

*Testimony of Kevin M. Ryan  
Commissioner of the Department of Children and Families  
Before the Assembly Budget Committee  
April 10, 2007*

Good morning Chairman Greenwald and Members of the Committee.

Thank you for the opportunity to appear before you today in support of Governor Corzine's recommended FY08 appropriation for the Department of Children and Families. I'd like to begin this morning by introducing several members of my staff who are here with me.

Governor Corzine and I wish to express our gratitude to each of you and the entire New Jersey Legislature for supporting the work we are doing to keep children safe and families strong. By creating the new Department and providing key funding support, you have given this Administration the ability to focus our efforts on improving the child welfare system.

I promised last year that as a new Department we would focus on the fundamentals of building a strong child welfare system and carefully set and sequence our priorities to achieve enduring reform. Our efforts to improve New Jersey's child welfare system are beginning to take hold, and we are seeing positive, incremental results. With that said, the child welfare system is not fixed – it is far from it. I must stress that vital challenges remain ahead. There is much more work ahead of us than behind us.

In 2006, the overall performance of the child welfare system improved across a broad section of performance indicators, in some areas sharply and in other areas modestly.

- In calendar year 2006, we licensed more resource homes (foster and adoptive families) in a single year than either of the prior two years - 1280 families in 2006, compared to 969 families in 2005 and 873 families in 2004. And we achieved the first annual net increase in resource families – 209 – in at least five years. In real terms, this means we created more licensed, family-like settings for children in out-of-home placement, and that directly affects kids. Today, approximately 83 percent of the 10,400 children in out of home placement live in a family setting.

- We currently have an FY07 target to recruit and license 1,030 new non-kin resource families by June 30<sup>th</sup>. As of this morning, we have licensed 932 non-kin resource families this fiscal year. We are currently ahead of our projections and will hit the target.
- The number of children who remain safely at home for at least 12 months after exiting DYFS care has risen steadily, from 70 percent of children in 2002 to 79 percent of children as of June 2006. With roughly 7,500 children exiting care each year, this increase means approximately 600 more children are being safely reunified in a stable home setting.
- We rebuilt the state's adoption system for children in foster care and achieved more finalized adoptions – 1,387 - than the prior year.
- We reduced the number of children who are legally free and waiting to be adopted from 2,260 kids in January 2006, to 1,787 kids as of last week. December 2006 represents the first time the number has fallen below 2,000 children in at least five years.
- The restoration of New Jersey's adoption practice for foster children yielded an overall increase in the number of children adopted from DYFS who are beneficiaries of our subsidized adoption program. In 2006, for the first time in state history, more than 10,000 former foster children were beneficiaries of our adoption subsidy program, and the number is now fast closing in on 11,000.

Our primary area of requested funding growth, in the amount of \$20.5 million, is for projected caseload/client growth, residential placements and family support services, largely due to sharp increases in the number of subsidized adoptions and kinship legal guardianships. The attached yellow and green chart sets forth the Department's requests for funding increases in FY 08.

### **Lowering Caseloads for DYFS Staff**

In order to provide the attention and services needed by children and families involved with DYFS, our caseworkers need manageable caseloads. I would like to take a moment to acknowledge that while Governor Corzine and the members of this committee have rightfully been focused on keeping practically every state agency's budget and staffing numbers either stable or reduced, you have given DCF the budget to shore up our staffing of

caseworkers to achieve lower caseloads for overburdened staff. As a result, caseloads for DYFS workers have come down significantly across the board.

In January 2006, most of the state's local DYFS offices did not comply with the current interim caseload standards. Now, most do. I have attached to my testimony the December caseload reports.

For intake workers, who investigate initial allegations of abuse or neglect, 20 additional DYFS offices (of 45) achieve compliance with caseload standards in CY 2006, adding to the 8 offices that were already and remain compliant. For ongoing permanency workers, who serve children and families once a case is opened, 11 additional DYFS offices came into compliance with current caseload standards, adding to the 15 that were already and remained compliant.

