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# *Commission Meeting*

of

## NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

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**LOCATION:** Committee Room 11  
State House Annex  
Trenton, New Jersey

**DATE:** October 2, 2009  
10:00 a.m.

### **MEMBERS OF COMMISSION PRESENT:**

B. Carol Molnar, Chair  
Anthony Annese, Vice Chair  
Senator Marcia A. Karrow  
Assemblyman Joseph Cryan  
Gary Brune  
Jack Donnelly  
Joseph Donohue  
Paul Stridick



### **ALSO PRESENT:**

James Vari  
*Executive Director*

George LeBlanc  
*Senate Majority*

Rosemary Pramuk  
*Senate Republican*  
Gerry Traino  
*Assembly Republican*

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

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**B. CAROL MOLNAR (Chair):** I would like to call the meeting to order.

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

We will now take a roll call.

JAMES VARI (Executive Director): Assemblyman Cryan.

ASSEMBLYMAN JOSEPH CRYAN: Here.

MR. VARI: Assistant Treasurer Donohue.

MR. DONOHUE: Yes.

MR. VARI: Mr. Stridick.

MR. STRIDICK: Here.

MR. VARI: Mr. Brune.

MR. BRUNE: Here.

MR. VARI: Mr. Donnelly.

MR. DONNELLY: Here.

MR. VARI: Mr. Annese.

MR. ANNESE: Here.

MR. VARI: Ms. Molnar.

MS. MOLNAR: Here.

MR. VARI: Madam Chair, you have seven-- Senator Karrow.

SENATOR KARROW: Here.

MR. VARI: Madam Chair, you have eight members present.

You have a quorum.

MS. MOLNAR: Thank you.

I'll turn the meeting over to you for Item 4.

MR. VARI: Item 4 is the election of a Chair and Vice Chair.

Is there a motion to nominate a Chair and Vice Chair?

On the motion to nominate Carol Molnar as Chair and Mr. Annese as Vice Chair, Senator Sarlo votes yes by letter. Senator Karrow?

SENATOR KARROW: Yes.

MR. VARI: Assemblyman Cryan.

ASSEMBLYMAN CRYAN: Yes.

MR. VARI: Assistant Treasurer Donohue.

MR. DONOHUE: Yes.

MR. VARI: Mr. Stridick.

MR. STRIDICK: Yes.

MR. VARI: Mr. Brune.

MR. BRUNE: Yes.

MR. VARI: Mr. Donnelly.

MR. DONNELLY: Yes.

MR. VARI: Mr. Annese.

MR. ANNESE: Yes.

MR. VARI: Ms. Molnar.

MS. MOLNAR: Yes.

MR. VARI: Madam Chair, the motion carries.

MS. MOLNAR: Thank you.

The next item is the election of an Executive Director. Do I hear any nominations?

MR. ANNESE: I nominate Jim Vari.

MS. MOLNAR: Good. Do I hear a second?

ASSEMBLYMAN CRYAN: Second.

MS. MOLNAR: Okay.

MR. VARI: On the nomination for the Executive Director,  
Senator Sarlo votes yes by letter.

Senator Karrow.

SENATOR KARROW: Yes.

MR. VARI: Assemblyman Cryan.

ASSEMBLYMAN CRYAN: Yes.

MR. VARI: Assistant Treasurer Donohue.

MR. DONOHUE: Yes.

MR. VARI: Mr. Stridick.

MR. STRIDICK: Yes.

MR. VARI: Mr. Brune

MR. BRUNE: Yes.

MR. VARI: Mr. Donnelly.

MR. DONNELLY: Yes.

MR. VARI: Mr. Annese.

MR. ANNESE: Yes.

MR. VARI: Chairwoman Molnar.

MS. MOLNAR: Yes.

MR. VARI: Madam Chair, the motion carries.

MS. MOLNAR: Thank you.

MR. DONOHUE: Congratulations.

MS. MOLNAR: Thank you.

The next item is the approval of the minutes of December 12, 2008.

Do I hear a motion to approve?

SENATOR KARROW: Approve.

ASSEMBLYMAN CRYAN: Second.

MR. VARI: On the motion to approve the minutes of December 12, 2008--

MS. MOLNAR: Wait a minute. Any discussion or changes? Sorry. (no response) I guess not. All right; take a vote.

MR. VARI: On the motion to approve the minutes of December 12, 2008, Senator Sarlo votes yes.

Senator Karrow.

SENATOR KARROW: Yes.

MR. VARI: Assemblyman Cryan. (no response)

MR. VARI: Assistant Treasurer Donohue.

MR. DONOHUE: Yes.

MR. VARI: Mr. Stridick.

MR. STRIDICK: Yes.

MR. VARI: Mr. Brune.

MR. BRUNE: Yes.

MR. VARI: Mr. Donnelly.

MR. DONNELLY: Yes.

MR. VARI: Mr. Annese.

MR. ANNESE: Yes.

MR. VARI: And Ms. Molnar.

MS. MOLNAR: Yes.

MR. VARI: Madam Chair, you have eight votes to the affirmative; the motion carries.

MS. MOLNAR: Thank you.

Our next item is our Executive Director's report.

MR. VARI: Madam Chair, I just have -- to kind of bring everyone up to date on what's been happening over the last few months: you're all aware that discretionary capital -- there was no funding in the Appropriations Act for discretionary capital projects. And, in addition, a lot of the funding in '09 was rescinded, so you'll probably see in the neighborhood of \$50 million worth of projects that were budgeted over those two years that didn't receive final funding. So we're going to be seeing a lot of requests, obviously, that are going to be familiar to us.

Over the summer months -- spring and summer -- OMB has continued to work with the departments to rate their buildings by critical assets. We spoke about that a little bit in the fall, and we basically have Law and Public Safety, Juvenile Justice Commission, Military and Veterans' Affairs, Department of Education, and a few other departments which have rated their buildings by Tier A through E, with Tier A, for the most part, being the most critical structures to the operations of those departments. And of course, the long-term goal here is to be in a position where we can direct our funding -- our capital dollars -- into only the most critical assets, to get those buildings in working order. And also to concentrate those resources, so as the building is being worked on, we can put dollars into that facility. For example, we have the Totowa headquarters for the State Police, which recently has a new roof, new air conditioning; and the goal here is to continue putting dollars into that facility for windows and electrical

upgrades. So we know that the most critical facilities, going forward, are in a state of good repair.

In the near future, I guess at the end of the month, we're going to be meeting with the Department of Corrections to continue this work.

Madam Chair, that concludes my Executive Director's report.

MS. MOLNAR: Any questions or comments?

Mr. Annese.

MR. ANNESE: Could you bring the Commission up to date on the status of our fund for ongoing roof repairs.

MR. VARI: The fund for ongoing roof repairs was -- the projects for '08 made it out the door and were funded, and '09 projects also were funded. The '10 funding was severely restricted to off-- You know, we had some off-budget dollars and we were hoping to do \$10 million worth of projects there, but we really pared down to about \$3 million for some roofs at Ancora. They have two facilities in particular that need new roofs and they're in the \$1.5 million range each.

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

If not, we'll move on to our capital request presentations.

Our first department is Department of Agriculture. I'd like to welcome Alfred Murray, Assistant Secretary of Agriculture.

Good morning; could you identify your staff for the stenographer.

**A L F R E D W. M U R R A Y:** Yes, I will; I will be happy to. Thank you.

With me-- My name is Al Murray; I serve as the Assistant Secretary of Agriculture. And to my right is Dr. Nancy Halpern, who is the Director of the Division of Animal Health -- I'm sorry, to my right. To my left, is Carl Schulze, Director of Plant Industry.

