



ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT
OF STATE**

FISCAL YEAR

2007 - 2008

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF STATE

Budget Pages..... C-11; C-20 to C-21; C-28 to C-29; C-33
to C-34; D-345 to D-401

Fiscal Summary (\$000)

| | Expended FY 2006 | Adjusted. Appropriation FY 2007 | Recommended FY 2008 | Percent Change 2007-08 |
|----------------|---------------------|---------------------------------------|------------------------|------------------------------|
| State Budgeted | \$1,316,473 | \$1,226,473 | \$1,281,141 | 4.5% |
| Federal Funds | \$26,949 | \$36,716 | \$38,749 | 5.5% |
| Other | <u>\$54,708</u> | <u>\$22,559</u> | <u>\$23,740</u> | <u>5.2%</u> |
| Grand Total | \$1,398,130 | \$1,285,748 | \$1,343,630 | 4.5% |

Personnel Summary - Positions By Funding Source

| | Actual FY 2006 | Revised FY 2007 | Funded FY 2008 | Percent Change 2007-08 |
|--------------------------------|-------------------|--------------------|-------------------|------------------------------|
| State | 368 | 345 | 356 | 3.2% |
| Federal | 211 | 210 | 232 | 10.5% |
| Other | 111 | 117 | 129 | 10.3% |
| <u>Colleges & Univ's.*</u> | <u>20,216</u> | <u>20,216</u> | <u>20,216</u> | <u>0.0%</u> |
| Total Positions | 20,906 | 20,888 | 20,933 | 0.2% |

FY 2006 (as of December) and revised FY 2007 (as of September) personnel data reflect actual payroll counts. FY 2008 data reflect the number of positions funded

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

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

Key Points

- The Governor's FY 2008 budget recommendation for the Department of State, excluding Higher Educational Services, totals \$74.3 million, an increase of \$1.2 million (1.7 percent) over the FY 2007 adjusted appropriation of \$73.1 million. Included in the budget proposal is \$23.8 million for Direct State Services, a 16.3 percent or \$3.3 million increase; \$32.1 million for Grants-In-Aid, a 6.2 percent or \$2.1 million decrease; and \$18.5 million for State Aid, the same amount as in FY 2007.

Key Points (Cont'd)

- **New Jersey State Council on the Arts:** The Governor's FY 2008 budget recommendation of \$23.95 million for the New Jersey State Council on the Arts represents a 1.5 percent or a \$359,000 decrease from the FY 2007 adjusted appropriation of \$24.31 million. Funding for the Council's Cultural Projects grants is increased \$1.9 million (10 percent), from \$19.1 million in FY 2007 to \$21 million in FY 2008. Reductions include the elimination of a \$450,000 grant to the Rutgers Performing Arts Center, a \$200,000 grant to the Montclair Art Museum, and a \$50,000 grant to the Community Theater of Morristown. The decrease also includes a \$1.6 million reduction in funding to support the Newark Museum.
- **Division of State Museum:** The Governor's FY 2008 budget recommends \$5.5 million to fund the Division of State Museum, a \$800,000 or 12.6 percent decrease from the FY 2007 adjusted appropriation of \$6.3 million. The decrease occurs in Grants-In-Aid funding and is attributable to a \$1.5 million (50 percent) reduction to the Battleship New Jersey Museum. The recommended \$3.1 million in Direct State Services funding represents a \$700,000 (28.7 percent) increase over the FY 2007 adjusted appropriation of \$2.4 million, and is attributable to a \$467,000 increase in funding for salaries and wages, and a \$233,000 increase in non-personal services. These increased operating appropriations are related to the eventual re-opening of the State Museum and Planetarium, which are undergoing renovations.
- **Historical Resources:** Total State funding for Historical Resources, which includes funding for the New Jersey Historical Commission, is recommended to decrease by \$254,000 or 5.3 percent from the FY 2007 adjusted appropriation of \$4.77 million to \$4.51 million in FY 2008. The decrease is due to the elimination of a \$600,000 grant to the Ellis Island New Jersey Foundation. Funding for New Jersey Historical Commission agency grants is recommended to increase by \$346,000 (10 percent), from the FY 2007 adjusted appropriation of \$3,456,000 to \$3,802,000 in FY 2008.
- **Public Broadcasting Authority:** The Governor's FY 2008 budget recommendation of \$5.8 million in Direct State Services funding for the New Jersey Public Broadcasting Authority represents the same amount as the FY 2007 adjusted appropriation. Direct operating revenue from programming, rental, sponsorships, donations, etc. are projected to total \$14.1 million in FY 2008, an increase of \$637,000 (4.7 percent) above FY 2007.
- **Division of State Library:** The Governor's FY 2008 budget recommendation of \$26 million for the Division of State Library represents a \$3 million or 13 percent increase over the FY 2007 adjusted appropriation of \$23 million. The entire increase occurs in Direct State Services and is attributable to the contract renewal of the New Jersey Knowledge Initiative, otherwise referred to as the Virtual Library.
- **The Office of the Secretary of State:** The Governor's FY 2008 budget recommendation of \$5.9 million for the Office of the Secretary of State represents the same amount as the FY 2007 adjusted appropriation. The FY 2008 budget recommends \$3.7 million in Direct State Services funding and \$2.2 million in Grants-In-Aid funding, which includes \$720,000 for the Cultural Trust and \$1.5 million for the Office of Faith-Based Initiatives.

