New Jersey Network (NJN), the State's only Statewide non-commercial educational television and radio network. The authority is empowered to apply for, receive, and hold authorizations for licenses from the Federal Communications Commission. It also has the responsibility for providing advisory assistance to other State agencies and local and regional groups regarding public broadcasting networks and communications techniques, as well as planning and budgeting for those activities. The authority produces programs on location and through its Newark and Trenton studios. The authority produces the New Jersey Nightly News which provides coverage of news events throughout the State. As a public broadcasting affiliate, NJN also receives an annual grant from the Corporation for Public Broadcasting. In addition to State funding, NJN is supported by private donations from individuals, foundations, and corporations, raised on behalf of NJN by the Foundation for New Jersey Public Broadcasting, Inc. The foundation is a non-profit, educational, and charitable organization which is devoted to sponsoring activities and raising funds for the support and promotion of the authority and its purposes.

### The State Library

In FY 1997, the State Library was transferred to the reorganized Department of State. Thomas Edison State College administers the daily operations of the State Library system, which includes the Library for the Blind and Handicapped and the Law Library. The State Library purchases, prepares, houses and circulates books, periodicals and other library materials, and supplies information and consultative services to the three branches of State government and public, school, academic and special libraries through the following three divisions within the library:

State Government Information Services is the research library for the three branches of State government and provides information services through its collection of library materials and reference librarians and support staff;

The Library for the Blind and Handicapped (LBH) serves residents who are visually impaired, physically handicapped or dyslexic. In addition, the LBH maintains a radio station which broadcasts local news and programs of interest to LBH patrons; and

The Library Development Bureau administers State aid and federal grant programs in addition to managing the Statewide library network. The bureau provides technical assistance to local libraries on library technology, collection development, preservation of library materials, and library management.

Financial assistance is provided to public libraries on a per capita basis, and emergency and incentive aid has also been provided to restore service lost due to emergencies. Technical assistance and funding for Statewide and regional cooperative library service are provided through the Library Network. Library Development Aid provides funding for increased access and services to the institutionalized, municipal libraries, the development of library collections and the maintenance of collections that have a historical or special interest.

## Program Description and Overview (Cont'd)

### Division of Archives and Records Management

The Division of Archives and Records Management (DARM) operates the State Archives and the State Records Storage Center. The division ensures the security, integrity, and efficiency of record-keeping by State and local public agencies; and performs the inventory, scheduling and destruction of State, county, and municipal records. As records media and forms change, the division employs technology to reduce the cost of records creation, maintenance, storage, and to improve access to recorded information.

On July 1, 2003 the Governor signed into law P.L. 2003, c.117, which authorized the county clerks and registers of deed and mortgages to increase the fees charged for the filing of certain records and documents by \$5. The statute also established the New Jersey Public Records Preservation Account in the Department of Treasury, in which revenues generated from the fee increases are deposited. Funds in the New Jersey Public Records Preservation Account are dedicated for use by municipalities and counties (40 percent), and the State Division of Archives and Records Management (60 percent) for the management, storage and preservation of public records. In 2005, the Public Archives and Records Infrastructure Support (PARIS) and the Records Disaster Recovery Triage (Records DIRECT) grant programs were initiated. PARIS funds strategic advancements in county and municipal government archives and records programs statewide. Records DIRECT provides direct, immediate emergency management assistance to disaster-stricken county and municipal government agencies to recover vital, permanent or archival public records damaged by fire, water, and other man-made or natural phenomena.

### Office of the Secretary of State

The Office of the Secretary of State is responsible for the daily management and operations of the department. It develops and coordinates programs that have Statewide and business impact. It administers the Martin Luther King, Jr. Commemorative Commission which coordinates events with community groups and organizations throughout the State for the purpose of educating citizens of New Jersey on the life of the slain civil rights leader and the civil rights movement. It also administers the Personal Responsibility Program which was established to advance youth-focused programs and initiatives and promote personal responsibility. The program brings individuals, organizations, and services together to address the needs and concerns of New Jersey's young people. In addition, it serves as an information clearinghouse on youth policy and programs, and fosters the creation of new initiatives to combat youth violence and encourage leadership.