Good morning, Chairman Molnar and members of the Commission on Capital Budgeting and Planning. Thank you for the opportunity to appear before you today to present the Department of Agriculture's capital budget request for Fiscal Year 2011.

Our Department, as you know, works with all segments of the Garden State's agriculture-related industries. Serving that large and important segment of our state's economy requires not only top-notch personnel and programs, but adequate facilities as well. Over the years, our capital funding requests and subsequent capital appropriations have helped us administer the programs and services that support those industries well, while simultaneously protecting the public from pests and diseases that harm the food system and our natural resources. Again this year we are submitting requests for capital funding that are related to health and safety issues.

Our first request of \$3.5 million for Fiscal Year 2011 is for major renovations and upgrades at the Phillip Alampi Beneficial Insect Laboratory, also known as PABIL, which is part of our Division of Plant Industry. PABIL is a 26-year-old building that requires a controlled environment in which to mass-produce beneficial insects used throughout the state to control many different species of pests and weeds. The work at PABIL is critical to preventing pests and diseases from damaging native vegetation and agriculture crops, while also greatly reducing the amount of

pesticides used by farmers and nurserymen, and environmental and economic costs associated with those pesticides. In recent years, PABIL's programs eliminated the need for the private and public sectors to apply as much as \$101 million worth of pesticides and herbicides annually.

While the building itself is structurally sound, serious control problems and inefficiencies in the HVAC system have severely hampered insect rearing capabilities. The Division of Property Management and Construction, which owns PABIL, is also including this work in its capital request, and I'm sure you'll be hearing more from them in greater detail during their testimony.

Uncontrollable humidity in some rooms has created indoor rain events, leading to slippery rooms, mold, and hazardous work conditions. Ceilings in some rearing labs have collapsed due to water damage. Diffuser vents have completely rusted, and the main piping in the utility penthouse is rusting through.

A study requested by the Department of Treasury recommended the demolition and removal of the penthouse heat exchangers, main supply and return fans, all heating and cooling coils, and humidifier units. The report also called for installation of new HVAC equipment, ductwork and piping, installation of building automation system, and upgrading the electrical system to meet current codes. Taken together, these upgrades are expected to add at least 25 more years of useful life to the building.

Our second request is for \$60,000 to address long-standing concerns with the roof on the administrative facility at the Horse Park of New Jersey. The park, which is owned by the Department of

Environmental Protection, is leased to the New Jersey Department of Agriculture. Our Department has included the administration facility in its revised Continuity of Government and Continuity of Operations homeland security plan as one of the temporary alternative locations to which our central offices would be moved in the event of a natural or man-made disaster that would force us out of the Health and Agriculture Building in Trenton. This makes the condition of the building even more important to us and our ability to operate in times of disaster.

The administration facility, the oldest building on the property, was built in 1990. Numerous roof leaks have been repaired eight times in the past several years. An architectural report prepared in 2007 called for the metal roof to be replaced by a fiberglass and asphalt system with a life expectancy of over 30 years. It also called for the replacement of all trim, fascia and soffits; the entire low-slope roof, including base and counter flashing, gutters and leaders, and lightening rod systems. Related items include replacing water-damaged sections of ceiling, a damaged door, and minor stucco and coating repairs.

Our third request is for \$1.35 million for a tissue digester for handling large animal carcasses at the New Jersey Public Health Environmental and Agriculture Laboratory. During the past two decades, unknown human diseases including AIDS, Ebola fever, hantavirus infection, and dengue hemorrhagic fever have emerged -- it's mosquito-based; I know what it is, but I just can't pronounce it -- (laughter) from communities where high population densities of humans coexist with domestic and wild animals. This interface poses a high risk for the emergence of novel diseases.

In the United States, many new human infectious diseases have been recognized by examining illnesses without identified cause. Unusual neurologic clinical signs in cattle forewarned of a new disease, BSE, that you know as mad cow disease; autopsies on zoo and wild birds unraveled the mystery, in 1999, that became known as West Nile Virus, affecting hundreds of human, horses and birds since then.

Influenza viruses impact nearly all animal species, and current concerns over the novel H1N1 have healthcare professionals calling for increasing surveillance in swine populations, to identify shifts in this virus, that can help predict and prevent human illness and death.

The projected completion of the updated animal health diagnostic laboratory will provide enhanced capability for the detection of existing, emerging and foreign animal diseases, many also hazardous to humans, with the addition of a full service necropsy suite that can accommodate animals up to 2,000 pounds in weight. Existing facilities only permit necropsies of animals weighing a maximum of 150 pounds. Therefore, significant evidence of disease in livestock that may exist in the state is currently undetectable. Surveillance of livestock populations is becoming more important as evidence of disease transmission between species appears to be escalating.

Over the course of history, detection of unknown diseases by pathologists reinforce their pivotal role in identifying and monitoring reemerging/emerging infections and disease outbreaks, whether introduced naturally or as a result of intentional disease introduction.

The Department's ability to perform necropsies is hampered by the ability to safely and affordably dispose of animal carcasses following

postmortem examination. This request for a tissue digester would provide for adequate disposal for reasonable costs that can be charged to submitters.

Our fourth priority request is for outfitting the new greenhouse at the laboratory. We request \$61,000 in equipment that includes tables, and carts to move plant materials.

In total, our fiscal year 2011 capital request is \$4,971,000.

I thank you for the opportunity to speak about our capital budget requests.

Myself and our staff would be happy to answer any questions that you may have.

MS. MOLNAR: Thank you. Any questions or comments?  
Senator Karrow.

SENATOR KARROW: Good morning. I don't see the avian influenza mobile lab in there -- in your request this year.

MR. MURRAY: Okay, are we speaking about the mobile lab that we have? It's currently housed in the Robbinsville facility with the USDA.

SENATOR KARROW: Well, last year the capital budget-- We had recommended that you get \$50,000 for it. It made the budget, but it didn't make the final budget, right?

MR. MURRAY: I believe that's correct, yes.

SENATOR KARROW: But it was a major priority last year, so how-- What are you doing about not getting the money this year?

DR. NANCY HALPERN: I apologize; I did ask about the current disposition of those monies. I thought we had gotten them, and I

understand now that we have not. So that was an error on our part. I apologize.

SENATOR KARROW: It did not--

DR. HALPERN: The information that I had was that it did pass; and apparently it didn't pass the last level of approvals.

SENATOR KARROW: Right, so is that an oversight on your part that that should have been part of your request this year?

DR. HALPERN: Absolutely; yes.

SENATOR KARROW: Okay. So, you need a re-do.

DR. HALPERN: We'd be happy to, if we are so permitted.

SENATOR KARROW: So you still need the \$50,000 for that.

DR. HALPERN: Yes.

SENATOR KARROW: And the Beneficial Laboratory upgrades, or improvements, or repairs, should have been just a maintenance item; now has become a major capital item. That \$3 million is just for the HVAC system, in a 21,000-square-foot-building.

CARL P. SCHULZE: Yes, that's correct. Currently the building is the-- The boiler system is undergoing renovations through DPMC to increase the energy efficiency in the boiler system, and this would tremendously complement that. But without that, we really lack the ability to maintain the strict environmental conditions that we need to produce our beneficial insects. In fact, we have a handful of labs now that are totally unusable.

SENATOR KARROW: That comes out to-- I mean, that would be like building new construction at almost \$1,500 a square foot. Wouldn't it be cheaper to demolish the building and start from scratch?

MR. SCHULZE: Well, that building, I believe, cost almost \$20,000 to build when it was built.

SENATOR KARROW: Twenty *thousand* dollars?

MR. SCHULZE: I mean, \$20 million when it was built.

