

ANALYSIS OF THE NEW JERSEY
FISCAL YEAR 2000 - 2001 BUDGET



NEW JERSEY COMMERCE AND ECONOMIC
GROWTH COMMISSION
AND RELATED ECONOMIC DEVELOPMENT PROGRAMS

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

APRIL 2000

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NEW JERSEY COMMERCE AND ECONOMIC GROWTH COMMISSION AND RELATED ECONOMIC DEVELOPMENT PROGRAMS

Budget Pages..... C-20; D-415 to D-421

Fiscal Summary (\$000)

	Expended FY 1999	Adjusted. Appropriation FY 2000	Recommended FY 2001	Percent Change 2000-01
State Budgeted	\$52,360	\$48,138	\$54,032	12.2%
Federal Funds	0	0	0	—
<u>Other</u>	<u>2,519</u>	<u>2,751</u>	<u>2,751</u>	<u>0.0%</u>
Grand Total	\$54,879	\$50,889	\$56,783	11.6%

Personnel Summary - Positions By Funding Source

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change 2000-01
State	122	128	136	6.3%
Federal	0	0	0	—
<u>Other</u>	<u>9</u>	<u>12</u>	<u>12</u>	<u>0.0%</u>
Total Positions	131	140	148	5.7%

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

Introduction

The Department of Commerce and Economic Development was abolished pursuant to P.L. 1998, c. 44 on August 31, 1998. In its place the New Jersey Commerce and Economic Growth Commission was established "in but not of" the Department of the Treasury. P.L. 1998, c.44 stipulates that the duties of the new Commission are to coordinate under one organization, the State's economic development efforts which include, but are not limited to, business advocacy, international trade, account management, economic development, maritime resources, sustainable businesses, travel and tourism, the urban enterprise zone (UEZ) program, and the development of small, women and minority-owned businesses.

Introduction (Cont'd)

The Commission is responsible for coordinating State economic development activities among related entities. These related entities include, but are not limited to, the New Jersey Commission on Science and Technology, the New Jersey Economic Development Authority, the New Jersey Urban Enterprise Zone Authority (UEZ), the Motion Picture and Television Development Commission, and the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises. In addition to its relationship with the above organizations, the Commission also has authority to enter into memoranda of understanding or other cooperative agreements with independent entities such as the Atlantic City Convention Center Authority, the Dredging Project Facilitation Task Force, and the Economic Development Site Task Force. The Chief Executive Officer of the Commission has the statutory authority to appoint the executive directors of the New Jersey Commission on Science and Technology, the New Jersey Economic Development Authority, and the Motion Picture and Television Development Commission.

The above table includes funding and position data that are budgeted in the Department of the Treasury but are organizationally more closely affiliated with the New Jersey Commerce and Economic Growth Commission. The table below disaggregates the summary table on the previous page.

Commerce and Economic Growth Commission and Related Economic Development Programs (\$000)			
	Expended FY1999	Adjusted Appropriation FY2000	Recommended FY2001
New Jersey Commerce & Economic Growth Commission			
State Budgeted	\$32,684	\$16,474	\$20,818
Other	<u>2,519</u>	<u>2,751</u>	<u>2,751</u>
Subtotal	\$35,203	\$19,225	\$23,569
Economic Planning and Development			
State Budgeted	<u>\$2,191</u>	<u>\$12,143</u>	<u>\$ 8,693</u>
Subtotal	\$2,191	\$12,143	\$ 8,693
New Jersey Commission on Science and Technology			
State Budgeted	<u>\$17,485</u>	<u>\$19,521</u>	<u>\$24,521</u>
Subtotal	\$17,485	\$19,521	\$24,521
Grand Total	\$54,879	\$50,889	\$56,783

Introduction (Cont'd)

Included in this analysis are appropriations made to the following programs which appear on pages D-415 to D-421 in the Department of the Treasury:

New Jersey Commerce and Economic Growth Commission - \$23.6 million

- Urban Enterprise Zone Authority
- New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises
- Office of Sustainability
- Travel and Tourism
- Prosperity New Jersey, Inc.
- New Jersey Israel Commission

Economic Planning and Development - \$8.7 million

- Office of Revenue and Economic Analysis
- Motion Picture and Television Development Commission
- New Jersey Economic Development Authority

New Jersey Commission on Science and Technology - \$24.5 million

- Research and Development programs
- Business Assistance
- New Specialized Incubators
- Technology Transfer Program

Key Points

NEW JERSEY COMMERCE AND ECONOMIC GROWTH COMMISSION

- ! The Governor's FY 2000 budget recommends \$23.6 million for the New Jersey Commerce and Economic Growth Commission, a 23 percent increase in total funds available over the prior fiscal year. The \$23.6 million includes \$20.8 million in State funds and \$2.8 million in Other Funds. This level of appropriation would fund a total of 124 positions.
- ! Of the \$20.8 million in State funds recommended for the Commission, \$20.3 million is a special purpose appropriation for the Commission's programs and \$550,000 is for the Prosperity New Jersey, Inc. Grants-In-Aid program.
- ! The \$20.3 million recommended special purpose appropriation for the New Jersey Commerce and Economic Growth Commission is a \$5.1 million, or 34 percent, increase over the FY 2000 adjusted appropriation. According to the Budget in Brief, \$4 million of this increase will be used to expand television, radio and print advertising to promote New Jersey as a vacation destination. An additional \$1 million will be added to existing State and private funds to market New Jersey as "The Innovation Garden State" to businesses. The public/private partnership, Prosperity New Jersey, will combine State funds with private funds for this new advertising campaign.
- ! Although the Commission's budget is displayed as a single special purpose line, budget language directs the expenditure of \$17.4 million. Of the recommended \$20.3 million, no

Key Points (Cont'd)

less than the following amounts are allocated for the programs listed: Office of Sustainability (\$550,000); Advertising and Promotion (\$8.5 million); Business Retention, Expansion and Attraction (\$3.0 million); Travel and Tourism Cooperative Marketing Program (\$1.9 million); Business Marketing Campaign coordinated with Prosperity New Jersey (\$2 million); Community Development Bank (\$1 million); Business Information-Call Management Center (\$25,000); New Jersey Israel Commission (\$130,000); Trade and Investment Events (\$200,000); Promotion of Agricultural Exports (\$150,000); and Business Resource Center (\$75,000).

