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STATE OF NEW JERSEY  
COUNTY AND MUNICIPAL GOVERNMENT  
STUDY COMMISSION

A Legislative Agency

# THE DELIVERY OF HUMAN SERVICES WITHIN NEW JERSEY



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*State of New Jersey*  
**County and Municipal Government**  
**Study Commission**  
**A Legislative Agency**

# THE DELIVERY OF HUMAN SERVICES WITHIN NEW JERSEY

\*Available Upon request

June 1990

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Executive Director

Seth B. Benjamin  
Senior Research Associate

Ervin Shienbaum  
Research Associate

Michael Egenton  
Research Assistant

Arlene K. Wilkinson  
Secretary

Eileen K. Crowe, former staff member, was the project director and principal author of the first draft of this report.



## State of New Jersey

COUNTY AND MUNICIPAL GOVERNMENT STUDY COMMISSION  
142 WEST STATE STREET TRENTON, NEW JERSEY 08625  
AREA CODE 609 292-6226; 292-6299

SENATOR CARMEN A. ORECHIO  
CHAIRMAN

DAVID C. MATTEK  
EXECUTIVE DIRECTOR

## TO HIS EXCELLENCY GOVERNOR JAMES J. FLORIO AND HONORABLE MEMBERS OF THE SENATE AND GENERAL ASSEMBLY:

The County and Municipal Government Study Commission is pleased to submit its forty-first report "The Delivery of Human Services Within New Jersey".

The report recommends the elimination of the unjustifiable existing arrangement whereby the State bills the counties \$166,000,000 a year to pay for State provided human service programs for the developmentally disabled, mentally ill, children and families, aged, blind and disabled. The Commission further recommended that the \$169,000,000 savings to county property taxpayers be earmarked, by statute, to property tax relief.

Another central recommendation of the report is that the State accept full responsibility for funding 100 per cent of the existing local share of welfare payments to the poor. Neither counties or municipalities have a role in determining how much money a particular recipient receives. The counties will save an additional \$45,000,000 and the municipalities will save another \$21,000,000 pursuant to this recommendation. This saving would also be earmarked, by statute, to property tax relief.

Another central recommendation of the Commission is that the separate county and municipal welfare programs be merged into a unified, professionally staffed, local welfare program by transferring 400 full-time municipal welfare workers to the county welfare agencies already staffed by 4,000 county employees. This will provide for increased program efficiency and effectiveness and important relief to the larger and poorer municipalities within the State.

The Commission also recommends to you a series of statutory changes designed to provide an improved public-private and State-local delivery system for human services in New Jersey. The human service programs of more than 1,000 private non-profits, hundreds of municipalities and school districts, hundreds of county agencies, and numerous State and federal agencies need to be integrated through a system of county human service advisory councils that provide a major decision-making role in integrating the several public and private flows of funds which serve those in need of human services.

The adoption of these recommendations will rectify many of the deficiencies in the existing fragmented system of funding and providing human services to our citizens.

Respectfully submitted by the members of the County and Municipal Government Study Commission:

/s/ Carmen A. Orechio, <i>Chairman</i>	/s/ Fred G. Stickel III, <i>Vice Chairman</i>
/s/ John A. Lynch Jr.	/s/ Catherine Frank-White
/s/ Henry P. McNamara	/s/ John E. Trafford
/s/ Stephen Capestro	/s/ Robert F. Casey
/s/ Linda Spalinski	/s/ Benjamin R. Fitzgerald
/s/ William 'Barney' Wahl	/s/ Christopher J. Paladino

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The Commission is particularly thankful to Deputy Commissioner William Waldman of the State Department of Human Services and to Louis Paparozzi, Director of Human Services in Monmouth County for sharing their wide ranging knowledge of the State, local and private human service systems with us.

Robert Nicholas, Director of the Division of Developmental Disabilities, was also particularly helpful in assisting us to conceptualize how structural arrangements for human services might be fruitfully altered.

More than thirty county officials were kind enough to sit down and work with the Commission staff including county elected officials, county human services directors, county welfare officials and others.

Ten municipal welfare directors also welcomed us to their offices to discuss municipal welfare programs. Four mayors from the State's largest cities and other municipal officials were also very helpful in discussing the issues contained in this report.

We also wish to extend thanks to the one dozen private non-profits who assisted us in understanding the pivotal importance of the private non-profit sector in meeting the human service needs of the State's citizens. Private non-profits, such as mental health agencies, Associations for Retarded Children, United Cerebral Palsy Agencies, day care providers and United Funds, were particularly helpful to us.

Alan Kaufman, Director of the Division of Mental Health and Hospitals, Marion Reitz, Director, Division of Economic Assistance, Nicholas Scalera, Director of Youth and Family Services and Robert Nicholas, Director of Developmental Disabilities and their staffs in the central office and in the field offices of the divisions were particularly helpful in revealing to us the complexities of the various subsystems in Human Services.

The more than ninety persons who sat through field interviews with us were very helpful as were the dozens of individuals who spoke with us over the phone.

The Commission would also like to acknowledge the work of: Eileen Crowe, former staff member, who wrote the first draft of the report; David Mattek, who along with Ervin Shienbaum, wrote the final draft of the report; and all other permanent and part-time members of the staff who contributed to its completion.

In particular, we would like to thank Arlene Wilkinson for her diligent work in typing the pages and tables in this report.

While all the individuals who participated in the development of this study share the Commission's interest in improving the delivery of human services to those in need in the State, the responsibility for this report, its conclusion and recommendations rest solely with the Commission and the staff. However, without the generous assistance of the above named individuals, agencies and organizations, this report would not have been possible.

## EXECUTIVE SUMMARY

A bewildering array of federal, State, county and municipal agencies and private sector organizations is in place to meet the needs of the vast number of New Jersey citizens who are reliant on human services. Certain components of this complex system, however, are badly in need of improvement.

This report identifies the State-local, intralocal and public-private portions of the overall human service delivery system as being most in need of financial and organizational improvements. The report recommends: strengthening the existing movement to comprehensive county human service departments; expanding the existing system of public-private interaction through a variety of advisory councils led by the twenty-one county Human Service Advisory Councils; eliminating State billing of county governments for State programs; ending the mandating by the State of local governments' payments to welfare recipients; transferring municipal responsibility for welfare administration to the county; and creating a wholly permissive role for municipal government in human service management. The financial recommendations are as follows:

### FINANCIAL RECOMMENDATIONS

To recognize the proper role of each level of government and to provide property tax relief:

- Transfer \$213,000,000 of county human service costs to the State.
- Transfer \$21,000,000 of municipal welfare costs to the State.
- Transfer \$10,000,000 of municipal welfare costs to the county.

The magnitude of the need for services, the multitude of agencies providing services, and the number of service recipients requiring multiple services, necessitate that public and private providers maximize their ability to provide services in an economic and effective manner. The federal and State governments and some counties have created unified departments of human services. The Commission commends those governments for that action. ***The Commission recommends that every county create a comprehensive Department of Human Services, headed by a full-time human service professional.***

The relationship between public and private providers of service, including the process of allocating funds to capable private agencies, also needs additional refinements. The existing pattern of human service advisory councils, children and

families committees of those councils, mental health boards and numerous other county appointed citizen boards and councils provides the nucleus for an even broader and more complete integrated network for most human service activities within the State.

*The Commission recommends the enactment of a statute stating the powers and duties of County Human Service Advisory Councils.* The statute would delineate the coordinating, expenditure allocation and planning roles of the county appointed councils. It would emphasize the overall framework of public-private and State-local human service activities. It would contain a children and families committee to deal with issues relevant to the programs of the Division of Youth and Family Services.

The Councils would provide for the review and recommendation to the State and county on all grants to community human service providers within the county. It would provide an integrated mechanism for and have overlapping membership with all other citizen boards and councils providing human services to citizens of the county. It would direct the councils to establish a working relationship with any United Funds serving the county. It would authorize overlapping membership with any of the other county boards or councils providing human services. One of the councils primary duties would be to recommend ways of serving clients who fall between the gaps of providers or who need the service of several providers. Figure A provides the basis for integrating all State, local private non-profit and private-profit agencies in a united system for serving the human service needs of the State's population.

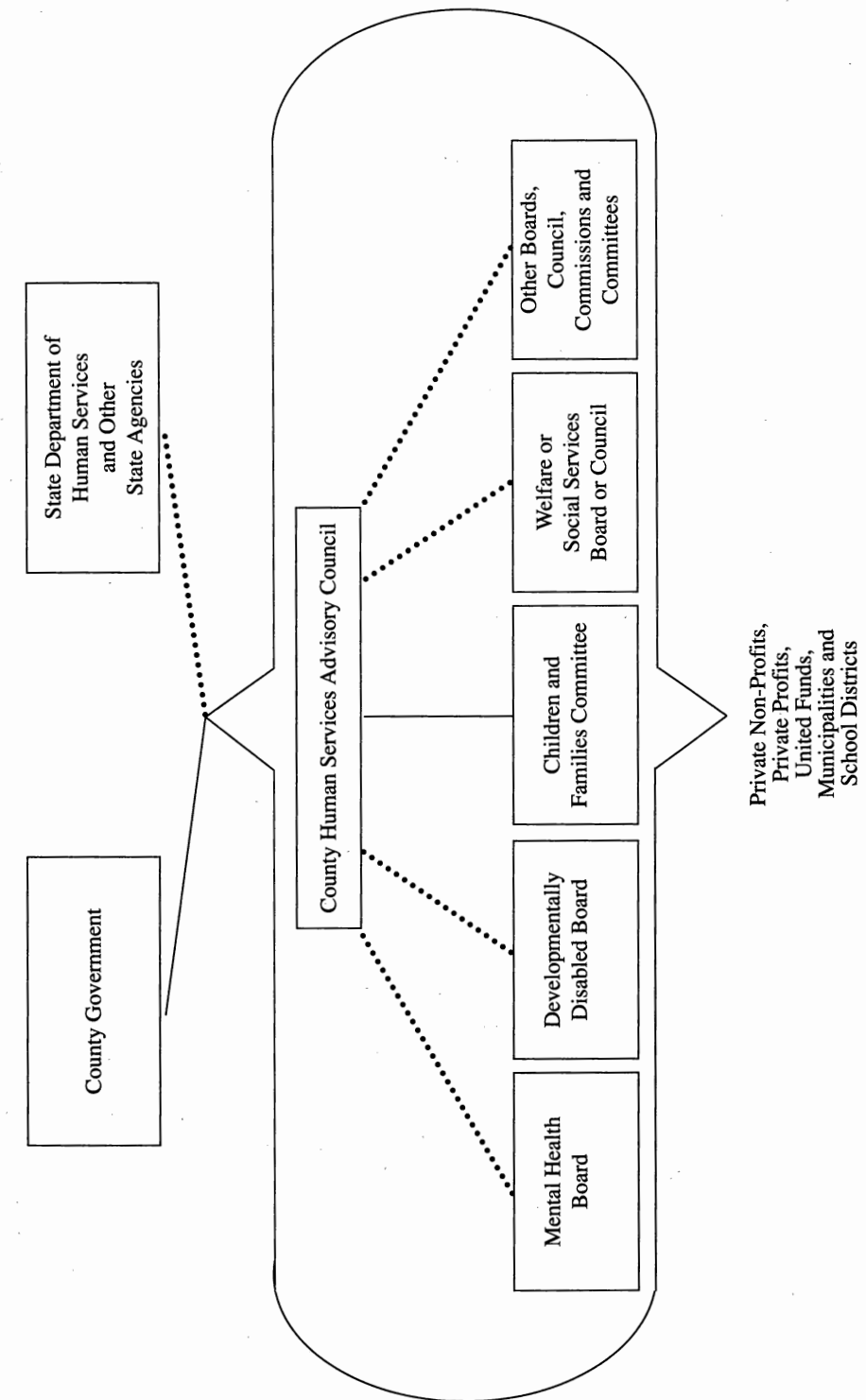
A major gap in the public-private, State-local provision of human services exists regarding programs for serving the developmentally disabled. *The Commission recommends the creation by statute of county appointed Developmentally Disabled Boards in every county.* The statute would generally be modeled on the existing county mental health board statute. These boards would represent the interests of providers and consumers of the several groups which make up the developmentally disabled in every county. The boards would also provide coordination and planning for the needs of the developmentally disabled and would advise the State and county governments as to where public resources for the developmentally disabled would be committed.

In stark contrast to the cooperative State-local and public-private relationship which has already been initiated for the provision of community human services in a number of areas, the State has developed a system for financing its institutions and some other programs which produces continuous friction between the State and the county governments.

All unfunded State mandates to local government produce unhappiness periodically. Local government officials are, however, fairly tolerant about program mandates that require minimum service levels for public health and safety, such as in food inspection or police officer training. Other mandates are more troublesome.

The most unjustifiable mandate of all, however, is when the State requires

**FIGURE A**  
**COUNTY HUMAN SERVICE ADVISORY COUNCILS:**  
**THE FULCRUM OF STATE-LOCAL AND PUBLIC-PRIVATE INTERACTION IN HUMAN SERVICES**



local elected officials to tax their local citizens to pay for programs which are operated by State government. This situation is somewhat like taxation without representation. It is actually worse in that it requires local governments to raise property taxes for State government expenditures. In the four State human service programs discussed in this section the State has mandated local elected officials to raise property taxes to their citizens to provide \$137,000,000 a year in county aid to the State for wholly State administered programs. In these cases all staff, all facilities, all program decisions and every portion of the activity is a State government program. In most cases the State program is not even carried out within the borders of the county mandated to pay the cost of the program.

County resistance to paying State bills for human service programs for which they have no decision-making role has a negative impact on their contribution to community level human service programs. This is most evident in the developmentally disabled area, where the State bills counties the most and where the State actively discourages county involvement on a cooperative basis. The net impact across the board is a reduction in interest and financial contributions to the citizen in need of human services.

The State billing of its institutional costs to the county governments has a doubly regressive impact on the State's citizen in that urban counties like Essex and Hudson and rural counties like Cumberland receive proportionally larger bills and have less property tax rateables to pay the State's bills.

The Commission is opposed to the State's practice of billing county governments for State programs affecting four divisions of the State Department of Human Services; the Divisions of Developmental Disabilities, Mental Health and Hospitals, Youth and Family Services, and Economic Assistance.

Five of the 21 counties, however, operate county psychiatric hospitals for a portion of their county residents in need of hospitalization in a psychiatric facility. The State sends these five counties \$31,000,000 a year to match \$31,000,000 of county funds raised through property taxes to manage these hospitals. To preserve parity within all areas of the State, a State policy to rectify the overall situation must include a financing alternative for these county psychiatric hospitals.

*The Commission recommends that the State take full responsibility for financing its human service programs. This will cost the State: \$62,000,000 at its developmental centers; \$40,000,000 for its psychiatric hospitals; \$31,000,000 for the county psychiatric hospitals; \$25,000,000 at the Division of Youth and Family Services; and \$9,000,000 at the Division of Economic Assistance. The Commission further recommends that this \$169,000,000 savings to county government be dedicated statutorily to property tax relief for the State's citizens. Once the State accepts responsibility for paying for its own programs out of its own funds, the most objectionable State mandate to local government will be removed. Table A indicates the county expenditures to be transferred to the State to provide property tax relief.*

Another fiscal mandate that hurts local governments quite badly, especially

**TABLE A**  
**COUNTY EXPENDITURES TO BE TRANSFERRED TO THE STATE**  
**TO PROVIDE PROPERTY TAX RELIEF**

County	Developmental Disabilities	State Psychiatric Hospitals	County Psychiatric Hospitals	Youth and Family Services	SSI Welfare Payments	AFDC EA Welfare Payments	Total Expenditures
Atlantic	2,122,023	1,805,977		600,000	430,019	1,659,456	6,617,475
Bergen	7,078,740	3,239,315	7,808,540	1,539,137	440,000	1,465,000	21,570,732
Burlington	1,982,991	1,248,650	808,000	730,000	360,977	1,338,491	6,469,109
Camden	4,031,745	2,109,059	5,636,560	2,130,291	715,178	4,245,475	18,868,308
Cape May	582,722	555,378		458,000	95,382	456,255	2,147,737
Cumberland	1,555,627	720,491		685,600	321,900	1,292,991	4,576,609
Essex	4,294,198	658,275	15,172,645	5,400,000	1,447,390	9,824,200	36,796,708
Gloucester	1,387,692	867,308		692,000	221,587	1,043,107	4,211,694
Hudson	9,026,527	4,097,325	2,029,000	2,913,325	1,227,000	6,460,195	25,753,372
Hunterdon	711,266	493,734		160,000	57,850	101,044	1,523,894
Mercer	2,963,699	4,135,258		1,300,004	593,594	2,162,383	11,154,938
Middlesex	4,709,024	3,168,179		1,591,252	490,432	2,385,133	12,344,020
Monmouth	4,032,845	2,626,155		1,735,000	828,000	2,815,791	12,048,791
Morris	2,805,579	2,040,421		815,954	203,086	381,789	6,246,829
Ocean	1,493,779	1,391,221		836,792	383,233	1,468,063	5,573,088
Passaic	4,489,000	4,040,100		1,115,000	637,317	3,202,419	13,483,836
Salem	729,725	430,456		270,000	110,886	519,590	2,060,657
Somerset	1,543,949	1,046,104		400,000	114,178	403,946	3,508,177
Sussex	647,594	701,189		318,666	83,743	166,713	1,917,905
Union	5,512,473	3,975,159		1,500,000	551,027	3,150,000	14,688,659
Warren	659,665	521,335		273,225	76,658	240,000	1,770,883
<b>TOTAL</b>	<b>62,371,863</b>	<b>39,871,089</b>	<b>31,454,745</b>	<b>25,464,246</b>	<b>9,389,437</b>	<b>44,782,041</b>	<b>213,333,421</b>

Source: 1989 County Budgets.



counties and large cities is welfare costs. Ninety per cent of the local government caseload, employees and expenditures are made through county welfare agencies. The remainder is handled by municipal welfare departments.

The county welfare agencies serve 300,000 welfare clients per month, using 4,000 full-time employees. In the aggregate the county welfare agencies are responsible for \$1,000,000,000 worth of monies for poor New Jerseyans provided through a wide variety of programs. Most of the funds are federal funds. Much of the remainder is State funds. Forty-five million dollars are county funds raised from the property tax for payments to recipients and \$116,000,000 are county funds utilized for the administration of the programs.

The Welfare Equalization Act has not equalized expenditures for welfare payments in terms of the ability to raise revenues as was originally intended. Welfare payments are strictly determined by State mandated standards. ***The Commission recommends that the State assume 100 per cent of the county share of costs for payments to persons who meet the State standards for welfare payments.***

This \$45,000,000 like the previous \$169,000,000 or \$213,000,000<sup>1</sup> total funds should be paid for by the State. All \$213,000,000 should be earmarked for property tax relief within the respective counties, as Table A indicates.

The municipal welfare program has some parallels with the county welfare program. For instance, both programs are mandated by the State. The municipal welfare program is much smaller than the county program, however. The county caseload just for welfare recipients (not food stamps or other programs) is 15 times as large as the municipal caseload. Total county expenditures are 10 times as large as municipal expenditures. The county has ten times as many full-time employees as the municipalities.

Most municipal welfare departments are part-time agencies. The Commission records indicate that 493 are part-time departments and 74 are full-time departments. Conversely all county departments are full-time agencies with staff trained to provide appropriate advice to clients on both welfare benefits and the availability of other services to meet the client's needs.

The most fundamental problem with the municipal welfare program is that it is mandated on municipal governments in the first place. For some reason lodged in our history, the State decided to require every municipality to be responsible for any able-bodied adults needing assistance while county governments were to have responsibility for any mothers or children needing assistance. This programmatic breakdown is hard to understand, especially given the fact that social service block grants provided to the county welfare agencies are oriented to the provision of services for adults.

The effect of mandating any welfare program on municipal government is to put a severe strain on poorer municipalities and to waste the time and resources of other municipalities where there is no real need for a program. In a number of municipalities, for instance, the welfare director's salary is greater than the municipal share of payments to qualifying individuals.

<sup>1</sup>This total figure does not equal the two previous figures because these latter two have been rounded up to the nearest million.

Conversely 20 municipalities bear 82 per cent of the State's total expenditures for municipal welfare. These municipalities are located in densely populated urban areas that are struggling to meet the most basic needs of their residents. These same municipalities have a very weak property tax base from which to raise the necessary revenues. This dual inequity is many times more pronounced than any comparable local government program in New Jersey.

Only 73 municipalities have welfare expenditure that are greater than the Statewide average per dollar of taxable property. In the more extreme cases of Newark and Camden, the cities have annual expenditures over 20 times the State average per dollar of taxable property. Again no other State program in human services, public safety or education has such gross discrepancies between need and the ability to pay for a program. It is incredibly unfair for the State to mandate expenditures for such a grossly disparate program to municipal governments to raise from their divergent property tax bases.

***The Commission recommends that the State should accept responsibility for paying for 100 per cent of the cost of General Assistance payments to qualifying individuals. This increase in State funding will remove \$21,000,000 a year permanently from the municipal property tax.***

***The Commission also recommends that the administration of municipal welfare programs should be transferred to county welfare agencies. This will save municipalities another ten million dollars per year.***

The transferring of municipal welfare to the county level would unite the municipal and county welfare agencies in fully professional welfare agencies capable of placing clients with appropriate human service providers in all cases and would provide for a more equitable distribution of the remaining local welfare costs. To maximize client accessibility to welfare services every county should reassess its expanded caseload and develop procedures for serving clients at all times throughout the county and should establish additional outreach offices in appropriate areas of the county where necessary.

In addition to welfare service, municipalities provide a wide variety of other human service programs. Many of these programs are oriented toward youth and the elderly. Others provide social service referral services or day care services. Others are for the mentally ill, handicapped, persons with alcohol and drug problems and various minorities. The Division of Local Government Services reports that in 1987 New Jersey municipalities expended \$92 million for these programs.

***The Commission recommends that a permissive statute be enacted authorizing and encouraging municipalities to design and implement any type of human service program they choose.*** This same statute should authorize the employment of a municipal human service director and related staff and the creation of a Municipal Human Service Council, both on a permissive basis.

Since a number of the existing municipal welfare directors are quite well informed on and often involved in programs for the young, elderly and others and already provide social service referral services they may qualify for this position.

The persons serving on welfare boards also might be interested in serving on municipal human service advisory councils.

Table B indicates the impact of the recommendations relating to municipal government on both county and municipal government.

In conclusion this report recommends that \$234,000,000 of county and municipal human service costs be taken over by the State and that the \$234,000,000 be devoted to property tax relief by statute. It further recommends that \$10,000,000 of municipal administrative costs be transferred to the county as part of the following organizational recommendations.