Key Points (Cont'd)

- **Records Management:** The Governor's FY 2008 budget recommendation of \$2.67 million reflects a decrease of 11.9 percent or \$360,000 from the FY 2007 adjusted appropriation of \$3.03 million in the Direct State Services appropriations for the Division of Archives and Records Management. Reductions include the elimination of a projected supplemental appropriation of \$95,000 intended to match federal funds, and a decrease of \$265,000 due to the conclusion of line of credit payments on previous equipment purchases.
- The Division of Archives and Records Management is projected to receive up to \$25.7 million, or 40 percent of revenues credited to the Public Records Preservation Fund. This funding is earmarked for grants to counties and municipalities for records storage and preservation projects. In FY 2007, this revenue was diverted from local grants to support general State budgetary needs. Public Records Preservation Fund resources to be allocated to the Department of State are included in the Department of the Treasury budget. See page C-21 for projected FY 2008 revenue and page D-450 for budget language allocating this revenue for county and municipal grants through the Department of State.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

| | Expended FY 2006 | Adj. Approp. FY 2007 | Recom. FY 2008 | Percent Change | |
|---------------------------------|---------------------|----------------------------|--------------------|-----------------|-------------|
| | | | | 2006-08 | 2007-08 |
| General Fund | | | | | |
| Direct State Services | \$27,757 | \$23,715 | \$27,020 | (2.7%) | 13.9% |
| Grants-In-Aid | 1,270,304 | 1,184,238 | 1,235,601 | (2.7%) | 4.3% |
| State Aid | 18,232 | 18,520 | 18,520 | 1.6% | 0.0% |
| Capital Construction | 180 | 0 | 0 | (100.0%) | 0.0% |
| Debt Service | 0 | 0 | 0 | 0.0% | 0.0% |
| Sub-Total | \$1,316,473 | \$1,226,473 | \$1,281,141 | (2.7%) | 4.5% |
| 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 | \$1,316,473 | \$1,226,473 | \$1,281,141 | (2.7%) | 4.5% |
| Federal Funds | \$26,949 | \$36,716 | \$38,749 | 43.8% | 5.5% |
| Other Funds | \$54,708 | \$22,559 | \$23,740 | (56.6%) | 5.2% |
| Grand Total | \$1,398,130 | \$1,285,748 | \$1,343,630 | (3.9%) | 4.5% |

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

| | Actual FY 2006 | Revised FY 2007 | Funded FY 2008 | Percent Change | |
|----------------------------|-------------------|--------------------|-------------------|----------------|-------------|
| | | | | 2006-08 | 2007-08 |
| State | 368 | 345 | 356 | (3.3%) | 3.2% |
| Federal | 211 | 210 | 232 | 10.0% | 10.5% |
| All Other | 111 | 117 | 129 | 16.2% | 10.3% |
| Colleges and Universities* | 20,216 | 20,216 | 20,216 | 0.0% | 0.0% |
| Total Positions | 20,906 | 20,888 | 20,933 | 0.1% | 0.2% |

FY 2006 (as of December) and revised FY 2007 (as of September) personnel data reflect actual payroll counts. FY 2008 data reflect the number of positions funded.