- ! Language is recommended that would authorize the appropriation of such sums as are necessary from the General Fund to the New Jersey Commerce and Economic Growth Commission to fund business relocation grants made under the Business Relocation Assistance Grant Act (P.L. 1996, c 25). These appropriations are subject to approval by the Director of the Division of Budget and Accounting and are subject to certain limitations.
- ! The Governor's budget does not recommend continued funding of \$775,000 for four Grants-In-Aid Legislative initiatives included in the Appropriations Act.
- ! Continuation funding of \$550,000 is recommended for Prosperity New Jersey, a Grants-In-Aid account.

ECONOMIC PLANNING AND DEVELOPMENT

- ! The Governor's budget recommends \$8.7 million for Economic Planning and Development. Two programs are funded in this program class: the Economic Research program (Office of Revenue and Economic Research - OREA) at \$824,000 and the Economic Development program at \$7.9 million.
- ! Continuation funding of \$824,000 is recommended for the Office of Revenue and Economic Analysis (OREA). This office consolidated the Office of Tax Analysis in the Division of Taxation and the Economic Research Offices from the Department of Labor and what was the Department of Commerce and Economic Development. Also funded as part of this office with a Special Purpose appropriation of \$45,000 is the autonomous Council of Economic Advisors. This office's line of authority is to the State Treasurer not to the Chief Executive Officer of the Commerce and Economic Growth Commission.
- ! The Governor's budget recommends a reduced appropriation of \$7.9 million for the Economic Development program. Included in this recommendation is continuation funding of \$369,000 for the Motion Picture and Television Development Commission and \$7.5 million in Grants-In-Aid for the Business Employment Incentive Program (P.L. 1996, c.26).
- ! The amount recommended for the Business Employment Incentive Program (BEIP) is \$3.5 million less than the FY 2000 adjusted appropriation. As of April 6, 2000, the program has spent approximately \$3.4 million of the \$11 million adjusted appropriation for FY 2000. This program is administered by the New Jersey Economic Development Authority (EDA). The EDA is authorized to make direct payments in the form of grants to attract businesses which will create new jobs in the State. Language in the FY 2001 budget recommends that additional funds be available to the Economic Development Authority from the General Fund subject to certain limitations.

Key Points (Cont'd)

NEW JERSEY COMMISSION ON SCIENCE AND TECHNOLOGY

- ! Funding of \$24.5 million is recommended for the New Jersey Commission on Science and Technology. Of the total recommended appropriation, \$616,000 is for the administrative expenses of the Commission. This level of appropriation would fund a total of 9 State supported positions.
- ! The balance of the \$24.5 million, or \$23.9 million, is recommended for Grants-In-Aid and is divided among the following four programs: Research and Development Programs (\$11.8 million); Business Assistance (\$2.1 million); the Technology Transfer Program (\$5 million); and New Specialized Incubators (\$5.0 million). Continuation funding is recommended for the first three programs. The fourth program, New Specialized Incubators, is a new initiative.
- ! A new \$5 million Grants-In-Aid appropriation is recommended for New Specialized Incubators. According to the Budget in Brief, these funds would be used for specialized incubators that quick start new businesses by supplying shared laboratory and office space and hands-on help from business and technical experts.

Program Description and Overview

1998 REORGANIZATION

The Department of Commerce and Economic Development was abolished pursuant to P.L. 1998, c. 44 on August 31, 1998. In its place was established the New Jersey Commerce and Economic Growth Commission which is "in but not of" the Department of the Treasury.

P.L. 1998, c. 44 stipulates that the duties of the new Commission are to coordinate under one organization, the State's economic development efforts which include, but are not limited to, business advocacy, international trade, account management, economic development, sustainable businesses, travel and tourism, the urban enterprise zone (UEZ) program, and the development of small, women and minority-owned businesses. The Governor's FY 2001 budget reflects the transfer of the Office of Maritime Resources to the Department of Transportation.

The Commission consists of a 13 member board of 11 voting and two non-voting advisory members. The board is chaired by the Governor and consists of six ex officio members and five public members. In addition to the Governor, the ex officio members are: the Chief Executive Officer/Secretary of the Commission; the Commissioners of Environmental Protection, Labor, Transportation; and the Chair of the New Jersey Commission on Higher Education. The two non-voting advisory members, one each from the Senate and the General Assembly, are appointed solely to assist in developing and facilitating legislation to assist the commission in fulfilling its statutory mission. The Chief Executive Officer/Secretary of the Commission serves as a member of the Governor's Cabinet.

The Commission is responsible for coordinating State economic development activities among related entities. These related entities include, but are not limited to: the New Jersey Commission on Science and Technology; the New Jersey Economic Development Authority; the New Jersey Urban Enterprise Zone Authority (UEZ); the Motion Picture and Television Development Commission; and the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises.

In addition to its relationship with the above organizations, the Commission also has authority to enter into memoranda of understanding or other cooperative agreements with independent entities such as the Atlantic City Convention Center Authority and the Economic Development Site Task Force. The Chief Executive Officer of the Commission has the statutory authority to appoint the executive directors of the New Jersey Commission on Science and Technology, the New Jersey Economic Development Authority, and the Motion Picture and Television Development Commission.

NEW JERSEY COMMERCE AND ECONOMIC GROWTH COMMISSION

The Governor's budget recommends a \$20.3 million Special Purpose appropriation for the **New Jersey Commerce and Economic Growth Commission**, a \$5.1 million or 33.8 percent increase over the FY 2000 adjusted appropriation. According to the Budget in Brief, the budget includes a \$4 million increase to promote New Jersey's travel and tourism industry and \$1 million for Prosperity New Jersey to market the State as the best place to locate a business. Funding is provided for 124 positions in FY 2001 of which 112 positions are State-supported and 12 positions are supported from other sources. The recommended salary appropriation will fund seven new positions which are primarily for advertising and promotion activities.