### ORGANIZATIONAL RECOMMENDATIONS

- Create a system of county human service advisory councils to improve public-private and State-local human service program integration.
- Establish unified county human service departments to improve the delivery of county provided services.
- Merge municipal welfare programs into county welfare agencies.
- Authorize permissive municipal human service activities.
- Transfer county psychiatric hospitals to the State.

This report identifies the State-local and intralocal portions of the overall human service delivery system as most in need of financial and organizational improvements. The report recommends: strengthening the existing movement to comprehensive county human service departments; expanding the existing system of public-private interaction through a variety of advisory councils led by the twenty-one county Human Service Advisory Councils; eliminating State billing of local governments for State programs; ending the mandating by the State of local government's payments to welfare recipients; transferring municipal responsibility for welfare administration to the county; and creating a wholly permissive role for municipal government in human service management.

**TABLE B**  
**THE IMPACT OF CHANGES IN**  
**MUNICIPAL HUMAN SERVICES EXPENDITURES**

County	Permissive Municipal Human Resources Expenditures	Municipal Welfare Payments To Be Transferred To The State	Municipal Welfare Administrative Costs To Be Transferred To The County	County Welfare Administrative Costs To Remain At The County Level	Municipal Savings In Welfare
Atlantic	2,011,893	614,850	536,764	3,775,001	1,151,614
Bergen	3,483,698	549,900	598,909	4,900,000	1,148,809
Burlington	1,632,673	364,388	157,403	4,432,009	521,791
Camden	6,993,760	1,172,565	510,531	11,756,993	1,683,096
Cape May	599,254	139,327	63,580	934,507	202,907
Cumberland	2,497,660	174,379	162,302	2,697,057	336,681
Essex	18,912,125	8,632,894	2,484,844	14,737,755	11,117,738
Gloucester	515,352	146,572	106,513	3,565,783	253,085
Hudson	15,896,280	4,281,357	1,296,452	11,041,599	5,577,809
Hunterdon	222,446	51,017	33,427	425,034	84,444
Mercer	8,732,786	705,003	716,078	7,872,136	1,421,081
Middlesex	5,777,788	815,774	638,639	8,748,525	1,454,413
Monmouth	4,856,809	480,985	452,476	11,191,919	933,460
Morris	1,738,142	196,030	358,982	2,307,500	555,012
Ocean	2,063,317	739,488	320,980	6,869,563	1,060,468
Passaic	6,668,690	443,289	440,706	7,128,436	883,995
Salem	354,997	39,269	24,816	783,054	64,085
Somerset	707,518	81,534	207,548	4,822,000	288,992
Sussex	448,251	65,777	37,474	987,586	103,251
Union	7,214,851	1,050,403	785,269	6,310,628	1,835,672
Warren	670,988	35,281	30,330	802,186	65,611
<b>TOTAL</b>	<b>91,999,278</b>	<b>20,780,082</b>	<b>9,964,023</b>	<b>116,089,271</b>	<b>30,744,014</b>

1. 1989 data from the Division of Economic Assistance.
2. 1987 data from the Division of Local Government Services
3. 1989 County Budgets.

## CHAPTER I

# HISTORY AND TRENDS IN THE DELIVERY OF HUMAN SERVICES

The evolution of New Jersey from a simple agrarian society to the most densely populated state in the nation has occurred with a certain amount of social displacement. The shift has also led to the eclipsing of the role of human services provision based on the personal relationships of family, friends and religious congregations, placing it instead in large-scale, impersonal administrative systems of public and private purveyors. Public agencies at all levels of government are involved in the effort to ameliorate the condition of those members of society who are less fortunate.

In this study "Human Services" encompasses governmental efforts to assist needy persons live the most productive life possible in a complex society and economy. The study reviews the Human Service programs of the federal, State, county and municipal governments and the interrelationship among these governments, and between these governments and the numerous private agencies, serving the people of New Jersey.

The study reflects the Commission's basic satisfaction with the administrative organization of the federal and State governments' Human Service programs. It notes, however, that when the federal government becomes a service provider at the local government level, as it does in the Supplemental Security Income (SSI) welfare program, that integrative mechanisms must be built into the service provision process.

Conversely, the Commission is dissatisfied with the State-local relationship in the Human Service area. The financial burden of State mandated expenditures is unjustifiable in a modern metropolitan society where poor people are excessively concentrated in a small number of political subdivisions which do not have the property valuation necessary to fund the existing egregious burden of State mandated costs.

The Commission also sees a need to reorganize the State-local and public-private human service relationship through a modification and expansion of the existing pattern of county level advisory human service councils. The organization of county level human service programs also needs attention and improvements.

The remainder of this chapter is devoted to major historic developments in the national pattern of human service provision and the major current trend to deinstitutionalize human services. This chapter concludes with a description of the current trend to provide home based services and community services, instead of insti-



tutions as the desired method of serving as many people as possible.

## THE HISTORIC PATTERN

As indicated, in an agrarian society family, neighbors and churches provided the necessary assistance to neighbors who could not fend for themselves. With urbanization, in some cases back to colonial times, but more importantly after the Civil War and with the turn of the century's waves of immigration, society constructed poor houses and insane asylums to solve the most outstanding problems of the poor and unable. Cities, counties and the State were involved with managing these facilities.

At the onset of the Great Depression in the 1930s the existing pattern was fundamentally changed. At that time the national government became involved with human service activities on a massive scale. The following sections delineate the national initiatives of 1935 and 1965 and the current national problems of homelessness, and welfare reform. The plethora of new and expanded human services operate alongside the older poor houses and insane asylums which have been converted to county nursing homes and State and county psychiatric hospitals.

## PREVIOUS NATIONAL INITIATIVES

In 1935, during the Great Depression, the Federal Social Security Act was enacted. All of the major federal social service programs have emanated from this act. Among these programs is Title IV-A of the Act, Aid to Families with Dependent Children (AFDC). The AFDC program is the major national welfare program; it provides cash assistance to indigent families with children who meet eligibility criteria.

Two medical coverage programs of substantial importance have also emerged from the Social Security Act. In 1965, the Act was amended creating Titles XVIII and XIX, the Medicare and Medicaid Programs.

Medicare provides considerable health care coverage for the elderly population, those 65 and over. Medicare is comprised of two parts: Part A of Medicare provides hospital insurance and is funded through taxes on one's earnings from employment; Part B of Medicare consists of a supplementary plan financed through premiums, which an individual pays if they choose to participate in this portion of the program, and through general revenues of the federal government. When Medicare became operational in July, 1966, 19.1 million persons were enrolled. Eighteen years later, in 1984, that number had risen to over 30 million.<sup>1</sup>

<sup>1</sup>Health Care Financing Administration, *Health Care Financing, Program Statistics, Medicare and Medicaid Data Book, 1988* (Baltimore, Maryland: U.S. Department of Health and Human Services, 1988), p. 9.

In early 1966 Medicaid also became operational. This optional state program was designed to provide medical aid to those eligible to receive AFDC or Supplemental Security Income (SSI) or to those who were considered Medically Needy. The Medically Needy includes additional aged, blind or disabled individuals or families with children. These persons would be eligible for Medicaid except for the fact that their income resources were above the limits for eligibility as categorically needy (AFDC and SSI) but were within the limits set under the Medicaid state plan. Offering the Medically Needy program as part of Medicaid is a state option which New Jersey has chosen to utilize.

The SSI Program, Title XVI of the Social Security Act, went into effect in 1974. Under SSI, the aged, blind and disabled would be eligible for cash assistance if they met certain income and resource requirements. This program was transferred from county government administration, in New Jersey, to the Federal government in 1974. Medicaid, SSI and AFDC will be discussed in greater detail in Chapter II.

The final provision of the Social Security Act which will be discussed in this chapter is Title XX, the Social Service Block Grant Program, enacted in 1981. These grants were meant to provide increased flexibility for states.

National Social Service Block Grant goals were established to include the following:

- To enable individuals to achieve or maintain economic self-support for the purposes of preventing, reducing or eliminating dependency.
- To enable individuals to achieve or maintain self-sufficiency, including the reduction or prevention of dependency.
- To prevent or remedy neglect, abuse or exploitation of children and adults unable to protect their own interests or preserving, rehabilitating or reuniting families.
- To prevent or reduce inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care.
- To enable individuals to secure referral or admission for institutional care when other forms of care are not appropriate, or to provide services to individuals in institutions.<sup>2</sup>

In New Jersey, the State Department of Human Services is responsible for administering the Social Service Block Grant Program. This department has agreements with the Departments of Health, Community Affairs, Corrections and Labor which allow for the funding of social service programs that are administered by each department.

<sup>2</sup>New Jersey Department of Human Services, Office of Community Relations, Office of the Associate Commissioner for Policy and Intergovernmental Affairs, *Social Service Block Grant, Fiscal Year 1990, Pre-Expenditure Report* (Trenton, New Jersey: New Jersey Department of Human Services, 1989), p. 4.

Within the State Department of Human Services, the Division of Youth and Family Services (DYFS), is responsible for the disbursement of Social Service Block Grant funds. Funding is allocated through DYFS to its field offices, to County Welfare Agencies (Boards of Social Services), to community social service providers who have been awarded contracts based on recommendations of the County Human Service Advisory Councils and to community providers with whom DYFS has contracted directly.

Among those specific services which can be provided through Social Service Block Grant funding in New Jersey are: initial response and crisis intervention services, supportive assistance and treatment services, instructional and skill development services, social growth and development services, substitute residential care services, case management services and administrative and planning support services. Through these and the other aforementioned Social Security Act programs, millions of needy individuals and families are granted vital services which will enhance the quality of their lives.

## CURRENT NATIONAL INITIATIVES

In 1988, several laws were enacted which will have a major impact on the provision of human services throughout the United States. Among the more pre-eminent laws are the Family Support Act (P.L. 100-485), the Medicare Catastrophic Protection Act (P.L. 100-360) and the Omnibus Stewart B. McKinney Homeless Assistance Act (P.L. 100-628).

The 1988 Family Support Act is partially modeled after New Jersey's welfare reform program Realizing Economic Achievement (REACH). The Federal act is broad in scope in that it addresses issues such as child support enforcement, job opportunities and basic skills training (JOBS), supportive services for families (including child care), Medicaid benefit extensions and transportation payments. In addition, the act provides for a wide array of demonstration projects.

New Jersey stands to gain a number of benefits from this act. In regard to child support enforcement, the State Department of Human Services, Division of Economic Assistance (formerly the Division of Public Welfare), anticipates an increase of 15 per cent in collections. This will lead to significant AFDC savings for the State. These savings will result from the requirement, effective November 1, 1990, of automatic withholding of child support from an absent parent's paycheck for new and modified orders for those cases that are being enforced by state child support agencies. As of January 1, 1994, states will be required to enforce wage withholding for all support orders.

In addition to the benefits of child support enforcement, as of January 1, 1989, New Jersey will have access to additional information to locate parents through wage and unemployment compensation claims information and data maintained by the Department of Labor or state unemployment securities agencies. Also, the State Department of Human Services will be eligible for grants to improve child-care licensing and registration requirements and procedures and to

monitor child care provided to AFDC children. Additional benefits would result from funding provided for demonstration projects.

Although the Act provides numerous benefits, it will also pose several difficulties for New Jersey. Problems will arise under the Medicaid extension provision of the Act where under certain circumstance an earnings test would be required to ensure the continuance of such benefits to a client. This requirement would significantly increase the administrative costs of County Welfare Agencies. This extension of benefits would also result in increased costs for New Jersey if the State is required to collect income information for the purposes of charging a premium to certain individuals who are eligible for this extension. The State also anticipates encountering difficulties in meeting the deadlines for the submittal of its plan for the JOBS Program to the Federal Department of Health and Human Services due to new review requirements.

Overall, the benefits of the 1988 Family Support Act outweigh its detrimental aspects. The Act is in many respects similar to New Jersey's REACH Program. However, while REACH tends to focus on employment and training activities, the federal act concentrates more heavily on education. *Although both the Federal and State welfare reform initiatives have their own distinctive characteristics, the goal of both programs remains the same, to remove persons from a reliance on income maintenance to a position of self support through training, education and the provision of vital benefits.*

In 1988, another dominant piece of federal legislation was enacted, the Medicare Catastrophic Coverage Act (P.L. 100-360). This act greatly expanded the coverage offered by the Federal Medicaid and Medicare programs to elderly, disabled and other persons without adequate health insurance. Unfortunately the whole act was repealed in 1989.

The final piece of federal legislation warranting attention is the Omnibus Stewart B. McKinney Homeless Assistance Act of 1988 (P.L. 100-628). This act is a major source of funding for both state and local government programs for the homeless.

In 1984, the U.S. Department of Housing and Urban Development estimated that as many as 350,000 people may be homeless on a single night. Through the reauthorization of this 1987 act, \$1.2 billion will go towards providing services to the homeless over a two year period. For 1988, \$634 million was allocated while \$656 million has been appropriated for 1989. Among the services, for which funding is available are: emergency shelter and food, health care, mental health care, housing, educational programs and job training.

This act, along with the previously mentioned Family Support Act, assist in meeting the diverse needs of those who require additional assistance.

## THE MOVEMENT TO DEINSTITUTIONALIZE

For many years now there has been a movement away from institutional care and towards community care (see Figure 1). On a national level, this move-

ment accelerated in 1981 with the passage of the Federal Omnibus Budget Reconciliation Act. This act encouraged the development of community based services rather than institutional programs.

Community care has, in most instances, been found to be preferable for populations that include both the developmentally disabled and the mentally ill. Care in the community can also be applicable for the elderly and our youth.

The outstanding feature of community care is the improvement in the quality of life that it provides, a life that is superior to that found in an institution, be it a developmental center, a psychiatric facility or a nursing home. Of course there will always be a need for some institutions for those individuals who are unable to adapt to living in a community setting.

Another factor of overwhelming importance in regard to community care is that this type of care entails substantially lower costs than institutional care. These costs can be highly varied depending upon the type of housing provided, the level of supervision that is required and the nature of the services that are provided to an individual. However, beyond the economic benefits, the well being of the patient should also be a primary concern when making the transition from an institution to the community.

For those persons who are considered to be developmentally disabled, there are several types of community housing available to them. The Division of Developmental Disabilities (DDD), within the State Department of Human Services, contracts out with agencies who provide such housing.

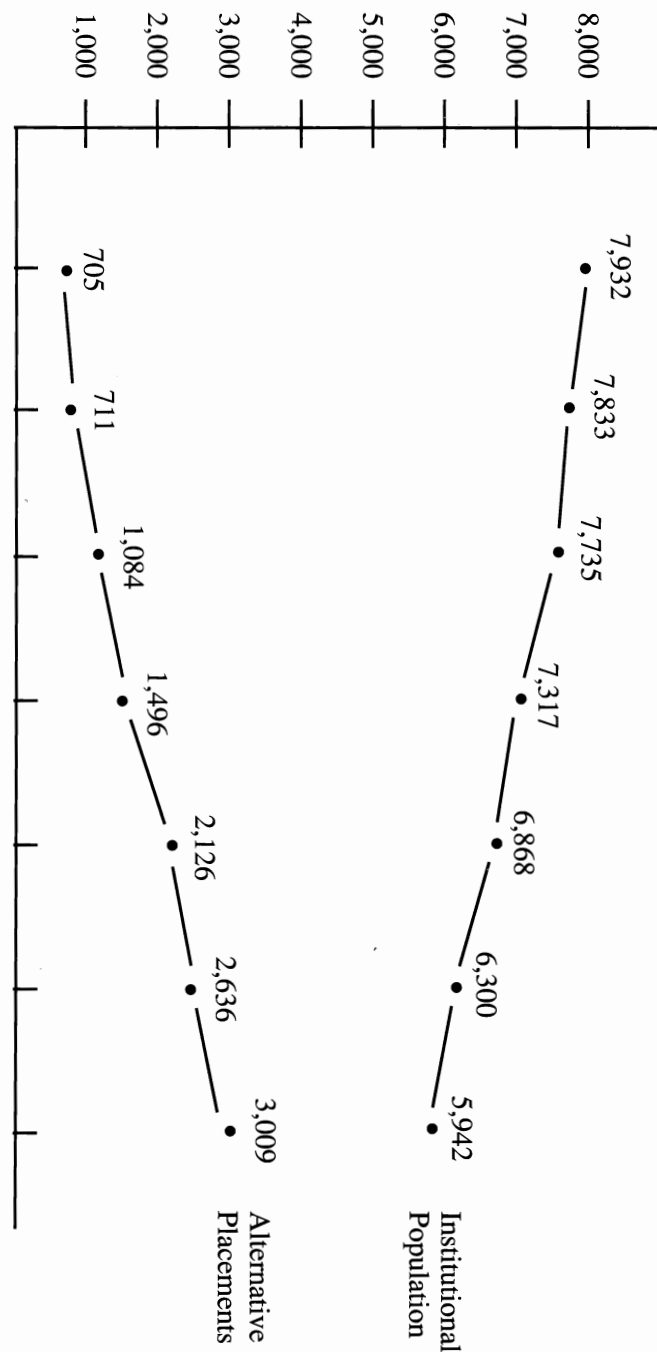
The most restrictive community setting for the developmentally disabled is a skill development home. In this type of housing arrangement an individual lives in the home of a trained provider who offers a formal training program that is developed and supervised by a case manager. Within this program, as well as in others, there are different levels of care provided. In April, 1989, 916 clients were being served through skilled development homes in New Jersey.

The other types of community housing available to the developmentally disabled, in order of most heavily supervised to the least supervised setting, include: family care homes, boarding homes, group homes, supervised apartments, supportive living and independent apartments. Of these arrangements, boarding homes are utilized the least while group homes and supervised apartments combined account for 1,850 clients as of April, 1989.

According to DDD, the yearly cost of a client in a group home or a supervised apartment can range from approximately \$33,000 to \$46,000. In contrast, the yearly cost of an individual in an institution, such as the North Princeton Development Center, can run as high as \$65,000.

In 1983, the Division of Mental Retardation (now DDD) stated in its report *Phase Two Restructuring For Service: Fiscal Year 1984 - Fiscal Year 1989*, that by

FIGURE 1  
DECREASE IN INSTITUTIONAL POPULATION AND GROWTH  
IN ALTERNATIVE PLACEMENTS FOR THE DEVELOPMENTALLY DISABLED IN NEW JERSEY  
1977-1983



Alternative placements include group homes, supervised apartments, unsupervised apartments, skill development homes, family care and purchase of care.

Source: New Jersey Department of Human Services, Division of Developmental Disabilities, 1983.

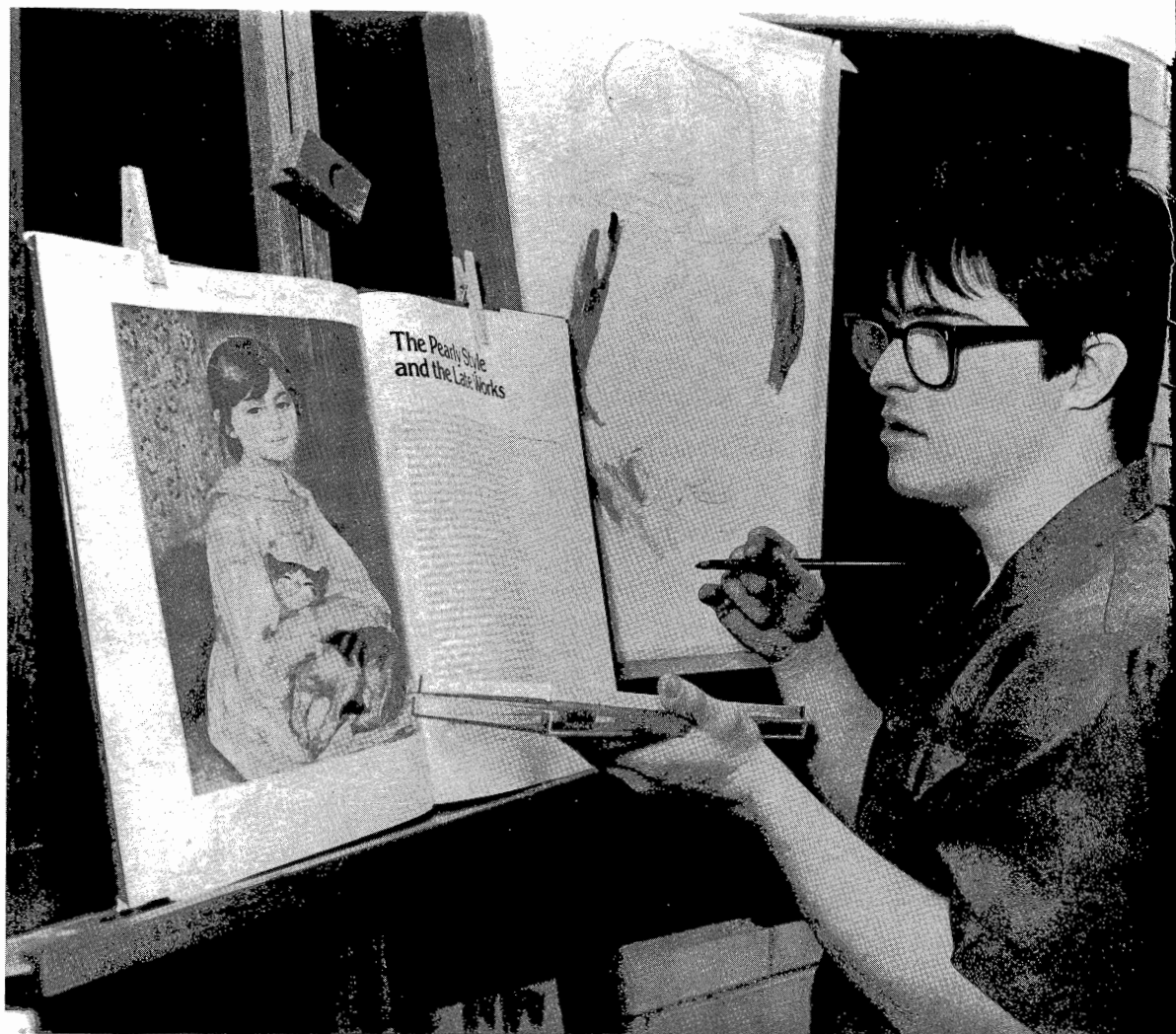


Photo courtesy of Gordon Parker, Department of Human Services, Office of Public Information

1989 the institutional population of its developmental centers would be reduced to 4,383.<sup>3</sup> However, in 1989 the number of residents remained at 5,137 (see Figure 2).

As of January 1, 1989, 1,000 residents in developmental centers were awaiting placement in the community. By April 30th of this same year nearly 2,000 non-institutional individuals were in need of community housing.

*Thus, one of the primary needs of the developmentally disabled is that the public and private providers of this population ensure the ongoing availability of a sufficient number of community based housing and services for those who are suitable for such placement.* Although a diverse array of community housing and services presently exist, these resources are inadequate (see Figure 3).