SENATOR KARROW: For 21,000 square feet?

MR. SCHULZE: It's not-- It's not your average, typical laboratory space, which you would see like in the new Public Health and Environmental Laboratory. They have to have very, very specific humidity and temperature controls, which are out of the norms from normal room construction capacity. And it is expensive to do that. But the existing controls, right now, are pneumatic and they're not reliable, and we think it would be a terrific investment in prolonging the longevity, at least, and the usefulness of the building.

SENATOR KARROW: Does the \$3 million include anything but the HVAC system? Does it include a new roof, does it include--

MR. SCHULZE: I'm not clear if it includes the new roof, but essentially what they have to do is go through and gut the HVACs, the existing HVAC system, and put in a parallel system. It was, apparently, faulty in design from day one. And that's why it really needs to be updated.

SENATOR KARROW: Do you know the original cost of constructing that building -- at \$20 million -- what the original price tag of the HVAC system was in that building?

MR. SCHULZE: That was before my time; no, I don't know, but I can look into it.

SENATOR KARROW: Because that would be-- I think to sell a \$3 million HVAC system in a 21,000 square-- It's very hard to

comprehend the science and technology behind such an expensive system for such a small building, I guess is my point.

MR. SCHULZE: I would just say, again, it's a highly technical facility. I mean, it's a specialized facility; it's not-- You really can't equate that to a standard lab, or standard residential or commercial construction.

SENATOR KARROW: So if the request for the avian influenza mobile laboratory at \$50,000 would be still part of this, where would that be in these priorities? Would it be first? Would it be second now? Where would it be?

MR. MURRAY: I would say we'd have to go through what we have-- Obviously PABIL, right now, is our department's number one priority.

SENATOR KARROW: Because the original request was more than \$50,000 that this committee gave you -- the recommendation for \$50,000. I think there was a lot more that was requested as part of that avian flu request.

MR. MURRAY: Part of that was also because they need to make some upgrades to house the laboratory at the new laboratory that they're building at the State Police property. I think that's one of the reasons why that cost was what you mentioned.

SENATOR KARROW: Okay.

MS. MOLNAR: Assemblyman Cryan.

ASSEMBLYMAN CRYAN: Thanks. I still -- I have to tell you, if you can provide some further explanation, at least for this member of the Committee -- definitely for the Senator as well -- on how a \$3

million HVAC system is needed for that facility. I need to understand it, because--

MR. SCHULZE: And again, DPMC will also be providing information in their testimony as well, but I will certainly give them--

ASSEMBLYMAN CRYAN: Do you have anything in terms of-- In one of the comments that you make in there is that the building will last another 25 years. Did you do any other forecasts in terms of, if we approved it, what are the balance of capital expenditures also needed in any other part of the facility, in the next decade or so, to justify keeping it for another 25? In other words, that's not the solo cost. Is there out-year projections on costs?

MR. SCHULZE: I'm not aware--

ASSEMBLYMAN CRYAN: You're following what I'm talking about, right?

MR. SCHULZE: Yes.

ASSEMBLYMAN CRYAN: You're saying that the building is going to last 25 years if you do this. I want to know what else do we have to pay for down the pike in order to have a 25-year building -- if there's anything else.

MR. SCHULZE: I understand.

ASSEMBLYMAN CRYAN: All right? So we can understand the total cost of that. Anything on green initiatives? You talk about roofs, HVAC, and-- If I may, before I do that -- Madam Chair, or Mr. Executive Director, maybe we could ask folks, as we look at solar alternative energies and things that have been focused-- I think it's safe to say we hear enough about HVAC and roofs here, in this Committee, to last a lifetime, to be

honest with you. I'd certainly like everybody to, at least at some point or another -- every department to analyze what, if any, alternative options in solar or others have at least been explored in terms of cost projections. If we're going to make an investment-- If I have to understand what \$3 million is for HVAC and roofs, I want to understand whether it's worth it, at that point, to go solar or not. I don't pretend to know the answer. But I want to have somebody take a look at it. Not just for you guys, but for everybody down the pike. If that's all right with the--

MR. MURRAY: We will definitely look into it.

MR. VARI: Yes, that's preferable. We started a process, I guess two years ago, where these energy efficiency projects are referred over to the Office of Energy.

ASSEMBLYMAN CRYAN: Right. Because you-- You noted here in the thing about energy efficiency, in the questions. I don't--

MR. VARI: I'm not always sure where he is and that office is in terms of all these projects.

ASSEMBLYMAN CRYAN: I'm with you. I'm with you, but I want to ask the members when they present -- you guys just happened to be first. What did you look at in terms of alternatives, and what do they mean for the long-term cost structure? You know, the Senator makes a point that if we'd done some maintenance earlier -- I don't think there's any argument about that. But we should also look now, given where we are, given the national model and the State master plan, in terms of how it fits in on energy. So, I'd ask that, and I think we have an agreement on that.

I have a couple of others-- Priority 3, the diagnostic laboratory. Can you help a fellow understand what animals -- under agency

justification, post-mortem exam on carcasses up to 500. I assume we do now less than 100, right?

DR. HALPERN: Less than 150 pounds, because currently they have to fit in an elevator to get to the necropsy.

ASSEMBLYMAN CRYAN: So help a city fellow understand what kind of animals we're talking about. (laughter)

DR. HALPERN: Horses typically weigh a thousand, 1,100 pounds. A draft horse could be 1,800, up to 2,000--

ASSEMBLYMAN CRYAN: Yes, but the justification says up to 500, so the window--

DR. HALPERN: I thought it said up to 2,000 pounds.

ASSEMBLYMAN CRYAN: No, help me here, I'm on--

MR. MURRAY: Third page, second paragraph--

MR. VARI: I wrote it as 500--

ASSEMBLYMAN CRYAN: Is it 2,000?

MR. VARI: Two thousand is your actual--

DR. HALPERN: It's up to 2,000 pounds; probably a little bit larger than that.

ASSEMBLYMAN CRYAN: I understood how much a horse weighs; I was just stuck on what animals weigh between 100 and 500. (laughter)

MR. MURRAY: Our testimony, unless I read it wrong, says it can accommodate animals up to 2,000--

ASSEMBLYMAN CRYAN: I see it there, 2,000; yes, I got it. No problem.

DR. HALPERN: Yes.

ASSEMBLYMAN CRYAN: I did this before I read your testimony. We went off these. So thanks. And I think that's the questions I have. Thank you.

MS. MOLNAR: Any other questions or comments?

Mr. Brune.

MR. BRUNE: I just have a very quick technical question on the Beneficial Insect Lab. The need is \$3.5 million, right? Not \$3 million? Because your testimony has--

MR. MURRAY: Three point five million.

MR. BRUNE: Pardon me?

MR. MURRAY: Three point five million.

MR. BRUNE: Right. I think you submitted to us as \$2.9 million; I just want to make sure what the need is. It's \$3.5 million, right?

MR. MURRAY: Three point five.

MR. BRUNE: Okay; thank you.

MR. MURRAY: And incidentally, this was just handed to me by Lou Bruni, who is our Chief Financial Officer, and I'm sure the DPMC will be submitting this as well -- but this is the report that details the \$3.5 million request and what -- a lot of the questions that were asked. And we'll make sure that a copy is received (*sic*) to you as part of our--

MS. MOLNAR: Senator.

SENATOR KARROW: I would request, through the Chair-- Maybe we should get a 10-year capital budget request history from the Department of Agriculture. I'm concerned that they've been asking for money, that if we had just put a little bit up front -- you know, '97, as Al

said, or whatever year -- that maybe we wouldn't be at the point we're at now. And I'm just curious to see the history of their requests.