Program Description and Overview (Cont'd)

The Governor's budget includes language which directs the allocation of not less than \$17.4 million of the \$20.3 million appropriated to the New Jersey Commerce and Economic Growth Commission. The following amounts are allocated for the following activities:

Program	FY 2000 Adj. Approp.	FY 2001 Recommended
Office of Sustainability	\$550,000	\$550,000
Advertising and Promotion	4,450,000	8,450,000
Business Retention, Expansion and Attraction	3,015,000	3,015,000
Travel and Tourism Cooperative Marketing Program	1,850,000	1,850,000
Business Marketing Campaign - Prosperity NJ	1,000,000	2,000,000
Community Development Bank	1,000,000	1,000,000
Business Information - Call Management Center	25,000	25,000
Business Resource Center	75,000	75,000
Trade and Investment Events	0	200,000
New Jersey Israel Commission	130,000	130,000
Promotion of Agricultural Exports	<u>150,000</u>	<u>150,000</u>
Total Language-Directed Allocation	\$12,245,000	\$17,445,000
Total Appropriation, Commerce and Economic Development Commission	\$15,149,000	\$20,268,000

Continuation funding of \$550,000 is recommended for the **Office of Sustainability**. Established in FY 1998, this Office is intended to encourage the growth of environmentally friendly ("sustainable") businesses. A sustainable business must: use raw materials from sustainable sources (recycled materials or other materials that do not adversely impact the environment); employ a manufacturing process that minimizes emissions; and produce products that are environmentally benign or mitigate an environmental problem. Goals of this office include identifying areas in the New Jersey economy which can benefit strongly from sustainable business development; assisting in the expansion of sustainable businesses currently located in New Jersey; assisting in the conversion of existing traditional businesses to sustainable practices; and bringing new sustainable business to New Jersey.

Advertising and Promotion is recommended to receive \$8.5 million in FY 2001, \$4 million more than the FY 2000 adjusted appropriation. Advertising and Promotion combines the Commission's marketing, public relations and advertising efforts into one unit whose mission is to encourage economic development and attract tourism. These marketing and communications functions promote New Jersey "as the best place to live, work and play." The additional funds recommended in FY 2001 will be used to augment existing travel and tourism brochures, tourist information centers, and the State web site. In addition, more emphasis will be placed on multilingual products for international visitors.

Program Description and Overview (Cont'd)

Continuation funding of approximately \$3 million is recommended for **Business Retention, Expansion and Attraction**, which was formerly called the Accounts Management System. This system stemmed from a study commissioned by Prosperity New Jersey which found that "the lack of customer-oriented focus to our existing businesses put New Jersey in the position of being a prime target for other states' economic development marketing efforts." Prosperity New Jersey recommended the adoption of a system to provide businesses with a "one-stop shopping" service in their dealings with the State. Under this system, managers were assigned to each of the major industry groups (such as pharmaceuticals and telecommunications) to handle their interactions with government.

The **Travel and Tourism Cooperative Marketing Program** is recommended to receive continuation funding of \$1.9 million in FY 2001. The mission of this program is to promote New Jersey as a travel destination to promote tourism as a catalyst to the State's economic growth and development. This program works in conjunction with the \$8.5 million available for Advertising and Promotion. Language in the Governor's budget requires that the Chief Executive Officer of the Commission report semi-annually on the expenditure of State funds and private contributions during the preceding six months for the Advertising and Promotion Program and the Travel and Tourism, Advertising and Promotion - Cooperative Marketing Program.

The **Business Marketing Campaign coordinated with Prosperity New Jersey** is recommended to receive \$2 million in FY 2001, a \$1 million increase over the FY 2000 adjusted appropriation. The Budget in Brief indicates that these funds will be added to existing State and private funds to promote New Jersey's high technology industry. **Prosperity New Jersey, Inc.** is a program which was created pursuant to Executive Order No. 38 of 1995 and is charged with creating and implementing strategic plans for economic growth in the State through the establishment of public-private partnerships. It is governed by a 27-member board, appointed by the Governor, which includes representatives of the State's business, labor, environmental and academic communities. In addition to the recommended \$2 million Direct State Services appropriation, continuation funding of \$550,000 is recommended for the Prosperity New Jersey Grants-In-Aid program to promote economic development and job creation.

The Governor introduced the concept of the **Community Development Bank (CDB)** in the FY 1995 State of the State address. The purpose was to create access to capital for businesses located within the State's urban areas through the creation of a Statewide network of banks, specially targeting businesses and individuals who do not satisfy the traditional lending or investment criteria of private financial institutions. The New Jersey Economic Development Authority manages the fund on behalf of the Commission. The CDB is recommended to receive continuation funding of \$1 million in FY 2001.

Two smaller appropriations which total \$100,000 and which the Commission expects will contribute to New Jersey's business-friendly climate are the **Business Information - Call Management Center** and the **Business Resource Center**. The budget recommends \$75,000 for the Business Resource Center which is based at the New Jersey Institute of Technology (NJIT) in Newark. This center provides a user-friendly one-stop center of economic development information (such as labor, transportation, taxes) about specific areas of New Jersey. Another \$25,000 will support the Business Information - Call Management Center to be used for mailing and telephone costs. According to the Commission's web site, the Call Management Center can provide information to businesses on such topics as incorporating, business occupations and licenses, statutes and business fees.

Program Description and Overview (Cont'd)

A new appropriation of \$200,000 is recommended for **Trade and Investment Events**. According to the Budget in Brief, these funds would be used to sponsor additional trade and investment events to promote increased exports to world markets. New Jersey's six leading export markets in 1997 were Canada, Japan, Republic of Korea, Netherlands, Mexico and the United Kingdom.*

*Revised 5/8/00

The **New Jersey Israel Commission** is recommended to receive continuation funding of \$130,000. This Commission promotes trade, investment and joint business ventures between New Jersey and Israel and fosters exchanges between the State and Israel in the areas of science and technology, culture and tourism and education.