According to the Monmouth County Association for Retarded Citizens, as of April, 1989, 1,200 persons were awaiting placement in this association's residential housing program of group homes and supervised apartments. Furthermore, although private providers, such as the Association for Retarded Citizens, do offer numerous services including vocational, recreational, respite and social services, there remains a need for additional services in order to enable an individual to fully adapt to community living.

*Another issue facing the developmentally disabled is the necessity for both public and private providers of services to work together to educate the public regarding this population's needs so as to better integrate them into the community.*

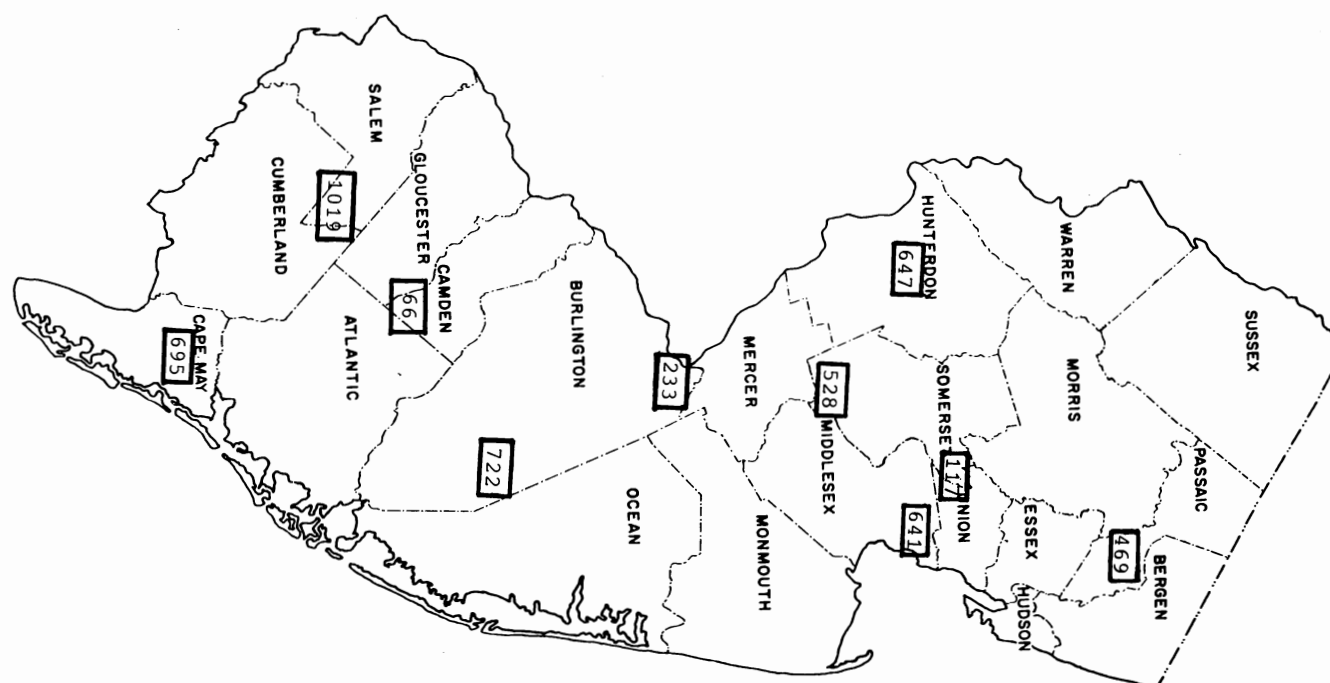
Both DDD and private providers, such as the Association for Retarded Citizens and United Cerebral Palsy, must increase their efforts to aid and encourage the developmentally disabled in becoming active participants in their communities through involvement with local civic groups, volunteer and religious organizations. Entities such as these can also serve as a means of eliminating the uncalled for fear that many communities have regarding the establishment of a home for the developmentally disabled in their area. Inadequacies similar to these were noted in a 1985 study conducted by a New York consulting firm who had prepared a report on the status of mentally retarded clients in the community for the Division of Mental Retardation.

*An additional area of concern, for the developmentally disabled, is the need for contracted providers of housing and services to expand and improve their employee recruitment efforts and investigate and initiate incentives to reduce the employee turnover rate.*

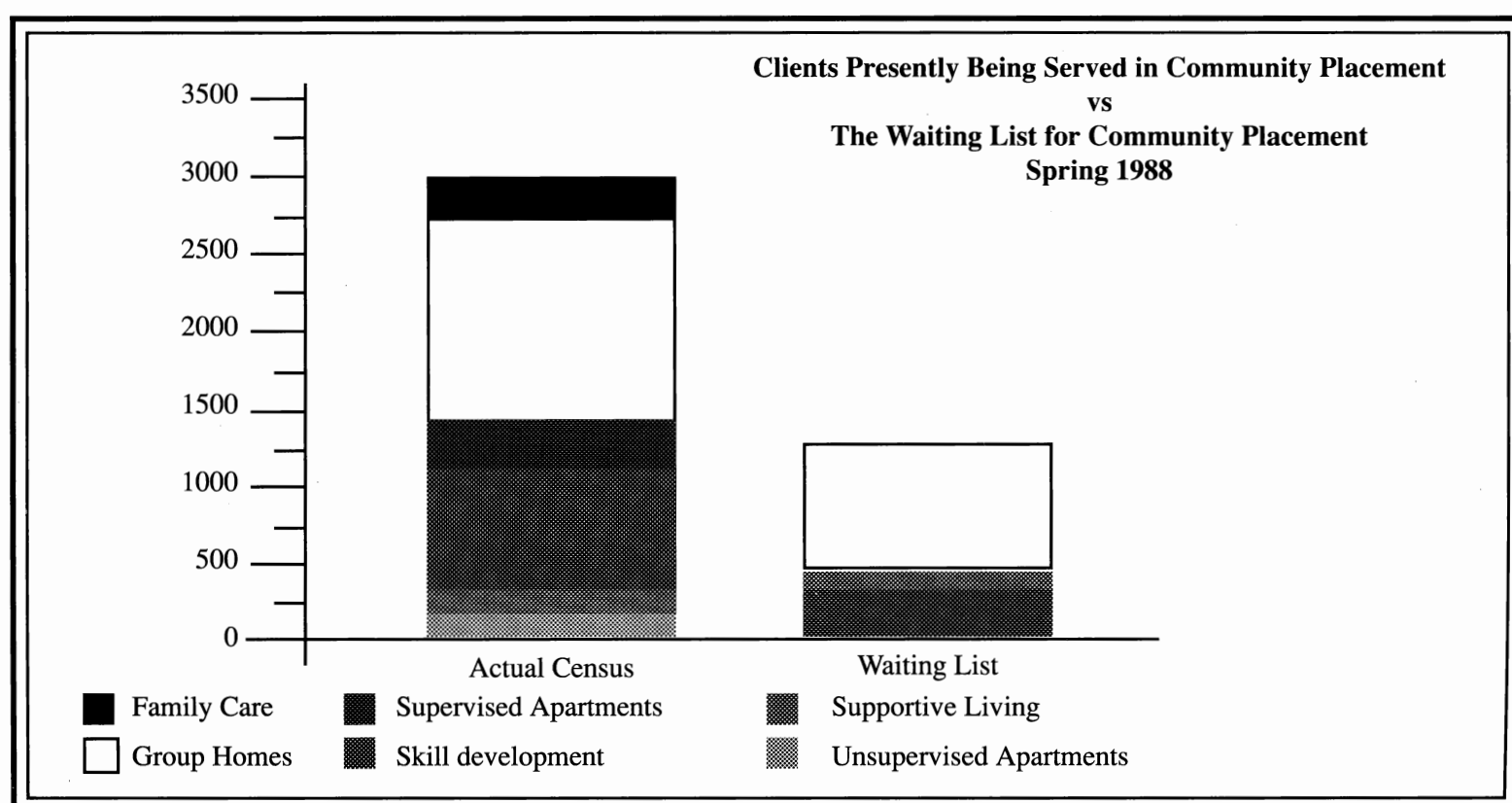
Locating and maintaining employees for organizations such as the Association for Retarded Citizens has been a difficult task largely because of inadequate funding for both recruitment and salaries. Thus, additional efforts must be made by private providers to remedy as best as possible these two major problems.

<sup>3</sup>Michael Knox, *Phase Two, Restructuring for Service: Fiscal Year 1984 - Fiscal Year 1989* (Trenton, New Jersey: New Jersey Department of Human Services, Division of Mental Retardation, 1983), p. 10.

**FIGURE 2**  
DISTRIBUTION OF INSTITUTIONAL BEDS FOR THE  
DEVELOPMENTALLY DISABLED - JULY 1989



**FIGURE 3**  
DEVELOPMENTALLY DISABLED CLIENTS SERVED IN COMMUNITY PLACEMENT  
VS. WAITING LIST FOR COMMUNITY PLACEMENT  
Spring 1988



Source: Association for Retarded Citizens, June 30, 1988.



When there is a staff turnover rate that is as frequent as every six months, not only do services suffer but behavioral problems have been found to occur among the developmentally disabled clients who rely so heavily on the staff.

Community care has two major components: housing and services. Although services are an integral part of maintaining an individual in the community, these services are meaningless without an appropriate living environment.

*Presently, an immense need exists for public and private providers of services to the mentally ill to ensure the ongoing availability of community based housing and services to all mentally ill who could be appropriately placed in such a setting.*

A wide range of housing and services have been created to serve the needs of the mentally ill. However, as in the case of the developmentally disabled, both areas are still woefully inadequate even with the rapid expansion in community care over the last several decades.

Community housing options for the mentally ill include the more restrictive residential health care facilities as well as boarding homes, family care, group homes and apartments which provide the least restrictive living arrangements. If all else fails, homeless shelters are also an option which must sometimes be utilized by the mentally ill. Residency in this type of housing is completely inappropriate for those suffering from mental illness.

In regard to the costs of institutional care versus the costs of community care, client costs in an institution may be as high as \$67,000 per year while client costs in community housing, such as a group home, can run around \$40,000. As mentioned earlier, the issue here is not just the cost of the care but the quality of care and whether such care is enabling a client to adjust as fully as possible to community living.

Although there are many gaps in the housing needs of the mentally ill, deficiencies seem to be most evident in boarding homes. Unlike the other housing options which are monitored by the Division of Mental Health and Hospitals through contracts with community mental health centers, private boarding homes are left to operate without the State Department of Human Services oversight. These homes are monitored solely by the Department of Community Affairs and yet many mentally ill reside within these homes. *Thus, the Division of Mental Health and Hospitals should participate in the licensing and monitoring responsibility for boarding homes that house the mentally ill.*

Until recently, group homes and apartments were also solely regulated by the Department of Community Affairs. These housing facilities are now being licensed for operation by the Division of Mental Health and Hospitals.

Boarding homes, to varying degrees, are plagued by a multitude of shortcomings. Among the deficiencies found in these homes are the substandard living conditions in which many residents are forced to exist. Inadequately trained staff and high employee turnover, as a result of low salaries, are also common problems. Improper distribution of medication is another area of concern. An extreme lack of

services in regard to health care, counseling, transportation and recreation are also at issue in these homes. The absence of services may, on occasion, result in a client being turned away from a boarding home because of its inability to meet some of the most basic needs of the mentally ill.

Presently, the Division of Mental Health and Hospitals is engaged in the operation of a two-and-a-half year project for individuals aged 20 to 40 at the Lincoln Rest Center which is a boarding home located in Jamesburg. The program is funded by a grant from the Robert Wood Johnson Foundation and is designed to serve 15 to 20 clients.

The aforementioned Specialized Residential Health Care Facility Program is providing expanded on-site services to selected residents at a cost of \$12,000 to \$15,000 per year client (see Figure 4). Under this program those who are suffering from severe and persistent problems of mental illness will benefit from a five-fold increase in health maintenance and monitoring time, be provided four hours a week of service through a personal care aide, be serviced by a nutrition consultant and have a vocational rehabilitation specialist accessible to them once a week.

At the time of the writing of this report, the Lincoln boarding home program had been in operation eight months. Both the State Department of Human Services program director and the boarding home operator felt that the program was a success even though there had been some recidivism which resulted in a certain number of residents returning to institutions.

Many of the services which are called for in boarding homes require the utilization of trained staff. However, the opportunity also exists for the use of volunteers. One such effort that has proven to be a great success is pet therapy where animals are brought in to spend some time with the residents. Volunteers could also be used in boarding homes simply for providing a few hours a week of companionship. A registered nurse in a boarding home in Middlesex County stated that although there are many who volunteer material items such as quilts around holiday time, there are few individuals who are willing to make an ongoing commitment not only of their time but to actually come into the home to visit with residents.

The Division of Mental Health and Hospitals contracts out with private providers for the provision of services. One contracted provider, a community mental health center in southern New Jersey, has been outreaching to volunteers and has found the local JayCees to be receptive to accepting a mentally ill client from a group home into their organization. However, the outreach efforts of centers such as these is not enough to resolve the severe volunteerism shortage. *Thus, both public and private providers of mental health services should increase their outreach and recruitment efforts to other community organizations to encourage greater utilization of volunteers to serve the mentally ill.*

Among those services which can be provided by community mental health centers are: outpatient services which involve therapy, resocialization and advocacy; adult and children's partial care involving therapy of all types, possible medication and socialization; emergency screening services; residential services; consultation and education and a variety of other special services.

In its capacity as a mental health provider, community mental health centers are in a position to educate the public as to the true nature of the disease of mental illness. However, past attempts to achieve cooperation with the media have not always been successful. One example though of a fruitful relationship between the media and those seeking the aid of volunteers has been the weekly section run in the Star Ledger, *Helping Hands*. This segment of the paper provides a forum for nonprofit groups to express their needs for various types of volunteers to service their agency.

*A need exists for both public and private purveyors of mental health services to work together, in cooperation with the media, to better educate the public in regard to those suffering from mental illness.* Through this integration of efforts much of the public fear and misunderstanding of the mentally ill could be alleviated. This would bring about not only increased community involvement but also an end to the disruptions which occur when a service provider is attempting to establish a residence for the mentally ill in a community.

The provision of services that has been discussed in the previous paragraphs play a significant role in enabling many individuals to remain in the community. Additional programs which seek to achieve the same goals also come under the State Department of Human Services, Division of Medical Assistance and Health Services. Among these programs are: three Medicaid Model Waivers for the blind and disabled; the AIDS Community Care Alternative Program; the Community Care Program for the Elderly and Disabled and the Home Care Expansion Program. These programs will be further examined in Chapter III.

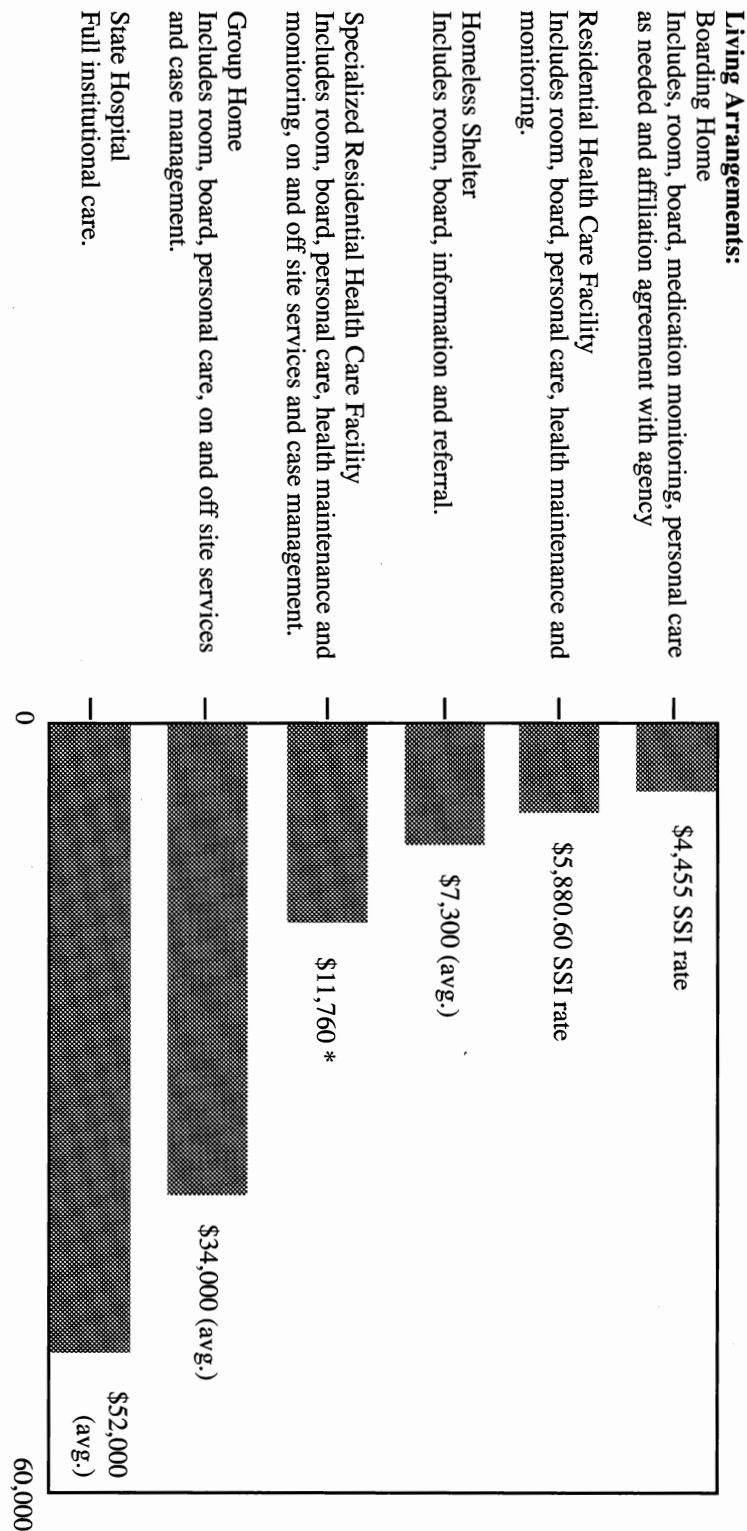
Services are also important in maintaining children within their home. Often times though these services cannot adequately meet the needs of a child and its family. When circumstances such as these arise, placement in housing outside the domicile must then be considered. Among the housing options available through the State Department of Human Services, Division of Youth and Family Services are: foster care, residential treatment centers, group homes, shelters, teaching parent and independent living.

Creating less costly alternatives to residential treatment centers is also a desirable goal in the development of community housing options. Placement in such a center in Mount Holly came to \$65,000 per year, per child.

In its 1989 *Family and Community Services Operational Plan*, all of the aforementioned needs are specifically addressed as DYFS goals. *Public and private providers of services to needy youth and their families must make every effort to fulfill the division's goals for community care as outlined in this 1989 plan.*

This section has noted some of the many types of community care that are presently available. Through the combination of housing and services, numerous individuals are afforded a decent quality of life and many, most importantly children, are able to remain in their own homes. However, with the growing elderly population and the increasingly complex nature of the problems of today's youth, the need for additional community care alternatives will continue to grow for many years to come.

**FIGURE 4**  
**A COMPARISON OF THE COSTS OF DIFFERING FACILITIES AND SERVICES FOR THE DEVELOPMENTALLY DISABLED 1987**



\* Includes SSI payments.  
Source: New Jersey Department of Human Services, Office of Policy and Intergovernmental Affairs, Residential Services Unit.

## SCOPE OF THE REPORT

This report is designed to provide a broad overview of human services. In the chapters that follow, federal, state and local programs will be examined as to their function and the means through which program goals are achieved. Various recommendations will be made in the report focusing primarily on the nature of state and local, and county and municipal relationships.

In Chapter II, four major federal human service programs, SSI, Medicaid, AFDC and Food Stamps, will be discussed in detail. Chapter III will concentrate on state programs which are actively operating within New Jersey's communities. In Chapter IV, the structure and functioning of human services at the local level will be explored. Chapter IV will also note the major inequities which exist in the human service system and will make recommendations to address these issues.

## CHAPTER II FEDERAL HUMAN SERVICE PROGRAMS

### UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

The advent of the welfare state, in the 1930s, marked the entry of the federal government into the field of human services. Since then as our society and economy have grown more complex, with the attendant growth in social problems, the federal role has dramatically increased. Federal involvement, in its wake, has also served as an impetus for increasing state involvement. The two levels of government have often forged partnerships in addressing human service concerns. This chapter will examine the role of the federal government in the human service area.

In 1989, the federal government spent over \$109 billion for health and human services.<sup>1</sup> In comparison, in the current fiscal year, New Jersey's Department of Human Services total budget reached \$4.1 billion.<sup>2</sup>

Within the U.S. Department of Health and Human Services are three administrations - Social Security Administration, Health Care Financing Administration and the Family Support Administration - which are responsible for the management of major human service programs. Each of these three administrations plays a vital role in meeting human service needs. In addition, the U.S. Department of Agriculture plays an important role in meeting the poor's nutrition needs. In the following sections each of these primary areas of human services will be examined.

### Social Security Administration

The Supplemental Security Income (SSI) Program is administered by the Social Security Administration. In fiscal year 1989, this program's appropriations were over \$12 billion.<sup>3</sup> In 1988, total SSI payments for New Jersey were over \$298 million. This amount included over \$248 million from the federal government and more than \$50 million in state and county payments.

SSI was enacted in 1972 as Title XVI of the 1935 Social Security Act. Through the creation of SSI, three of New Jersey's county administered public assistance programs (old-age assistance, aid to the blind and aid to the permanently

<sup>1</sup>U. S. Department of Health and Human Services, *Summary of Comparable President's Budget - FY 1989* (Washington, D.C.: Office of Budget, 1988), p. 1.

<sup>2</sup>New Jersey Department of Human Services, Office of Budget and Planning.

<sup>3</sup>U.S. Department of Health and Human Services, *Summary of Comparable President's Budget - FY 1989*, p. 5.



and totally disabled) were transferred to the federal level. The basic eligibility criteria requires an SSI applicant to be aged - 65 years of age or older, blind or disabled. The later two categories may include children and those with AIDS. New Jersey provided SSI assistance to 98,165 individuals in December of 1988.<sup>4</sup>

Levels of income and financial resources are central determinants of a person's eligibility for SSI. Financial resources include items such as a car, stocks and bonds, cash, savings and checking accounts, real estate and personal belongings. As of January, 1989, a single adult or child could receive SSI if their financial resources were not above \$2,000 while a couple was permitted up to \$3,000. Allowable income limits vary depending on the type of income. Certain types of income are not counted in determining eligibility for SSI. Included in the aforementioned category are generally the first \$20 a month of any income, the first \$65 a month of earned income, food stamp benefits, possibly home energy assistance, food, clothing or shelter from private, nonprofit organizations; student earnings or scholarships and death benefits used to pay for a deceased person's last illness. Also, there are minor items or earnings that are not considered as income.