In March 2006, we had 131 caseload carrying staff serving 30 or more families. By December, that number was down to 53 staff, and as of March 2007, that number is down to 17 staff, an 87% decrease in one year.

In order to continue those successes in FY 08, we are requesting \$10 million to pay for the annualization of new staff positions established in FY07. For the first time in four years, we are not seeking funding for any new positions next year.

Of the offices that did not reach compliance with regard to caseload standards by December 2006, improvement is apparent in many areas, for example:

- Bergen had an average of 21 families in intake at the start of 2006 - that is now down to 16 families.
- In Camden East, permanency staff were responsible for 30 families each at the start of 2006, and it is now down to 17.
- Union County, which has 3 offices, saw two offices go from non-compliance to fully meeting caseload standards, and the remaining office (Union Central), while not yet compliant, improved.

## **Training**

The amount and quality of our training improved, enabling us to better prepare staff for the challenges of the work we do. Every new trainee is now immediately paired with a field training supervisor/mentor, and is offered classroom training within two weeks of their start date, including a new abuse and neglect investigative course as part of the pre-service training curriculum. Each trainee is tested on their understanding of the material and competency and remedial training is offered early when appropriate. We've rolled out both a revised supervisory curriculum and a new intake/investigations curriculum, and we trained nearly 2,500 staff and supervisors on concurrent planning in order to achieve timely permanency for kids. This spring, we launched the Partnership for Child Welfare, a training program that will serve our veteran workers, resource families and community agency staff, based in a consortium of state universities and community colleges to allow for training programs throughout New Jersey. We have requested \$3 million in FY08 to fund these training initiatives.

The challenges before us today are enormous. Yes, adoptions are up, but more than 1,700 children are legally free and waiting for adoption. Yes, caseloads are down, but we do not yet have compliance with the caseload standards across the board, which means we have more work to do to lower caseloads.

## **The Organization: Position Allocation and Federal Revenues**

In 2006, we undertook a comprehensive, position-by-position analysis of every single position in DCF to determine if the functions were properly aligned in the right divisions, reflecting the actual function each employee undertook. It was an arduous exercise and we found many staff were allocated incorrectly. For example, we asked how it was possible that the Division of Prevention and Community Partnerships had 59 staff working in the Division as of January 2006, but only 4 employees allocated to that Division by virtue of payroll and salary accounts.

We also reviewed the historic federal appropriations to the child welfare system – and the contrast between revenue generation and federal appropriation, in order to depict in this FY08 budget an anticipated federal appropriation that is consistent with historic revenue generation. The historic

gap between the federal Title IV-E appropriation and revenue generation may have been due to the assumption that the funding for child welfare reform would deliver additional IV-E revenue.

The assumption proved not to be valid because only 28 percent of children in foster care and 50 percent of children in subsidized adoption meet Title IV-E eligibility requirements. The eligibility determination is based upon a 1996 poverty indicator – a standard of need that is antiquated and results in fewer eligible children each year.

In FY04 Actual Revenues reported in the budget book were \$89.7 million. In FY05, Actual Revenues reported were \$85.9 million and in FY06 a \$6 million increase has occurred to reflect our current projected target of \$91.7 million in federal IV-E revenue. FY07 Actual Revenues are expected to meet or exceed the prior years' and we will work diligently to increase this amount to \$99.2 million in FY08.

## **NJ SPIRIT**

As you know, New Jersey's State Automated Child Welfare Information System (SACWIS), is behind its original schedule set in 2003. SACWIS is the integrated data management tool designed to support the daily work of caseworkers and supervisors as they plan casework for children and families, including healthcare services and supervised visits, and as they track caseloads and report services eligible for federal reimbursement.