Continuation funding of \$150,000 also is recommended for the **Promotion of Agricultural Exports**. This was a new appropriation in FY 1999 to "ensure that New Jersey's food products continue to gain prominence in the world marketplace." Information provided by the Commission indicates that New Jersey agricultural exports were valued at approximately \$360.8 million in 1998.

The Governor's budget includes language which would appropriate such sums as necessary from the General Fund to the New Jersey Commerce and Economic Growth Commission to fund business relocation grants made under the **Business Relocation Assistance Grant Act** (P.L. 1996, c. 25). Business relocation grants are subject to approval by the Director of the Division of Budget and Accounting and are subject to certain limitations. No other direct line item appropriation has been recommended for this purpose.

ECONOMIC PLANNING AND DEVELOPMENT

The Governor's budget recommends continuation funding of \$8.7 million for **Economic Planning and Development**. Two programs are funded in this Statewide program: the Economic Research program (Office of Revenue and Economic Research - OREA) and the Economic Development program.

The Governor's budget recommends continuation funding of \$824,000 for the Office of Revenue and Economic Analysis (OREA). This office consolidated the Office of Tax Analysis in the Division of Taxation and the Economic Research Offices from the Department of Labor and the former Department of Commerce and Economic Development. Also included as part of this appropriation is \$45,000 for the autonomous Council of Economic Advisors. OREA's line of authority is to the State Treasurer, not to the Chief Executive Officer of the Commerce and Economic Growth Commission.

Funding of \$7.9 million is recommended for the Economic Development program, a \$3.5 million reduction from FY 2000. Included in this recommendation is \$369,000 for the administrative expenses of the Motion Picture and Television Development Commission and a \$7.5 million Grants-In-Aid appropriation for the Business Employment Incentive Program (P.L. 1996, c.26).

The **Business Employment Incentive Program (BEIP)** is administered by the New Jersey Economic Development Authority (EDA). In FY 1999, the first year of the program, \$11 million was appropriated for the program, of which approximately \$1.1 million was expended. In FY 2000 again \$11 million was appropriated, of which approximately \$3 million has been transferred to a

Program Description and Overview (Cont'd)

budget reserve account and \$3.5 million has been spent. In FY 2001, the Governor's budget recommends \$7.5 million which, given the current rate of expenditure, will be sufficient according to the Office of Management and Budget. Should this appropriation not be sufficient, language in the FY 2001 budget recommends that additional funds be available to the Economic Development Authority from the General Fund subject to certain limitations.

Information from the FY 1999 Annual Report for the Business Employment Incentive Program indicates that since its inception through the end of FY 1999, the Economic Development Authority has approved 148 BEIP grants. The EDA is authorized to make direct payments in the form of grants to attract businesses which will create new jobs in the State. The incentive grant, which may be for up to 10 years, will equal between 10 percent and 80 percent of State income taxes withheld by the business during the calendar year for the newly hired employees.

NEW JERSEY COMMISSION ON SCIENCE AND TECHNOLOGY

An appropriation of \$24.5 million is recommended for the **New Jersey Commission on Science and Technology**. This represents a \$5 million increase over the \$19.5 million FY 2000 adjusted appropriation. Of the total recommended appropriation, \$616,000 is for the administrative expenses of the Commission. The \$616,000 in administrative expenses will support 9 positions in FY 2001. The balance, \$23.9 million, is recommended for General Fund - Grants-In-Aid programs.

Included in the \$23.9 million for Grants-In-Aid is continuation funding for Research and Development Programs (\$11.8 million), Business Assistance (\$2.1 million) and the Technology Transfer Program (\$5 million). A new \$5 million appropriation is recommended for New Specialized Incubators.

The New Jersey Commission on Science and Technology was established to encourage the development of scientific and technological programs, stimulate academic-industrial collaboration and coordinate the activities of technological centers and business facilities. The Governor's budget has recommended that \$11.8 million be available to the Commission to provide grants-in-aid funding for **Research and Development (R&D) Programs**. The majority of these funds will continue to support twenty-one continuing programs which received support in FY 2000, assuming that all grantees meet their performance expectations.

According to the Commission's web site, the Commission's R&D programs are organized along the lines of business sectors identified as critical to the State's economic destiny. These are biotechnology, advanced materials, information technology and environmental protection technology. Within these areas, **Advanced Technology Centers (ATCs)** are funded to conduct leading edge research and development in conjunction with private industry.

These ATCs include: the Center for Advanced Food Technology, the Hazardous Substance Management Research Center, Center for Advanced Biotechnology and Medicine, the Center for Agriculture and the Environment, the Center for Ceramic and Composite Materials Research, the Fiber Optic Materials Research Program, the Center for Photonic and Optoelectronic Materials, the Center for Advanced Information Processing, the Center for Discrete Mathematics and Theoretical Computer Science and, the Center for Manufacturing Systems.

In addition to the \$12 million for R&D programs, the budget also recommends that \$2.1

Program Description and Overview (Cont'd)

million be available to support the Commission's **Business Assistance Programs**. This program is a funding source for small, for-profit technology companies which are located or plan to locate in New Jersey. The purpose of these programs is to provide the infrastructure to improve the entrepreneur's access to information, capital and technology through a technology help desk, technology forums, and vouchers for technical assistance .

In addition, the Commission helped to create and supports seven business incubators which provide start-up and small firms with low cost office, small manufacturing and/or laboratory space and business assistance support. The seven business incubators are: the Rutgers Business Incubator in New Brunswick; the Stevens Technology Ventures Business Incubator in Hoboken; the Technology Enterprise Development Centers I and II in Newark at the New Jersey Institute of Technology; the Pachytene Innovative Technology Center at Morris County Community College in Dover; the Trenton Business and Technology Center at Mercer County Community College and the High-Technology Small Business Incubator at Burlington County College in Mount Laurel.

A new \$5 million Grants-In-Aid appropriation is recommended for **New Specialized Incubators**. Through this initiative, the Commission expects to develop seven to ten new incubators in New Jersey. Like the incubators which currently exist, these new incubators are expected to be established in partnership with colleges and universities and are expected to have multiple and committed partners, such as corporations, federal programs and other State-sponsored programs.