Under the SSI Program, eligibility criteria must be met for citizenship. To become an SSI recipient you must be a U.S. citizen or an immigrant or resident lawfully admitted to the U.S. by the Immigration and Naturalization Service. In regard to residency, persons are required to be a U.S. or Northern Mariana island resident.

All states provide an optional supplement to the federal SSI payment. State governments may choose to administer this supplement themselves, through their local government, or through the Social Security Administration. In the 27 states, including New Jersey, where the federal government administers SSI, an average total of \$231 million is allocated for the program in any given month (see Table 1). In contrast, the total payments of the 24 states who are responsible for administering the SSI supplement amounts to \$32 million per month.

The assumption of both program and administrative costs for the optional supplement is determined by the selected level of governmental administration. If state or local administration is chosen then that state, and possibly its local government, must absorb both program benefit and administrative costs for the optional supplement. However, if federal administration is utilized then the federal government assumes the administrative costs while the State, and possibly local government, are responsible for 100 per cent of the program benefit costs. New Jersey has selected the later of the two options.

The optional supplement was initiated in New Jersey on January 1, 1974. This coincided with the nationwide transfer of the SSI Program from either county or state administration to federal administration. As a result of this transfer, the SSI Program was removed from New Jersey's County Welfare Agencies who had been

<sup>4</sup>U.S. Department of Health and Human Services, *Social Security Bulletin*, March 1989/Vol. 52, No. 3 (Washington, D.C., Social Security Administration), p. 62.

**TABLE 1**  
**NATIONAL PAYMENTS: COMPRISING FEDERAL SSI**  
**PAYMENTS AND FEDERALLY ADMINISTERED STATE SUPPLE-**  
**MENTS BY STATE DECEMBER 1988**

State	Total (000s)	Federal SSI (000s)	Federally Admin. State Supp. (000s)
Alabama	26,555	26,555	
Alaska	978	978	
Arizona	9,532	9,532	
Arkansas	13,796	13,794	2
California	292,986	130,873	162,113
Colorado	7,832	7,832	
Connecticut	7,028	7,028	
Delaware	1,686	1,622	64
District of Columbia	4,406	4,011	395
Florida	47,131	47,131	
Georgia	31,443	31,441	2
Hawaii	3,581	3,005	576
Idaho	2,045	2,045	
Illinois	41,038	41,038	
Indiana	12,385	12,385	
Iowa	6,299	6,109	190
Kansas	4,839	4,837	2
Kentucky	24,140	24,140	
Louisiana	28,565	28,560	5
Maine	4,316	3,675	641
Maryland	13,564	13,560	4
Massachusetts	29,607	19,706	9,901
Michigan	35,358	29,186	6,172
Minnesota	7,664	7,664	
Mississippi	22,867	22,865	2
Missouri	17,441	17,441	
Montana	2,024	1,952	72
Nebraska	3,095	3,095	
Nevada	2,240	1,991	249
New Hampshe	1,370	1,370	
New Jersey	25,882	21,351	4,471
New Mexico	6,353	6,353	
New York	114,980	86,421	28,559
North Carolina	29,170	29,170	
North Dakota	1,402	1,402	
Ohio	34,628	34,625	3
Oklahoma	11,791	11,791	
Oregon	6,651	6,651	
Pennsylvania	46,563	40,049	6,514
Rhode Island	3,920	3,023	897
South Carolina	17,753	17,753	
South Dakota	1,859	1,857	2
Tennessee	28,253	28,252	1
Texas	54,945	54,945	
Utah	2,582	2,495	87
Vermont	2,375	1,665	710
Virginia	18,897	18,897	
Washington	14,513	12,915	1,598
West Virginia	10,874	10,874	
Wisconsin	21,411	13,420	7,991
Wyoming	633	633	
<b>Total</b>	<b>1,161,186</b>	<b>929,963</b>	<b>231,223</b>

Source: Social Security Bulletin, March 1989, Volume 52, No. 3, p. 62.

responsible for the operation of the program. The County Welfare Agencies SSI employees were given the option of remaining at the county level or transferring to the federal offices.

In New Jersey the optional supplement is made available to all those who are aged, blind or disabled recipients of SSI with the exception of persons in medical institutions and in publicly operated community residences or shelters. Counties are required by the State to pay 25 per cent of the total supplement. The amount of the optional supplement is determined by the State Department of Human Services, Division of Economic Assistance. This division forwards the total supplement, which may include a Lifeline payment, to the Social Security Administration.

Lifeline programs, which will be discussed in greater detail in Chapter III, are intended to provide financial assistance to certain elderly and disabled residents of New Jersey in meeting the cost of gas as well as electricity. A Lifeline payment included in an SSI check is called a Special Utility Supplement. In state fiscal year 1988, 90,794 persons received a total of \$19,379,053 in Special Utility Supplement payments.<sup>5</sup>

The SSI Program is funded by general funds of the U.S. Treasury which include personal income taxes and corporate taxes. The State portion of SSI benefits has not been increased in recent years. However, the federal portion of SSI is set nationally and is adjusted each year for inflation. The latest increase, January 1, 1989, provided for a four per cent growth in the federal SSI payment levels. Table 2 indicates the breakdown of federal and state SSI benefits as of January 1, 1989.

Qualification for SSI payments usually provide automatic qualification for various types of medical assistance (generally Medicaid). States can choose to base their medical eligibility criteria on SSI Program standards or on a more restrictive state medical assistance standard. New Jersey utilizes the SSI Program standards to determine an applicant's eligibility for Medicaid through the Social Security Administration.

States also have an option of offering a medically needy program to SSI recipients. This program can be broad or restrictive in scope. New Jersey's program is broad in that it provides coverage to the aged, blind and disabled.

In addition to the aforementioned benefits, SSI recipients residing in a long-term care facility, where Medicaid is paying more than half of an individual's care, are eligible to receive a \$40 a month personal needs allowance. This allowance is part of an SSI recipients total benefit

<sup>5</sup>New Jersey Department of Human Services, *Fiscal Year 1988 Lifeline Programs Annual Report* (Trenton, New Jersey: Division of Medical Assistance and Health Services, 1988), p. 15.

**TABLE 2**  
**SUPPLEMENTARY SECURITY INCOME PAYMENT LEVELS PER MONTH**  
**1989**

Living Arrangement Categories	Federal		
	Benefit Rate	New Jersey Supplemental Rate**	Combined Payment
<b>Eligible Couple</b>			
Licensed Medical Facility (Hospital, Skilled Nursing Facility or Intermediate Care Facility) or Publicly Operated Community Residence of 16 or Less	\$553.00	0	\$553.00
Licensed Residential Health Care Facility and Certain Licensed Residential Facilities for Children and Adults	\$553.00	\$464.36	\$1,017.36
Living Alone or with Others but not in the Household of Another	\$553.00	\$25.36	\$578.36
Living in the Household of Another, Receiving Support and Maintenance	\$368.67*	\$93.09	\$461.76
<b>Eligible Individual</b>			
Licensed Medical Facility (Hospital, Skilled Nursing Facility or Intermediate Care Facility) or Publicly Operated Community Residence of 16 or less	\$368.00	0	\$368.00
Licensed Residential Health Care Facility and Certain Licensed Residential Facilities for Children and Adults	\$368.00	\$150.05	\$518.05
Living Alone or Living with Others but not in the Household of Another	\$368.00	\$31.25	\$399.25
Living with Ineligible Spouse (no Other Individuals in Households)	\$368.00	\$210.36	\$578.36
Living in the Household of Another, Receiving Support and Maintenance	\$245.34*	\$44.31	\$289.65

\* This amount represents the federal benefit rate, less one-third reduction based on the recipient living in the household of another for a full calendar month and receiving both food and shelter there.

\*\* The New Jersey supplement consists of 75 percent State payments and 25 percent county payments.

Source: The Social Security Administration and the State Department of Human Services.

allotment. The purpose of this allowance is to permit residents to purchase personal comfort items. These funds cannot be used for equipment, items or supplies which are furnished by the long-term care facility and are included in the patients per-diem rate. Of the \$40 personal needs allowance, \$30 is supplied by SSI, \$7.50 by the State Division of Economic Assistance and \$2.50 by the counties. For those individuals located in a residential health care facility or boarding homes, a higher personal needs allowance rate of \$57 is available.

The SSI Program also includes an optional special needs allotment (emergency assistance). This assistance is available in New Jersey through County Welfare Agencies. The aforementioned aid is provided to SSI recipients for emergency assistance resulting from catastrophic events and burial and funeral payments. Emergency assistance will be discussed further at a later point in this report.

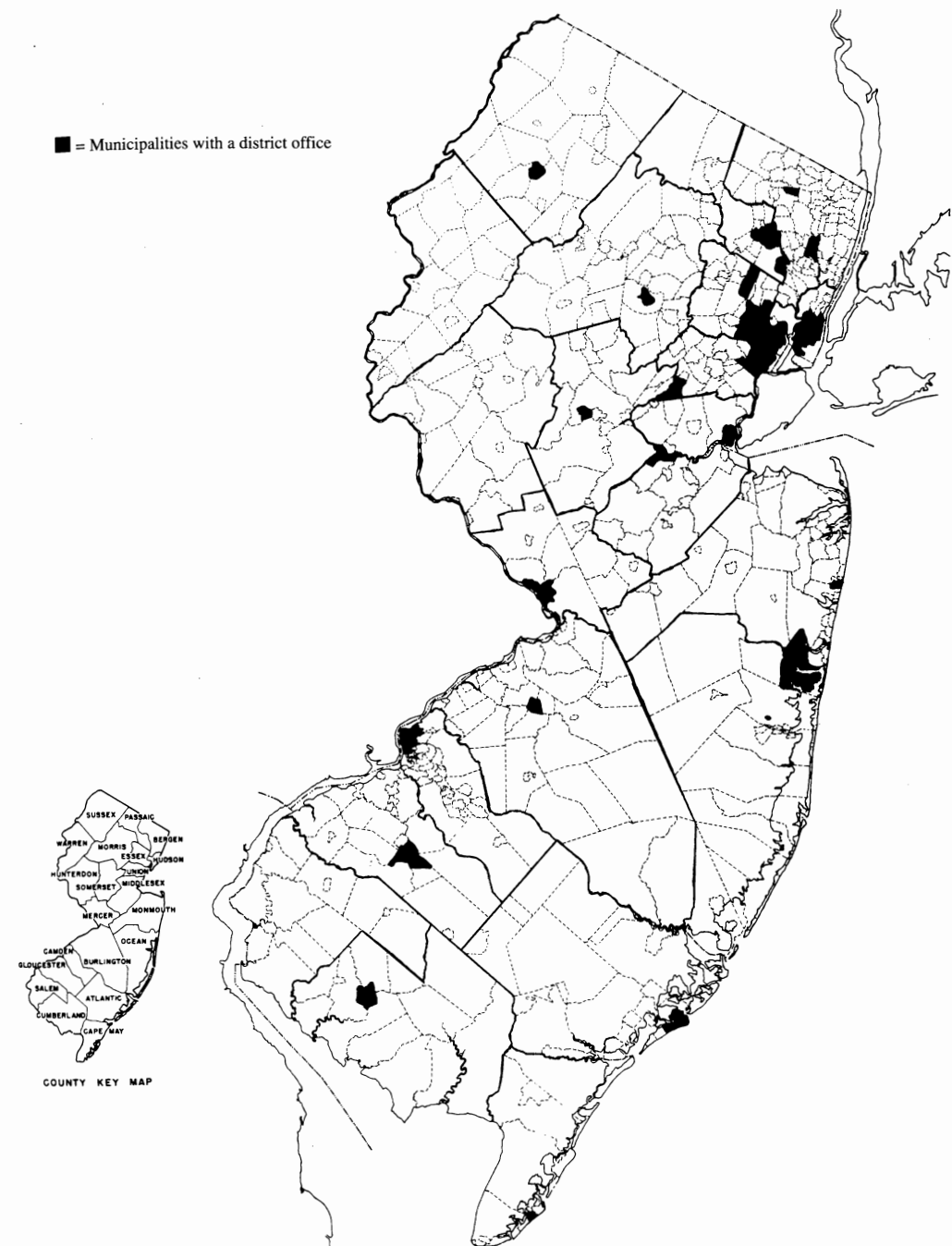
Interim Assistance Reimbursement is another program that operates under SSI. This program provides states or local governments with the option of offering individual's temporary assistance while their SSI application is pending. Municipal welfare directors, who provide this assistance in New Jersey, are reimbursed for their payments by the Social Security Administration if the applicant has authorized withholdings from his SSI check once his eligibility status has been determined and monthly SSI payments have begun. Some concern has been noted by New Jersey's municipal welfare directors in regard to providing these payments.

In New Jersey there are 28 social security district offices, located in 18 counties. Within these offices eligibility determination for the SSI Program occurs (see Figure 5). The communication maintained between the social security district offices and municipal welfare offices is minimal at best. Occasionally an individual who is receiving municipal welfare benefits will also apply and be found eligible for SSI benefits without notifying the municipal welfare director of their application. Under these circumstances, the municipal welfare director would be ineligible for reimbursement for the interim assistance payments as a result of their client not informing them of their application for SSI and, therefore, having not filled out the appropriate reimbursement forms. Thus, an individual could be receiving benefits from both the municipal and federal government without either party having knowledge of this fact.

Potential SSI clients cannot always be relied upon to provide those responsible for processing their application with accurate information. ***The social security district offices and the local welfare offices, who administer the General Assistance Program, should address this issue by establishing a system to provide ongoing communication regarding the status of potential SSI clients.*** Such a system would ensure that both the social security district offices and the local welfare offices would be provided with up-to-date and comprehensive information on all possible SSI clients.

Municipal welfare directors in New Jersey have also cited another concern regarding the Social Security Administration. There seems to be a general sense among municipal welfare directors that the social security district offices are prone to taking exceptionally prolonged periods of time in making eligibility determina-

**FIGURE 5**  
**NEW JERSEY'S FEDERAL SOCIAL SECURITY DISTRICT OFFICES**



Source: Social Security Administration.

tions. Some directors noted that these determinations may take as long as three years. This lengthy process is detrimental to clients who are then left to receive interim assistance payments which are substantially less than the amount they would be receiving if they were found to be eligible for SSI. *Thus, the Social Security Administration should make every attempt to expedite its eligibility determination process for SSI applicants.*

Although the expediting of the review process is greatly needed, this should in no way compromise the thoroughness of the examination of an individual's application and background.

Another area of concern between county government and the Social Security Administration is the notifying of SSI applicants as to their possible eligibility for the Food Stamp Program and the forwarding of this application to County Welfare Agencies.

In accepting an individual's application for the SSI Program, social security district offices are required to inform the applicant as to other programs that they may be eligible for such as food stamps. A number of the County Welfare Agencies felt that their agency was receiving an unreasonably small number of food stamp applications from social security district offices. The number of referrals for the Food Stamp Program, made to County Welfare Agencies in any given month, could not be verified by the district offices as this data is not recorded. In an attempt to deal with this issue, a few of the County Welfare Agencies have placed a representative from their agency in the district offices to accept applications for food stamps and other programs.

***In order to resolve the aforementioned issue, County Welfare Agencies should develop a means of maintaining a higher degree of ongoing communication with the social security district offices.*** The development of such a relationship will ensure that comprehensive information is provided to all those who may be eligible for County Welfare Agency programs.

A final issue which has recently been brought into the public eye by the Association for the Advancement of Retired Persons, is the insufficient outreach by social security to inform persons of the existence of the SSI Program. As noted by the Washington based consulting firm ICF Incorporated, in 1985, of the 3.8 million persons eligible for SSI benefits only 51.5 per cent actually collected their benefits. In a separate study conducted for the Association for the Advancement of Retired Persons by Louis Harris and Associates, it was found that over one-third of those eligible for SSI, but not receiving it, were simply not aware of the program's existence.

In New Jersey, social security district offices outreach to possible SSI recipients through various means. Included in these outreach efforts are the media, municipal and county welfare agencies, civic groups, county offices on the aging and hospitals. However, social security representatives acknowledge that there remains a need for additional outreach. *Therefore, the social security district offices should work in cooperation with the media, civic groups, government agen-*

*cies and hospitals to expand its existing outreach program to all potential SSI individuals located in the community.*

## Health Care Financing Administration

Under the Health Care Financing Administration resides two of the major human service programs, Medicaid and Medicare. In federal fiscal year 1989, Medicaid was appropriated nearly \$32 billion.<sup>6</sup> That same year Medicare was appropriated over \$92 billion.<sup>7</sup>

As previously mentioned in Chapter I, Medicaid was enacted in 1965 as Title XIX of the 1935 Social Security Act. That same year, Medicare was enacted as Title XVIII. Unlike Medicaid, which is designed for the indigent, Medicare is meant to serve the aged. In federal fiscal year 1988, the Medicare program provided over \$2.8 billion in benefits to 969,859 New Jersey residents.<sup>8</sup> In contrast, it is anticipated that in state fiscal year 1990 the federal government will contribute over \$929 million to New Jersey's Medicaid program.<sup>9</sup> This report considers Medicare to be a health program not a human service program and therefore does not discuss Medicare further.

States which offer Medicaid must, at a minimum, cover all persons receiving payments through the AFDC Program and almost all those covered by SSI. The SSI and AFDC applicants are referred to as categorically eligible. Through Medicaid, a state may also provide coverage to the optionally categorically eligible. This later group contains individuals who are ineligible for cash assistance programs such as AFDC and SSI, but whose income is too low to meet their medical needs. Persons referred to as medically needy also fall within these guidelines.

Nationwide, all states offer some aspect of the Medicaid Program except for Arizona. Of the 32 services available under Medicaid, states participating in this program must offer a minimum of nine. The nine basic Medicaid services are as follows: inpatient and outpatient hospital services, rural health clinic services, other laboratory and x-ray services, skilled nursing facility services and home health services for individuals 21 and older, early and periodic screening diagnosis and treatment for individuals under 21, family planning services and supplies, physician services and nurse midwife services.<sup>10</sup> As indicated on Table 3, New Jersey offers 28 of the 32 available Medicaid services.

In New Jersey, Medicaid is administered through the State Department of Human Services, Division of Medical Assistance and Health Services. Financial eligibility for Medicaid is determined by County Welfare Agencies unless the applicant is eligible for SSI in which case the Social Security Administration is

<sup>6</sup>U.S. Department of Health and Human Services, p. 4.

<sup>7</sup>U.S. Department of Health and Human Services, Health Care Financing Administration, Region 2, Division of Financial Operations.

<sup>8</sup>*Ibid.*

<sup>9</sup>New Jersey Department of Human Services, Office of Budget and Planning.

<sup>10</sup>New Jersey Medicaid District offices include transportation as a tenth basic required service.

**TABLE 3**  
**NATIONAL MEDICAID SERVICES, BY STATE**  
**October 1, 1988**

[illegible]

1. Federal Medical Assistance Percentage (FMAP): Rate of Federal Financial Participation in a State's Medical Assistance Program under Title XIX of the Social Security Act. Effective October 1, 1988 through September 30, 1989 (Fiscal Year 1989).
2. Categorically Needy (CN): Individuals receiving federally-supported financial assistance.
3. Medically Needy (MN): Individuals who are eligible for medical but not financial assistance.

Source: U.S. Department of Health and Human Services, Health Care Financing Administration.

responsible for determining financial eligibility. Medical eligibility decisions are made by state run Medicaid district offices. There are 17 of these offices in New Jersey (see Figure 6). Five of the district offices serve more than one county.

Under the Medicaid Program, payments are provided to vendors who service Medicaid clients. The federal portion of these payments is based on a states per capita income. The lowest level of federal matching for benefit expenditures is 50 per cent. The proportion of federal aid received by New Jersey and 10 other high per capita income states will remain at the 50 per cent level in 1989.

States have the option of extending Medicaid coverage to those who don't fall into the SSI, AFDC or medically needy categories, but only at their own expense. New Jersey does offer Medicaid to certain nonfederal matching eligibility groups.

## Family Support Administration

Within this administration resides the Aid to Families with Dependent Children (AFDC) Program which was created in 1935 as Title IV-A of the Social Security Act. By 1940, 48 states had begun operating an AFDC program.

Under AFDC a cash assistance program is provided which offers a number of options to states in determining organization, administration, eligibility and payment levels.

Through the AFDC Program, a child is determined to be eligible for aid if they have been deprived of care as a result of the death, physical or mental disability or continued absence from the home of one or both parents. Qualification for aid on the basis of parental disability requires that the disability exist for a minimum of 30 days.

In regard to the eligibility of the AFDC family, those who are included as eligible members are the natural or adoptive parents and any blood- related or adopted sibling residing with the dependent child. Certain other individuals residing in the eligible household may also be considered part of the assistance unit.

In order for a child to meet the AFDC age requirements they must be under 18. However, a state may permit an individual to remain eligible even though they have reached age 18 as long as they are considered to be a student.

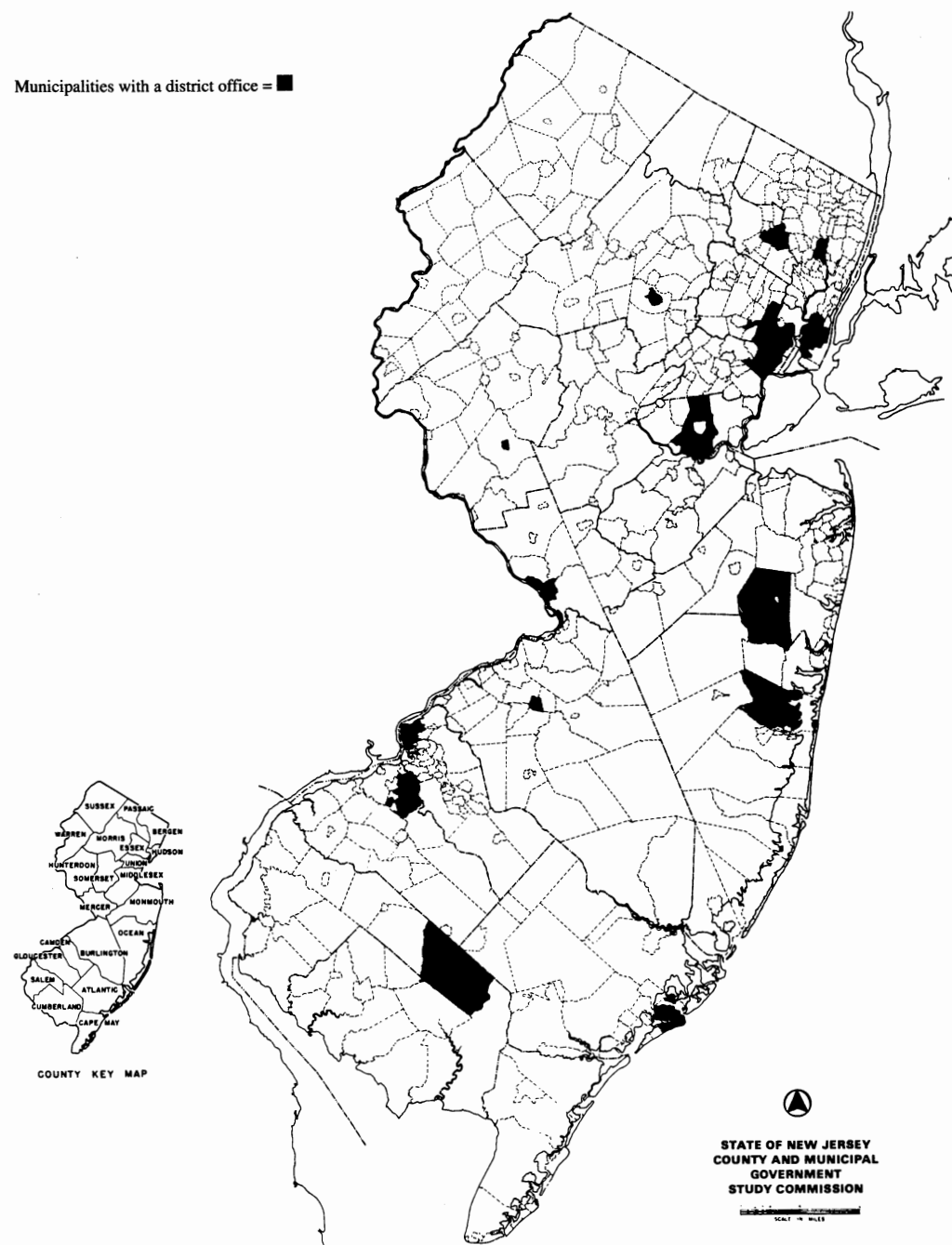
Another option available to states is the provision of AFDC assistance to pregnant women. Nineteen states, including New Jersey, do not offer this option.