The New Jersey Cultural Trust, established pursuant to P.L. 2000, c.76, is a private/public partnership aimed at promoting the arts, history and the humanities by providing a dollar-for-dollar match of up to \$100 million in private sector funding. The matching funds are used to help finance capital projects, build endowments and contribute to the institutional and financial stability of non-profit cultural groups in New Jersey. The trust is also funded with .72 percent or a minimum of \$720,000 of the revenues derived from the hotel occupancy fee established pursuant to P.L. 2003, c. 114.



# Fiscal and Personnel Summary

## AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2004	Adj. Approp. FY 2005	Recom. FY 2006	Percent Change	
				2004-06	2005-06
<b>General Fund</b>					
Direct State Services	\$23,220	\$32,617	\$25,086	8.0%	(23.1)%
Grants-In-Aid	1,046,194	1,197,575	1,186,627	13.4%	(0.9)%
State Aid	16,541	16,827	18,537	12.1%	10.2%
Capital Construction	507	1,000	0	(100.0)%	(100.0)%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$1,086,462</b>	<b>\$1,248,019</b>	<b>\$1,230,250</b>	<b>13.2%</b>	<b>(1.4)%</b>
<b>Property Tax Relief Fund</b>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$1,086,462</b>	<b>\$1,248,019</b>	<b>\$1,230,250</b>	<b>13.2%</b>	<b>(1.4)%</b>
<b>Federal Funds</b>	<b>\$27,699</b>	<b>\$33,352</b>	<b>\$35,064</b>	<b>26.6%</b>	<b>5.1%</b>
<b>Other Funds</b>	<b>\$20,798</b>	<b>\$52,568</b>	<b>\$52,897</b>	<b>154.3%</b>	<b>0.6%</b>
<b>Grand Total</b>	<b>\$1,134,959</b>	<b>\$1,333,939</b>	<b>\$1,318,211</b>	<b>16.1%</b>	<b>(1.2)%</b>

## PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2004	Revised FY 2005	Funded FY 2006	Percent Change	
				2004-06	2005-06
State	330	355	374	13.3%	5.4%
Federal	214	205	229	7.0%	11.7%
All Other	115	113	121	5.2%	7.1%
College and Universities *	<u>20,147</u>	<u>20,216</u>	<u>20,216</u>	<u>0.3%</u>	<u>0.0%</u>
<b>Total Positions</b>	<b><u>20,806</u></b>	<b><u>20,889</u></b>	<b><u>20,940</u></b>	<b><u>0.6%</u></b>	<b><u>0.2%</u></b>

FY 2004 (as of December) and revised FY 2005 (as of September) personnel data reflect actual payroll counts. FY 2006 data reflect the number of positions funded.

\* Position data is displayed as "State-funded" positions for the three years.

### AFFIRMATIVE ACTION DATA

Total Minority Percent					
Office of the Secretary of State	45.1%	40.0%	40.0%	—	—
Commission on Higher Education	63.0%	40.0%	35.0%	—	—
Higher Ed. Student Assist. Authority	31.7%	30.8%	31.2%	—	—

**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2005</u>	<u>Recomm. FY 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Support of the Arts</b>	<b>\$28,680</b>	<b>\$25,610</b>	<b>(\$3,070)</b>	<b>(10.7)%</b>	<b>D-363</b>

The New Jersey State Council on the Arts provides financial grants to arts organizations and artists in New Jersey whose projects show professional merit and promise. The Governor's FY 2006 budget recommendation of \$25.6 million represents a 10.7 percent or \$3.1 million decrease from the FY 2005 adjusted appropriation of \$28.7 million. This decrease occurs in the council's Cultural Projects Grants-In-Aid account, and is attributable to the elimination of a \$500,000 grant to fund the New Jersey Symphony Orchestra and a \$2.6 million or 51.4 percent reduction in funding to support the Newark Museum. The appropriation in each fiscal year includes \$500,000 for the operation of the council.

<b>Museum Services</b>	<b>\$6,330</b>	<b>\$4,530</b>	<b>(\$1,800)</b>	<b>(28.4)%</b>	<b>D-363</b>
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The decrease is due to a \$1.5 million (50 percent) reduction in operational funding for the Battleship New Jersey Museum, and a \$300,000 (37.5 percent) reduction in operational funding for the War Memorial.