Work began with CGI-AMS on a contract valued at \$26.8 million in March 2004. The 2003 RFP called for New Jersey to select a transfer system from another state, and New Jersey's selection was a replication of Wisconsin's SACWIS system. I understand that in 2004, DHS determined that the contract and budget for the project would need to be modified substantially to alter the Wisconsin SACWIS to reflect the changes to New Jersey practice as a result of the child welfare reform plan. With the assistance of our Department of Treasury, negotiations for a change order with CGI ensued. On October 24, 2005, the State signed a change order with CGI-AMS for \$12.9 million to account for these design modifications.

Appended to my testimony is a breakdown of the project costs. The budget for the development of the application has not increased – at all – under this

Administration. The total budget has remained at \$70.4 million, with the state and federal government each covering 50 percent of the cost.

When I testified before you last year, we targeted the commencement of the pilot for January 2007, and the statewide roll out for the end of March. Our current schedule pushes both deployments out three and a half months, with the pilot set to begin one week from today in Ocean County, which is the third busiest DYFS county operation in New Jersey. Five months ago, DCF filed a Treasury Complaint with respect to delays on the project and the transfer of CGI AMS staff off of the project. Since then, we have been meeting on a routine basis at the highest levels of our organizations, and with Adel Ebeid, the State's Chief Technology officer, to address these issues.

Since the filing of the Treasury Complaint, CGI-AMS has added additional staff and enhanced the senior management team overseeing the work. CGI also agreed to address in this current Release parts of the project that were otherwise slated to become part of Release 3 next December. We have retained certain funds from the CGI contract, and I commit to you that we will not release those funds until we are confident that the work has been performed. I have spoken many times and at length with Donna Morea, the President for CGI's United States operations, who is here today, and discussed the status of the project's development and testing against actual milestones in the context of the plan that we monitor toward completion.

Getting this system out of development and into deployment has taken too long, over several administrations – period. Our single biggest challenge in the next three months is readying and deploying this new system to our statewide workforce in July. Between May 21 and the start of full deployment in July, we are scheduled to train nearly 6,000 staff on the new technology and how it will help them serve children and families, and how it affects the ordinary course of their work.

### **Child Behavioral Health Services**

While New Jersey is the only state in the nation with a coordinated statewide children's behavioral health system, we recognize the need for significant system adjustments to achieve better access to services for families. We have engaged the public through nine focus group sessions, three regional stakeholder sessions and the release of a Request for Information (RFI)

document to understand fully where the system is serving kids well and where we need to see improvements. We plan to develop Innovation Zones next year where we will pilot improvements to the system and measure the impact of these changes – such as a unified care coordination system for children with emotional disorders. We have not requested any additional funds for these pilot programs and we intend to fund them with existing resources.

We achieved a modest decrease in the number of children who are being housed and treated out of state, down from 327 youth in March 2006 to 298 youth as of this morning, though most of these children are placed within 50 miles of New Jersey. And, we believe we are doing a better job of finding the best placement for children who need treatment. We now track the number of times youth are rejected from a proposed placement. Eighty percent of youth admitted to an out of home setting between September and December 2006 had no rejections, 18 percent had 1-3 rejections and only 2 percent had greater than 3 rejections. I want to improve upon this and further reduce rejection for children next year.

The new funds we have requested next year for children's behavioral health - \$2 million – is for community based services to serve more children with their families and their communities and prevent the need for residential placements.

Critically important to DCF, and to me personally, since January 2007, no DYFS youth waited more than 30 days for an appropriate treatment placement while in a juvenile detention center.

### **Strengthening Families**

We continue to confront great challenges due to the escalation of childhood poverty. Too many families continue to become unstable due to poverty - last week's report from the Association of Children of New Jersey suggests a strong correlation between childhood poverty, family instability and children's removal to foster care. We need to target more relevant, supportive services for families, especially in parts of the state where the incidence of childhood poverty and the removal of children from their families are high. It is clear that focusing on DYFS reform alone is not enough.

As I mentioned last year, we set out to re-engineer our Division of Prevention and Community Partnerships to better serve those children and families who face poverty every day. We're developing and expanding a network of services available to families in their communities, at the local level, to strengthen them and provide prevention and intervention services. Our investments in prevention endeavor to help build strong families, so that they never become involved with DYFS' child protection services.