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

AFFIRMATIVE ACTION DATA

| Total Minority Percent | | | | | |
|----------------------------------|-------|-------|-------|---|---|
| Office of the Secretary of State | 55.2% | 65.2% | 64.7% | — | — |
| Commission on Higher Ed. | 41.0% | 39.0% | 33.0% | — | — |
| Higher Ed. Student Assist. Auth. | 32.0% | 30.1% | 31.5% | — | — |

Significant Changes/New Programs (\$000)

| <u>Budget Item</u> | <u>Adj. Approp.</u> <u>FY 2007</u> | <u>Recomm.</u> <u>FY 2008</u> | <u>Dollar</u> <u>Change</u> | <u>Percent</u> <u>Change</u> | <u>Budget</u> <u>Page</u> |
|--------------------|---------------------------------------|----------------------------------|--------------------------------|---------------------------------|------------------------------|
|--------------------|---------------------------------------|----------------------------------|--------------------------------|---------------------------------|------------------------------|

Grants in Aid:

| | | | | | |
|----------------------------|-----------------|-----------------|-----------------|----------------|--------------|
| Support of the Arts | \$23,812 | \$23,453 | (\$ 359) | (1.5%) | D-394 |
|----------------------------|-----------------|-----------------|-----------------|----------------|--------------|

The New Jersey State Council on the Arts provides financial grants to arts organizations and artists in New Jersey whose projects show professional merit and promise. The Governor's FY 2008 budget recommendation of \$23.45 million represents a 1.5 percent or \$359,000 decrease from the FY 2007 adjusted appropriation of \$23.81 million. Funding for the Council's Cultural Projects grants is recommended to increase by 10 percent or \$1.9 million to \$21.023 million. Despite this increase, the appropriation would be \$1,657,000 lower than the statutory minimum dedication from the Hotel and Motel Occupancy Fee (P.L.2003, c.114). This increase is offset by the elimination of a \$450,000 grant to the Rutgers Performing Arts Center, a \$200,000 grant to the Montclair Art Museum, a \$50,000 grant to the Community Theater of Morristown, and a \$1.6 million reduction in funding to support the Newark Museum.

Museum Services:

| | | | | | |
|--------------|----------------|----------------|-----------------|-----------------|--|
| Total | \$6,328 | \$5,528 | (\$ 800) | (12.6%) | |
|--------------|----------------|----------------|-----------------|-----------------|--|

| | | | | | |
|------------------------------|----------------|----------------|---------------|--------------|--------------|
| Direct State Services | \$2,438 | \$3,138 | \$ 700 | 28.7% | D-393 |
|------------------------------|----------------|----------------|---------------|--------------|--------------|

| | | | | | |
|----------------------|----------------|----------------|------------------|-----------------|--------------|
| Grants-in-Aid | \$3,890 | \$2,390 | (\$1,500) | (38.6%) | D-394 |
|----------------------|----------------|----------------|------------------|-----------------|--------------|

The Governor's FY 2008 recommended budget of \$3.1 million in Direct State Services funding for Museum Services represents a \$700,000 (28.7 percent) increase over the FY 2007 adjusted appropriation of \$2.4 million. The increase is related to preparations for re-opening all State Museum facilities, some of which have been closed for renovations. Grants-In-Aid funding reductions are wholly attributable to a \$1.5 million (50 percent) reduction for the Battleship New Jersey Museum, which was a FY 2007 legislative addition that is not recommended for continuation in FY 2008.