The Commission on Science and Technology indicates that there are over 111 tenant firms in New Jersey's incubators with almost 500 employees. The average length of incubation in New Jersey is approximately 2.3 years. To date, 104 firms have graduated from the incubators and 80 are still in business in New Jersey.

Approximately \$5 million is recommended for the **Technology Transfer and Commercialization Program**. To stimulate the transfer of technology from universities and New Jersey scientists and engineers into commercial practice, the Commission offers three programs: a Technology Transfer Merit Program, which encourages competition for this purpose among the Advanced Technology Centers; the Innovation Partnership program, which aligns the research interests of New Jersey firms and university faculty; and a series of Technology Education Centers which, the Commission expects, will become a part of a coordinated, statewide manufacturing extension network. In FY 1999 the program was expanded to reflect the focus on assisting technology companies in developing commercial products. In FY 2001, the Commission expects to award four rounds of competitive awards to technology companies. The \$5 million appropriation is a matching grant program that underwrites individual company and university technology transfer and product development projects, assisting in the transfer of newly-developed technology to the marketplace.

OTHER RELATED BUT INDEPENDENT PROGRAMS

Each of the following programs was transferred from the former Department of Commerce and Economic Development to in but not of the Department of the Treasury pursuant to P.L. 1998, c.44. Notwithstanding this transfer, each of these authorities, commissions and councils continues to be "independent of any supervision and control by the department or by any board or officer thereof." Most of these organizations, however, have some type of relationship with the New Jersey Commerce and Economic Growth Commission. The Chief Executive Officer and Secretary of the

Program Description and Overview (Cont'd)

New Jersey Commerce and Economic and Development Commission has the authority to appoint the executive directors of the Economic Development Authority and the Motion Picture and Television Development Commission.

The **New Jersey Economic Development Authority (EDA)**, established pursuant to P.L. 1974, c.80, acts as the State's development bank, providing long-term, low-interest financing to private companies for constructing, acquiring, enlarging, and equipping industrial plants and certain other business facilities. The EDA estimates that, since it was founded in 1974, it has provided more than \$12.5 billion to eligible businesses and not-for-profit groups.

The EDA administers a number of State programs and cooperates with a number of State departments and agencies. The Community Development Bank, the Business Relocation Assistance Grant (BRAG) program and the Business Employment Incentive Program (BEIP) are among the programs administered by the EDA on behalf of the State. It also administers business training programs on behalf of the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises.

According to the EDA's 1998 Annual Report, the EDA laid the groundwork, in cooperation with the Division of Taxation in the Department of the Treasury, for the 1999 Tax Certificate Transfer Program which provides new incentives to support emerging technology companies in New Jersey. Expansion of the Hazardous Site Remediation Fund includes funding for individuals using innovative technologies to clean up contaminated sites. In conjunction with the Department of Environmental Protection, EDA also administers a funding program to encourage the upgrading, closure and remediation of underground storage tanks.

The **Motion Picture and Television Development Commission**, established pursuant to P.L. 1977, c.44, promotes the film and television industry in New Jersey by attracting on-location film and television production and serves as a liaison between production companies and federal, state, county, municipal government and the private sector. The Commission's 1997 Annual Report states that a total of 567 projects were made in New Jersey, including 80 feature films, 5 television films, 78 television series and specials, 17 music videos, 125 industrial, educational, documentary and short films and 262 commercials (p. 3). According to the Annual Report, these 567 projects contributed \$53,400,000 to the New Jersey economy.

The **New Jersey Council of Economic Advisors**, established pursuant to P.L. 1993, c. 149, serves as a permanent unpaid advisory council composed of economic experts who report directly and independently to the Legislature, the Executive Branch and the public. It is charged with providing the Governor and the Legislature with a comprehensive annual report on or before January 31 of each year which analyzes the current economic conditions and forecasts future conditions. The New Jersey Commerce and Economic Growth Commission provides appropriate administrative assistance to the council, including but not limited to, personnel and fiscal assistance. Funding for these services is annually provided for in the State budget. The FY 2001 budget recommends continuation funding of \$45,000 for the Council of Economic Advisors.

Program Description and Overview (Cont'd)

The **Urban Enterprise Zone Authority (UEZA)**, established pursuant to P.L. 1983, c. 303, was established to revitalize the State's economically distressed urban communities. The Urban Enterprise Zone Program is administered by the New Jersey Commerce and Economic Growth Commission whose expenses are reimbursed by the UEZA, subject to the availability of funds. General oversight of the program is vested in a nine member UEZA, four of whom are ex officio; five are public members.

The Urban Enterprise Zone Program consists of 27 zones in 29 municipalities. From 1984 to 1986, urban enterprise zones were designated in ten municipalities: Camden, Newark, Bridgeton, Elizabeth, Jersey City, Kearney, Millville-Vineland, Orange, Plainfield, and Trenton. In 1993, the 1983 Act was amended to designate an additional ten zones in 11 municipalities: Asbury Park/Long Branch, Carteret, Lakewood, Mount Holly, Paterson, Passaic, Perth Amboy, Phillipsburg, Pleasantville, and Union City. Six of the ten were designated in the legislation; four were selected through a competitive process. The legislation was amended again in 1996 to add seven zones: East Orange, Guttenberg, Hillside, Irvington, North Bergen, Pemberton, and West New York.

One benefit of being designated a UEZ is that qualified UEZ businesses are permitted to charge 50 percent of the current six percent sales tax rate. The three percent collected is deposited in the Zone Assistance Fund and revenues are returned to each UEZ in proportion to total sales tax revenues collected by qualified retail businesses in that zone. These revenues are to be used "for the purpose of assisting qualifying municipalities in which enterprise zones are designated in undertaking public improvements and in upgrading eligible municipal services." Among the economic development projects approved are: \$1.2 million to Jersey City for 44 uniformed police officers to patrol designated areas on foot; and \$3.3 million to Lakewood to start the renovation of three buildings to create an assisted living facility, to buy two lots for a parking facility and to fund a program that provides below market rate loans to businesses within the UEZ.