In addition to the aforementioned options, states may choose to make two other assistance payment programs available through AFDC. The first such program applies to unemployed parents and is referred to in New Jersey as AFDC-F.



**FIGURE 6  
NEW JERSEY'S MEDICAID DISTRICT OFFICES**

Municipalities with a district office = ■



Source: New Jersey Department of Human Services



Photo courtesy of Cheryl E. Jones, Division of Youth & Family Services, Community Education Office

The federal government defines an unemployed parent, under AFDC-F, as being the principal wage earner who is employed fewer than 100 hours a month or employed 100 hours or more a month if the excess work is intermittent and merely temporary. Beginning in October 1990, AFDC-F will be mandated in all states. This change is a result of the enactment of the 1988 Family Support Act. Prior to the passage of this act only 27 states, including New Jersey, provided this benefit.

Emergency Assistance is the other notable optional program that comes under AFDC. Through this program, financial assistance can be offered to families in which both parents are present and capable of working or actually employed but who care for a child that is being threatened by an emergency situation such as potential homelessness. This program can also furnish aid to families that are eligible for or actually receiving AFDC.

States are given broad latitude in determining the scope of their individual Emergency Assistance Programs. Presently, New Jersey is one of 28 states which has such a program in effect.

In order for a state to be eligible to receive federal funding through the AFDC Program, each state must submit a plan that is to be approved by the U.S. Secretary of Health and Human Services. In 1989, nearly \$10 billion in AFDC payments was allocated to states through the Family Support Administration.<sup>11</sup> Included in this amount was \$124 million for the Emergency Assistance Program.<sup>12</sup>

There are extensive federal requirements which must be met in a state's plan. One such requirement calls for state financial participation to be included as part of the plan.

The nonfederal share of AFDC financing can be broken down into assistance and administrative costs. In regard to assistance costs, New Jersey and New York are among the 11 states in which these payments are assumed by both state and local government. In the remaining states, non-federal assistance costs are covered solely by the state.

The administrative costs of AFDC are also shared between state and local governments in 18 states. Included in this group are New Jersey and New York. However, in the remainder of the U.S., state government bears the sole responsibility for these costs. In New Jersey the State refuses to pay any of the counties' administrative costs, however. Thereby leaving the counties with \$124,000,000 of administrative costs which are not matched in any way by the State.

Another aspect of state plans concerns the selection of a single state agency to administer the plan or to supervise its administration through a local government agency. Only fifteen states, including New Jersey and New York, have chosen to have AFDC administered at the local level. In New Jersey, the State Department of Human Services, Division of Economic Assistance supervises the administration of this program by the County Welfare Agencies.

<sup>11</sup>U.S. Department of Health and Human Services, p. 36.

<sup>12</sup>*Ibid.*

State plans must also provide certain income disregards as part of their eligibility determination process. Among these disregards are the following: earned income of a full-time student or a part-time student who is not a full-time employee, all or any part of the income received through Job Training Partnership Act programs by a dependent child applying for or receiving AFDC and the first \$50 of child support payments received for a child in a family that is applying for or receiving AFDC.<sup>13</sup> Additional monthly earned income disregards include: the first \$75 earned, the actual cost up to \$160 for care of each child or incapacitated adult and the first \$30 plus one-third of the remaining earned income not already disregarded, for four consecutive months.<sup>14</sup>

Federal law imposes certain restrictions on state plans in regard to the prohibition of several categories of persons from eligibility for AFDC. Among those considered ineligible for AFDC are persons receiving SSI. Families whose equity in resources exceeds \$1,000 or a lesser amount, as determined by individual states, are also ineligible for AFDC. Another basis for ineligibility is when in a given month a caretaker relative with whom a child is residing is participating in a strike on the last day of that month. Additionally, persons will be categorized as ineligible if they are not U.S. citizens, or aliens, who have been lawfully admitted for permanent residence.

Other causes for ineligibility include instances when a families monthly income exceeds 185 per cent of a state's need standard prior to including earned income disregards. The level and manner in which a need standard is defined is left to the discretion of the individual states. In New Jersey the need standard is defined as a child or a family with insufficient income or resources to meet the budgetary requirements established by the State Department of Human Services. This same standard is utilized in 22 other states.

There are additional federal requirements which must be met by state plans if they are to qualify for federal financial participation. One such requirement calls for those persons who are a part of the AFDC assistance unit to be enrolled in a training and employment program unless they are considered exempt.

Currently, state AFDC plans may choose to utilize any of four possible employment programs. These programs are as follows: the Work Incentive Program or Work Incentive Demonstration Program (WIN), the Community Work Experience Program, the Work Supplementation Program and the Employment Search Program.

In New Jersey, the WIN Demonstration Program replaced the original WIN Program in 1983. Through the WIN Demonstration Program states are provided

<sup>13</sup>U.S. Department of Health and Human Services, *Characteristics of State Plans for Aid to Families with Dependent Children under Title IV-A of the Social Security Act* (Washington, D.C.: Office of Family Assistance, 1988), p. 2.

<sup>14</sup>*Ibid.*

with greater flexibility in implementing the programs objectives. New Jersey's WIN Demonstration Program is gradually being phased out and replaced by a new program, Realizing Economic Achievement (REACH).

The aforementioned Work Supplementation Program provides an alternative to states who wish to allow their AFDC recipients to participate in a paid employment program rather than receive regular AFDC benefits.

All four employment programs will be further discussed in Chapter III. At this point, however, it should be noted that beginning in October of 1990, all states will be required to have a Job Opportunities and Basic Skills Training (JOBS) Program in place. The JOBS Program will replace WIN although the remaining employment programs will still be utilized in coordination with JOBS.

The evolution of the JOBS Program is a result of the enactment of the 1988 Federal Family Support Act. Recipients of AFDC will receive numerous benefits from this act. One such provision of the act will provide for the extension of Medicaid coverage from nine months to twelve months for working families who have become ineligible for AFDC as a result of their income level.

## UNITED STATES DEPARTMENT OF AGRICULTURE

Within the U.S. Department of Agriculture resides one of the major welfare programs, food stamps. This program comes under the supervision of the Food and Nutrition Service Agency.

It was estimated that in 1989 \$12.7 billion in federal funding would be available through the Food Stamp Program, while 1990 outlays were projected to reach \$13.3 billion.<sup>15</sup> This funding would provide aid to approximately 18.3 million individuals in 1989 and 18.1 million in 1990.<sup>16</sup>

## Food and Nutrition Service Agency

In 1964, the Food Stamp Program was enacted through the Federal Food Stamp Act. The Food Stamp Program was designed to provide supplementary food to improve the dietary habits of low-income individuals. Through this program coupons are allocated to clients for use in grocery stores. These coupons cannot be used to purchase alcohol, tobacco, paper products or pet food. The coupon allotments that were available as of October, 1989, are listed in Table 4.

In order to be eligible for food stamps certain criteria must be met. The criteria includes an asset and income test as well as a requirement that you must be either a U.S. citizen or qualify as a certain category of legal alien.

<sup>15</sup>U.S. Department of Agriculture, 1990 Budget Summary, p. 3.

<sup>16</sup>*Ibid.*, p. 47.

**TABLE 4**  
**FOOD STAMP PROGRAM:**  
**MAXIMUM COUPON ALLOTMENT (MCA) 1989**

Household Size	MCA
1	\$ 99
2	182
3	260
4	331
5	393
6	472
7	521
8	596
9	671
10	746
Each Additional Member	+75

Source: *New Jersey Register* 21, October 16, 1989.

Under the asset test, most households are allowed to possess assets which do not exceed \$2,000 while those households containing at least one person age 60 or older are permitted up to \$3,000 in assets. A variety of personal belongings are not counted as assets including farm or business property and a car which is valued at less than \$4,500.

There are two categories of income tests under the Food Stamp Program. For those households in which a disabled or elderly (age 60 or over) individual does not reside, a gross and net income test must be met. Table 5 indicates the monthly income limits under these two tests.

A separate net income test is utilized for households containing an elderly or disabled person. Under these circumstances net income is determined by subtracting 20 per cent of any earned income as well as subtracting certain living expenses, such as high rent and utility costs.

The monthly income deductions available to those qualifying under the Food Stamp Program as of October, 1989, are as follows: standard deduction \$112; shelter deduction \$177; dependent care deduction \$160; uniform telephone allowance \$15; standard utility allowance \$112 and heating utility allowance \$182.<sup>17</sup>

<sup>17</sup>*New Jersey Register* 21, October 16, 1989.



**TABLE 5**  
**FOOD STAMP PROGRAM: MAXIMUM**  
**GROSS AND INCOME STANDARDS**  
**1989**

Household Size	Gross Income	Net Income
1	\$ 648	\$ 499
2	869	669
3	1,090	839
4	1,311	1,009
5	1,532	1,179
6	1,753	1,349
7	1,974	1,519
8	2,195	1,689
9	2,416	1,859
10	2,637	2,029
Each Additional Member	+221	+170

Source: *New Jersey Register* 21, October 16, 1989.

The Food Stamp Program is operated through state and local governments who are responsible for processing applications, issuing benefits and providing employment and training programs. In New Jersey, the program is overseen by the Division of Economic Assistance. However, the program functions primarily out of the County Welfare Agencies where applications are processed. The Mercer County Board of Social Services was New Jersey's first County Welfare Agency to administer this program which began here in 1966.

In its review of the Food Stamp Program, as it operates at the county level, the Commission found substantial gaps in the nutrition education program that is provided through County Welfare Agencies. Part of this problem can be attributed to an insufficient distribution of educational brochures to clients by the County Welfare Agencies. Apparently a decreasing number of brochures are being provided to the County Welfare Agencies through the U.S. Department of Agriculture. However, even if additional informational material is available it is unlikely that this alone would resolve the problem due to the prevalence of illiteracy as well as a general disregard for any information that might be given to clients.

*One means through which the U.S. Department of Agriculture could deal with the aforementioned issue is to provide appropriate government agencies with*

*video taped programs on nutrition as it relates to the Food Stamp Program. These tapes should be disbursed to County Welfare Agencies and to other agencies where applications for food stamps are accepted. The programs could be viewed by clients while they are waiting to meet with an agency representative who could then further discuss this aspect of the program if needed.*

Nutrition education is an especially vital part of the Food Stamp Program due to the high enrollment rate of youth. Through the viewing of these programs clients would be provided with valuable information which might not otherwise be accessible.

## SUMMARY

In this chapter, four major human service programs were examined. The enormity of the needs of the welfare population is obvious when it is noted that through these programs over \$66 billion in federal aid to state and local governments was appropriated in 1989. These costs are likely to continue to escalate due to the growing elderly population and skyrocketing medical expenses. Although the financial impact of these programs at both the national and local level is great, the most basic needs of societies downtrodden must still be met.

Chapter III will provide a closer look at specific Department of Human Services and other state programs that in some way touch upon the provision of human services at the local levels of government.

## CHAPTER III

# HUMAN SERVICES IN STATE GOVERNMENT

The State of New Jersey plays a central role in the provision and financing of human service programs. New Jersey works with its localities, and the federal government in coordinating and serving as the imprimatur for social service programs within the State. State government initiatives are an important determinant of the level of well being of the indigent in the State and often serve as an inspiration for national policy.

Within State government, the Department of Human Services bears the primary responsibility for overseeing social service programs. However, there are also various commissions and councils, both within the Department as well as external to the Department, along with other state agencies, which are involved in the provision of human services. This chapter will examine the most important programs that are being provided through state government and will concentrate on those in which local government plays a major role in the financing or the delivery of services.

### STATE DEPARTMENT OF HUMAN SERVICES

In 1976, the State Department of Institutions and Agencies became the State Department of Human Services. Today, this department is the largest in state government employing 23,500 people. For State fiscal year 1990, the department's appropriation was approximately \$3.8 billion.<sup>1</sup> This amount includes over \$1.7 billion in federal funds.<sup>2</sup>

As Figure 7 indicates, the Department is comprised of seven divisions (including the Commission for the Blind and Visually Impaired). Among these divisions, Developmental Disabilities received one of the largest appropriations for State fiscal year 1990.

#### Division of Developmental Disabilities

The Division of Developmental Disabilities (DDD) received the third largest appropriation within the Department of Human Services, for state fiscal year 1990, an amount of \$460,320,000. Of this figure, \$160,536,000 consisted of federal funding.

<sup>1</sup>New Jersey Department of Human Services, Office of Budget and Planning and New Jersey Department of the Treasury, Division of Budget and Accounting.

<sup>2</sup>Ibid.

In 1985, the former Division of Mental Retardation became the Division of Developmental Disabilities. As a result of the enactment of this legislation, the number and types of persons who would now be served by this division increased substantially. The expanded definition of developmental disabilities is as follows:

A severe, chronic disability which is attributable to a mental or physical impairment, or a combination of mental or physical impairments, that is manifest before the age of 22; is likely to continue indefinitely; results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction and capacity for independent living or economic self-sufficiency; and reflects the need for a combination and sequence of special inter-disciplinary or generic care, treatment or other services which are life-long or of extended duration and are individually planned and coordinated.<sup>3</sup>

The Division may also chose to serve individuals with a later onset of developmental disabilities, up to age 55, if funding is available.

According to DDD, approximately 46,000 New Jersey residents fit the aforementioned definition. However, of this total, DDD notes that only 14,300 are presently receiving its services.

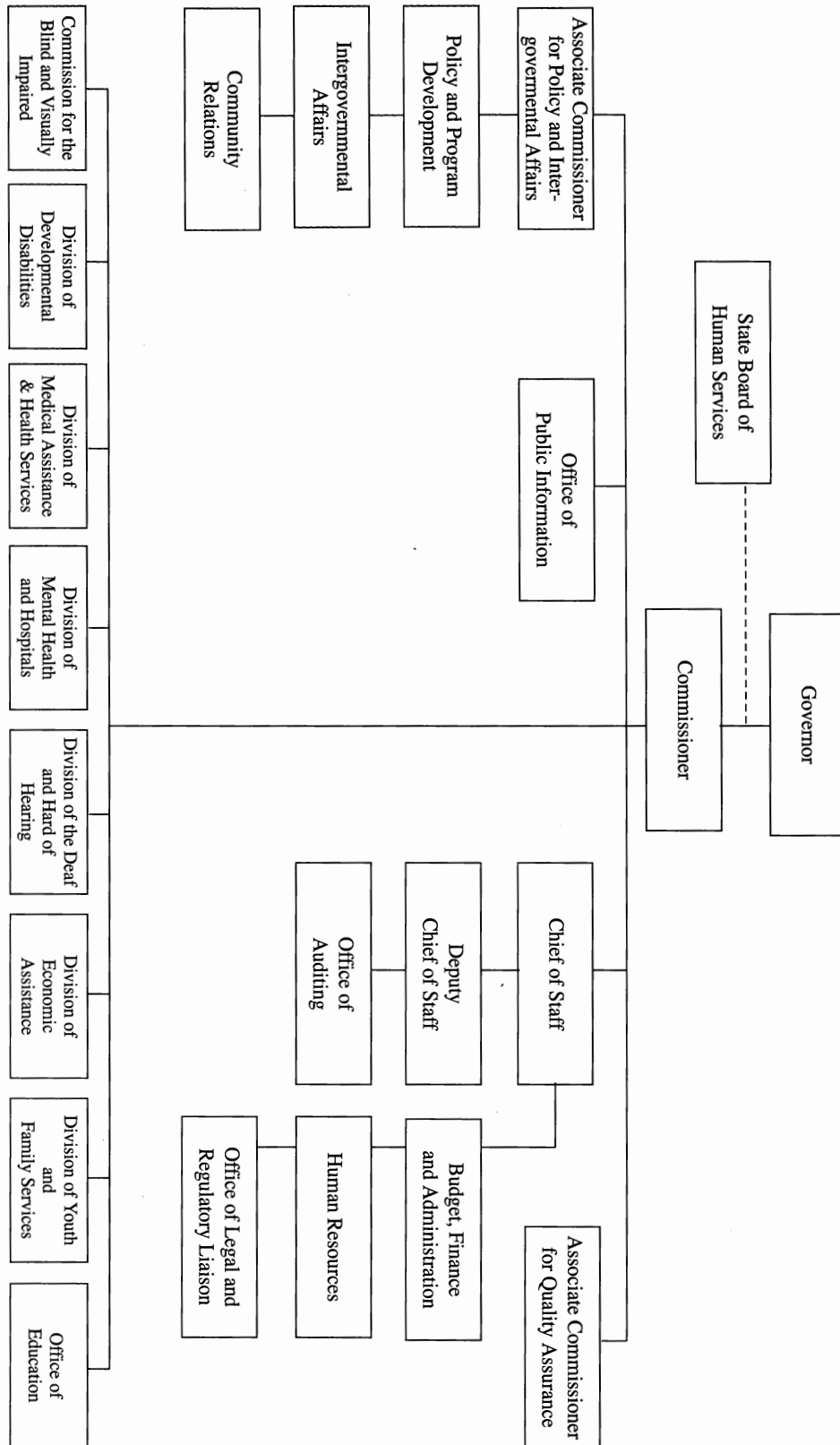
As stated in DDD's *Long Range Plan 1990-1995*, 8,000 of its clients are serviced in the community, 5,200 reside in ten state-operated facilities and 1,000 are participating in a program of purchased institutional care. Figure 8 indicates the location of the state's ten developmental centers which are as follows: Green Brook Regional Center, Maple Hall Developmental Center at Ancora Psychiatric Hospital, Edward R. Johnstone Training and Research Center, Hunterdon Developmental Center, New Lisbon Developmental Center, North Jersey Developmental Center, North Princeton Developmental Center, Vineland Developmental Center, Woodbridge Developmental Center and Woodbine Developmental Center.

As of August, 1989, 3,751 beds in these developmental centers met Intermediate Care Facility for the Mentally Retarded (ICF/MR) criteria, while 1,386 beds did not. The attainment of these standards generally coincides with marked improvement in the living conditions of such facilities. In addition, meeting ICF/MR criteria means that federal reimbursement of 50 per cent will now be available for these beds through the Medicaid Program.

A further funding source for these facilities is county revenue which is deposited in the State's general fund. According to a 1989 analysis of the Department of Human Services budget, conducted by the Office of Legislative Services, more than \$77 million in county revenue was deposited in the State coffers in 1989 for these developmental centers.

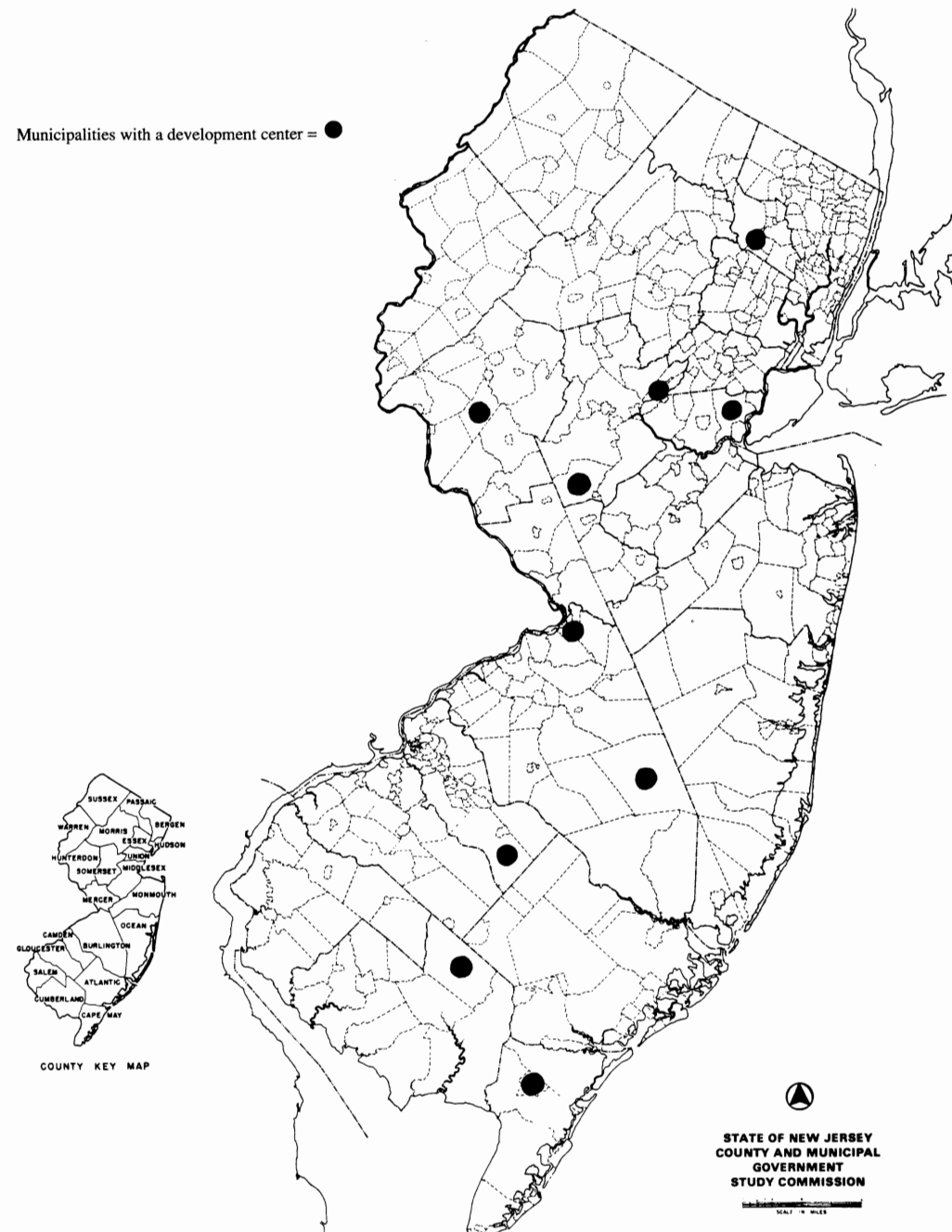
<sup>3</sup>New Jersey Department of Human Services, *Long Range Plan 1990-1995* (Trenton, New Jersey: Division of Developmental Disabilities, 1989), p. 32.