MS. MOLNAR: Any other questions or comments?

Mr. Annese.

MR. ANNESE: Do I understand you correctly, that you'll be amending your request to include the mobile H1N1 facility?

DR. HALPERN: Yes.

MR. MURRAY: I think if we're permitted--

MR. ANNESE: What priority would that be then?

DR. HALPERN: I think Mr. Murray said we would have to go back to the Department and the Secretary and determine what priority. But at this point, the bug lab remains the highest.

MR. ANNESE: Okay. And considering, you know, the cycle of how long it takes to fund something, and the emergency situation right now, apparently, in H1N1 vaccinations -- wouldn't this be like a year or two late for this facility?

DR. HALPERN: Well, we already have the mobile laboratory itself, so the request is to outfit it in the laboratory space. It needs a platform, it needs to be connected. But currently it is functional, so we can take it to various sites throughout the state if needed.

MR. ANNESE: All right, thank you.

MS. MOLNAR: If there are no other questions or comments, I want to thank you for coming today.

DR. HALPERN: Thank you.

MS. MOLNAR: Our next Department is the Commission on-- I'm sorry, New Jersey Commission on Higher Education. I'd like to welcome Marguerite Beardsley, Acting Executive Director.

**MARGUERITE BEARDSLEY:** Thank you.

Thank you, members of the Commission, for giving me the opportunity to testify here today on behalf of our 12--

MS. MOLNAR: Could you turn your mike on? Thank you.

MS. BEARDSLEY: Oh, sorry. On behalf of our 12 public colleges and universities.

I won't read the testimony that we submitted, and I do understand that the fiscal conditions that you operate under are extremely challenging. But I do want to make the case that it's important the support for higher education should still remain in your minds. Our State colleges and universities are State assets; they have been providing the maintenance of their facilities themselves. And I think we have a shared responsibility to the 165,000 students in our colleges and universities to provide safe, accessible, quality facilities for them. And I say this because of the increased importance to economic development of higher education across-- The United States has been losing its position in the world with regard to the production of college graduates and people with skill sets that are needed for this century. For example, since 1990, college enrollment in North America has gone up about 24 percent; in Europe it's been 75 percent; in South America, it's been 144 percent; in Asia, it's been 200 -- over 200 percent. We aren't competing just with other states anymore. We're really competing with the world.

And so, in past years, we have recommended a shared program for deferred maintenance with State funds and some sort of a match from the institutions, and we're recommending that again.

The other thing that I would say is, that sometimes I think higher education institutions don't get consideration because people view the needs in higher education as so great that whatever small projects could be funded, they don't seem to address the problem. So you say, "It's just too big to handle." But I would point out that in the submissions of the colleges, several of the sub-categories -- such as fire safety, asbestos removal, or other sub-categories in the requests -- are manageable, from my perspective, in terms of how you might want to address them. And funding some of those projects would not only provide great practical assistance to the colleges, but I think it would make an important statement about that shared responsibility for State assets.

Thank you very much.

MS. MOLNAR: Thank you. Yes, our higher education colleges have provided a wonderful education for our residents.

Do you know if there's any fund remaining in any of the higher education bonds?

MS. BEARDSLEY: Zero. It's all been used up.

MS. MOLNAR: Okay. Any questions or comments?  
Assemblyman.

ASSEMBLYMAN CRYAN: I'm with you on the deferred; but I'm not going to get into a whole debate here. But I represent a district that includes Kean University, which I noticed isn't in this stuff that we got yesterday. There's a great big, huge building going up on Morris Avenue.

Anybody who wants to watch its construction, it's as high as the sky, right next to Liberty Hall. There's two new dorms. So if deferred maintenance is such a problem, why are you building new? I don't get it. And, I don't really want to get into the philosophical -- I'll do this in the Budget Committee -- but I've got to tell you, I consistently shake my head when I watch buildings go high, high, high and this complaint about deferred maintenance. It seems to me, you fix what you have before you build new. I don't get it; I admit I don't get it.

MS. BEARDSLEY: Well, I will say that there are differences among the institutions in the extent of deferred maintenance -- some have much more than others.

ASSEMBLYMAN CRYAN: You know what? I'll leave it at that.

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

If not, I want to thank you for coming today.

MS. BEARDSLEY: Thank you.

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

MS. MOLNAR: Good morning.

**B R I G. G E N. J A M E S G R A N T:** Good morning, Madam Chairwoman, Commission members.

I'd like to introduce the gentlemen to my left and right. To my left, your right, is Mr. Ed Sain, the Installation Division Director. To my right is Mr. Roger Bushyeager, the Fiscal Division Director.

It is my pleasure to present you with the Department of Military and Veterans Affairs Fiscal Year 2011 Capital Improvement Plan. This plan is in keeping with Major General Rieth's vision of providing state-of-the-art facilities to meet mission requirements and to enhance the readiness of our New Jersey National Guard, as well as maintaining the best possible services so richly deserved by our New Jersey veterans. It is imperative that the State, and this Department, are always vigilant in ensuring that the Guardsmen's and veterans' needs are met.

At this moment in time, we currently have 350 soldiers and airmen serving in Iraq, and are due to return home early in the beginning of next year. In June of this year, 3,000 soldiers safely returned home from a year-long deployment in Iraq.

Since September 11, 2001, the New Jersey National Guard has mobilized more than 7,500 soldiers and airmen for operations both here in the United States and in countless locations across the globe. This capital plan is focused on 10 projects totaling \$8 million that addresses our most immediate concerns.

The first request, \$712,000, addresses the roof replacement of buildings 1 and 2 at the Paramus Veterans Home. These roofs are now at the end of their life expectancy and need to be replaced before major leaks occur, causing damage to interior living areas with mold and mildew growth, which violates Veterans Administration healthcare standards. Failure to replace the roofs will ultimately affect the ability of the facility to provide the necessary resident care, and result in shutting down the home and displacing the residents. This funding represents the 35 percent State share

of the project. In your package you have pictures and photos of the deteriorating roofs.

Priority two requests \$915,000 to repair the sinking drill floors at the Atlantic City and Cherry Hill Armories. An engineering study was performed and identified poor subsoil conditions caused by water infiltration into the upper levels of the substrate. Corrective action would include a piling and pinning system to raise and secure the floor slabs. These projects are both 50 percent federally supported.

Priority three requests \$1.2 million for roof replacements at the Lawrenceville Maintenance Facility; Cherry Hill, Newark and Westfield Armories; as well as the roof at the Brig. Gen. Doyle Cemetery Chapel. These roofs have greatly exceeded their original 20-year life cycle, and are in a serious state of disrepair. The leaking roofs directly contribute to uninhabitable space and structural damage. We have also identified a multiyear program to repair roofs at 40 facilities. Roof replacements, wherever feasible, will convert existing flat, rubber roofs to 50-year sloped metal roofs. The Commission has supported this urgent roof repair initiative in previous budget submittals; unfortunately, the roofs continue to deteriorate.

Federal funding will pay for 75 percent of construction of a sloped metal roof that replaces an existing flat roof at all of our armories.

Priority four requests \$350,000, which will provide funding for window and HVAC control replacement at six armories. These projects will focus on reestablishing building moisture protection and reducing energy costs. These projects are matched with 50 percent Federal funds.

Priority five requests \$184,000 to provide an emergency generator at the Vineland Veterans Home administration building. This is the 35 percent State share of the project. The Federal Veterans Administration will provide the other 65 percent. The existing administration building was joined to the new replacement home as part of the construction, but did not include an emergency generator system. The installation of an emergency generator will allow for uninterrupted operations in the event of a power failure. Additionally, the Vineland Home is unable to fund this requirement under the line of credit program.

