Discussion Points

1. The Governor's FY 2012 recommended budget for the Division of State Library includes $8 million in State Aid appropriations. Of that amount, $3.7 million is for per capita library aid, which is the same amount as the FY 2011 adjusted appropriation. The State Library, however, requested that the level of funding be restored to the FY 2010 adjusted appropriation amount of $7.2 million. The "state library aid law" at N.J.S.18A:74-1 et seq. established a per capita formula to determine State aid to each municipality or county that supports library services through municipal or county taxes. Per capita aid provides financial assistance to approximately 300 libraries to ensure the libraries are funded at a level to meet certain minimum standards, including requirements in hours of operation, number of staff, and materials.

The recommended FY 2012 budget does not include State Aid funding for emergency aid and incentive grants in FY 2012, and these programs did not receive any funding in FY 2011. The State Library, however, requested $5 million in funding for emergency aid and incentive grants in FY 2012.

- *Question:* **Please describe the impact the flat-funded FY 2012 recommended appropriation for per capita library aid will have on the ability of libraries to provide "minimum" standards. If per capita library aid had been fully funded pursuant to the formula established under law, how much would the appropriation have been in FY 2011, and how much would it be for FY 2012? Please provide a spreadsheet summary on the per capita aid distributed to each of the public libraries in FY 2011 and estimate the distribution of aid to each library in FY 2012. Please also include the percent of each library's annual budget the aid represents in each year.**

- *Question:* **Please discuss why the State Library requested such a significant increase in funding for emergency aid and incentive grants. How will the lack of FY 2012 emergency aid and incentive grants funding impact the Division's ability to effectively support local libraries, especially when considered in conjunction with the flat-funding of per capita aid? If per capita aid funding was restored to the FY 2010 level of $7.2 million, would the State library still require $5 million in emergency aid and incentive grants?**

The State Library will respond directly to OLS.

2. According to the Governor's proposed budget on p. D-280, "it is expected that due to redistricting after the 2010 Census, the State may have more than 200 new voting districts, each of which will require four board workers on election days." On April 3, 2011, the Legislative Redistricting Commission approved a plan to redraw the State's 40 legislative districts.

- *Question:* **In light of the Legislative Redistricting Commission's adopted plan to redraw the State's 40 legislative districts, is it still anticipated that there will be 200 new voting districts? If so, in what counties and municipalities will the new voting districts be located? What are the anticipated costs of training and compensating four board workers at each of the 200 new voting district locations?**

It is still anticipated that there will be about 200 new election districts created this year. The exact number and locations cannot yet be determined since many of the new districts do not go

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into effect until the June 7, 2011 Primary Election. This means the counties will not be updating the Statewide Voter Registration System until mid-to-late May.

While training for board workers will not be an expense the State of New Jersey will incur, the State does reimburse the counties $125.00 per board worker per election. Based on the estimated number of new election districts and an average of four board workers per district, it will cost the State an additional $200,000 for the Primary and General Election combined in 2011. The expense for training all board workers is incurred by the counties.

3. The New Jersey Public Records Preservation Account (allocated within the Department of Treasury) receives the revenue generated by a $5 increase imposed pursuant to section 38 of P.L.2003, c.117 (C.22A:4-4.1) in recording fees charged by county clerks and registers. These revenues, which are divided between the State and local and county governments, are dedicated to the storage and preservation of public records, with 60 percent earmarked for the Division of Archives and Records Management (DARM) and 40 percent dedicated to counties and municipalities.

For FY 2012, the Governor's budget projects total New Jersey Public Records Preservation collections of $30.7 million. Proposed budget language (p.D-332) provides that none of this revenue will be appropriated for grants to counties and municipalities, and will instead be available to the General Fund as State revenue. The proposed budget language is identical to a budget language provision in FY 2011. According to statute, 40 percent of this revenue source is to be allocated to local governments for records preservation purposes. In prior fiscal years, that 40 percent amount, less $1.3 million annually appropriated for DARM's microfilm unit, was used by DARM to provide grants through two programs aimed at helping municipalities and counties develop and build infrastructure to support strategic and emergency records management, preservation and storage: the Public Archives and Records Infrastructure Support (PARIS) program, and the Records Disaster Triage (Records DIRECT) program.

- ***Question:*** **Please provide an update on the PARIS and Records DIRECT grant programs. How will the lack of FY 2012 funding, especially when coupled with the lack of funding in FY 2011, impact the ability of counties and municipalities to manage, store, and preserve records?**

The PARIS and Records DIRECT grants programs have been unfunded since FY 2009. Since its inception, approximately $98 million has been appropriated to build and improve the infrastructure of local government records systems, protect essential records from disaster, and aggressively promote intergovernmental shared services. In addition, there are currently 67 open PARIS projects statewide with over $2.5 million remaining in FY 2009 funding to see them to fruition in FY 2012. There is no question that county and municipal governments have a need and interest in the restoration of funding. Upon the return of a more amenable State budgetary climate, a continued annual appropriation for these programs will be a priority.