<b>New Jersey Public Broadcasting Authority</b>	<b>\$7,446</b>	<b>\$5,946</b>	<b>(\$1,500)</b>	<b>(20.1)%</b>	<b>D-363 to D-364</b>
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The FY 2006 budget recommends a \$5.9 million Direct State Services appropriation for the New Jersey Public Broadcasting Authority, a \$1.5 million or 20.1 percent decrease from the FY 2005 adjusted appropriation of \$7.4 million. The reduction represents a \$500,000 reduction in funding for salaries and wages, and the elimination of a \$1 million FY 2005 appropriation to New Jersey Network (NJN) to fund microwave technology capital costs. The \$1 million amount was added to the FY 2005 appropriations act by the Legislature.

<b>Library Services</b>	<b>\$27,197</b>	<b>\$22,907</b>	<b>(\$4,290)</b>	<b>(15.8)%</b>	<b>D-366</b>
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The FY 2006 recommended appropriation includes a \$1.7 million increase (82 percent) for debt service payments on bonds expected to be issued under the Public Library Project Fund. Offsetting that amount is the elimination of \$6 million in funding for the Knowledge Initiative Program. This FY 2005 initiative was designed to fund proprietary databases that will be offered in colleges and universities in the State, the State Library, public libraries, and business incubators and small businesses served by the New Jersey Economic Development Authority.

<b>Office of Secretary of State</b>	<b>\$8,307</b>	<b>\$8,057</b>	<b>(\$250)</b>	<b>(3.0)%</b>	<b>D-368 to D-369</b>
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This decrease reflects the elimination of \$250,000 in Direct State Services funding for the Citizens Task Force on the Constitutional Convention which has concluded its affairs. The FY 2005

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2005</u>	<u>Recomm. FY 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
					<b>D-368</b>
					<b>to</b>
<b>Records Management</b>	<b>\$3,744</b>	<b>\$2,963</b>	<b>(\$781)</b>	<b>(20.9)%</b>	<b>D-369</b>

appropriation for the task force is scheduled to lapse at the end of the fiscal year (the task force was funded by a \$250,000 appropriation through the Department of the Treasury's budget). The FY 2006 recommendation provides \$3.7 million in Grants-In-Aid funding, the same amount as the FY 2005 adjusted appropriation. Of the \$3.7 million, \$3.0 million will fund grants awarded by the Office of Faith Based Initiatives, and \$720,000 will fund the New Jersey Cultural Trust.

The FY 2006 budget recommendation reflects a decrease of \$781,000 in the Direct State Services appropriation for the Division of Archives and Records Management. However, budget language would provide up to \$1.2 million for DARM to coordinate and implement an effective record storage system for the State and local governments, and up to \$1.1 million for the microfilm unit in DARM. If these conditional appropriations are made at the maximum levels, the total FY 2006 recommended appropriation of \$5.3 million represents a \$1.5 million or 40.6 percent increase over the FY 2005 adjusted appropriation of \$3.7 million. This funding would be derived from the New Jersey Public Records Preservation Account, created under P.L. 2003, c.117, and funded by a \$5 increase in certain county recording fees (these resources are reflected in "All Other Funds", p. D-369).

## Language Provisions

### 2005 Appropriations Handbook

### 2006 Budget Recommendations

#### **p. B-163**

From the amount appropriated for the Battleship New Jersey Museum, \$500,000 shall be paid to the Economic Development Authority on behalf of the Battleship New Jersey Museum and \$1,000,000 shall be allocated for capital and maintenance expenses of the Battleship New Jersey Museum.

No comparable language.

#### Explanation

According to the Office of Management and Budget, the New Jersey Economic Development Authority (EDA) had previously loaned \$500,000 to the Battleship New Jersey Museum to offset its operating expenses. The FY 2005 language directed the museum to repay the loan from the FY 2005 Grants-In-Aid appropriation amount. The FY 2005 language also directed the museum to allocate \$1 million of the FY 2005 appropriation amount (\$3 million) for one-time maintenance and capital needs. The language is not recommended in FY 2006 as both requirements have been satisfied.