We have focused on building a continuum of evidence-based programs by competitively bidding for services that include: home visitation services for at risk young families; child abuse prevention programs, such as Family Success Centers; and a model new Differential Response program.

In 2006, New Jersey's central hotline for reporting abuse and neglect received an historic number of child abuse and neglect referrals – and, in addition, approximately 12,000 calls that did not involve abuse or neglect, but rather were calls received directly from families, or on behalf of families, to request services or assistance from DYFS to address a current or developing need that affects family stability. Through a new Differential Response pilot program, we want to use these calls as an opportunity to assess families' needs and better engage vulnerable families who could benefit from supportive, prevention services before the onset of child abuse or neglect. Later this month, we will announce the first counties that will partner with DCF and receive funding to develop a coordinated, community-based, family assistance and service delivery system for families who request these services.

I believe this pilot program can strengthen families and help us keep children safe before DYFS has to become involved. There is no question many parents reject voluntary, continued association with DYFS because they are worried about being labeled abusers and they fear losing their children. I believe many families will be more willing to access the care and services they need if the service delivery system is embedded in their communities, is culturally competent and is not part of the traditional child protection system.

Governor Corzine's FY08 request includes \$6.8 million for a cost of living increase for our community provider agencies. We could not – and cannot – do this work without them. Many of them are struggling to make ends meet

in the face of health care inflation, soaring liability insurance premiums and heightened utility costs. They are a huge resource to the state.

Let me say again - we still have a lot of work to do in every area. The child welfare system is not fixed yet. Fifteen months into this effort, Governor Corzine and I continue to make this effort a focal priority of the Administration. And you have our commitment that we will continue to work with you in support of our kids and families.

## Department of Children and Families

### FY 2008 Governor's Recommended Budget

#### Growth in State Funds (in thousands)

|  | Amount<br>Increase/Decrease |
|--|-----------------------------|
| Annualization of 639 staff positions established in FY'07 <i>(no new positions in FY'08)</i> | \$10,000                    |
| Differential Response, Domestic Violence Services and Family Support Services                | \$6,000                     |
| Health Care, Addiction and Dental Services   | \$4,000                     |
| Evidenced Based, Early Intervention and Home Visitation Programs                             | \$3,300                     |
| Case Practice and Specialized Training   | \$3,000                     |
| Supervised Visitation in Homelike Settings   | \$2,800                     |
| Caseworker Safety and Security Services: Human Services Police                               | \$2,000                     |
| Services for Children with Mental Health Needs   | \$2,000                     |
| Lawsuit Compliance   | \$1,000                     |
| Flex Funds   | \$1,000                     |
| Youth Permanency and Supported Housing   | \$1,000                     |
| Child Care   | \$520                       |
| <br><b><u>Caseload Growth</u></b>  |                             |
| Subsidized Adoption  | \$6,490                     |
| Foster Care <i>(Includes \$3.9m for USDA rate increase effective Jan 2008)</i>               | \$5,400                     |
| Family Support Services  | \$4,640                     |
| Other Residential Placements <i>(Independent Living and Emergency Placements)</i>            | \$3,550                     |
| Residential Placements <i>(Residential Treatment Centers)</i>                                | \$450                       |
| <br><b>Community Provider Cost of Living Adjustment (effective Jan 2008)</b>                 |                             |
|  | \$6,800                     |
| <br><b>Reductions for debt service savings, capital and one-time or non-recurring items</b>  |                             |
|  | (\$14,550)                  |
| <b>DCF FY 2008 Recommended Budget</b>  | <b>\$49,400</b>             |

*Note: Language in the FY'08 Recommended Budget permits an amount not to exceed \$2.4 million for the Statewide Automated Child Welfare Information System, subject to the approval of the Director of Budget and Accounting and reporting requirements.*