FIGURE 7  
STRUCTURE OF NEW JERSEY'S STATE DEPARTMENT OF HUMAN SERVICES



Source: New Jersey Department of Human Services

**FIGURE 8**  
**NEW JERSEY STATE DEVELOPMENTAL CENTERS**



Source: New Jersey Department of Human Services

Under DDD a diverse array of programs and services are made available. Among these programs are residential placement services, day training for those under 21, adult activity centers, sheltered workshops, guardianship services for those determined by a court to be mentally incompetent, a Community Care Waiver Program, a Home Assistance Program and supported employment initiatives.

The Division's Home Assistance Program began in 1978. This program is available to those who meet specific financial eligibility criteria. For state fiscal year 1988, DDD noted that this program provided the following services to 1,755 clients: respite care (for temporary relief for a clients caretaker), personal care attendant services, homemaker services, assistive devices (such as special feeding machines, lifts or motorized wheelchairs) and 24-hour crisis intervention through an answering service.

One of DDD's major employment initiatives is Project HIRE. This program seeks to place clients in full-time employment in which they could earn minimum wage or a higher wage and receive job benefits. Project HIRE also offers one-on-one job coaches to work with newly employed clients to teach them necessary job skills. The majority of those who have attained positions through this program are presently employed in maintenance or janitorial fields.

Many of the services of DDD are offered through contracted providers such as the 20 county or multi county offices of the Association for Retarded Citizens and the state office of United Cerebral Palsy (along with its eight affiliate agencies and its Mercer County service committee). Among the services of the Association for Retarded Citizens are the following: academic education, daily living skills, vocational training, evaluation and placement through sheltered workshops, recreation, support groups, residential facilities, transportation, counseling and case management.

United Cerebral Palsy also provides a multitude of services which are designed to improve the quality of life for those with cerebral palsy and other severe disabilities. Included in the services of this organization are the following: vocational training, case management, various types of therapy, counseling, transportation, residential facilities, respite care, personal care, daily living skills, recreation, rehabilitation engineering and augmentative communication.

Through the many contracted providers and the direct activities of the Division, both the mentally retarded and other developmentally disabled are offered a wide range of programs to meet their diverse needs.

### Division of Mental Health and Hospitals

According to the Department of Human Services and the Department of the Treasury, the Division of Mental Health and Hospitals was appropriated \$257,468,000 for state fiscal year 1990. Of this total, \$13,042,000 consisted of federal funds.

New Jersey's mental health system divides the state into three service regions, north, central and south. Counties are further subdivided into service areas with a total of 53 statewide.

The Division of Mental Health and Hospitals projected in its report *New Jersey State Mental Health Plan, 1989-1991, "Toward a Comprehensive System of Care"*, that by 1990 an estimated 1,089,113 persons in New Jersey will have a diagnosable mental disorder. For state fiscal year 1988, the Division further reported that it served 154,179 adults (age 18 or over) through community care programs, 9,106 through its state psychiatric hospitals and 4,303 through county psychiatric hospitals, totaling 167,588 individuals. Of this total, 41.5 per cent (or 63,936) of those in community programs, 90.3 per cent (or 8,282) in state psychiatric hospitals and 66.5 per cent (or 2,885) in county psychiatric hospitals were considered to be seriously mentally ill.

Community programs under this division are provided through approximately 120 contracts with private agencies such as community mental health centers. In state fiscal year 1988, approximately 178,952 children and adult clients were offered services through the Division's private sector contracts.

The community programs which are provided by this division are multifarious. The basic services offered are as follows: screening and emergency assistance, partial care, consultation and education, outpatient treatment, liaison services, residential services, clinical case management and voluntary inpatient units. Table 6 indicates the community mental health service utilization rates per 10,000 population, by mental health region, for state fiscal year 1988.

In 1987 a county based resource inventory process ascertained the sufficiency of various community program's ability to meet present needs on a county-by-county basis. This review concluded that of the ten programs examined, only three counties (Morris, Mercer and Somerset) offered six services at what was considered to be a sufficient level.

A major component of this Division's activities is its responsibility for the operation of seven state psychiatric hospitals. These hospitals, whose location is shown on Figure 9, are as follows: Greystone Park Psychiatric Center, Marlboro Psychiatric Hospital, Trenton Psychiatric Hospital, Ancora Psychiatric Hospital, Arthur Brisbane Child Treatment Center, Hagedorn Center for Geriatrics and Forensic Psychiatric Hospital. The latter three hospitals offer specialized care for certain types of patients. As of July, 1989, the total population for these hospitals was 2,995. At this time, the Arthur Brisbane Center had the least number of residents, 71, while Marlboro had the highest total of 858.

Counties are responsible for financing 50 per cent of the costs for county residents in these state run facilities. In regard to New Jersey's five county psychiatric hospitals, the State pays the counties 50 per cent of the cost of care for these facilities. County psychiatric hospitals and the methods of financing these state and county facilities will be discussed in greater detail in Chapter IV.

**TABLE 6**  
**NEW JERSEY COMMUNITY AGENCY PROGRAM USE:**  
**RATES PER 10,000 POPULATION, BY REGION**  
**FISCAL YEAR 1988**

	Northern Region	Central Region	Southern Region	State Total
Emergency/Screening	77.5	101.9	58.9	84.8
Patrial Care	11.1	11.2	11.2	11.2
Residential	3.0	2.6	2.8	2.8
Outpatient	97.9	109.0	105.7	104.7
System Advocacy				
Community Companions	0.5	0.3	0.3	0.4
Legal Services	4.8	4.7	3.9	4.6
Clinical Casemanagement	0.1	7.1	8.5	5.2
Liaison Services *	14.9	17.0	15.2	15.9
Inpatient-General Hospital *	29.2	31.4	19.5	28.1
State/County Hospitals	NA	NA	NA	16.24

Source: Department of Human Services, Division of Mental Health and Hospitals.

\* Data from the County Need Assessment were used.

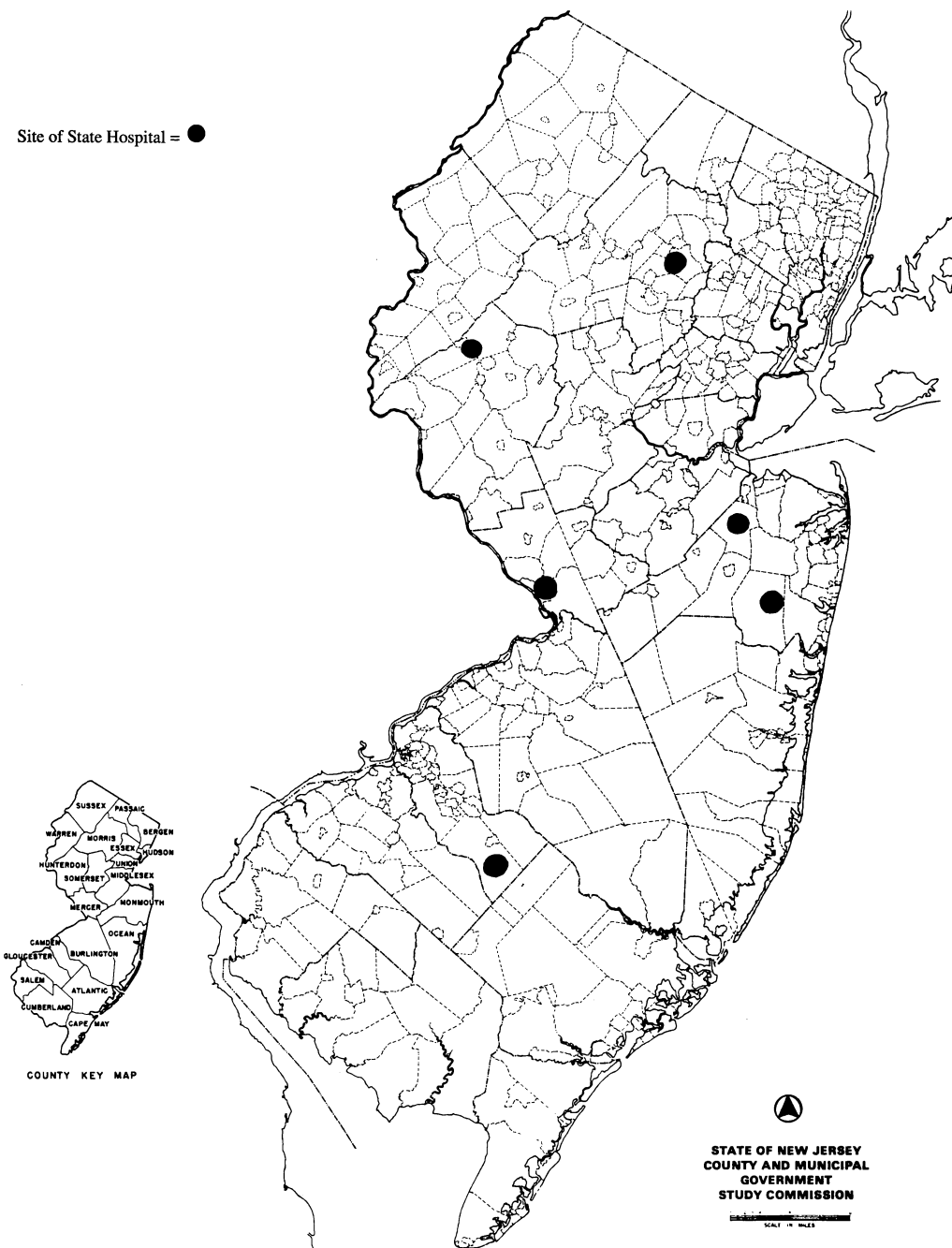
NA: Not Available

### Division of Youth and Family Services

For State fiscal year 1990 the Division of Youth and Family Services (DYFS) was appropriated \$300,074,000. Additional data indicates that approximately \$90 million consisted of federal funds, of which \$89.8 million emanated from the Federal Social Service Block Grant. The Division is responsible for the administration of this grant to state departments, local governments and private service providers. In order to receive new block grant monies (meaning those funds allocated after state fiscal year 1984) counties must provide a minimum of a 10 or 25 per cent match to DYFS.

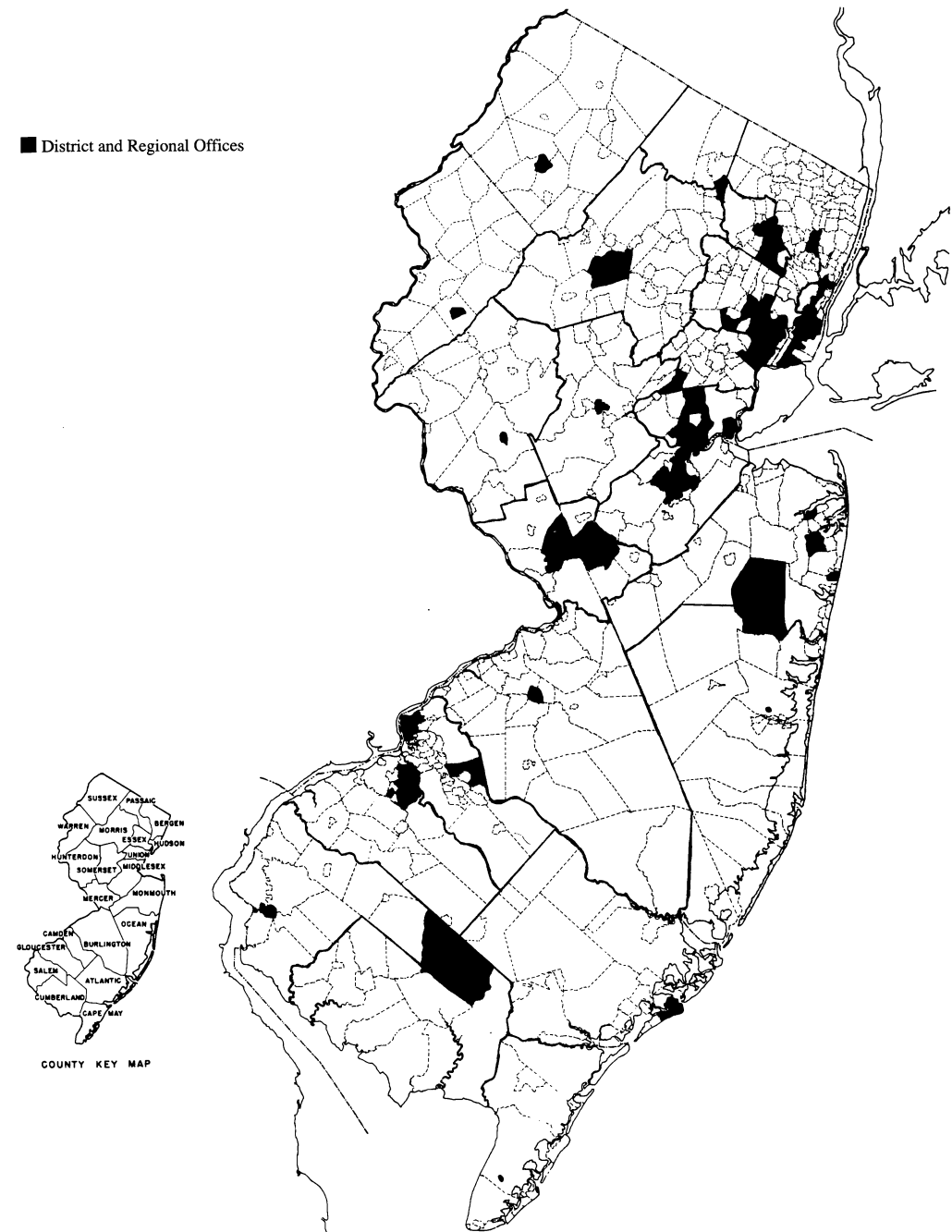
Through 38 District Offices, four Regional Offices and four Adoption Resource Centers, DYFS extends its various services to youth and their families throughout the State (see Figure 10). Those youth served by DYFS are generally age 18 or under. However, DYFS may continue to service those over 18 if they are in school or in job training. The Division is also responsible for the operation of 15 day care centers, seven teaching family homes, two group homes, four residential

**FIGURE 9  
STATE PSYCHIATRIC HOSPITALS**



Source: State of New Jersey, Department of Human Services

**FIGURE 10  
DIVISION OF YOUTH AND FAMILY  
SERVICES OFFICES**



Source: New Jersey, Department of Human Services



treatment centers along with other programs which are operated through County Welfare Agencies and contracted private providers.

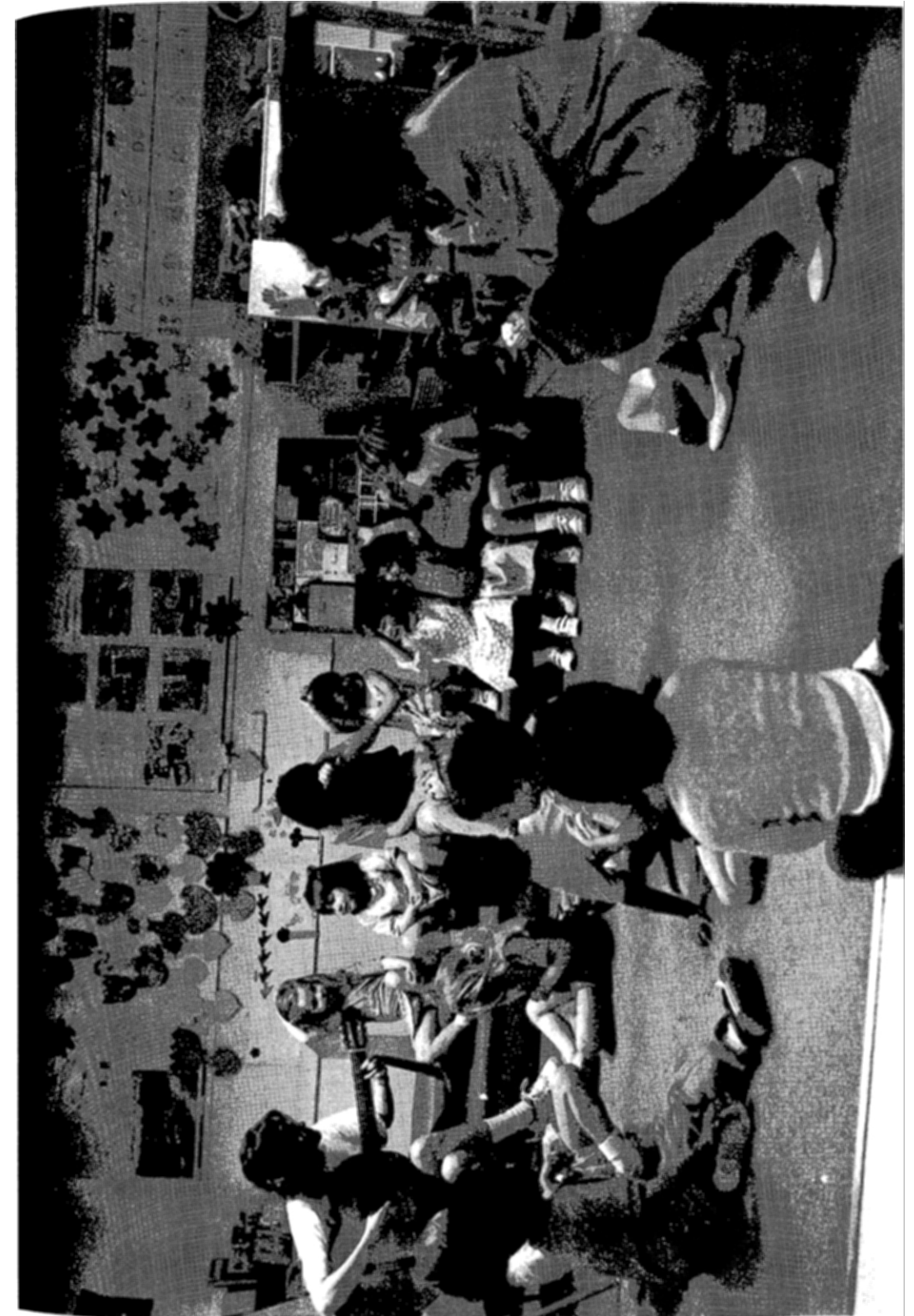
Among those services provided directly by DYFS are the following: protective services for abused and neglected children and their parents, adoption services, foster and institutional placement, day care, casework, and counseling. In addition, numerous DYFS supervised, or administered, programs are offered through County Welfare Agencies and private providers who receive Social Service Block Grant funding. These services include day care for children and adults, homemaker services (in which a trained individual will offer training in areas such as house-keeping, budgeting, shopping and child care), parent aid (where DYFS works with a parent to provide a support system and acts as an advocate), counseling, a Youth Advocate Program, residential placement, medical transportation, home delivered meals for the elderly, family planning and legal services for noncriminal matters.

In order to maintain a good working relationship with those organizations whom it interacts with on a regular basis, affiliation agreements have been developed between DYFS and the County Welfare Agencies as well as with county prosecutors, hospitals, schools, mental health centers and others. These agreements designate the appropriate areas of authority for both DYFS and the agency with whom it is involved. The basis for the agreements between DYFS and the County Welfare Agencies was an apparent duplication of services to clients in the past. To varying degrees, depending upon which agency is being dealt with, these agreements have resolved this issue.

Two past reports of this Commission have touched upon the aforementioned duplication of services between DYFS and the County Welfare Agencies. In 1979, *The Organization and Dynamics of Social Services in New Jersey* presented a recommendation for the enactment of legislation which would permit the optional reorganization and restructuring of DYFS and the County Welfare Agencies. Five years later the Commission published a second report, *County Mandates: The State Judicial System and Human Services*, which also addressed this issue.

Around 1973 an attempt was made to deal with this dilemma through a partial merger of the Monmouth County Board of Social Services and the State's local DYFS office. Together these two entities formed the Monmouth Family Center. At the time it was believed that such an arrangement would not only eliminate the duplication of services between these agencies, but also provide for improved and expanded services. However, this merger dissolved in 1984 due to a complex array of problems. One such area of contention was the continued existence of a separate county and state payroll system. To date, this was the only such partial merger to take place in New Jersey.

Turning now to the DYFS Adoption Resource Centers, these centers play a vital role in that they are responsible for the placement of children both interstate and intrastate. However, these centers are currently facing a multitude of difficulties as a result of New Jersey's decision to not participate in a nationwide child placement compact.



The Interstate Compact on the Placement of Children has been enacted in 49 states and the Virgin Islands. Thus, New Jersey must abide by the laws established through this act when dealing with other states. The compact designates the conditions for placement of children, penalties for illegal placement and other related issues. Due to a lack of such a compact in this state, New Jersey does not have benefits comparable to those which exist in the rest of the country in terms of financial and supervisory controls over children brought into this state. In addition, New Jersey's nonparticipation has resulted in the emergence of difficulties in out-of-state placement. In January, 1990, New Jersey became the last state to ratify the Interstate Compact on the Placement of Children.

Thus, through the Adoption Resource Centers, DYFS District Offices and other public and private providers, New Jersey's children are offered an extensive number of programs which are designed to serve both their interests and those of their families.

### Division of Economic Assistance

In June of 1989, the former Division of Public Welfare became the Division of Economic Assistance. This division received the second largest appropriation within the Department of Human Services for state fiscal year 1990 or \$733,384,000, \$469,998,000 of which consisted of federal dollars.

This division is responsible for supervising county governments in their administration of the AFDC, Food Stamps and other welfare programs. The Division also supervises municipal governments in their administration of the General Assistance Program.

In addition to these basic programs, there are several other programs operating through local government for which this division has a supervisory role. Among these programs are REACH, the WIN Demonstration Program, the Child Support and Paternity Program, Low Income Home Energy Assistance, Teen Parent Progress, the Teen Pregnancy Program, the Atlantic City Casino Employment Initiative and the Refugee Resettlement Program. In addition to the aforementioned areas of involvement, the Division is also responsible for working with the Federal government in regard to the SSI Program.