### 2005 Appropriations Handbook

### 2006 Budget Recommendations

#### **p. B-163**

An amount not to exceed \$325,000 from the unexpended balances in the Office of the Secretary of State as of June 30, 2004 is appropriated for the Governor's Study Commission on Discrimination in State Employment Contracting, subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

#### Explanation

This language was first added by the Legislature in FY 2002 to re-appropriate \$2 million to fund the cost of a study that examined discrimination in State Employment Contracting. The FY 2005 budget reappropriated \$325,000, the remaining amount from the original \$2 million appropriation. The language is no longer necessary as the Office of the Secretary of State does not anticipate an unexpended balance in this account at the end of FY 2005.

**Language Provisions (Cont'd)****2005 Appropriations Handbook****2006 Budget Recommendations****p. B-163**

From the amount appropriated hereinabove for the Amistad Commission, the commission shall expeditiously implement and perform its responsibilities and duties as provided in P.L.2002, c.75 (C.52:16A-86 et. seq.).

No comparable language.

**Explanation**

The Amistad Commission, established pursuant to P.L. 2002, c.75, strives to educate the citizens and students of New Jersey about the historical events associated with the African slave trade, slavery in America, the vestiges of slavery in this country and the contributions of African-Americans in overcoming these obstacles to contribute to the development of this country. The FY 2005 language directed the commission to expeditiously fulfill its duties as provided under statute. The language is not recommended for continuation in FY 2006.

**2005 Appropriations Handbook****2006 Budget Recommendations****p. B-164**

In addition to the amount appropriated hereinabove for the Records Management program, such sums as are necessary, not to exceed \$3,000,000, are appropriated to coordinate and implement an effective record storage system for the State and local governments, subject to the Director of the Division of Budget and Accounting.

**p. D-369**

In addition to the amount appropriated hereinabove for the Records Management program, such sums as are necessary, not to exceed \$1,200,000, are appropriated to coordinate and implement an effective record storage system for the State and local governments, subject to the Director of the Division of Budget and Accounting.

**Explanation**

Under P.L. 2003, c.117, fees charged by county clerks and registers of deed and mortgages for the filing of certain records and documents were increased by \$5, with the revenues paid to the State and directed to the NJ Public Records Preservation Account. The statute also provides that a portion of these revenues is to be allocated to the Division of Archives and Records Management for the management, storage and preservation of public records of the State and local governments. An authorization of \$1.2 million for this purpose in FY 2006 will be sufficient to sustain the division's expanded records management activities begun in FY 2005.

**Language Provisions (Cont'd)****2005 Appropriations Handbook****p. B-164**

The Director of the Division of Budget and Accounting shall transfer from departmental accounts and credit to the Records Management program classification a sum up to \$409,000 for cost recoveries in the Division of Records.

**2006 Budget Recommendations****p. D-370**

The Director of the Division of Budget and Accounting shall transfer from departmental accounts and credit to the Records Management program classification a sum up to \$415,000 for cost recoveries in the Division of Records.

**Explanation**

The Division of Archives and Records Management assesses and collects fees from municipalities, counties, Executive State departments, and the Judiciary for storing records that legally have to be maintained for a period of time. The fees collected are used to support a portion of the operational costs of the Records Storage Center. The recommended \$6,000 increase in the amount for cost recoveries will fund contractual salary increases for the staff at the storage center.

**2005 Appropriations Handbook****p. B-164**

Receipts derived from fees charged for microfilming/imaging services provided to local governments are appropriated for the same purpose.

**2006 Budget Recommendations**

No comparable language.

**Explanation**

This FY 2005 language provided that fees paid to the Microfilming/Imaging Unit by local governments were appropriated to the unit to fund operating expenses. The Office of Management and Budget has indicated that the unit will continue to charge local governments for microfilming/imaging services. Service-fee revenue will be collected in a revolving fund and will support a portion the operating costs of the unit. The language is not recommended in the FY 2006 budget because sufficient authorization to appropriate these fees is provided under general budget provisions.