Priority six is for \$635,000 to fund emergency power generation at four strategic National Guard armories. Our ability for continued command and control, along with an operational base during emergencies, will allow rapid deployment to homeland security terrorism and natural disasters. This \$635,000 represents 25 percent of the State share to complete this project.

I have identified six of our department's 10 priorities to you today. I would like you to also consider the remaining four projects as well, but in the interest of time, I am submitting those as written testimony only. With your support, the Department of Military and Veterans Affairs will continue to ensure the security of New Jersey citizens, and provide services to our deserving veterans.

I would like to add-- It's not in your notes, but Assemblyman Cryan asked for our green initiatives, and I will go over what the Department has done, what we are doing, and what we project.

What we have done is our HSCOE, our Homeland Security Center of Excellence. That solar operation is currently in place.

The Sea Girt parking lot -- we just cut the ribbon on a solar bed there. I am very proud of that, and it is generating energy for Sea Girt.

The Battle Lab on Fort Dix -- or we refer to it as the Joint Training Center -- has had, and was, our first solar energy project, but it has been expanded over the past few years. Currently we are doing a project at Fort Dix, at Joint Force Headquarters, which is a solar farm which will, again, provide energy to the entire building.

What we have designed, and on the shelf ready to go right now, is the cemetery admin building at Brig. Gen. Doyle Cemetery, and at our DMAVA facility up in Lawrenceville.

I thank you for the opportunity to make this presentation. My staff and I are prepared to answer any questions you may have.

MS. MOLNAR: Thank you. I have one question: You say in addition to the six projects, the Department's also requesting \$10.9 million for some additional projects. Of the \$10.9 million, how much is the federal match on those?

GENERAL GRANT: I think we'd have to break that down, Madam Chair.

MS. MOLNAR: It's for security improvements.

GENERAL GRANT: We can tally it up; some of the projects would be 50-50; some of the projects would be 75-25. We can get back to you with the exact amounts.

MS. MOLNAR: Okay, thank you.

Any other questions or comments? Senator.

SENATOR KARROW: Good morning, General. It's a pleasure to see you.

GENERAL GRANT: Good morning, Senator.

SENATOR KARROW: I should also say, for the purposes of this Committee, the General was promoted last year. So when we saw him last year, he was a colonel. So I'm personally delighted in that promotion.

Question: Just for clarification point-- When you get the Federal match, does this budget number that you've asked for reflect that, or is this the number that we have to put up front, and then we get money back?

ED SAIN: The budget submission represents the State share; it's not the Federal portion of the monies that are supported to accomplish that.

SENATOR KARROW: So, okay--

MR. SAIN: Monies supported out of projects from the National Guard Bureau are not fronted by the State; the Federal government gives those to us. The projects that are supported by the Veterans Administration for the homes comes as a grant that -- we disperse the money first, and then the VA reimburses the State for their 65 percent Federal share.

SENATOR KARROW: Okay, somewhere along the line in last year's budget process, this Committee had supported the \$175,000 for the backup generator at Vineland. It got cut, and I'm not really sure where it got cut or when. I know it got cut; but it was in there for awhile. Were you given any justification as to why it was cut?

MR. SAIN: No.

GENERAL GRANT: No, we don't receive that.

ROGER BUSHYEAGER: It was just part of the budget cuts due to the fiscal situation.

SENATOR KARROW: Your request now is \$8,000 more. Does the Federal match also increase their share, or are we just seeing a larger piece?

MR. SAIN: We do adjust the cost estimate periodically for inflation and circumstances, so the Federal share gets adjusted as well.

SENATOR KARROW: Okay. So in line with the generator -- Priority six is for \$635,000 for other generators, but there's 11 of them. So why is one so expensive, at \$184,000 for Vineland, and you can do 11 for \$635,000?

MR. SAIN: Well, Vineland is a 120,000 -- no, it's probably 210 -- about a 210,000-square-foot facility.

SENATOR KARROW: Okay, so it's a bigger generator.

MR. SAIN: The armory -- some of them are as small as 15,000, 20,000. So the electrical loads vary.

SENATOR KARROW: So it's just a bigger generator. That's the difference.

MR. SAIN: Yes, ma'am. Right.

SENATOR KARROW: Okay. That's all, thank you.

MS. MOLNAR: Mr. Vari.

MR. VARI: Would you have an opportunity to just review for us the Teaneck Armory, some of the work that's been done there over the last year or two, and then what you're planning to do with the interior of that? Because I think that's a perfect example of focusing on a critical building that we -- you know, obviously secured the envelope of that facility with the roof and the walls, and now the Department is following up with some interior renovations.

MR. SAIN: The Department, a couple of years ago, was able to get some funding from Mr. Vari's office for the State share of \$2 million, and the Federal government contributed \$2 million. So we invested \$4 million in improving the roof structure at the Teaneck Armory. And if you haven't been up there, the roof has been replaced with a standing seam roof that's curved over the drill floor area, and we figured that's going to last us more than my lifetime, for the next 50 years. As a result of the improvements that we've made in the shell of the building to make it, now, watertight, we undertook an effort over the last year or so to start doing the restoration, and renovation, and repair work inside the structure itself. Now that we've controlled the moisture problems and humidity problems, we've had an effort over the last several months to go in and repair the damage to the plaster ceilings, the walls. We've gone in and had a project to replace the main entrance doors. We just awarded a contract to go in and replace all of the glazed structural tiling that's broken in the hallways and corridors from the original 1930's construction of the facility. So I will say that when the soldiers left out of the units at Teaneck, they were absolutely surprised on their return from their overseas deployment on the improvements that had been made in the areas in the armories that they were coming back to. And there was a lot of positive feedback that said their efforts overseas were appreciated because they came back to a much nicer facility than the one they had left. So those are the types of situations that we try to do. We do try to make an effort to get the structure of the facility in shape first, and then we go in and make the interior improvements as well. Teaneck just happens to be the latest example, but

we've done some similar efforts at Mount Holly and a couple of other armories as well.

MS. MOLNAR: Thank you.

Mr. Brune.

MR. BRUNE: I would just like to drive home a point. The Teaneck Armory is a way of driving home a point that Jim was trying to make before. The reason we funded the Teaneck Armory is it became clear to us the function of that particular armory in a 9/11 situation. It stood out in the sense -- it stood out from the rest of the armories in that particular instance, if it was needed in that kind of emergency situation again.

The reason I'm bringing this up is-- When you make your submissions to us -- as an example, when it says Paramus Home Buildings 1 and 2 -- and it wasn't until your testimony that I realized those were residential buildings. When you list it -- just let me finish the thought -- when you list a series of facilities that need roofs, the point I'm trying to make is, you need to help us with what is the unique activity that's going on in that facility that makes it rise to the top of your list. And the reason I'm saying that is, obviously the situation here is we have precious little capital to distribute, and we're long passed the situation where just because the roof leaks, we're going to fund it. We need to know -- and maybe you can do this subsequent to this meeting -- why is it that that particular facility, whether it be the Cherry Hill or the Atlantic City Armory, whatever -- that particular one needs this work, and differentiates it from the rest of the pack. Do you follow?

MR. SAIN: I understand your comments. And as Mr. Vari said earlier today, the Paramus Home has been tiered as a place that is occupied 24 hours, seven days a week by residents. It's reflected in the criteria that was established that objectively rises to the top, based on the criteria that was established -- that this is a place that is, in fact, inhabited 24 hours, seven days a week. The roof that we're talking about replacing is, in fact, the original roof that was built when the structure was built in about 1982. So it's about a 27-year roof. There are some roof problems with it that the home is trying to deal with, on an interim basis, that they've resolved. We just did -- last year, probably spent about \$1 million -- maybe a little more -- replacing the HVAC equipment that was the original equipment in the facility. So we managed to get the HVAC because of some temperature concerns regarding the aged population that's in there. And, as we have had in here, the Paramus roof replacement's been the Department's number one priority for at least the last two or three cycles.