The Final Report of the New Jersey Urban Enterprise Zone Fiscal Impact Study (July 31, 1998) by Response Analysis Corporation and Urbanomics evaluated the 20 zones which were authorized prior to 1996. Based on UEZ data, the study found that from 1984 through June 1997, UEZ businesses in the 20 zones have invested \$4.1 billion in their zone businesses and have created 46,181 new jobs.

The **New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises (NJDA)**, was established pursuant to P.L. 1985, c.386, to assist in providing financing and other services to eligible businesses. The NJDA is funded through casino revenues and is mandated by the Legislature to target its assistance primarily to businesses in the Atlantic City region. Pursuant to N.J.S.A. 5:12-181 of the Casino Control Act, the Casino Reinvestment Development Authority is required to set aside \$1.2 million annually from casino proceeds, beginning in 1984 and continuing through 2008, for the purpose of investing in the NJDA.

The NJDA contracts with the New Jersey Economic Development Authority for administrative and program functions, paying the EDA a negotiated base annual fee of \$375,735 in 1997. Among the programs run by the EDA is the Entrepreneurial Training Institute (ETI), a training program which aims to prepare new and aspiring entrepreneurs to run their own businesses. Participation in ETI programs makes entrepreneurs eligible for financing through the NJDA.

Program Description and Overview (Cont'd)

When NJDA was created, the State appropriated \$290,000 to the Authority to fund its operations. The appropriation was considered a zero interest loan and was to be repaid in five annual installments commencing in the year following the second consecutive year in which the Authority received sufficient revenues from its own activities to pay its operating expenses. As of December 31, 1997, repayments had not commenced. Although an independent authority, rules and regulations promulgated by the NJDA are subject to the Commerce and Economic Development Commission's approval.

The **South Jersey Port Corporation** was established pursuant to P.L. 1968, c.60 to operate and maintain the marine terminal facilities located within the seven county south Jersey Port District. In 1998, it was transferred in but not of the Department of the Treasury pursuant to P.L. 1998, c.44. It continues to be "independent of any supervision and control by the department or by any board or officer thereof." Pursuant to P.L. 1997, c. 150, the port facilities of the Corporation along with its assets, liabilities and obligations statutorily were transferred to the Economic Development Authority in conjunction with the unification of the South Jersey Port Corporation with the Philadelphia Port Authority. The unification of the South Jersey Port Corporation and the Philadelphia Port Authority has not yet taken place.

In addition to the above independent authorities, corporations, commissions and councils, the following were transferred in but not of the Department of the Treasury pursuant to P.L. 1998, c.44 and continue to be "independent of any supervision and control by the department or by any board or officer thereof:" Atlantic City Convention Center Authority (P.L. 1981, c.459); Economic Development Site Task Force (P.L. 1997, c.97); New Capital Sources Board (P.L. 1995, c.293); and the Export Finance Company Advisory Board (P.L. 1995, c.209).

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 1999	Adj. Approp. FY 2000	Recom. FY 2001	Percent Change	
				1999-01	2000-01
General Fund					
Direct State Services	\$15,665	\$16,908	\$22,077	40.9%	30.6%
Grants - In - Aid	36,695	31,230	31,955	-12.9%	2.3%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$52,360	\$48,138	\$54,032	3.2%	12.2%
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Sub-Total	\$0	\$0	\$0	0.0%	0.0%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$52,360	\$48,138	\$54,032	3.2%	12.2%
Federal Funds	\$0	\$0	\$0	0.0%	0.0%
Other Funds	\$2,519	\$2,751	\$2,751	9.2%	0.0%
Grand Total	\$54,879	\$50,889	\$56,783	3.5%	11.6%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change	
				1999-01	2000-01
State	122	128	136	11.5%	6.3%
Federal	0	0	0	0.0%	0.0%
All Other	9	12	12	33.3%	0.0%
Total Positions	131	140	148	13.0%	5.7%

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	29.8%	28.5%	30.2%	----	----
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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NEW JERSEY COMMERCE AND ECONOMIC GROWTH COMMISSION

General Fund, DSS Economic Development (New Jersey Motion Picture and Television Development Commission)	\$319	\$369	\$50	15.7%	D-415
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The recommended appropriation includes continuation funding of \$259,000 for salaries. Information from the Department of the Treasury indicates that the \$50,000 recommended increase would be used to expand the program's promotional initiatives and attract additional motion picture and television resources to New Jersey.

General Fund, Grants-in Aid: Business Employment Incentive Program	\$11,000	\$7,500	(\$3,500)	(31.8)%	D-416
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The amount recommended for the Business Employment Incentive Program (BEIP) is \$3.5 million less than the FY 2000 adjusted appropriation. As of April 6, 2000, the program has spent approximately \$3.5 million of the \$11 million adjusted appropriation for FY 2000. This program is administered by the New Jersey Economic Development Authority (EDA). The EDA is authorized to make direct payments in the form of grants to attract businesses which will create new jobs in the State. Language in the FY 2001 budget recommends that additional funds be available to the Economic Development Authority from the General Fund subject to certain limitations. Funding is limited to revenues received as withholdings from all businesses receiving grants pursuant to the "Business Employment Incentive Program Act," P.L. 1996, c.26.

General Fund, DSS Special Purpose: New Jersey Commerce and Economic Growth Commission	\$15,149	\$20,268	\$5,119	33.8%	D-418
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The \$20.3 million recommended for the Commission's programs in FY 2001 is a net \$5.1 million increase over the FY 2000 adjusted appropriation. The three areas of expansion include: Export Promotion, Business Marketing Campaign, and Other Key Industries and Initiatives.

Export Promotion is recommended to increase by \$200,000. Information provided by the Commission indicates that the proposed increase to the international trade budget will allow the State to participate in additional trade and investment events, as well as continue with plans to open

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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three new foreign trade offices in Cairo, Egypt; Sao Paolo, Brazil; and Athens, Greece. In addition, these funds will allow the State to employ representatives in Seoul, South Korea and in Taiwan.