Grants-in-Aid:**Historical Resources
Development**

| | | | | |
|----------------|----------------|-----------------|----------------|--------------|
| \$4,258 | \$4,004 | (\$ 254) | (6.0%) | D-394 |
|----------------|----------------|-----------------|----------------|--------------|

Funding for New Jersey Historical Commission agency grants increases by \$346,000, from \$3,456,000 in FY 2007 to \$3,802,000 in FY 2008. Despite this increase, the appropriation would be \$38,000 below the statutory minimum dedication from the Hotel and Motel Occupancy Fee (P.L.2003, c.114). Offsetting the increase for agency grants is the elimination of a \$600,000 grant to the Ellis Island New Jersey Foundation, a FY 2007 legislative addition that is not recommended for continuation in FY 2008.

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

| <u>Budget Item</u> | <u>Adj. Approp. FY 2007</u> | <u>Recomm. FY 2008</u> | <u>Dollar Change</u> | <u>Percent Change</u> | <u>Budget Page</u> |
|---|---------------------------------|----------------------------|--------------------------|---------------------------|------------------------|
| Virtual Library (Knowledge Initiative) | \$0 | \$3,000 | \$ 3,000 | — | D-397 |

This recommended increase is to fund the contract renewal of the New Jersey Knowledge Initiative (Virtual Library). Originally proposed in FY 2005, this initiative is designed to fund proprietary databases that are offered in colleges and universities in the State, the State Library, public libraries, and business incubators and small businesses served by the New Jersey Economic Development Authority.

Direct State Services:

| | | | | | |
|--------------------|---------|---------|----------|----------|-------|
| Records Management | \$3,029 | \$2,669 | (\$ 360) | (11.9%) | D-399 |
|--------------------|---------|---------|----------|----------|-------|

The Governor's FY 2008 budget recommendation of \$2.67 million reflects a decrease of \$360,000 or 11.9 percent from the FY 2007 adjusted appropriation of \$3.03 million in Direct State Services appropriations for the Division of Archives and Records Management. Reductions include the elimination of a projected supplemental appropriation of \$95,000 intended to match federal funds, and a decrease of \$265,000 due to the conclusion of line of credit payments on previous equipment purchases.

Language Provisions

2007 Appropriations Handbook

No comparable language.

2008 Budget Recommendations

p. D-395

In addition to the amount hereinabove appropriated for the Division of State Museum, there are appropriated such sums as are required to cover additional costs related to re-opening the Museum, not to exceed \$1,275,000, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The State Museum has been closed for renovations since May 2003 and, according to the Department of State, is expected to re-open in the fall of 2007. The FY 2008 recommended language provides an amount not to exceed \$1.275 million to be used to cover start-up costs. According to the department, those costs would include an advertising campaign, infrastructure improvements (new wiring, phones, etc.), and the offset of costs associated with conservation as artifacts are moved out of storage and back on display at the Museum. This funding would be in addition to recommended increases of \$700,000 in State Museum operating resources also related to the impending re-opening.

2007 Appropriations Handbook

No comparable language.

2008 Budget Recommendations

p. D-396

The amount hereinabove appropriated for the Battleship New Jersey Utilities shall be used for the utility expenses of the Battleship New Jersey as shall be substantiated by the Home Port Alliance in a submission to the Director of the Division of Budget and Accounting, and shall not be expended without the approval of the Director and the State Treasurer.

Explanation

According to the Department of State, the FY 2008 budget recommendation represents the determination of the Office of Management and Budget to unify previously interdepartmental charge accounts under the department. The FY 2008 recommended language provides that the amount appropriated for the Battleship New Jersey Utilities will be used for the utility expenses of the Battleship New Jersey as substantiated by the Home Port Alliance, which is the non-profit organization that administers the Battleship New Jersey.

Language Provisions (Cont'd)

2007 Appropriations Handbook

No comparable language.

2008 Budget Recommendations

p. D-398

Notwithstanding the provisions of any law or regulation to the contrary, the amounts hereinabove appropriated for the New Jersey State Library shall be paid in twelve equal installments, on the last business day of each month, beginning in July 2007.