NJ DCF DYFS

**Intake**

| Dec-06             | Workload    |          | Avg Assignments | Avg Families | Met Intake Std                          |
|--------------------|-------------|----------|-----------------|--------------|---|
|                    | Assignments | Families |                 |              | Interim: 15 families/10 new assignments |
| Atlantic           | 140         | 185      | 7               | 9            | Yes                                     |
| Bergen Central     | 77          | 171      | 7               | 16           | No                                      |
| Bergen South       | 129         | 221      | 6               | 11           | Yes                                     |
| Burlington East    | 70          | 284      | 5               | 22           | No                                      |
| Burlington West    | 128         | 234      | 9               | 17           | No                                      |
| Camden Central     | 65          | 83       | 4               | 6            | Yes                                     |
| Camden East        | 76          | 178      | 4               | 9            | Yes                                     |
| Camden North       | 40          | 86       | 3               | 7            | Yes                                     |
| Camden South       | 73          | 265      | 5               | 17           | No                                      |
| Cape May           | 51          | 123      | 6               | 14           | Yes                                     |
| Cumberland         | 90          | 461      | 4               | 22           | No                                      |
| Essex Central      | 88          | 216      | 5               | 13           | Yes                                     |
| Essex North        | 57          | 127      | 4               | 10           | Yes                                     |
| Essex South        | 47          | 96       | 3               | 7            | Yes                                     |
| Newark Center City | 48          | 269      | 4               | 21           | No                                      |
| Newark Northeast   | 56          | 257      | 3               | 13           | Yes                                     |
| Newark South       | 41          | 147      | 4               | 13           | Yes                                     |
| Newark West        |             |          |                 |              |   |
| Gloucester East    | 58          | 216      | 6               | 24           | No                                      |
| Gloucester West    | 53          | 115      | 5               | 10           | Yes                                     |
| Hudson Central     | 42          | 178      | 4               | 18           | No                                      |
| Hudson North       | 74          | 189      | 6               | 15           | Yes                                     |
| Hudson South       | 74          | 285      | 5               | 20           | No                                      |
| Hudson West        | 53          | 166      | 4               | 14           | Yes                                     |
| Hunterdon          | 18          | 49       | 5               | 12           | Yes                                     |
| Mercer North       | 67          | 182      | 5               | 14           | Yes                                     |
| Mercer South       | 71          | 103      | 5               | 8            | Yes                                     |
| Middlesex Central  | 38          | 85       | 6               | 14           | Yes                                     |
| Middlesex Coastal  | 103         | 123      | 6               | 7            | Yes                                     |
| Middlesex West     | 150         | 175      | 6               | 7            | Yes                                     |
| Monmouth North     | 105         | 268      | 5               | 13           | Yes                                     |
| Monmouth South     | 94          | 283      | 6               | 19           | No                                      |
| Morris             | 144         | 458      | 7               | 22           | No                                      |
| Ocean North        | 130         | 320      | 6               | 15           | Yes                                     |
| Ocean South        | 69          | 322      | 4               | 19           | No                                      |
| Passaic Central    | 100         | 277      | 5               | 14           | Yes                                     |
| Passaic North      | 118         | 277      | 6               | 14           | Yes                                     |
| Salem              | 39          | 158      | 4               | 14           | Yes                                     |
| Somerset           | 75          | 360      | 6               | 30           | No                                      |
| Sussex             | 74          | 129      | 8               | 14           | Yes                                     |
| Union Central      | 39          | 170      | 4               | 17           | No                                      |
| Union East         | 80          | 156      | 6               | 12           | Yes                                     |
| Union West         | 67          | 149      | 5               | 11           | Yes                                     |
| Warren             | 95          | 294      | 8               | 25           | No                                      |
| <b>Statewide</b>   |             |          |                 |              | <b>65%</b>                              |