MR. BRUNE: Yes, don't get me wrong; I'm not picking on you, I'm not picking on the Paramus facility. What I'm trying to say is that you're one of the first ones out of the shoot here -- you're getting the point. It's as much for the Commission members as it is for you. What we struggle with sometimes is to understand what that facility means to you, why it's so important to fix the sinking floor at Atlantic City and Cherry Hill as opposed to some work you might do at some other armory. I guess what I'm saying is, you need to help us with some context, sometimes, in terms of rationalizing our choices.

GENERAL GRANT: Yes sir, I completely understand where you're coming from, and agree; but I might add that there are also second

and third order effects to a roof repair. And this is an all-volunteer force that we now have to manage and provide the leadership for. And the force is becoming much younger and younger. So although we can try to recruit into our force, when we bring in a mother and a father with their young son or daughter, and we have trash cans on top of a desk catching the water, it's not a very attractive way to recruit into our operation.

MR. BRUNE: Understood. Thank you.

MS. MOLNAR: Mr. Annese.

MR. ANNESE: This is more an observation than it is a question. The Department has mentioned that their long-term strategy regarding the roofs is to replace the existing roofs with metal roofs, a sloping metal roof. Earlier this morning another department came to us and said they wanted to replace their metal roofs with fiberglass roofs. So somewhere along the line we have to sort this all out -- whether it is the roofing engineers or wherever, somewhere along the line -- that perhaps the different types of buildings require different materials. But it is something that I think we have to consider when we review these requests.

Thank you.

MS. MOLNAR: Good point.

Any other questions or comments?

Senator.

SENATOR KARROW: I want to go back to the Vineland generator that got cut out of the budget. What were the ramifications since you came to us last year and asked us for that? What happens when you lose power there, and has that happened in this last, past year? And how many beds are in that facility?

MR. SAIN: The facility has approximately 300 beds. Although I don't believe that Vineland has experienced any power outages in the past year, the current set of circumstances is that with a power failure during the summer, the HVAC equipment is not going to work to allow the building to be cooled. So there are some health standard issues that say the facility's interior temperature can't exceed 85 degrees or the residents have to be relocated. So it can arise in a situation during the summer, should there be a power outage. The home now has to deal with an issue of a facility that doesn't meet the health standards, and in theory would require the relocation of 300 residents to a facility that is cool enough to meet their needs. So it's only a crisis when the power goes out during the summer and that set of circumstances arises. So we are preparing for those types of circumstances by trying to address plans that address those situations.

SENATOR KARROW: And that's a-- Is that a 60-40 match from the Federal government?

MR. SAIN: That would be a 65-35 percent match between the Veterans Administration and the State.

SENATOR KARROW: Okay, thank you.

MS. MOLNAR: Any other questions or comments?

MR. BRUNE: Can I just clarify something?

MS. MOLNAR: Mr. Brune.

MR. BRUNE: Just to follow up on my line of questioning from before: So when we say the administration building, just for my edification, that's not just-- What's going on in that building is not just administrative work, it sounds like. There are programs for the residents?

MR. SAIN: The administrative building, the residential components, are all under one roof. I mean, it is a 210,000-square-foot facility, but basically we incorporated the existing administrative function and built a 300-bed home around the administrative building, but it's all interconnected. I mean, we demolished some walls and it's all one structure now.

MR. BRUNE: Okay, thank you.

MS. MOLNAR: If there are no other questions, I want to thank you for your testimony.

GENERAL GRANT: Thank you very much.

MS. MOLNAR: Our next department is New Jersey State Library. I'd like to welcome Norma Blake, State Librarian.

**N O R M A B L A K E:** Good morning. I'm here with Sheri Shafer, our Chief Fiscal Officer. I'd like to thank you for hearing us this morning, and also for your past support, particularly for the Talking Book & Braille Center's digital transition -- which is now completed and people are able to get their Audiovision reports and newspapers.

We're requesting \$948,000 to replace the electrical rails and safety system for our movable shelving unit at the State Library. There have been no repairs of wiring or rails for over 25 years. It's basically immobile, except it can be moved manually by staff who are flexible enough and powerful enough to get down on hands and knees to move it. We cannot order replacement parts at this juncture. And it's needed to prevent staff or customers getting stuck in the system. What we would be doing would be moving 275,000 books off of the shelves -- the shelves are basically indestructible; it's the electronics and the safety that we're

concerned about. We would dismantle 100 ranges of shelving, install components such as the infrared safety beams and anti-tip devices, and then we would replace the shelves and re-shelve the books.

A second request is for \$63,000 to weatherproof 110 single-pane windows on our fifth floor. As you know, about 15 years ago the first and fourth levels of the State Library were renovated, but not the other floors. Not only would it be more conducive to workers working in bad weather, but it would save the State at least 25 percent on heating costs if we had storm windows.

We're also requesting \$43,000 for a security camera for Level 1 of the State Library. This is an area that's open to staff and the public, but it is not regularly staffed due to staffing shortages. The State Police would be able to see and record all those entering and exiting the area, and it would provide valuable information if there were an incident. We've had no major incidents at this point, but it would prevent liability by insuring the safety and security of our customers and staff.

And lastly, we request \$200,000 as the library's portion of Treasury's project to repave the parking lot at the Talking Book & Braille Center/Records Management Building. The pavement is 17 years old; it is worn, particularly by the city buses that come in, drop off passengers, and turn around in the driveway. It's a tripping hazard and we have a lot of people using that building -- tomorrow we're having the Fall Festival, and we have hundreds and hundreds of elderly, multiple-handicapped and blind people coming to the building. We do monthly American Sign Language reading programs, summer reading clubs, work skills programs. We use the technology lab that's adapted with equipment for the visually impaired.

Treasury has told us that the Library's portion of the project would be \$200,000.

So our total request is \$1,254,000. I'd be happy to answer any questions.

MS. MOLNAR: Thank you.

Any questions or comments?

Your first request, the movable libraries, that was on your first priority last year also?

MS. BLAKE: Right.

MS. MOLNAR: Okay. Any questions or comments?

SENATOR KARROW: Last January, I suggested that we start funding -- these balance fundings. And if we had put away \$50,000 last year, we could have -- \$100,000 last year -- we would have been that much closer. I remain committed to this point. I think it's important. Somebody's going to get hurt -- that's the bottom line. Somebody's going to get hurt, and that's going to cost the State a lot more money in the long run.

MS. MOLNAR: Now, what would you replace the shelving with?

MS. BLAKE: The shelving itself is virtually indestructible. It's -- under the shelving are the electrical components, and the rails, and they have not been replaced.

MS. MOLNAR: All right. Okay, thank you for coming today.

MS. BLAKE: Thank you.

MS. MOLNAR: The next and last is Juvenile Justice Commission. I'd like to welcome Rosanne Fairbanks, Director of Administration.

**R O S A N N E F A I R B A N K S:** Good morning.

MS. MOLNAR: Good morning; please introduce your staff.

MS. FAIRBANKS: Good morning, I am Rosanne Fairbanks, Director of Administration for JJC. To my right I have Dave Eschert -- he's in our facilities -- Capital Facilities Unit; and Dan Smurlo, also with our Capital Facilities Unit; I also have my Fiscal Officer here, if you have any Fiscal Officer questions.

Again, good morning, and thank you for the opportunity for JJC to present our capital budget requests. Congratulations, too, on your appointments this morning.