**Language Provisions (Cont'd)****2005 Appropriations Handbook****2006 Budget Recommendations****p. B-164**

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Microfilm/Imaging Section any appropriation made to any department for microfilming/imaging costs which had been appropriated or allocated to such department for its share of the costs of the Microfilm/Imaging Section.

No comparable language.

**Explanation**

The FY 2005 language authorized the transfer of funds allocated for microfilming/imaging service costs from the accounts of other State departments to the Microfilming/Imaging Unit. Transferred funds were used to fund the operational costs of the unit. According to the Office of Management and Budget, funds will no longer be allocated to State departments as departments will not be charged for services provided by the Microfilming/Imaging Unit.

**2005 Appropriations Handbook****2006 Budget Recommendations**

No comparable language.

**P. D-370**

Receipts received from New Jersey Public Records Preservation fees, not to exceed \$1,100,000 are appropriated for the operations of the microfilm unit in the Division of Archives and Records Management within the Department of State, subject to the approval of the Director of the Division of Budget and Accounting.

**Explanation**

Currently, the Microfilming/Imaging Unit is operated as a revolving fund, with fees collected from other State departments and local governments used to support the operational expenses of the unit. The Office of Management and Budget indicates that, in response to the State Auditor's recommendation to move from a revolving fund structure, starting in FY 2006 the operating expenses of the unit will be funded from revenues derived from New Jersey Public Records Preservation fees.

## Discussion Points

1. At the beginning of FY 2004 the Governor signed P.L. 2003, c.117 into law. The statute authorized the county clerks and registers of deed and mortgages to increase the fees charged for the filing of certain records and documents by \$5. The statute also established the New Jersey Public Records Preservation Account in the Department of Treasury, in which revenues generated from the fee increase are deposited. Funds in the account may only be used by municipalities, counties, and the State Division of Archives and Records Management (DARM) for the storage and preservation of public records. Of the total, 40 percent is allocated for grants to counties and municipalities and 60 percent is allocated to DARM. In FY 2004 the revenue from the fee increase was \$67.5 million and it is estimated that \$70 million in revenue will be raised in FY 2005 and FY 2006.

DARM has recently initiated the Public Archives and Records Infrastructure Support (PARIS) and Records Disaster Recovery Triage (Records DIRECT) grant programs. Both programs will be funded by 40 percent of the funds deposited in the New Jersey Public Records Preservation Account as provided under P.L. 2003, c.117. Information on the department's website indicates that the first PARIS and Records DIRECT grants totaling \$28 million will be awarded on May 19, 2005. The website also indicates that eligibility for first year PARIS grant awards is restricted to counties and municipalities with a population above 75,000. Based on this criteria, each county and twelve municipalities are eligible to make application for grants.

- **Question:** Please provide information on the PARIS and Records DIRECT grant programs, including the rationale for the specified 75,000 population threshold for PARIS grants. Why has the department limited the number of eligible grantees to the 21 counties and 12 municipalities when it appears that the program could fund a larger number of grantees? What portion of grant funds is earmarked for PARIS and the Records DIRECT grant programs respectively? Will the eligibility criteria for PARIS grants be expanded to include all municipalities? If so, when? Please provide information on the PARIS and Records DIRECT grant requests that DARM has received to date, including the county or municipality making the request, the grant amount requested, and a brief description of the purpose for which the award would be used.

2. In FY 2005, only \$3 million of the \$42.3 million dedicated under P.L. 2003, c.117 for the Division of Archives and Records Management (DARM) to coordinate and implement an effective record storage system for the State and local governments was appropriated from the New Jersey Public Records Preservation Account to DARM. Also, the FY 2006 recommended budget includes language which appropriates up to \$1.2 million from the New Jersey Public Records Preservation Account for information technology or State match of federal funds. The department has previously indicated that the FY 2005 amount would fund several initiatives including: information technology infrastructure upgrades; a statewide strategic review of records management, storage, and preservation policies and practices; improvement of the acquisition and preservation of the State's permanent archival records; and expansion of electronic technologies for records administration.