NJ DCF DYFS

**Permanency**

| Dec-06             | Workload |                 |              |                     | Met Perm Std                         |
|--------------------|----------|-----------------|--------------|---------------------|--------------------------------------|
|                    | Families | Children Placed | Avg Families | Avg Children Placed | 15 families/ 10 children out of home |
| Atlantic           | 493      | 186             | 15           | 5                   | Yes                                  |
| Bergen Central     | 231      | 82              | 13           | 5                   | Yes                                  |
| Bergen South       | 437      | 186             | 15           | 6                   | Yes                                  |
| Burlington East    | 449      | 172             | 15           | 6                   | Yes                                  |
| Burlington West    | 380      | 92              | 16           | 4                   | No                                   |
| Camden Central     | 330      | 134             | 9            | 4                   | Yes                                  |
| Camden East        | 568      | 172             | 17           | 5                   | No                                   |
| Camden North       | 455      | 161             | 11           | 4                   | Yes                                  |
| Camden South       | 411      | 132             | 15           | 5                   | Yes                                  |
| Cape May           | 307      | 109             | 13           | 5                   | Yes                                  |
| Cumberland         | 589      | 263             | 17           | 8                   | No                                   |
| Essex Central      | 595      | 307             | 13           | 7                   | Yes                                  |
| Essex North        | 469      | 125             | 22           | 6                   | No                                   |
| Essex South        | 432      | 105             | 15           | 4                   | Yes                                  |
| Newark Center City | 641      | 294             | 23           | 11                  | No                                   |
| Newark Northeast   | 536      | 316             | 11           | 6                   | Yes                                  |
| Newark South       | 978      | 410             | 22           | 9                   | No                                   |
| Newark West        |          |                 |              |                     |                                      |
| Gloucester East    | 226      | 85              | 11           | 4                   | Yes                                  |
| Gloucester West    | 247      | 82              | 12           | 4                   | Yes                                  |
| Hudson Central     | 435      | 140             | 21           | 7                   | No                                   |
| Hudson North       | 292      | 86              | 17           | 5                   | No                                   |
| Hudson South       | 361      | 140             | 17           | 7                   | No                                   |
| Hudson West        | 168      | 73              | 11           | 5                   | Yes                                  |
| Hunterdon          | 57       | 40              | 10           | 7                   | Yes                                  |
| Mercer North       | 443      | 154             | 16           | 6                   | No                                   |
| Mercer South       | 347      | 127             | 12           | 4                   | Yes                                  |
| Middlesex Central  | 126      | 42              | 9            | 3                   | Yes                                  |
| Middlesex Coastal  | 611      | 222             | 10           | 4                   | Yes                                  |
| Middlesex West     | 449      | 179             | 11           | 4                   | Yes                                  |
| Monmouth North     | 422      | 255             | 18           | 11                  | No                                   |
| Monmouth South     | 334      | 192             | 12           | 7                   | Yes                                  |
| Morris             | 418      | 105             | 19           | 5                   | No                                   |
| Ocean North        | 592      | 251             | 19           | 8                   | No                                   |
| Ocean South        | 335      | 125             | 11           | 4                   | Yes                                  |
| Passaic Central    | 345      | 232             | 12           | 8                   | Yes                                  |
| Passaic North      | 209      | 92              | 15           | 7                   | Yes                                  |
| Salem              | 277      | 108             | 13           | 5                   | Yes                                  |
| Somerset           | 205      | 86              | 21           | 9                   | No                                   |
| Sussex             | 145      | 58              | 16           | 6                   | No                                   |
| Union Central      | 439      | 143             | 18           | 6                   | No                                   |
| Union East         | 419      | 156             | 12           | 4                   | Yes                                  |
| Union West         | 336      | 186             | 15           | 8                   | Yes                                  |
| Warren             | 227      | 73              | 23           | 7                   | No                                   |
| <b>Statewide</b>   |          |                 |              |                     | <b>60%</b>                           |