In New Jersey, AFDC is the largest public assistance program. This program is administered by County Welfare Agencies.

Under New Jersey's AFDC Program, there are three categories of eligibility which are as follows: AFDC-C, which includes death, disability or absence from the home of one or both parents; AFDC-F, which provides an option for assistance to families in which both parents are present but the principal wage earner is unemployed and AFDC-N, which provides an option for assistance to two-parent families who fail to meet the federal eligibility standards for under employment. Funding for AFDC-C and AFDC-F assistance costs consists of 50 per cent federal, 37 1/2 per cent state and 12 1/2 per cent county funding with 50 per cent federal

and 50 per cent county funding of administrative costs while AFDC-N assistance costs are paid with 75 per cent state and 25 per cent county funds with 100 per cent county assumption of administrative costs.

Through AFDC, New Jersey also offers an optional Emergency Assistance Program. This program provides shelter, food, clothing and essential household furnishings, required by families following the occurrence of an emergency (such as a fire, flood or other natural disaster). Like AFDC, Emergency Assistance is administered through County Welfare Agencies. Emergency Assistance is also funded in the same manner as AFDC.

As Tables 7 and 8 indicates, the AFDC population has been decreasing for a number of years and this decline is expected to continue. However, contrary to this trend the Emergency Assistance population continues to increase. As of April, 1989, 11,340 persons were receiving Emergency Assistance under the AFDC Program.<sup>4</sup>

As mentioned earlier, a second major program in which the division participates is SSI. This program provides cash assistance to the aged, those 65 and older, blind and disabled who have limited income. The SSI Program is federally administered with the Division playing a coordinating role.

The Division of Economic Assistance provides a state supplement to the Federal SSI payments which consists of 75 per cent state and 25 per cent county funds. Thus, the county taxpayers are forced to bear 25 per cent of the costs as a result of the State's decision to provide this supplemental benefit. Furthermore, the supplemental portion of SSI has not been increased in recent years just as the AFDC payments have remained relatively low in comparison to the Federal poverty level.

As part of the SSI supplement, a Lifeline Program payment, which was discussed earlier, may be included. In addition, through state and county funding a personal needs allowance is granted to SSI recipients residing in state approved nursing homes.

Through County Welfare Agencies, SSI recipients can receive Emergency Assistance. Funding responsibilities for the assistance costs of this program are the same as those of the SSI supplement.

Another major welfare program which the Division is responsible for supervising is General Assistance. General Assistance provides cash assistance to certain unemployed as well as employed persons with restricted income. The eligibility categories for General Assistance include persons between the ages of 18 and 65 who are single or married with no children at home under age 18, and those who are not eligible for AFDC and SSI. As of April, 1989, 9,914 unemployable and

<sup>4</sup>New Jersey Department of Human Services, *Public Welfare Statistics, April 1989* (Trenton, New Jersey: Division of Economic Assistance, 1989), Table IV.



**TABLE 8**  
**AVERAGE MONTHLY PUBLIC ASSISTANCE PROGRAM,**  
**PROJECTED FOR FISCAL YEARS 1988-1995**

PROGRAM	1989	1990	1991	1992	1993	1994	1995
<u>AFDC</u>							
C-Segment	295,000	290,000	260,000	235,000	235,000	235,000	235,000
F-Segment	10,000	10,000	9,000	9,000	8,000	8,000	8,000
N-Segment	6,000	6,000	5,000	5,000	5,000	4,000	4,000
TOTAL	311,000	306,000	274,000	249,000	248,000	247,000	247,000
<u>General Assistance</u>							
Employable	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Unemployable	10,000	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<u>Food Stamps</u>							
Public Assistance	261,000	250,000	2420,000	216,000	215,000	215,000	215,000
Nonpublic Assistance	76,000	73,000	70,000	69,000	68,000	68,000	68,000
TOTAL	337,000	323,000	310,000	285,000	283,000	283,000	283,000
<u>SSI</u>							
Home Energy Assistance <sup>(a)</sup>	100,000	100,000	106,000	111,000	112,000	115,000	119,000
Public Assistance	200,000	194,000	191,000	182,000	180,000	180,000	180,000
Nonpublic Assistance	150,000	146,000	144,000	138,000	135,000	135,000	135,000
TOTAL	350,000	340,000	335,000	320,000	315,000	315,000	315,000
<u>ALL PROGRAMS<sup>(b)</sup></u>	579,000	571,000	540,000	515,000	513,000	515,000	519,000

(a) The Home Energy Assistance Program figures are annual totals because benefits are received only once or twice a year.  
(b) Figures do not reflect grand total since recipients may be in more than one program.

Source: New Jersey State Department of Human Services, Division of Economic Assistance, Bureau of Management Services.

**TABLE 7**  
**AVERAGE MONTHLY PUBLIC ASSISTANCE PROGRAM,**  
**BY PROGRAM FISCAL YEARS 1981-1988**

PROGRAM	1981	1982	1983	1984	1985	1986	1987	1988
<u>AFDC</u>								
C-Segment	441,492	404,793	372,467	362,360	350,097	342,713	329,686	319,500
F-Segment	24,840	24,609	25,675	24,809	19,715	16,678	14,146	11,300
N-Segment	11,041	9,807	10,268	10,319	9,152	8,243	7,437	6,300
TOTAL	477,373	439,209	408,410	397,488	378,964	367,634	351,259	337,100
<u>General Assistance</u>								
Employable	14,457	14,945	18,163	19,323	16,554	15,520	12,793	10,500
Unemployable	11,175	11,058	11,388	11,691	11,445	10,775	10,301	10,100
TOTAL	25,632	26,003	29,551	31,014	27,999	26,295	23,094	20,600
<u>Food Stamps</u>								
Public Assistance	427,437	400,586	379,360	366,052	344,426	330,595	303,770	281,300
Nonpublic Assistance	190,070	164,050	166,720	142,378	123,462	108,616	93,120	80,900
TOTAL	617,507	564,636	546,080	508,430	476,888	439,511	396,890	362,200
<u>SSI</u>	84,743	84,081	82,738	83,538	88,532	91,527	93,858	96,800
<u>Home Energy Assistance<sup>(a)</sup></u>								
Public Assistance	281,027	307,099	361,696	306,695	291,758	271,629	242,371	192,000
Nonpublic Assistance	215,487	207,305	255,533	229,709	218,308	198,435	182,842	164,300
TOTAL	496,514	514,404	617,229	536,404	510,066	470,064	425,213	356,300
<u>ALL PROGRAMS<sup>(b)</sup></u>	836,734	812,209	814,863	738,769	710,044	702,443	649,378	608,500

(a) The Home Energy Assistance Program figures are annual totals because benefits are received only once or twice a year.  
(b) Figures do not reflect grand total since recipients may be in more than one program.

Source: New Jersey State Department of Human Services, Division of Economic Assistance, Bureau of Research and Statistics.

9,485 employable persons were receiving General Assistance at an average monthly rate of \$262.65 per person.<sup>5</sup>

General Assistance is administered by municipal welfare directors (with the exception of six municipalities in Cape May County for whom General Assistance is administered by the County Welfare Agency). Municipalities assume all administrative costs of this program while assistance payments are 75 per cent state and 25 per cent municipally funded.

General Assistance recipients may also be eligible for Emergency Assistance. The Emergency Assistance Program is available to these clients with the same funding provisions as the General Assistance Program.

As mentioned in Chapter II, municipal welfare directors can also provide a person applying for General Assistance or SSI with interim assistance payments until the clients eligibility status is determined. There are no limits on the length of time for which these payments can be offered.

As a result of an unfortunate and discriminating decision made in the past, the State requires all municipalities in Essex, Hudson and Bergen counties to pay the inpatient hospital costs of their General Assistance clients. In addition, at least four municipalities in four counties (Atlantic, Camden, Union and Mercer) who are not mandated to do so have chosen to provide these payments. The division of these costs is 75 per cent state, 25 per cent municipal.

The Food Stamp Program is another major locally administered welfare program which the division is responsible for supervising. Eligibility for this program is determined by the County Welfare Agencies through the utilization of the State's Income and Eligibility Verification Computer System. Eligibility for food stamps is based on meeting certain asset and income criteria which was discussed in Chapter II.

The Division of Economic Assistance is also responsible for the operation of the Food Stamp Employment and Training Program. All food stamp applicants must register for this program unless they fall into one of the exemption categories.

In regard to funding, the stamps themselves are 100 per cent federally funded while the administrative costs at the local level are 50 per cent federal and 50 per cent county funded. The costs for fraud control activities are 75 per cent federal and 25 per cent county funded.

Currently, food stamp benefits are distributed through a complex system of identification cards (referred to as ATP or Authorization to Participate cards) and coupons. A number of initiatives have been developed which would replace the present food stamp and AFDC assistance distribution system with an electronic benefit transfer system involving a single identification card. Through this system a client might receive benefits through an automated teller machine or be able to

<sup>5</sup>*Ibid.*, Tables II B and C.

use their card in grocery stores in the manner in which bank MAC cards are now being utilized. A number of cities, including Philadelphia and New York, already have similar programs in place.

In March of 1989, a legislative proposal which would have introduced this new system, A1184, was vetoed by the Governor.

*The Division of Economic Assistance should further investigate and encourage the development of an electronic benefit distribution system for food stamp and AFDC recipients.* Although this system does have some inherent flaws, overall the replacement of the current method of food stamp and AFDC distribution of aid would provide significant benefits to clients.

The Division of Economic Assistance is also responsible for a major new education and employment initiative, designed to break the cycle of poverty, known as REACH. As mentioned in Chapter I, a similar program, JOBS, is now being implemented nationwide through the 1988 Federal Family Support Act. As a result of the introduction of the Federal JOBS Program and REACH, New Jersey is phasing out its Work Incentive Program, WIN, which began in 1983. A number of other states had also developed employment programs, such as Massachusetts Employment Training Choices, Michigan's Opportunity Skills Training Program and California's Greater Avenue for Independence Program, prior to the passage of the 1988 federal act.

New Jersey's REACH Program was enacted in 1987. This program requires AFDC recipients with children age two or older to participate in educational training, job training or employment in order to receive welfare benefits. Through REACH clients will receive Medicaid and child care coverage, by way of a voucher system, for up to one year after they begin working. Under this program clients are also offered job search assistance, community work experience and temporary federal subsidizing during their employment trainee period through the Work Supplementation Program.

By July, 1989, all of New Jersey's 21 counties were in some phase of start-up of the REACH Program. For state fiscal year 1990, this program has been appropriated approximately \$39 million in state funding and \$20 million in federal funding. According to the Division of Economic Assistance, approximately 120,000 families will be enrolled in REACH once it has become fully operational. Figure 11 indicates the status of REACH participants as of December, 1988.

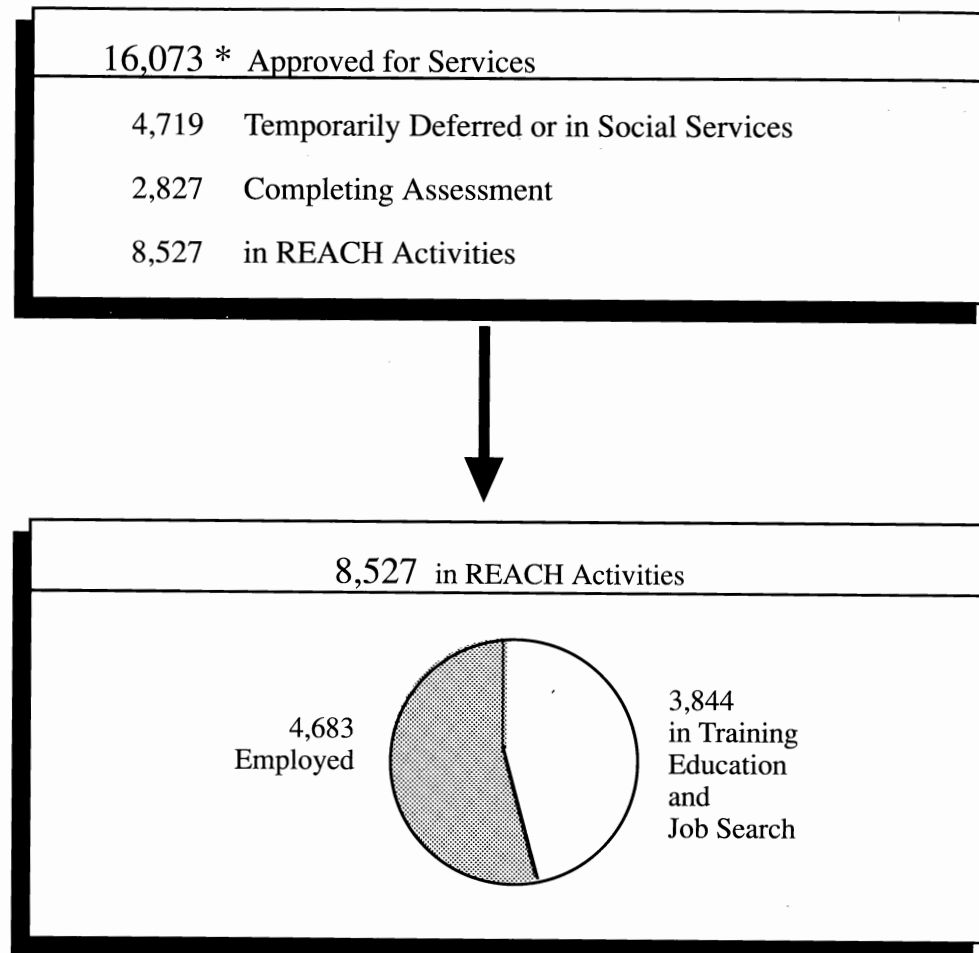
Through the Division's remaining welfare programs, various types of financial and employment assistance are provided to qualifying individuals.

### Division of Medical Assistance and Health Services

The Division of Medical Assistance and Health Services received the Department of Human Services largest appropriation for state fiscal year 1990, \$1,995,757 of which \$929,874,000 consisted of federal funding for New Jersey's Medicaid Program.

**FIGURE 11**  
**New Jersey REACH Program**  
**Cumulative Participation**  
**October 1, 1987 - December 31, 1988**

**Statistical Highlights**



Source: New Jersey Department of Human Services.

\* An additional 2,306 individuals were exempt.

Medicaid is the major health program which comes under this division. In New Jersey, persons who are eligible for SSI or AFDC are eligible for Medicaid. Additionally, those who are ineligible for these cash assistance programs but whose income is too low to meet their medical needs, as long as their income does not exceed 100 per cent of the federal poverty level adjusted for family size, are also eligible for Medicaid services.

As mentioned in Chapter II, New Jersey's Medicaid Program operates through 17 district offices. These offices determine medical eligibility for the program while County Welfare Agencies and federal SSI offices determine financial eligibility. County Welfare Agencies are reimbursed for these eligibility determinations at the rate of \$10 per case plus the federal share of these costs (unless it is a service for which the State does not receive federal matching). The division is responsible for overseeing the financial eligibility determination process of the County Welfare Agencies.

Through the Medicaid District Offices, 28 different types of services are made available. These services range from the provision of medical supplies and equipment to medical transportation.

The Program functions through direct payments to physicians, other medical professionals, hospitals and other health care facilities. Unlike many of the programs described earlier in this chapter, county government does not raise revenues or make expenditures for these program costs. County governments do spend funds for determining eligibility through the county welfare offices.

One of the more recent areas of involvement of the Medicaid District Offices has been their implementation of a Preadmission Screening and Annual Resident Review Program (PASAR). Beginning in January, 1989, these offices were federally mandated to review Medicaid clients with mental retardation or mental illness to determine if the client's needs could be served in a community setting. The review is conducted for those who are residing in the community or in a hospital for the purpose of allowing these individuals every possible opportunity to remain in the community rather than be institutionalized. As part of this process, the State Department of Human Services, Division of Mental Health and Hospitals and Division of Developmental Disabilities will also review the corresponding client's needs.

In 1989, a second new state screening program was introduced through the Medicaid District Offices, called preadmission screening or PASS. In February, 1989, PASS was introduced in Camden County. Under PASS, Medicaid eligible clients are examined by a Medicaid District Office nurse (who may be assigned to one or more counties). This nurse determines whether or not nursing home placement is required or if the patient may remain in the community. This program looks at the needs of not just those who are presently Medicaid eligible but, also those who will be eligible for Medicaid in the next six months. If a client is placed in a nursing home through PASS, a social worker will follow their case to ensure that their health services plan is being followed. By February, 1990, this program is to be phased in statewide.

The payment system for services under Medicaid consists of both state and federal funding. There are no local government payments involved in this program. The percentage of the federal matching funds is based on a state's per capita income. In New Jersey, the federal match ranges from 50 per cent for basic services to 90 per cent for family planning services. New Jersey also provides Medicaid coverage to certain groups for whom it does not receive federal funding.

In the Department of the Treasury *Appropriations Handbook, Fiscal Year 1989-90*, it is noted that total state expenditures for Medicaid will reach approximately \$932 million in 1990. This amount includes both benefit and administrative costs along with \$9.5 million in nonfederally matchable funds.

In the Division's 1989 *Long Range Plan for State Fiscal Year's 1990-1995*, it was noted that Medicaid is presently providing services to 500,000 clients. By 1995, the report predicts that the State share of Medicaid costs will rise to over \$1.7 billion.

In addition to the basic Medicaid program, an extensive number of other programs are administered by the Division of Medical Assistance and Health Services. Many of the division's programs are operated through County Welfare Agencies. Among the division's programs are the following: Medicaid Model Waiver, Medically Needy, Lifeline Credit and Tenants Assistance, AIDS Community Care Alternatives Program, Community Care Program for the Elderly and Disabled, New Jersey Care, Early Periodic Screening Diagnosis and Treatment, Medical Assistance Only, Legal Assistance to Medicare Patients, Hearing Assistance for the Aged and Disabled, Home Care Expansion and Pharmaceutical Assistance to the Aged and Disabled. In the paragraphs that follow, a brief discussion will ensue on those programs which are most active at the local levels of government.

In 1981, the Medicaid Model Waiver Program was established. This program provides at-home care for blind or disabled individuals who would otherwise be hospitalized. Up to 150 persons can be served through the program's three waivers. The Division of Medical Assistance and Health Services projects that 1990 costs for these waivers will reach over \$19 million.

A second program, the Medically Needy Program, was enacted in 1985. Through this program, Medicaid coverage was extended to an estimated 200,000 pregnant women, dependent children and the aged, blind and disabled. Under this program, County Welfare Agencies determine eligibility which is based on meeting certain income and asset criteria.

As mentioned in Chapter II, the Lifeline Program provides assistance to low-income elderly or disabled in meeting their gas and electric utility expenses. The original Lifeline Program began in 1979. Through this program eligible persons receive a \$225 annual credit toward their utility bills. For SSI recipients, the Lifeline Credit is added as a Special Utility Supplement to their monthly SSI check. Lifeline is funded through casino revenue funds. The Division of Medical Assistance and Health Services estimates that the total program costs for 1990 will

be over \$63 million. Furthermore, the Division states that these funds will allow for the allocation of benefits to approximately 560,000 recipients.

Another program, the AIDS Community Care Alternatives Program, offers Medicaid health benefits, as well as services not offered under Medicaid, and provides individuals with in-home services. This program began in 1987 and it allows for a maximum enrollment of 1,650 patients. Spaces in the program are granted to county residents based on that counties estimated number of persons with AIDS or AIDS related complex. This program receives both state and federal funding.

In 1983, the Community Care Program for the Elderly and Disabled (CCPED) began in seven counties. This program is designed to provide home and community based care to the elderly and disabled as an alternative to long-term institutional care. County Welfare Agencies determine financial eligibility for CCPED while Medicaid District Offices determine medical eligibility. By 1991, up to 2,900 individuals will be eligible to enroll in CCPED. Federal Medicaid monies and casino revenue funds serve as this program's funding source.

The Home Care Expansion Program, which went into affect in 1989, will provide the same services as CCPED but to a higher income and resource eligible group. This new program will also differ from CCPED in that County Welfare Agencies will not be responsible for financial eligibility determinations, this will instead be done by the Medicaid District Offices. A further distinction will be the funding of this program through 100 per cent casino revenue funds.

An additional program, New Jersey Care, provides Medicaid coverage to the aged, blind and disabled whose income does not qualify them for SSI. The program is also available to pregnant women and children up to age two.

In 1967, the Early Periodic Screening, Diagnosis and Treatment Program was established. This program offers Medicaid services to most of those who are eligible for Medicaid and are under age 21. The program provides medical and dental examinations along with follow-up treatment. Implementation of this program occurs through the County Welfare Agencies. Between May, 1987 and May, 1988, 23,522 medical screenings were completed through this program.

Medical Assistance Only (also referred to as Medicaid Only) is another program which offers Medicaid services. This program is available to the aged, blind and disabled in the community and in nursing homes who meet the SSI criteria but do not qualify for SSI because of income or resources. As with many of the divisions other programs, financial eligibility is determined by a County Welfare Agency.

The previous paragraphs briefly describe just a few of the numerous programs which emanate through the Division of Medical Assistance and Health Services. All of the division's programs provide much needed medical related services to those who would not otherwise have access to them.



## Commission for the Blind and Visually Impaired

For State fiscal year 1990, the Commission received \$16,772,000 of which \$7,969,000 consisted of federal aid.

The Commission for the Blind and Visually Impaired was established in 1909. Similar to the Department's other divisions, the Commission contracts with private agencies for the provision of certain services such as eye screening, through the Eye Screening Coordinating Council of New Jersey, and vocational rehabilitation, through the Association for Retarded Citizens. By 1990, the Commission projects that New Jersey will have 73,710 visually impaired individuals residing in this state.

In 1988, thousands benefited from the services offered by the Commission. Residential facilities are provided by the Commission through the Joseph Kohn Rehabilitation Center, Camp Marcella, which is a camp for children, and a pre-vocational summer program for teenagers. Other services include education, vocational rehabilitation, independent living and prevention.

The Commission's education services are designed to permit visually impaired students to participate in regular classroom activities. Approximately 2,075 persons received these services in 1988.

Through the vocational rehabilitation programs, clients may receive a wide array of services. These services are as follows: counseling and guidance; diagnostic and evaluative services; services of a restorative nature, such as surgery or low vision aids; higher education, vocational and also adaptive skills training; daily living expenses while receiving another vocational rehabilitation service; job placement; sign language interpreters or readers and post employment services. The Commission estimated that in 1988, 4,084 persons benefited from vocational rehabilitation.

The final two program areas, independent living and prevention, provide further aid to visually impaired individuals as well as those who face the possibility of becoming visually impaired. By the year 2000, the Commission predicts that, respectively, approximately 16,000 and 200,000 persons will be utilizing these services.