By way of introduction, as I said I am Rosanne Fairbanks, the Director of Administration for JJC. And I come to you today as a representative of our Executive Director, Veleria Lawson; as well as the 1,300 young people under our care in the statewide residential, day, and secure care programs. I also speak to you on behalf of the JJC's dedicated employees who work in the Juvenile Justice field as teachers, corrections officers, youth workers, parole officers, social workers, and administrative support staff.

I believe that most of the committee members are already familiar with our work and the mission of the JJC in providing the security, structure, and rehabilitative services that our troubled youth need in order to return home as productive members in our communities. We have come to you many times before with our capital requests to improve the physical

environments for vocational training, academic education, social and life adjustment skills training, drug rehabilitation, counseling, and job readiness programs.

The Juvenile Justice Commission would like to thank members of the Capital Commission for your generous support of our projects in Fiscal Year 2010. And, as we've all discussed, the Capital Commission's recommendations for funding initiatives were reduced during the appropriations process in order to balance this year's State budget.

This reduction impacts the request we bring forward to you today. The safety and security of our residents and staff housed in the buildings that are outdated, that don't meet fire code standards, and have accumulated various health and safety code violations over the past several years of course raises a concern over future capital outlays. The projects we outline for you today cannot be deferred for the future; the conditions will only worsen.

Along with the statewide mission of reducing lease space costs, we continue to work with Treasury Property Management staff to consolidate, where we can consolidate, some of our leased residential sites. We've been right-sizing our Commission as we go. We have successfully closed out leases in Estelle Manor, formerly known as the Manor Woods residential program, and our Hudson Day program in Jersey City. We are striving additionally to find other suitable locations to consolidate leases in the Camden and Mercer County areas as well.

In the green technology world, we have sought funds through the BPU alternative funding sources that are available through the American Recovery and Reinvestment Act -- the stimulus program -- to

provide energy savings. One of them is by installing heating systems in our occupied buildings on the Bordentown campus, and that's one of our requests -- \$2.9 million in order to decentralize and close out the powerhouse there.

We also sought an alternative energy initiative through the use of solar energy at the New Jersey Training School. That was a large request, \$7.3 million. We did not include that in our request this year because we had other more competing priorities. Both of these -- over this past summer, when we submitted them through the Office of Energy Savings, we did not receive those grants; but we will continue to try to look for alternative funding sources. The solar energy project at the Training School was really exciting, because we were going to incorporate that into an education program with our kids, kind of showing them green energy as it's built. You know, solar energy as it's built -- it was going to be kind of a dual capital and educational project.

We have worked again with the Capital Commission members for several years to obtain funds to improve the infrastructure of our largest facility, the New Jersey Training School for Boys. There has been much progress with fire suppression system installations, individual heating and boiler system installations, primary and interior building electrical upgrades, and increased security with a campus-wide man-down alarm system. And this spring we'll be ready to install the sewer line that will make the connection with the township sewer system.

As in the past several years and out of true necessity, the JJC comes to the Commission once again for your support. We look forward to the day when some of our oldest and most challenging dormitory-style

buildings at the Training School can be retired and replaced with new state-of-the-art buildings that provide a safe and positive learning environment for our youth. However, we do recognize the reality that it may take several years, if ever, before the economy improves to the point where State capital funding is restored to the previous levels.

For now, we will keep our requests modest and real, and point out items that impact negatively on the safety and security of our facilities, and those that require our most urgent attention.

Once again, critical repairs are our number one priority. These capital funds allow us to address the small projects that continually come up, and that make a big difference in the overall operation of our programs. As you may know, we maintain over 80 buildings statewide, with many of them built in the 1930s. The Training School, Johnstone Campus, Albert Elias and Voorhees residential programs are either eligible for or on the National and State Registers of Historic Places. The loss of capital repair funds for Fiscal Year 2010, along with funds that were reverted in 2009 in order to balance the State budget, has drastically impaired many of our planned projects to address smaller fire, and health, and safety code violations to address security issues or to provide contingency for emergency repairs.

Our request for \$2.5 million includes top priority projects from Fiscal Year 2010 that were deferred due to the State budget cutbacks: \$324,000 to address a funding shortfall for the construction phase of our heating system at Albert Elias; complete renovation of our leaking showers in the Valentine female program that have been out of operation for the past two years -- the girls have still gotten their showers, though, but these

particular showers are inoperable; the replacement of the 22-year-old condensing unit that provides air conditioning to the Valentine building, that is in constant disrepair. These are a few of the representative examples of small projects that require our immediate attention.

Suicide safety also remains one of JJC's top priorities and is our number two request this year -- for \$1.6 million to provide suicide-resistant furnishings, windows, and air quality improvements in our behavior modification unit at the Training School. This building is one of our newer buildings on the campus, constructed in 1973, and since that time has had no interior renovations. Prior capital funds have replaced the heating system, independent of the powerhouse; and a full fire suppression system, including new cell doors, is in its final phase.

Fire suppression projects throughout the JJC residential buildings have been a continuing request for a number of years; it is our number three priority this year. We're happy to report that Albert Elias and Voorhees Residential fire suppression projects for Fiscal Year 2009 are in the final design phase and will soon be ready for construction bid.

This Fiscal Year request is for \$500,000 to fire suppress the hospital building at the Training School. The hospital has a dormitory that is used to isolate our residents who have become ill. With the H1N1 issues that have recently arose, too, this will be our triage area for any residents or any kids that have to be moved from another program. That will be housed in this building.

With the completion of this project, all fire suppression projects undertaken at the Training School will be approximately 75 percent complete.

The Juvenile Medium Secure Facility and Hayes buildings are the most secure of all the JJC buildings and house the most troubled male and female youth groups. In order to maintain the level of safety commensurate with our secure buildings, additional security enhancements in the form of IP addressable cameras with digital recording devices will assist in monitoring activity in our dayrooms, hallways, vocational areas, kitchens, and cafeterias in these buildings. In addition, a man-down Duress alarm system is needed in the JMSF building, similar to the one we have at the Training School. Cost estimate to complete this request is \$1 million. The outdated design of these buildings leave a number of areas that do not have good sight lines where incidents can occur. The cameras and man-down alarms have increased the safety of the staff as well as the residents. All the JJC secure sites will have equal surveillance and security protection with the completion of this initiative.

As you know, we have a number of other requests that you can read as part of our testimony. I would like to thank you at this point, and on behalf of the JJC and the Office of the Attorney General, I would like to extend our thanks to the Commission members for difficult decisions that you must make in these tough economic times, and for your support of the JJC in the past. We're very proud of our accomplishments and, as always, we extend an open invitation to any of the members to tour our facilities and see the work that has been completed through your support.

And we'd be happy to answer any questions you may have. And again, thank you for your time.

MS. MOLNAR: Thanks for all your work on behalf of these 1,300 children.

Any questions or comments?

ASSEMBLYMAN CRYAN: Just one.

Assemblyman.

ASSEMBLYMAN CRYAN: Population trends -- overall?

Whether it's from JDAI or the rest--

MS. FAIRBANKS: Definitely down, Assemblyman. We were-- When we say 1,300, that includes also some of our youth that are on parole status. They might not actually be living in our residential programs. So we are down, definitely.

ASSEMBLYMAN CRYAN: Do you have any idea how many are on parole status?

MS. FAIRBANKS: We have about 375 kids right now on parole status.

ASSEMBLYMAN CRYAN: So our actual population, for lack of a better way to put it, is around 900 -- 900 and change.

MS. FAIRBANKS: That's correct.

ASSEMBLYMAN CRYAN: Based on where we've gone with JDAI and the expansion, which I assume has something to do with this, right?