- **Question:** In light of the fact that only \$3 million of the \$42.3 million earmarked for DARM under P.L. 2003, c.117 was appropriated for that purpose in FY 2005 and only \$1.2 million of the estimated \$39 million is recommended for DARM in FY 2006, is the current funding level adequate to coordinate and implement an effective record storage system for the State and local governments as required under the statute? Please provide information on the results of the FY 2005 initiatives to date and an accounting of the appropriated funds. What portion of the recommended FY 2006 appropriation will fund



## Discussion Points

**a State match of federal funds? Please provide information on the federal programs from which funds are anticipated.**

3. In April 2000, Governor Whitman signed an executive order creating a study commission to investigate and report on the nature and scope of any past or present discrimination in State employment and contracting and provide recommendations to improve contracting opportunities within the State. The study commission included 13 public members, 8 members of the Governor's cabinet and appropriate divisions and agencies, and the chair of the Legislature's Black and Latino Caucus. In November 2000, the Joint Budget Oversight Committee approved a \$2 million transfer to cover the costs associated with the study, of which \$1.5 million was earmarked for consultant fees. In April 2003, the Department of State reported that it had paid a consultant \$117,000, subsequently terminated the contract and was in litigation because the consultant claimed to be owed \$132,423 in damages. Additionally, the department re-bid the study after it was determined that it would be more efficient to have a study consisting of three separate and distinct analyses: procurement, construction and employment. As a result, Mason Tillman and Associates was awarded a contract for the construction and construction-related portion of the study, and MGT of America was awarded a contract for the procurement portion of the study. The department also indicated that a RFP would be submitted for the employment portion of the study at an additional cost of \$400,000.

- **Question:** Please provide an update on the Governor's Study Commission on Discrimination in State Employment and Contracting, and an accounting of how much of the original \$2 million appropriation has been spent on consultant fees, salaries and the day-to-day operating costs of the commission. Please provide an update on each portion of the study. What are the expected completion dates?

4. The New Jersey Historical Commission is responsible for the formulation and implementation of programs that advance public knowledge of New Jersey's historical heritage. In FY 2005, the Commission received \$3.8 million from revenues generated by the hotel and motel occupancy fee established pursuant to P.L. 2003, c.114. The FY 2005 appropriation supports agency grants to historical organizations, museums, libraries and other similar organizations with collections or programming related to New Jersey's history. The FY 2006 recommended budget also provides \$3.8 million for agency grants.

- **Question:** Please provide a listing, by grantee, grant amount and county of all awards distributed in FY 2005 and a brief description of the purpose for which the grant was used.

5. The activities of the State Council on the Arts are focused on the distribution of State and federal matching grant funds to artists and organizations whose projects show professional merit and promise in support of the arts in the State. The major categories of matching grant funds that individuals and organizations may apply for are as follows: General Operating Support, General Program Support, Arts Education Special Initiatives, Local Arts Program Grants, Special Project Support, South Jersey Initiatives, Projects Serving Artists and Community Arts Collaborations. In addition, the FY 2005 Appropriations Act includes budget language which ensures that the eight southernmost counties will receive at least 25 percent of the amount appropriated for cultural projects.

- **Question:** Please provide a listing, by grantee, grant amount and county of all awards distributed in the eight southernmost counties.

## Discussion Points

6. In FY 2005, a \$6 million line item appropriation was made to the New Jersey State Library to fund the Knowledge Initiative Project (KI). Information on the KI website indicates that the project was initiated to provide New Jersey's entrepreneurs, small business owners, researchers and students with access to information resources for the 21st Century through statewide web access to high-end science, technology, medical and business databases. In addition, press reports indicate that as of March 2005, ten databases covering a wide-range of topics in the areas of business, biochemistry, engineering and computers have been identified for consideration and are expected to be available as early as May of this year. Press reports also indicate that in FY 2005 the State Library expects to spend \$900,000 to fund the operating expenses of the project. The FY 2006 recommended budget does not include an appropriation for the project.

- **Question:** How will the lack of FY 2006 funding affect the Knowledge Initiative Project (KI)? Please provide an update on the project, including information on the databases selected, contract terms and costs, and the anticipated benefits of the project to the State. Please provide an accounting of the \$900,000 used to fund FY 2005 operating expenses.

## OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

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Individuals wishing information and committee schedules on the FY 2006 budget are encouraged to contact:

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