The Business Marketing Campaign is recommended to increase by \$1 million in FY 2001. Information in the Budget in Brief indicates that a \$1 million increase in funding is included for Prosperity New Jersey to market the State as the best place to locate a business. The new advertising campaign will market the State as The Innovation Garden State.

Other Key Industries and Initiatives includes a \$3.9 million increase. According to the Budget in Brief, this increase will be used to promote New Jersey's travel and tourism industry. This increase will be used to augment the publication and distribution of brochures; to increase multilingual products for international visitors; to provide support for the State's nine Welcome and Tourism Information Centers; and to support further enhancements to the State's tourism Internet site.

The evaluation data on page D-417 show a comparison of expenditures along programatic lines as follows:

Program Expenditures (\$000)	Fiscal Year 2000	Fiscal Year 2001	Net Change	Percent Change
Business Retention, Expansion and Attraction	\$2,409	\$2,409	\$0	0.0%
Export Promotion	1,276	1,476	200	15.7
Travel and Tourism	7,000	7,000	0	0
Business Marketing Campaign	1,000	2,000	1,000	100.0
Small Businesses and Women and Minority Businesses	1,828	1,828	0	0
Other Key Industries and Initiatives	<u>1,636</u>	<u>5,555</u>	<u>3,919</u>	<u>239.5</u>
Total	\$15,149	\$20,268	\$5,119	33.8%

**General Fund, Grants-in-Aid:
 Burlington County-New Jersey Eco Complex**

\$275	\$0	(\$275)	(100.0)%	D-418
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This was a Legislative initiative in FY 2000 and is not recommended by the Governor.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Monmouth/Ocean Development Council- Economic Development Partnership Project	\$100	\$0	(\$100)	(100.0)%	D-418

This was a Legislative initiative in FY 2000 and is not recommended by the Governor.

New Jersey Trade Development Corporation	\$150	\$0	(\$150)	(100.0)%	D-419
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This was a Legislative initiative in FY 2000 and is not recommended by the Governor.

Northern New Jersey Business Growth Initiative-Regional Business Partnership	\$250	\$0	(\$250)	(100.0)%	D-419
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This was a Legislative initiative in FY 2000 and is not recommended by the Governor.

NEW JERSEY COMMISSION ON SCIENCE AND TECHNOLOGY

General Fund, Grants- in-Aid: New Specialized Incubators	\$0	\$5,000	\$5,000	—	D-421
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Information provided by the Science and Technology Commission indicates that these funds will support new incubator feasibility studies, design planning support, seed capital for incubator startup, and startup operations and seed funding for the Stage II Technology Business Development Facility now being planned for The Technology Center of New Jersey in North Brunswick.

Language Provisions

2000 Appropriations Handbook

p. B-130

Of the sum hereinabove appropriated for the New Jersey Commerce and Economic Growth Commission, there is not less than \$550,000 for the Office of Sustainability; \$4,450,000 for Advertising and Promotion; \$3,015,000 for Business Retention, Expansion and Attraction; \$1,850,000 for the Travel and Tourism Cooperative Marketing Program; \$1,000,000 for the Business Marketing Campaign coordinated with Prosperity New Jersey; \$1,000,000 for the Community Development Bank; \$25,000 for the Business Information-Call Management Center; \$350,000 for the Office of Maritime Resources; \$130,000 for the New Jersey Israel Commission; \$150,000 for the Promotion of Agricultural Exports; and \$75,000 for the Business Resource Center, except that the amount for the Cooperative Marketing Program is available for expenditure only to the extent that an amount equal to 25% of the State funds are expended from funds raised by the Commerce Commission, pursuant to section j. of section 9 of P.L. 1977, c.225 (C.34:1A-53), through contributions from private tourism industry concerns and non-State public entities as determined by the Director of the Division of Budget and Accounting. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

2001 Budget Recommendations

p. D-410

Same language except, \$8,450,000 is recommended for Advertising and Promotion and \$2,000,000 is recommended for the Business Marketing Campaign coordinated with Prosperity New Jersey. In addition, the Office of Maritime Resources was transferred to the Department of Transportation.

Explanation

This language allocates a minimum of \$17.4 million of the \$20.3 million special purpose appropriation recommended for the New Jersey Commerce and Economic Growth Commission. Budget language recommends that Advertising and Promotion be increased by \$4 million and that the Business Marketing Campaign be increased by \$1 million. This additional \$5 million will be used to promote New Jersey as both a vacation destination and as a good place for business. The Office of Maritime Resources and its recommended \$350,000 appropriation has been transferred to the Department of Transportation in FY 2001.



Language Provisions (Cont'd)

2000 Appropriations Handbook

2001 Budget Recommendations

p. B-130

The amount necessary to provide employer rebate awards as a result of the "New Jersey Urban Enterprise Zone Act," P.L. 1983, c.303 (C.52:27H-60 et seq.), are appropriated from the Enterprise Zone Assistance Fund subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

This reflects the transfer of the payment of employer rebate awards from the New Jersey Commerce and Economic Growth Commission to the Department of Labor.



2000 Appropriations Handbook

2001 Budget Recommendations

p. B-131

Fifty percent of the net receipts collected from the use of the Travel and Tourism logo and slogan and the sale of related tourism promotional items are appropriated for the purpose of administering Travel and Tourism's portion of the Advertising and Promotion program, subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

According to the Commission, deleting this language will allow 100 percent of the receipts of logo items to be retained by the Commission to promote more sales, thereby generating more receipts. In FY 2000, receipts from the use of the Travel and Tourism logo and slogan and the sale of related tourism promotional items have generated \$2,930 in revenues as of March 31, 2000.



Discussion Points

1. New Jersey has 27 Urban Enterprise Zones (UEZ) which provide significant incentives and benefits to businesses that locate within the zones. Among these incentives are: charging 50 percent of the New Jersey sales tax on certain purchases; corporation tax credits for hiring residents within the Zone; possible State regulatory relief by Zone request; and priority for financial assistance from the New Jersey Local Development Financing Fund and Job Training Programs.