MS. FAIRBANKS: That's correct.

ASSEMBLYMAN CRYAN: How does that factor into like -- I read all this stuff -- how does the population trend and the reduction fit into the capital needs? Do you guys do a weighted analysis -- see where I'm going?

MS. FAIRBANKS: We have. And as you've noticed -- that we're looking first, of course, to reduce our leased space. That's our first line of defense; we're looking at Camden specifically right now.

ASSEMBLYMAN CRYAN: And those guys in Property Management are pretty rough on that, right?

MS. FAIRBANKS: Yes, and we're working through that. And so we want to try to maintain the State-owned property, like the Training School, like Bordentown; so that's where we're trying to devote most of our capital -- and that's where our most serious offenders are, as well.

ASSEMBLYMAN CRYAN: Do you guys have any sense, long-term -- and this is probably an unfair question; you can give me a polite "no" -- do you guys have any sense based on -- have you looked at population trends, based on this-- It's relatively new, this shrinking population, is it not?

MS. FAIRBANKS: That's correct. I think we are taking a look at that; I know we're looking at recidivism very, very closely and providing that information. I think there's a study going on right now that's going to be released to the Attorney General shortly.

ASSEMBLYMAN CRYAN: Okay. Then I'll keep an eye out for that. Thank you.

MS. MOLNAR: Senator.

SENATOR KARROW: Good morning. You said that the \$5.2 million recommendation that we made last year was reduced? How much was it reduced by?

MS. FAIRBANKS: Well, I believe we didn't get anything at the end of the day. Originally, but--

SENATOR KARROW: I would call that eliminated.

MS. FAIRBANKS: Yes, well, in the appropriation process I believe we did get the funds for the Pinelands septic, because that was in the Department of Environmental Protection part of the budget. And I believe-- We have been working with Mr. Vari and his office, and we are looking at the fire suppression systems at Costello Prep and Ocean -- so that we are looking for funds to begin those projects. We basically lost our capital -- critical repair, rather, monies.

SENATOR KARROW: I can't swear by this, but I know that this Commission was so concerned about the ramifications from the testimony last year that you received either the highest recommendation, or the second-highest, from the Commission to take care some of the issues for these kids. So how was your Commission impacted by the lack of any capital funding?

MS. FAIRBANKS: Well, as we said, the continual need for critical repair monies just prolongs and delays repairs on buildings that nearly -- that are older. We have buildings from the 1930s, literally.

SENATOR KARROW: So we're back to the fact that there is maintenance crews out there all the time.

MS. FAIRBANKS: Yes, and it's constantly -- we're basically *Band-Aiding* all of the time. The buildings are not safe, and eventually we may have to eliminate some of the use of some of the buildings just because of that, if we don't get some capital funds to maintain them.

SENATOR KARROW: Thank you.

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

If not, I want to thank you for coming today.

MS. FAIRBANKS: Thank you very much.

MS. MOLNAR: Under other business, I just want to ask the Assemblyman one question: You're on Budget, right? Budget Committee? I was just wondering, what is the Committee's position or direction on higher ed, on the higher ed issues?

ASSEMBLYMAN CRYAN: In terms of--?

MS. MOLNAR: Any kind of--

ASSEMBLYMAN CRYAN: We put our focus more this year into tag grants, more direct at the students' tuition-assisted grants. We also focused very strongly in capping tuition by use of the stimulus dollars. That's why tuitions are capped at 3 percent.

MS. MOLNAR: All right.

ASSEMBLYMAN CRYAN: In fact, there was a-- The college in New Jersey that decided to look in a different direction for that -- they saw the light to come back to 3 percent as well. We worked very hard to maintain the affordability.

MS. MOLNAR: What about capital? Is there any stimulus money for capital at all?

ASSEMBLYMAN CRYAN: There's a program -- and anybody can correct me here if I'm wrong -- there is a stimulus program in terms of access of dollars. I'm not the strongest on this, and I don't pretend to say that I am. But there's also a race -- there's top dollars and there's some other things that allow accessibility.

MS. MOLNAR: So there may be some money for capital--

ASSEMBLYMAN CRYAN: That's the hope. And it's in the application process that's--

MS. MOLNAR: You must have a real tough job, with all these requests that they have.

ASSEMBLYMAN CRYAN: We don't actually-- The Governor's taken the approach, and some of these applications go directly to Washington. There's a website -- it escapes me at the moment -- it shows complete transparency in the process. The Governor has appointed Chief of Staff McBride and Controller Boxer to review applications and ensure the process is handled not only transparent-wise, but fairly and equably as well. You know, one of the things that was interesting -- I had a little laugh about it, but it's true -- in the State Library, through the changing of windows, would they be eligible for a tax credit, which is part of the stimulus package as well?

MS. MOLNAR: But in the past, when higher ed came to you, you pretty much said, "You're on your own."

ASSEMBLYMAN CRYAN: No, no. We listened strongly to their needs, and in fact had a round-table process. Matter of fact, last year, President McCormick and President Cole joined us in that discussion, as well as a number of the community colleges -- where, by the way, the Governor has taken a very proactive approach because of the need for work-force retraining, given the economic challenges that are in front of us. Tremendous partnership programs with the Department of Labor. We also retained the STARS program in terms of community colleges, making accessibility and affordability part of the process. But could there be more, and should there be more done in terms of infrastructure? Yes, but I'll still

challenge that -- with watching this monument go up on Morris Avenue in Union.

MS. MOLNAR: As she said, she said it varies by institution.

ASSEMBLYMAN CRYAN: I find -- and I understand there's different philosophy, all the way out. I find that as we bring-- I'll invite you; make sure you're invited, all the members are invited to our session -- it generally happens under Chairman Greenwald in April. There's a significant different philosophy among individual presidents in terms of what they do.

MS. MOLNAR: Now, her testimony said there hasn't been a bond since 1988. I thought there was a higher ed bond in the '90s.

ASSEMBLYMAN CRYAN: So did I.

SENATOR KARROW: There was. There was one under Whitman, and it included the community colleges.

ASSEMBLYMAN CRYAN: Yes, there was one under Whitman. And then we are debating, and have gone back and forth on the debate, and the presidents have come in on the bond issue. The presidents have come in and asked for a \$2 billion bond issue at least three of the last four years; in particular President Cole is very strong and adamant on that. That being said, I think many of us believe that there's a lack of appetite out there right now for that. One of the things that -- as you know, all bonding now -- based on the Legislature's movement and the Governor's signature -- now requires to be on the ballot, and I think you may see a '10 situation where there might be opportunities, since it will be on the ballot for those sort of discussions. I like it in '10 because, quite frankly, there's

not a gubernatorial, there's not a legislative-- People can take some time and really evaluate it.

SENATOR KARROW: I just want to tag onto the Assemblyman -- the colleges and universities wanted autonomy, and they don't want the State interfering in their budgets at all, which we don't. But then they want money. The community colleges don't seem to get the same shake, and they offer some of the best bang for the buck in the State of New Jersey. That '88 bond issue, they were not -- I do believe they were part of that bond issue. I don't believe they were under the one in the '90s.

UNIDENTIFIED MEMBER: Don't they get \$12 million a year for five years?

SENATOR KARROW: They're supposed to get some money towards tuition assistance, but they never get any real capital money for buildings at community colleges.

MS. MOLNAR: All right, if there's nothing else before the Commission, we're meeting next Friday; you have one week to -- what, Monday, Tom?

UNIDENTIFIED MEMBER OF AUDIENCE: Monday or Tuesday morning.

MS. MOLNAR: All right. Meeting adjourned.

**(MEETING ADJOURNED)**