4. The Motion Picture and Television Development Commission promotes New Jersey as an ideal location for various film and television projects. According to the Secretary of State, since January of 2011, 67 projects have been scheduled to be filmed in New Jersey. However, p.D-329 of the Governor's proposed budget indicates that 860 projects will be filmed in the

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State in FY 2011, and that an additional 860 projects are estimated to be filmed in FY 2012. In FY 2011, the Governor suspended the New Jersey Film and Digital Media Tax Credit Program, which provided a corporation business tax credit for certain film production and digital media expenses.

- ***Question:*** **Please discuss how the suspension of the New Jersey Film and Digital Media Tax Credit Program has affected the ability of the Motion Picture and Television Development Commission to promote the film and television industry within the State. Please explain how the target figure of 860 projects in FY 2012 was derived. With only 67 of an estimated 860 projects having been filmed as of April 2011, is the commission on target to reach its FY 2011 goal?**

At the Assembly Budget Hearing, the Lt. Governor reported that 67 projects were filmed in New Jersey from January 1, 2011 to April 12, 2011. Over the course of fiscal 2011, however, a minimum of 237 projects have been confirmed. Additionally, the Motion Picture and Television Commission has been working this winter and early spring on approximately 130 additional projects. These include commercials, corporate films, documentary and short films.

Like New Jersey, many other states are closely examining their incentive programs and evaluating their effectiveness. This could lead to a more level playing field, which is much to New Jersey's advantage. Our state has long been a preferred destination for filmmakers due to its excellent production infrastructure, convenience to major metropolitan areas, deep talent pool, and unparalleled level of cooperation. These are the very assets that the Commission has marketed historically and presently.

The Commission's approach, reflective of the overall business philosophy of the Administration, the Department of State and the Business Action Center, is to offer an unparalleled level of service and cooperation to production companies. We do everything possible to help filmmakers complete their work in New Jersey as easily, efficiently and economically as possible. We understand a production company's need to realize cost savings. And we help them to do so in different ways, such as the procurement of less expensive locations, getting favorable deals from hotels, or obtaining needed services at reasonable prices.

New Jersey continues to enjoy a wealth of film activity this year with the production totals likely to be around 700 to 800 projects for fiscal 2011. In fact, the new "Batman" feature will be filming in Newark for a week this fall. Preparation will begin on site several weeks in advance of filming. A production of this size and scope will have a significant economic impact on the city and the state.

5. The Business Action Center, which according to the Executive is designed to provide a one-stop shop for business by combining all economic development activities under one roof, combines the Office of Smart Growth from the Department of Community Affairs, the Office of Economic Growth from the Department of Treasury, and the Division of Business Assistance, Marketing and International Trade from the Economic Development Authority (EDA). Employees of the EDA are not considered State employees and are thus not covered by the provisions of Title 11A, Civil Service, of the New Jersey Statutes. However, the personnel data concerning positions filled by program class on p.D-330 of the Governor's proposed budget

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indicates that the Business Action Center will increase from 11 positions in FY 2011 to an estimated 53 positions in FY 2012.

- *Question:* **Please discuss why there is such a significant increase in funded positions for the Business Action Center (BAC) for FY 2012. How will the increase in personnel impact the current BAC workforce? Does the BAC anticipate replacing current employees with new hires? For each of the agencies moved to the Economic Development Authority's Division of Business Assistance, Marketing and International Trade under P.L.2008, c.27, how many positions transferred to the division pursuant to that law were counted as positions in State employment immediately prior to the transfer of those positions to the BAC? How many of the positions for those agencies which were not counted as positions in State employment became positions in State employment following the transfer? Please discuss the costs incurred by the State for providing civil service protections and compensation for positions which became State employment positions following the transfer to the BAC.**

There is in fact no increase in the number of funded positions for the Business Action Center for fiscal year 2012. The referenced 53 positions all exist today and are funded. No new positions have been created and there are no new hires. Of the aforementioned staff, 22 are Civil Service – nine formerly of the Office of Economic Growth in Treasury, and 13 from the former Office of Smart Growth in Department of Community Affairs. The remaining 31 constitute personnel transfers from the Economic Development Authority (EDA). These employees are currently operating under a Memorandum of Agreement (MOA) between the Department of State and the EDA.

The foundation of the Business Action Center is the more efficient and effective delivery of key economic development services to maximize business investment and job creation. The consolidation of these disparate economic development workforce entities is imperative to creating the streamlined and coordinated "one-stop" shop in State government necessary to see this ambitious strategy to fruition.