



ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
THE PUBLIC ADVOCATE**

FISCAL YEAR

2006 - 2007

NEW JERSEY STATE LEGISLATURE

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This report was prepared by the Judiciary Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Anne C. Raughley.

Questions or comments may be directed to the OLS Judiciary Section (609-292-5526) or the Legislative Budget and Finance Office (609-292-8030).

DEPARTMENT OF THE PUBLIC ADVOCATE

Budget Pages..... C-14, C-22, C-33, C-35,
D-323 to D-327

Fiscal Summary (\$000)

	Expended FY 2005	Adjusted. Appropriation FY 2006	Recommended FY 2007	Percent Change 2006-07
State Budgeted	\$13,164	\$16,220	\$19,420	19.7%
Federal Funds	\$728	\$1,023	\$1,023	—
<u>Other</u>	<u>\$358</u>	<u>\$409</u>	<u>\$409</u>	<u>—</u>
Grand Total	\$14,250	\$17,652	\$20,852	18.1%

Personnel Summary - Positions By Funding Source

	Actual FY 2005	Revised FY 2006	Funded FY 2007	Percent Change 2006-07
State	113	105	172	63.8%
Federal	0	0	0	—
<u>Other</u>	<u>44</u>	<u>43</u>	<u>47</u>	<u>9.3%</u>
Total Positions	157	148	219	48.0%

FY 2005 (as of December) and revised FY 2006 (as of September) personnel data reflect actual payroll counts. FY 2007 data reflect the number of positions funded

Key Points

- P.L.2005, c.155, the "Public Advocate Restoration Act of 2005," re-established within the Executive Branch the Department of the Public Advocate. The Department of the Public Advocate had been abolished in 1994 and various functions were transferred to other departments within the State of New Jersey. The statute re-establishing the department and consolidating the State's advocacy activities within one department became effective on January 17, 2006. The sum of \$2 million was appropriated in FY 2006 within the Department of the Treasury's budget to fund the start-up costs of the Department of the Public Advocate.
- The newly instituted department consists of seven divisions and one office: Division of Administration; Division of Mental Health Advocacy; the Division of Advocacy for the Developmentally Disabled; the Division of Public Interest Advocacy; the Division of Elder Advocacy; the Division of Citizen Relations; the Division of Rate Counsel; and

Key Points (Cont'd)

- the Office of the Child Advocate. The Office of the Child Advocate is "in but not of" the Department of the Public Advocate.
- The FY 2007 recommended budget for the Department of the Public Advocate totals \$19.42 million, an increase of \$3.2 million or 19.7 percent over the FY 2006 adjusted appropriation of \$16.22 million. The budget states that "in addition to funding the full year costs of the newly created department, this recommendation provides for the continued implementation of its mandated expanded functions and responsibilities."
 - The recommended budget for the department would provide for 219 funded positions, 71 more than the number of positions filled in FY 2006. These increased positions are allocated as follows: the Division of Administration (23); Division of Mental Health Advocacy (14); the Division of Advocacy for the Developmentally Disabled (4); the Division of Public Interest Advocacy (15); the Division of Elder Advocacy (-1); the Division of Citizen Relations (2); the Office of the Child Advocate (10); and the Division of Rate Counsel (4).
 - The Division of Citizen Relations is responsible for receiving and forwarding to appropriate agencies of the State complaints from any citizen relating to administrative action or the inaction of agencies and for investigating any complaint from any citizen relating to the administrative action or inaction of any agency. The division is recommended to receive \$1.9 million in FY 2007, \$500,000 more than the amount received in FY 2006. This division includes the Office of Dispute Settlement, previously assigned to the Office of the Public Defender, and the Corrections Ombudsperson, previously assigned to the Department of Corrections.
 - The Division of Mental Health Advocacy is designated as the State's mental health protection and advocacy agency. When the Department of the Public Advocate was abolished in 1994, the responsibilities of this division had been transferred to the private entity "New Jersey Protection and Advocacy, Inc." and to the Office of the Public Defender. Under the reconstituted Department of the Public Advocate the Division of Mental Health Advocacy is responsible for promoting, advocating, and ensuring the adequacy of the care received, and the quality of life experienced, by persons with mental illness, including patients, residents, and clients within the mental health facilities and programs operated, funded, or licensed by the State. The division is recommended to receive \$3.61 million in FY 2007, \$150,000 more than its FY 2006 adjusted appropriation of \$3.46 million.
 - The Division of Elder Advocacy protects the interests of the elderly in administrative and court proceedings as well as investigates and studies issues concerning the elderly. The division includes an Ombudsperson for the Institutionalized Elderly. The division is recommended to receive \$971,000 in FY 2007, \$145,000 more than its FY 2006 adjusted appropriation of \$826,000.
 - The department's new Division of Public Interest Advocacy is recommended to receive \$1.446 million in FY 2007, an increase of \$875,000 over the FY 2006 adjusted appropriation of \$571,000. Adjusting for the fact that the FY 2006 appropriation constituted six months of funding, the FY 2007 appropriation represents an increase of \$304,000, or 27 percent, above the FY 2006 annualized funding level. The division reviews complaints forwarded to the Public Advocate and provides legal representation