Explanation

Payments to support the operating costs of the State Library, administered by Thomas A. Edison State College pursuant to P.L.2001, c.137, are currently made on a quarterly payment schedule with payments made on the first day of the quarter. The FY 2008 recommended language provides that beginning in July 2007, the payment schedule for the State Library will be made in 12 equal installments on the last business day of each month. This is consistent with other recommended language that would establish a uniform timetable for payment of State support for all senior public higher education institutions.

2007 Appropriations Handbook

p. B-170

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

2008 Budget Recommendations

p. D-401

Receipts received from New Jersey Public Records Preservation fees, not to exceed \$1,300,000, are appropriated for the operations of the microfilm unit in the Division of Archives and Records Management within the Department of State, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The State Division of Archives and Records Management (DARM) charges a fee for the management, storage and preservation of public records of the State and local governments. In FY 2007, the Office of Management and Budget determined that State agencies should not be charged for the costs associated with the production of microfilm as a means for preserving records and therefore appropriated \$1.1 million for the operations of the microfilm unit in DARM to offset the lack of revenue from State agencies. The FY 2008 recommended language increases the amount to offset the lack of revenue from State agencies to \$1.3 million.

Language Provisions (Cont'd)**2007 Appropriations Handbook****2008 Budget Recommendations****p. B-170**

In addition to the amount appropriated hereinabove for the Records Management program, such sums as are necessary for State match of federal funds, not to exceed \$95,000, are appropriated to coordinate and implement an effective record storage system for the State and local governments, subject to the approval of the Director of the Division of Budget and Accounting.

No comparable language.

Explanation

Under P.L.2003, c.117, fees charges by county clerks and registers of deed and mortgage for the filing of certain records and documents were increased by \$5, with the revenues paid to the State and directed to the New Jersey Public Records Preservation Account. The statute also provides that a portion of these revenues is to be allocated to the Division of Archives and Records Management for the management, storage and preservation of public records of the State and local governments. The FY 2007 budget language provided \$95,000 to the division for a State match to a federal grant designed to preserve historic sites, monuments, artifacts and documents, and to focus public attention on the importance of national heritage conservation. The FY 2007 budget language represented funding for the third year of the three-year federal grant program and comparable language is not necessary in FY 2008.

2007 Appropriations Handbook**2008 Budget Recommendations****p. B-170**

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

No comparable language.

Explanation

The FY 2007 budget language authorized the Director of the Division of Budget and Accounting to transfer from departmental accounts a sum of up to \$415,000 to the Division of Archives and Records and Management (DARM) for the management, storage, and preservation

Language Provisions (Cont'd)

of public records of the State and local governments. According to the Department of State, the Office of Management and Budget has determined that similar language is not necessary in FY 2008 because DARM currently charges agencies a fee for the storage and warehousing of such public records.

Discussion Points

1. The Governor's FY 2008 budget recommendation of \$2.4 million for the Newark Museum represents a 40 percent decrease from the FY 2007 adjusted appropriation of \$4 million. This decrease is the result of an FY 2007 legislative addition of \$1.6 million that is not recommended for continuation in FY 2008. Additionally, the Governor's FY 2008 budget recommendation of \$1.5 million for the Battleship New Jersey Museum represents a 50 percent decrease from the FY 2007 adjusted appropriation of \$3 million. This decrease is also the result of an FY 2007 legislative addition of \$1.5 million that is not recommended for continuation in FY 2008.

- **Question:** How were the appropriations of \$1.6 million for the Newark Museum and \$1.5 million for the Battleship New Jersey Museum added by the Legislature in FY 2007 utilized? Why does the Governor's FY 2008 recommended budget not include these additional funds? What consequences does the department anticipate from these reductions in funding? Are these reductions recommended under the assumption that other funds are available to replace State funds, and if so, what source(s) will provide those other funds? Is there an intention to phase out State support of the Newark Museum and Battleship New Jersey Museum in FY 2009?