Evaluation data in the Governor's budget (p. D-417) indicate that in FY 2001 an estimated 7,437 businesses will participate in UEZ programs and an estimated 6,241 new jobs will be created in the zones.

! **Question:** What types of businesses have particularly benefitted from being located in a UEZ? Please provide examples in each Zone. In what industries have most of the new jobs been created?

2. Much of the \$4.3 million increase recommended for the Commission would be used for Travel and Tourism programs. Specifically, it would be used to increase multilingual brochures to attract foreign visitors; generate additional broadcast and print media exposure nationally and abroad; and create and distribute ten new tourism brochures.

! **Question:** What methodology is used to determine the target tourist? From what countries does New Jersey expect additional tourists based on this new campaign? In what additional languages will these brochures be written? What will be the themes of the ten new tourism brochures?

3. Gas prices are considerably higher now than they have been which may impact New Jersey's auto-dependent tourism this Summer. NJ Transit currently advertises special deals on Broadway plays and other New York events if the tickets are purchased in conjunction with a NJ Transit ticket.

! **Question:** What is the expected impact of potentially high gas prices this summer? Has any attempt been made to develop tourism campaigns where using mass transit is integral? Are data available on the NJ Transit program which indicate whether this program has been successful at encouraging people to use mass transit?

4. The New Jersey Motion Picture and Television Development Commission has requested an additional \$50,000 to expand the program's promotional initiatives and attract additional motion picture and television resources to New Jersey.

! **Question:** Please explain how these funds would be used.

5. The New Jersey Economic Development Authority (EDA) is a self-supporting, independent State finance and development agency. Since it was founded in 1974, the EDA estimates that it has provided more than \$12.7 billion to help more than 6,000 manufacturers, distributors, service providers and retailers. It estimates that its assistance has stimulated more than \$18.7 billion in investments.

The EDA administers State-funded loan, grant and loan guarantee programs and also sells bonds to raise capital for its programs. Among the programs administered by the EDA for the State

Discussion Points (Cont'd)

are the Business Employment Incentive Program and business loans for the Office of Sustainability. When the Department of the Treasury administers programs for other departments, it is permitted to charge back to the department, the cost of administration.

! **Question:** Does the EDA charge for the administrative services it provides to the State? If it does charge, how are costs determined? For FY 1998, FY 1999, and FY 2000, what are the EDA's costs for administering State programs?

6. The Governor's FY 2001 budget recommends \$7.5 million for the Business Employment Incentive Program. Through this program, the EDA is authorized to make direct payments in the form of grants to attract businesses which will create new jobs in the State.

! **Question:** Please comment on the successes in this program and indicate why the Commission has requested a lower FY 2001 appropriation than its FY 2000 adjusted appropriation.

7. Evaluation data in the Governor's FY 2001 budget indicates that New Jersey exports approximately \$220 billion in goods and that these exports generate 2,640 jobs in the State. The budget recommends approximately \$1.48 million for this program including \$150,000 for its Agricultural Exports Initiative.

! **Question:** What are the major products sold by New Jersey companies abroad? To what areas in the world are these products exported? What methodology is used to determine the number of jobs generated by exports. What initiatives will the \$150,000 for agriculture pursue?

8. According to Business News New Jersey (March 28, 2000 pp.4-5), representatives from Ballantrae International, N.J. Food Processors Association and the Rutgers Small Business Development Center, testified at a public hearing of the Assembly Commerce Committee, that the State's Trade Division should contract with consulting firms to provide customized one-on-one services to firms with export potential. According to this testimony, the State's export promotional efforts are either not reaching small and medium-sized businesses or are not suited for them.

! **Question:** What services does the Trade Division provide? How can its services be more responsive to small and medium sized businesses?

9. The State of New Jersey currently has four foreign trade offices that promote exports. These offices are located in London, Tokyo, Mexico City and Ra'anana, Israel. The Commission has indicated that it plans to open three new foreign trade offices in Cairo, San Paolo, and Athens and will employ representatives in Seoul, South Korea and Taiwan.

! **Question:** How were these locations selected? What are the responsibilities of these offices and how is their success measured?

Discussion Points (Cont'd)

10. The NJ Commission on Science and Technology is recommended to receive an additional \$5 million for New Specialized Incubators. According to information provided by the Commission, these funds are expected to double the current number of incubators.

! **Question:** Please provide an overview of the current number, location and type of incubators in the State and the services they provide. Please also indicate where new incubators might be located and what specific services they would provide.

11. Many would argue that the high incidence and severity of traffic congestion in the Mid-Atlantic States imposes significant costs to business. Traffic jams at toll booths and other locations have strong implications for air quality and significantly raise the costs of doing business. Knowledge about the costs associated with traffic would be helpful to policy makers in understanding the benefits of policies to change transportation infrastructure.

! **Question:** How does the Commission address issues of traffic congestion and air quality when promoting New Jersey as a place to do business?

12. The New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises (NJDA) was established pursuant to P.L. 1985, c. 386 to assist in providing financing and other services to eligible businesses. The NJDA is funded through casino revenues and is mandated by the Legislature to target its assistance primarily to businesses in the Atlantic City region. Pursuant to N.J.S.A. 5:12-181 of the Casino Control Act, the Casino Reinvestment Development Authority is required to set aside \$1.2 million annually from casino proceeds, beginning in 1984 and continuing through 2008, for the purpose of investing in the NJDA. The NJDA contracts with the New Jersey Economic Development Authority for administrative and program functions, paying the EDA a negotiated base annual fee of \$375,735 in 1997.

When NJDA was created, the State appropriated \$290,000 to the Authority to fund its operations. The appropriation was considered a zero interest loan and was to be repaid in five annual installments commencing in the year following the second consecutive year in which the Authority received sufficient revenues from its own activities to pay its operating expenses. As of December 31, 1997, repayments had not commenced.

! **Question:** Since its inception in 1985, how much has the NJDA paid annually to the New Jersey Economic Development Authority for administrative services? What is the current status of the \$290,000 State loan to the authority?

OFFICE OF LEGISLATIVE SERVICES

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

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

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Individuals wishing information and committee schedules on the FY 2001 budget are encouraged to contact:

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