Key Points (Cont'd)

- and other advocacy services when the Public Advocate deems it in the public interest to protect and advocate for the rights of any group or interest.
- The Division of Advocacy for the Developmentally Disabled provides protection and advocacy services for persons with developmental disabilities. When the Department of the Public Advocate was abolished, the responsibilities of this division were transferred to "New Jersey Protection and Advocacy, Inc." and to the Office of the Public Defender. Under the new Department of the Public Advocate, the Division of Advocacy for the Developmentally Disabled is responsible for promoting, advocating, and ensuring the adequacy of the care received, and the quality of life experienced, by persons with developmental disabilities, including patients, residents, and clients within the developmental disabilities facilities and programs operated, funded, or licensed by the State. The division is recommended to receive \$294,000 in FY 2007, an increase of \$149,000 over the FY 2006 adjusted appropriation of \$145,000.
 - The Division of Rate Counsel, which is funded through assessments on public utilities, provides oversight of utility and insurance rates and charges. It is charged with the responsibility of ensuring adequate representation of the interests of consumers whose interests would otherwise be inadequately represented in matters within the jurisdiction of the Division of Rate Counsel. The division is recommended to receive \$6 million in FY 2007, the same level of funding as in FY 2006.
 - The Office of the Child Advocate, which is located in, but not of, the Department of the Public Advocate, was formerly located in, but not of, the Department of Law and Public Safety. The Office of the Child Advocate has assumed the duties of the Law Guardian Program in the Office of the Public Defender and has the authority to represent the interests of children and investigate and study issues concerning children. It is also responsible for ensuring that children under State supervision due to abuse or neglect are served adequately and appropriately by the State. The Office of the Child Advocate is recommended to receive \$2.5 million in FY 2007, the same amount appropriated in FY 2006.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2005	Adj. Approp. FY 2006	Recom. FY 2007	Percent Change	
				2005-07	2006-07
<u>General Fund</u>					
Direct State Services	\$13,164	\$16,220	\$19,420	47.5%	19.7%
Grants-In-Aid	0	0	0	0.0%	0.0%
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	\$13,164	\$16,220	\$19,420	47.5%	19.7%
<u>Property Tax Relief Fund</u>					
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	\$13,164	\$16,220	\$19,420	47.5%	19.7%
Federal Funds	\$728	\$1,023	\$1,023	0.0%	0.0%
Other Funds	\$358	\$409	\$409	14.2%	0.0%
Grand Total	\$14,250	\$17,652	\$20,852	46.3%	18.1%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2005	Revised FY 2006	Funded FY 2007	Percent Change	
				2005-07	2006-07
State	113	105	172	52.2%	63.8%
Federal	0	0	0	0.0%	0.0%
All Other	44	43	47	6.8%	9.3%
Total Positions	157	148	219	39.5%	48.0%

FY 2005 (as of December) and revised FY 2006 (as of September) personnel data reflect actual payroll counts. FY 2007 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent

Not Available

Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2006</u>	<u>Recomm. FY 2007</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Personal Services:					
Salaries and Wages	\$9,602	\$11,380	\$ 1,778	18.5%	D-326
Materials and Supplies	\$181	\$219	\$ 38	21.0%	D-326
Services Other Than Personal	\$2,583	\$3,810	\$ 1,227	47.5%	D-327
Maintenance and Fixed Charges	\$554	\$571	\$ 17	3.1%	D-327
SPECIAL PURPOSE:					
Representation of Civilly Committed Sexual Offenders	\$697	\$697	0	—	D-327
Child Advocate	\$2,500	\$2,500	0	—	D-327
Additions, Improvements & Equipment	\$104	\$243	\$ 139	133.7%	D-327
TOTAL	\$16,221	\$19,420	\$3,199	19.7%	D-327

P.L.2005, c.155, the "Public Advocate Restoration Act of 2005," re-established within the Executive Branch the Department of the Public Advocate which had been abolished in 1994. The statute re-establishing the department and consolidating the State's advocacy activities within one department became effective on January 17, 2006. The department received a FY 2006 appropriation of \$2 million through the Department of the Treasury, constituting partial year funding. The FY 2007 appropriation provides for annualized funding of departmental operations.