2. In FY 2005, a \$6 million line item appropriation was made to the New Jersey State Library to fund the Knowledge Initiative Project (KI). This initiative, also known as the Virtual Library, is designed to fund proprietary databases that are offered in colleges and universities in the State, the State Library, public libraries, and business incubators and small businesses served by the New Jersey Economic Development Authority. The Governor's FY 2008 budget recommendation of \$26 million for the Division of State Library represents a \$3 million or 13 percent increase over the FY 2007 adjusted appropriation of \$23 million. According to the recommended budget, the increase is attributable to the contract renewal of the Knowledge Initiative Project.

- **Question:** Please provide an update on the Virtual Library, including information on the specific databases selected, contract terms and costs, and the benefits the library has had for the State. Who has access to the programs made available through the library and how many people are utilizing these services? What products will be made available through the contract renewal, and will any of these represent new databases?

3. The New Jersey Historical Commission is responsible for the formulation and implementation of programs that advance public knowledge of New Jersey's historical heritage. In FY 2007, the Commission received \$3.45 million from the revenues generated by the hotel and motel occupancy fee established pursuant to P.L.2003, c.114. This funding supports agency grants to historical organizations, museums, libraries and other similar organizations with collections or programming related to New Jersey's history. The FY 2008 recommended budget provides \$3.8 million for agency grants, an increase of \$350,000 (10 percent) over the FY 2007 adjusted appropriation.

- **Question:** Please provide a listing, by grantee, grant amount, and county of all awards distributed in FY 2007 and a brief description of the purposes for which the grant was used. How many grantees on the list are first-time recipients, and what is the total of their grant awards? Please denote these grantees on the list provided. How many FY 2006 grantees received no funding in FY 2007? What was the total of

Discussion Points (Cont'd)

their FY 2006 grant awards? Please provide examples of reasons why funding was discontinued for these grantees. How will the recommended budget increase in funding impact the grant award process?

4. The New Jersey Cultural Trust is a public-private initiative designed to create a permanent, stable, and additional source of funding to: support private, non-profit arts, history and humanities organizations; finance important capital projects; and improve the organizational and financial management of cultural organizations. According to the "New Jersey Cultural Trust Act," P.L.2000, c.76, over a ten-year period beginning in FY 2001, \$100 million in State funds is to be committed to match private contributions to qualified organizations to supplement funding for the arts, historical groups and the humanities. According to the New Jersey Cultural Trust website, through FY 2006 the State has contributed \$25 million toward the purposes of the Trust, far below the \$60 million prescribed by legislation, while the private sector has contributed \$38.5 million certified to date. Subject to appropriation, certified donations valued at \$100,000 and above, made to the endowment of qualified organizations, entitles the organization to receive 20 percent of the State funds it leverages. The FY 2008 recommended appropriation of \$720,000 (7 percent of the amount required under the "New Jersey Cultural Trust Act"), will be funded with revenue from the hotel and motel occupancy fee as required under P.L.2003, c.114.

- **Question:** Please provide an update on the New Jersey Cultural Trust Fund, including a list of qualified organizations, certified private donations and organizations qualified to receive 20 percent of the leveraged State funds. What private donation amounts were certified in the most recent round of gifts to qualified organizations? Since the FY 2008 recommendation of \$720,000, generated from the hotel and motel occupancy, and the \$25 million that the State has contributed to date are far below what is required to satisfy the State match under the "New Jersey Cultural Trust Act," how has this affected private donations to qualified organizations? Going forward, how will the lack of funding to provide a State match affect cultural organizations' ability to secure private donations?

5. The enacted FY 2007 budget anticipated savings from management efficiencies (\$50 million), information technology efficiencies (\$20 million) and procurement efficiencies (\$15 million). These savings, while reflected in the Interdepartmental Accounts section of the budget, were to be obtained from executive agency budgeted appropriations, presumably in direct correlation with identified efficiency improvements.

- **Question:** What amount of the department's original FY 2007 appropriations were reallocated to Interdepartmental Accounts as savings from management efficiencies, information technology efficiencies and procurement efficiencies, respectively? What specific efficiencies were achieved by the department that correlate to the reallocations? What adverse impacts, if any, on the output and outcomes of department programs and services resulted or will result from these funding reallocations, in the current fiscal year and as projected for FY 2008?

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