NJ DCF DYFS

**Adoption**

| Dec-06             | Workload                   |                         | Met Adoption Std     |
|--------------------|----------------------------|-------------------------|----------------------|
|                    | Children Under Supervision | Avg Children Supervised | Interim: 18 children |
| Local Office       |                            |                         |                      |
| Atlantic           | 102                        | 15                      | Yes                  |
| Bergen Central     | 79                         | 20                      | No                   |
| Bergen South       | 99                         | 20                      | No                   |
| Burlington East    | 56                         | 20                      | No                   |
| Burlington West    | 75                         | 25                      | No                   |
| Camden Central     | 60                         | 10                      | Yes                  |
| Camden East        | 37                         | 9                       | Yes                  |
| Camden North       | 65                         | 16                      | Yes                  |
| Camden South       | 46                         | 12                      | Yes                  |
| Cape May           | 56                         | 19                      | No                   |
| Cumberland         | 96                         | 24                      | No                   |
| Essex Central      | 152                        | 30                      | No                   |
| Essex North        | 88                         | 18                      | Yes                  |
| Essex South        | 40                         | 10                      | Yes                  |
| Newark Center City |                            |                         |                      |
| Newark Northeast   |                            |                         |                      |
| Newark South       |                            |                         |                      |
| Newark West        | 652                        | 18                      | Yes                  |
| Gloucester East    | 21                         | 21                      | No                   |
| Gloucester West    | 61                         | 20                      | No                   |
| Hudson Central     | 87                         | 29                      | No                   |
| Hudson North       | 41                         | 14                      | Yes                  |
| Hudson South       | 39                         | 13                      | Yes                  |
| Hudson West        | 41                         | 14                      | Yes                  |
| Hunterdon          | 20                         | 20                      | No                   |
| Mercer North       | 119                        | 24                      | No                   |
| Mercer South       | 59                         | 15                      | Yes                  |
| Middlesex Central  | 160                        | 16                      | Yes                  |
| Middlesex Coastal  |                            |                         |                      |
| Middlesex West     | 47                         | 9                       | Yes                  |
| Monmouth North     | 89                         | 18                      | Yes                  |
| Monmouth South     | 51                         | 10                      | Yes                  |
| Morris             | 88                         | 18                      | Yes                  |
| Ocean North        | 95                         | 16                      | Yes                  |
| Ocean South        | 99                         | 20                      | No                   |
| Passaic Central    | 67                         | 17                      | Yes                  |
| Passaic North      | 62                         | 31                      | No                   |
| Salem              | 104                        | 17                      | Yes                  |
| Somerset           | 35                         | 12                      | Yes                  |
| Sussex             | 34                         | 17                      | Yes                  |
| Union Central      | 64                         | 16                      | Yes                  |
| Union East         | 115                        | 16                      | Yes                  |
| Union West         | 134                        | 17                      | Yes                  |
| Warren             | 32                         | 16                      | Yes                  |
| <b>Statewide</b>   |                            |                         | <b>65%</b>           |

• MAJOR EXPENDITURES:

The major costs on the project are payments paid to our two vendors as well as the cost of IT enterprise level equipment and hardware.

| Change Orders and<br>Change in NJ SPIRIT Budget          |              |         |
|--|--------------|---------|
| Original Bearing Point Contract                          | \$2,999,913  | 4/03    |
| Enhanced Management Support for State Project Management | \$280,000    | '03     |
| Bearing Point contract extension for Release 2           | \$1,837,472  | '04     |
| Revised Bearing Point Cost                               | \$5,117,385  |         |
|  |              |         |
| Original CGI-AMS Contract                                | \$26,817,750 | 12/03   |
| Release 1.4 Change Order                                 | \$566,538    | '04     |
| Release 2 Change Order                                   | \$12,922,203 | '05     |
| Revised CGI-AMS Cost                                     | \$40,306,491 |         |
|  |              |         |
| Original Total Estimated Project Cost                    | \$55,670,984 | '03-'04 |
| Total Change Orders                                      | \$15,606,213 | '05     |
| Revised Total Estimated Project Cost*                    | \$70,430,794 | '05     |