Language Provisions

2006 Appropriations Handbook

2007 Budget Recommendations

No comparable language

p. D-327

To permit flexibility in the handling of appropriations to effectuate the provisions of P.L.2005, c.155, the amounts hereinabove may be transferred to and from the various items of appropriations subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The proposed language provides the Department of the Public Advocate with the flexibility to transfer funding among accounts within the department subject to the approval of the Director of the Division of Budget and Accounting.

2006 Appropriations Handbook

2007 Budget Recommendations

No comparable language

p. D-327

The unexpended balances at the end of the preceding fiscal year are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The recommended language would permit the Department of the Public Advocate to carry forward unexpended funds into FY 2007. P.L.2005, c.155 re-established the Department of the Public Advocate within the Executive Branch, effective January 17, 2006. The sum of \$2 million was appropriated in FY 2006 to fund the start-up costs of the department. In addition, the recommended language authorizes the carry-forward of funds from the divisions transferred into the new department.

Language Provisions (Cont'd)**2006 Appropriations Handbook****2007 Budget Recommendations**

p. B-199

Of the amounts hereinabove appropriated for the operations of the Public Advocate, such sums as are required for employee benefits, including fringe and indirect costs, shall be transferred to the Inter-Departmental account for costs attributable to the staff and operations of the Public Advocate, subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

P.L.2005, c.155 re-established the Department of the Public Advocate within the State of New Jersey, effective January 1, 2006. The FY 2006 Appropriations Act provided \$2 million to provide startup costs. The FY 2006 language permitted the transfer of funding to the Inter-Departmental accounts to fund the cost of employee benefits, including fringe and indirect costs. FY 2007 language is not necessary, since funding for employee benefits costs is included in the Inter-Departmental Accounts.

Discussion Points

DEPARTMENT OF THE PUBLIC ADVOCATE

1. The Department of the Public Advocate is mandated to provide consumer protection and advocacy on behalf of the indigent, the elderly, children and other persons unable to protect themselves as individuals of a class. Under this mandate, the Public Advocate is authorized to identify and to represent the public interest in any proceeding depending upon the importance and the extent of the public interest involved and whether that interest would be adequately represented without the action of the department.

- **Question:** How does the Public Advocate determine which issues are in “the public interest”? What criteria are used to determine if the Public Advocate would enter into a dispute? What skills and training are necessary for departmental staff?

2. Budget evaluation data indicate that the Division of Mental Health Advocacy will close 15,401 civil commitment cases and 253 sexual offender civil commitment cases in FY 2007, the same number as in FY 2006. Personnel data indicate that the division had 46 positions on the payroll in FY 2006. The FY 2007 budget provides funding for an additional 14 positions, for a total number of 60 positions.

- **Question:** Since it appears that the division’s caseload and productivity will remain the same in FY 2007, what additional duties will be performed by the expanded division staff in FY 2007?

3. The department’s new Division of Public Interest Advocacy is recommended to receive \$1.4 million in FY 2007, an increase of \$875,000 over the FY 2006 adjusted appropriation. Adjusting for the fact that the FY 2006 appropriation constituted six months of funding, the FY 2007 appropriation represents an increase of \$304,000 above the FY 2006 annualized funding level, a 27 percent increase.

- **Question:** Please comment on the increased budget and activities of the Division of Public Interest Advocacy in FY 2007, and explain why the funding increase noted above is justified.

OFFICE OF THE CHILD ADVOCATE

4. P.L.2005, c.155, which re-established the Department of the Public Advocate, established the Office of the Child Advocate as an independent office *in but not of* the Department of the Public Advocate.

- **Question:** Please comment on the interaction of the Office of the Child Advocate and other State agencies charged with child protection functions such as the new Department of Children and Families and the Judiciary’s Kinship Legal Guardian program. What would be the role of the Office of the Child Advocate?

Discussion Points (Cont'd)

5. Evaluation data indicate that the Office of the Child Advocate will increase its staffing level by 10 positions in FY 2007 while the caseload carried by the office will remain the same as last year's level.

- **Question:** Please comment on the added responsibilities to be undertaken by this increased staff.

DIVISION OF RATE COUNSEL

6. In December, 2004, Exelon corporation, one of the nation's largest electric utility companies and Public Service Group, parent company of Public Service Electric & Gas (PSE&G) announced intentions to merge to create Exelon Electric and Gas, the nation's largest utility. The merger process involves seeking the approval of federal and state regulatory bodies. In New Jersey that regulatory agency is the Board of Public Utilities (BPU), and PSE&G Exelon merger matter is presently before the BPU.

- **Question:** If the BPU approves the impending merger of PSE&G and Exelon, what are the likely short and long term effects on New Jersey ratepayers?

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Individuals wishing information and committee schedules on the FY 2007 budget are encouraged to contact:

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