## Division of the Deaf and Hard of Hearing

In April of 1989, this division was transferred from the Department of Labor. Appropriations for state fiscal year 1990, based on the Department of the Treasury, Division of Budget and Accounting data, are \$372,000.

The former Division of the Deaf became operational in 1978. Today, the Division estimates that within New Jersey there exists a deaf population of 11,365 people. Among those services offered by the Division are workshops, such as deaf awareness programs and in-service training for public and private agencies, interpreting and information and referral.

## Division of Management and Budget

For state fiscal year 1990, this last division within the Department of Human Services was appropriated \$52,954,000 of which \$29,619,000 consisted of federal funding.

The responsibilities of this division include the following: research, policy and planning of department programs; institutional security services and management and administrative services.

Through this division and the Department's seven other divisions, the State's major human service actor endeavors to address the needs of all segments of the population who require social services.

## COUNCILS, BOARDS, COMMITTEES AND COMMISSIONS

### State Human Services Advisory Council

In State government there are a number of councils, committees, boards and commissions which serve as representatives of the various human service groups. Some of these councils act in a broader oversight role than others. One such entity is the State Human Services Advisory Council.

The State Human Services Advisory Council was created pursuant to the provisions of N.J.S.A. 30:1-12. The Council was formed in 1983 with the following goals in mind:

- To provide a forum for public leaders to have input into New Jersey Department of Human Services policy on statewide human service issues and to work with the Department toward achieving statewide human service goals;
- To respond and react to information received from the New Jersey Department of Human Services;
- To communicate and share such information with the County Human Services Advisory Council and the human services community at large;
- To share the community response with the Department and;
- To identify statewide trends and priorities and share them with the Department.<sup>6</sup>

The Council's membership consists of 20 at-large human service representatives, the chairperson (or a representative) of the 21 County Human Services Advisory Councils, representatives of various state departments (of which there are presently eight) and 18 non-state employee representatives selected by the Department of Human Services divisions.

<sup>6</sup>N.J.A.C. 10:2-2.1.



The Council is also required to have four standing committees which are as follows: the Executive Committee, the Legislative and Policy Committee, the Operations Committee and the Finance and Budget Committee. Presently, the Council also has an ad hoc advisory committee on welfare reform. This committee was formed in 1986 in order to encourage community involvement in the REACH Program.

The role of the County Human Services Advisory Councils will be discussed in Chapter IV.

### State Board of Human Services

A second board which serves the general interests of those in need of human services is the State Board of Human Services.

The primary function of this board is to oversee the Department of Human Services, along with state institutions and agencies, and to conduct long-range planning. The Board consists of 12 members who are selected by the Governor.

Beyond the aforementioned board and council, which provide an all encompassing oversight of human service issues, there are several additional councils which act as watchdogs of specific interests in this field.

### State Developmental Disabilities Council

Among these councils is the 30 member State Developmental Disabilities Council. Established in 1971, this council offers public information and education services. Furthermore, the Council is responsible for making grant recommendations in selected priority areas to the Department of Human Services, Division of Developmental Disabilities. This council advises the Division in all of its program areas.

### Medical Assistance Advisory Committee

The Medical Assistance Advisory Committee is a second specialized group whose mission is to analyze and develop programs of medical care and coordination. The twelve committee members are appointed for three year terms by the State Board of Human Services. This committee advises the Division in all of its program areas.

### Community Mental Health Board

Another special interest board is the Community Mental Health Board. Through this 15 member board programs relating to community mental health are reviewed and formulated. *The Commission recommends that this board's responsibilities be broadened to include advice on all program areas within the Division of Mental Health and Hospitals purview.*

### Board of Public Welfare

In the area of welfare, the Board of Public Welfare has been designated to review and develop programs for the Division of Economic Assistance. This goal is achieved through the activities of a 13 member board.

### Board of Trustees-Youth and Family Services

Within this board, youth and family programs are analyzed and developed. The seven members of the Board of Trustees are appointed by the State Board of Human Services. This board advises the Division in all of its program areas. This Division also has advisory boards for many of its District Offices.

## INTERDEPARTMENTAL HUMAN SERVICE PROGRAMS AND SERVICES

As has been discussed in the previous paragraphs, the Department of Human Services is the foremost actor in the implementation and coordination of human services in State government. However, through numerous interdepartmental arrangements additional human service programs are being provided. These departments include Corrections, Labor, Health, Community Affairs, Education, Transportation, the Public Advocate and the Administrative Office of the Courts.

One such example of the aforementioned activities is evident through The Model to Assist Teenage Parents in Preventing Child Abuse and Neglect. This program combines the efforts of the Department of Human Services and the Department of Corrections in Mercer County. The goal of this program is to reduce the incidence of child abuse and neglect by teen parents who are receiving welfare benefits.

Another interdepartmental relationship exists through the General Assistance Employability Program. The Department of Labor is responsible for administering this program whose aim is to place employable General Assistance recipients in a work program so that they may gain experience which could lead to unsubsidized employment, subsequently reducing the welfare rolls. Funding for this program is provided by the Department of Human Services, Division of Economic Assistance.

A third program, the Supported Employment Service Program, involves three separate departments: Human Services, Labor and Education. The focus of this program is to provide job training to 500 developmentally disabled individuals so that they are then able to maintain permanent employment and avoid being placed in costly adult training schools. Under this program, the Department of Education selects persons to participate; the Department of Labor's, Division of Vocational Rehabilitation offers training, evaluation and placement; while the Department of Human Service's, Division of Developmental Disabilities provides long-term follow-up services to enable participants to remain in their job.

Another example of interdepartmental cooperation exists between the

Department of Human Services and the Department of Health through the Health Start Program. Health Start, which began in 1987, allowed for an increase in the number of women and children who are eligible for Medicaid. The two departments are responsible for monitoring the program and revising guidelines, rules and regulations thereto.

Finally, the Department of Community Affairs, Weatherization Assistance Program is a further example of the success of interdepartmental efforts. Through this program, various home repair services, such as replacement or repair of storm windows, doors and broken windows as well as the addition or introduction of insulation, are provided to individuals who meet certain income eligibility criteria. The Department of Human Services provides partial funding for this program through a Federal Energy Assistance Block Grant.

These are just a few examples of the many programs and services which are made available as a result of the various interdepartmental agreements. Thus, the importance of such working relationships and the need to continue to encourage the growth of these relationships cannot be overemphasized.

## **SUMMARY**

This chapter has provided a broad overview of the functioning of human services in state government. Through the Department of Human Services, the private sector and other state departments, major federal welfare programs and various state social service initiatives are implemented.

Many of the programs discussed in this chapter also operate through local government agencies. Chapter IV will examine human services at this level. In addition, major recommendations will be made which are designed to resolve the inequities which are prevalent in the present human services system.

## **CHAPTER IV**

# **AN INTEGRATED HUMAN SERVICE DELIVERY SYSTEM: COUNTY GOVERNMENT - THE FOCAL POINT FOR COMMUNITY HUMAN SERVICE PROVIDERS**

This chapter describes and recommends improvements in the county's role as a provider and coordinator of community human services. Human service provision is based on the interconnected activities and responsibilities of the State, county and municipal governments and the private non-profit and private profit providers of community based services. It recommends the termination of the existing misguided State mandates on county and municipal government which arose out of historical conditions which no longer exist.

This chapter recommends: accelerating the gradual shift toward comprehensive county human service departments; expanding the existing system of public-private efforts through a variety of advisory councils led by the twenty-one county Human Service Advisory Councils; eliminating State billing of local governments for State programs; ending the mandating by the State of local governments' payments to welfare recipients; transferring municipal responsibility for welfare administration to the county; and creating a solely permissive role for municipal government in human services.

## **COUNTY MANDATED PAYMENTS TO THE STATE: FORCED COUNTY PARTICIPATION IN HUMAN SERVICE PROGRAMS**

Municipal and county officials are aggrieved when the State mandates new programs which limit their financial or organizational autonomy. They are equally dissatisfied with undesirable mandates left over from preceding years. Program mandates range from the relatively innocuous, such as health services, to the relatively more significant, such as those affecting expensive programs like the municipal police and county corrections programs. Some mandates have an extremely significant impact because the State requires every local government, no matter how poor or rich, to pay for a problem which is caused by national or metropolitan forces which are beyond the control of local government. An example of this is the municipally mandated welfare program.

The most unjustifiable mandate of all, however, is when the State requires local elected officials to tax their local citizens to pay for programs which are the responsibility of State government. This situation is somewhat like taxation without representation. It is actually worse in that it requires local governments to raise property taxes for State government expenditures. In the four State human service programs discussed in this section the State has mandated local elected officials to tax their citizens to provide \$151,000,000 a year in county aid to the State for wholly State administered programs. In these cases all staff, all facilities, all program decisions and every portion of the activity is a State government program. In most cases the State program is not even carried out within the borders of the county mandate to pay the cost of the program.

County resistance to paying State bills for human service programs for which they have no decision-making role has a negative impact on their contribution to community level human service programs. This is most evident in the developmentally disabled area, where the State bills counties the most and where the State actively discourages county involvement on a cooperative basis. The net impact across the board is a reduction in interest and financial contributions to the citizens in need of human services.

The State billing of its institutional costs to the county governments has a doubly regressive impact on the State's citizen in that urban counties like Essex and Hudson and rural counties like Cumberland receive proportionately larger bills and have less property tax rateables to pay the State's bills.

The Commission is opposed to the State's practice of billing county governments for State programs affecting four divisions of the State Department of Human Services. The State bills the counties \$72,000,000 a year for its costs in running its institutions for the developmentally disabled as can be seen in Table 9. The State bills the counties \$45,000,000 a year for its administrative costs at State psychiatric institutions.

Five counties, however, operate county psychiatric hospitals for a portion of their county residents in need of hospitalization in a psychiatric facility. The State sends these five counties \$31,000,000 a year to match the \$31,000,000 of their own funds to manage these hospitals.

County governments recover \$14,000,000 per year from patients, their families, their insurance and other third party payors for the costs of the State mental institutions and developmental centers through the County Adjusters Office. It is assumed that about \$9,000,000 of these revenues are for development centers and \$5,000,000 for State psychiatric hospitals.

The State bills counties \$25,000,000 a year for its program of placing needy children in residential settings outside the family. This program is operated fully and completely by the Division of Youth and Family Services. The State bills counties \$9,000,000 a year for its decision to buy extra supplemental security income services from the Federal Government. This program is managed and monitored by the Division of Economic Assistance.

**TABLE 9**  
**1989 COUNTY PAYMENTS TO THE STATE DEPARTMENT OF HUMAN SERVICES (BY DIVISION),**  
**COMPENSATING RECEIPTS THEREFOR, AND COUNTY EXPENDITURES**  
**FOR THE FIVE COUNTY PSYCHIATRIC HOSPITALS**

County	Developmental Disabilities	Mental Health	Youth and Family Services	Economic Assistance <sup>1</sup>	Departmental Total	Compensating Receipts	County Psychiatric Hospitals	Total (Net) County Expenditures
Atlantic	\$2,350,000	\$2,000,000	\$600,000	\$430,019	\$5,380,019	\$422,000		\$4,958,019
Bergen	7,947,970	3,637,085	1,539,137	440,000	13,564,192	1,267,000	\$7,808,540	20,105,732
Burlington	2,264,641	1,426,000	730,000	360,977	4,781,618	459,000	808,000	5,130,618
Camden	4,716,954	2,467,500	2,130,291	715,178	10,029,923	1,043,650	5,636,560	14,622,833
Cape May	671,300	639,800	458,000	95,382	1,864,482	173,000		1,691,482
Cumberland	1,727,858	800,260	685,600	321,900	3,535,618	252,000		3,283,618
Essex	6,147,575	942,387	5,400,000	1,447,390	13,937,352	2,137,489	15,172,645	26,972,508
Gloucester	1,600,000	1,000,000	692,000	221,587	3,513,587	345,000		3,168,587
Hudson	9,904,154	4,495,698	2,913,325	1,227,000	18,540,177	1,276,000	2,029,000	19,293,177
Hunterdon	788,000	547,000	160,000	57,850	1,552,850	130,000		1,422,850
Mercer	3,232,976	4,510,981	1,300,004	593,594	9,637,555	645,000		8,992,555
Middlesex	5,395,482	3,630,021	1,591,252	490,432	11,107,187	1,148,300		9,958,887
Monmouth	4,658,000	3,025,000	1,735,000	828,000	10,246,000	1,013,000		9,233,000
Morris	3,300,000	2,400,000	815,954	203,086	6,719,040	854,000		5,865,040
Ocean	1,675,000	1,560,000	836,792	383,233	4,455,025	350,000		4,105,025
Passaic	5,000,000	4,500,000	1,115,000	637,317	11,252,317	970,900		10,281,417
Salem	845,500	498,750	270,000	110,886	1,725,136	184,000		1,541,136
Somerset	1,816,942	1,231,071	400,000	114,178	3,562,191	457,960		3,104,231
Sussex	656,717	711,066	318,666	83,743	1,770,192	19,000		1,751,192
Union	6,134,161	4,423,471	1,500,000	551,027	12,608,659	1,070,000		11,538,659
Warren	763,000	603,000	273,225	76,658	1,715,883	185,000		1,530,883
<b>TOTAL</b>	<b>\$71,596,230</b>	<b>\$45,049,090</b>	<b>25,464,246</b>	<b>\$9,389,437</b>	<b>\$151,449,003</b>	<b>\$14,402,299</b>	<b>\$31,454,745</b>	<b>\$168,551,449</b>

<sup>1</sup>These payments are for the county share of the supplemental security income program

Source: 1989 County Budgets.

*The Commission recommends that the State take full responsibility for financing its programs: at its developmental centers \$72,000,000; at its psychiatric hospitals \$45,000,000; at the county psychiatric hospitals - \$31,000,000; through the Division of Youth and Family Services - \$25,000,000; and through the Division of Economic Assistance \$9,000,000. The Commission further recommends that the State accept responsibility for collecting the \$14,000,000 in county revenue now provided through the Office of the County Adjuster.*

To preserve parity within all areas of the State it will be necessary for the State to accept the obligation of treating and financing all patients in need of hospitalization at the five county psychiatric hospitals at the same time as it stops billing all counties for patients served in the State psychiatric facilities.

The State's assumption of 100 per cent of the counties financial obligation for running the county psychiatric facilities might be achieved in the following manner. The transfer of ownership and total responsibility for management, patients and staff of the Essex County psychiatric hospital to the State on January 1, 1991. This accounts for 400 or 50 per cent of the patients in county psychiatric facilities. The immediate transfer of the patients in the Burlington County and Hudson County psychiatric hospitals to other State facilities and the permanent closure of those institutions by January 1, 1991. These two facilities have 67 patients, or about 2 per cent of the State psychiatric patients. A phase-in to the successor system of one year in Camden County (100 patients) and two years in Bergen County (250 patients), during which time the State pays the county 100 per cent of the program costs.

In transferring ownership of a county psychiatric hospital to the State, ownership, including all equipment in the hospital, would be transferred in fee simple, at no cost, without any debt or other considerations. The amount of surrounding property to be transferred would be determined in negotiations between the State and county.

Employee rights in a hospital transferred to the State should be protected by the inclusion of statutory language such as that developed by the Commission in its Judicial Unification legislation.

The Commission gave a lot of consideration to providing a revenue neutral swap for each of the twenty-one counties to resolve this \$169,000,000 problem. Under that proposal the State would accept full financial responsibility for the same \$169,000,000 of programmatic costs as under our actual recommendation. Pursuant to the swap the counties would accept responsibility for \$169,000,000 of grants in aid now made by the State government to private non-profit agencies located within the respective counties' borders. Table 10 indicates that the State makes \$415,000,000 worth of grants to private non-profits within the various counties from which the \$169,000,000 would be selected.

Although the Commission has more detailed staff work in its files, it has determined that the administrative and policy difficulties of making such a swap would severely tax the patience of the affected State, county and private non-profit

**TABLE 10**  
**GRANTS IN AID TO PRIVATE NON-PROFITS<sup>1</sup>**  
**By the Department of Human Services**

Counties	Dlopmental Disabilities	Youth and Family Services <sup>2</sup>	Mental Health	Departmental Total
Atlantic	4,190,007	4,233,474	3,883,928	12,307,409
Bergen	14,494,127	5,243,893	11,448,582	31,186,602
Burlington	4,555,102	4,001,515	2,621,513	11,178,130
Camden	11,641,216	10,687,911	7,209,172	29,538,299
Cape May	2,117,411	1,373,963	887,674	4,379,048
Cumberland	12,163,219	4,085,083	1,806,452	18,054,754
Essex	11,151,071	24,860,273	8,632,307	44,643,651
Gloucester	5,818,697	3,620,043	1,688,605	11,127,345
Hudson	3,904,843	9,159,714	7,571,582	20,636,139
Hunterdon	1,870,219	1,074,396	679,442	3,624,057
Mercer	11,115,020	9,294,069	5,966,545	26,375,634
Middlesex	13,911,610	5,506,927	5,162,637	24,581,174
Monmouth	9,409,321	5,844,633	5,974,644	21,228,598
Morris	8,443,666	6,462,244	5,048,624	19,954,534
Ocean	4,692,891	3,732,505	3,586,582	12,011,978
Passaic	3,582,399	7,915,370	6,632,745	18,130,514
Salem	829,158	1,801,355	972,556	3,603,069
Somerset	9,491,808	6,281,904	1,303,181	17,076,893
Sussex	3,585,640	4,652,477	1,108,162	9,346,279
Union	9,805,957	10,253,550	4,117,869	24,177,376
Warren	3,263,205	1,844,951	1,561,230	6,669,386
<b>Total</b>	<b>150,036,587</b>	<b>131,930,250</b>	<b>87,864,032</b>	<b>369,830,869</b>
Multi County				
Grants	5,937,761	18,377,656	3,058,956	27,374,373
State Wide				
Grants	—	15,369,746	2,469,801	17,839,547
<b>Grand Total</b>	<b>155,974,348</b>	<b>165,677,652</b>	<b>93,392,789</b>	<b>415,044,789</b>

<sup>1</sup>Some of these funds are for purchase of service agreements with profit making agencies and with public agencies.

<sup>2</sup>This includes \$66,000,000 of Federal and State funds distributed as Social Services Bloc Grants.

Source: Department of Human Services



policy makers and administrators in such a way as not to justify positive consideration of this approach at this time. The swaps were to be conducted on a division by division basis.

However, the Division of Economic Assistance does not have any grants in aid to swap. In the Division of Mental Health there are not enough community mental health programs to complete the swap and preserve an effective State community mental health program which was one criteria of the overall program.

Because a real possibility exists that a swap could be arranged with much careful work at some time in the future, the Commission would place a lower priority on transferring the Developmental Disabilities and Youth and Family Services costs than it would on transferring the State and County Mental Health and the Supplemental Security Income costs.

Whenever the State accepts its responsibility for paying for its own programs out of its own funds, the stage will be set for engaging the State's county and municipal governments in an expanded effort to commit all governmental and private efforts in a unified attempt to solve the multiple human service programs facing its citizens.

## COUNTY GOVERNMENTS' ROLE AS AN INTEGRATOR OF PUBLIC AND PRIVATE COMMUNITY HUMAN SERVICE PROGRAMS

The State, the counties, many municipalities, all united funds, hundreds of private non-profits and many private profits provide community human services to the people of New Jersey. Most of these providers predominantly serve the people of a single county.

In recognition of this traditional county based system in the human services area, the State and the counties who had not already been doing this, embarked on a cooperative integrative relationship through the establishment of County Human Service Advisory Councils in every county in the State in 1983. The councils have a role in ongoing interagency and intergovernmental coordination, in the annual allocation and monitoring of funds to direct providers, and in human service planning.

Human Service Advisory Councils are composed of providers and consumers of all types of human services. Their breath of interest is usually broader than that of the State Department of Human Services. The State Department's regulations which control the councils provide that the council members be approved by the Board of Chosen Freeholders. In most cases the membership is appointed by the county. Staffing for the councils is usually provided through the county's Department of Human Services.

The county Human Service Advisory Councils provide a positive mechanism to integrate the activities of all public and private providers of human service with-

in the county. In this role they often have overlapping membership with many of the other county boards and councils mentioned in this chapter. They also have members from or participation with most private non-profits, private profits, united funds and interact with affected Federal, State, county and municipal agencies.

The regulations provide that the councils have an active role in allocating and monitoring State and Federal Social Services Block Grants. Some councils play a similar role with respect to the allocation of county funds for these purposes. The council is also required to conduct a needs assessment of the county and to prepare a comprehensive human service plan which must be submitted to the county government and the State Department of Human Services on a periodic basis.

The county human service councils appear to be working very well and making a major contribution to State-local and public-private cooperation in the human service area. It has been observed that their weakness appears to be that they are still too oriented to the programs of the Division of Youth and Family Services and not active enough in solving problems for those persons in need of several distinct human service programs and those clients who "fall between the cracks" of the provider's network.

Overall the Commission is very pleased with this system. Therefore, *the Commission recommends the enactment of a statute spelling out the powers and duties of County Human Service Advisory Councils.* The statute would spell out the coordinative, expenditure allocation and planning role of the councils. It would emphasize the overview function and the closing of the gaps between providers' function. It would provide for the review and recommendation to the State and county on all grants to community human service providers within the county. It would establish a direct working relationship with the United Funds. It should also authorize overlapping membership with any of the other boards and councils described in this chapter and it should authorize the council to create as many committees as it believes worthwhile.

The Commission recommends that the statute require the appointment of a Children and Family Committee of the Council. Every county council has a committee with these responsibilities now. This committee would deal with the particular needs of children and families for the activities traditionally associated with the Division of Youth and Family Service. Its membership might include persons not on its parent council. The State Department of Human Services should be directed by regulation to sort out the respective role of the council and this committee. This will be especially important in the allocation responsibilities for the State provided Social Service Block Grants funds.

By statute every county has a Mental Health Board and a Mental Health Administrator. These boards provide a similar role in State-local and public-private integration in the mental health sub-area of human services as do the County Human Service Advisory Councils for overall integration. Their specific activities are described hereafter in the context of county mental health programs. The boards make a positive contribution to the coordination, allocation of funds, and planning for mental health services. Their statute should be revised to include



advise to the county government on planning for and allocating county funds for mental health purposes.

A major gap in the public-private, State-local provision of integrated services exist in the area of programs for serving the developmentally disabled. The Division of Developmental Disabilities has long pursued a policy of heavy dependence on county government for financing its programs and an active policy of excluding local officials from participating in meeting the needs of the developmentally disabled. This policy is wrong and badly in need of change. This policy results in reduced governmental and public interest and reduced public resources to the needs of the developmentally disabled. *The Commission recommends the creation of county appointed Developmentally Disabled Boards in every county.* These boards would provide coordination and planning for the needs of the developmentally disabled and would advise the State and county governments on where public resources would be committed.

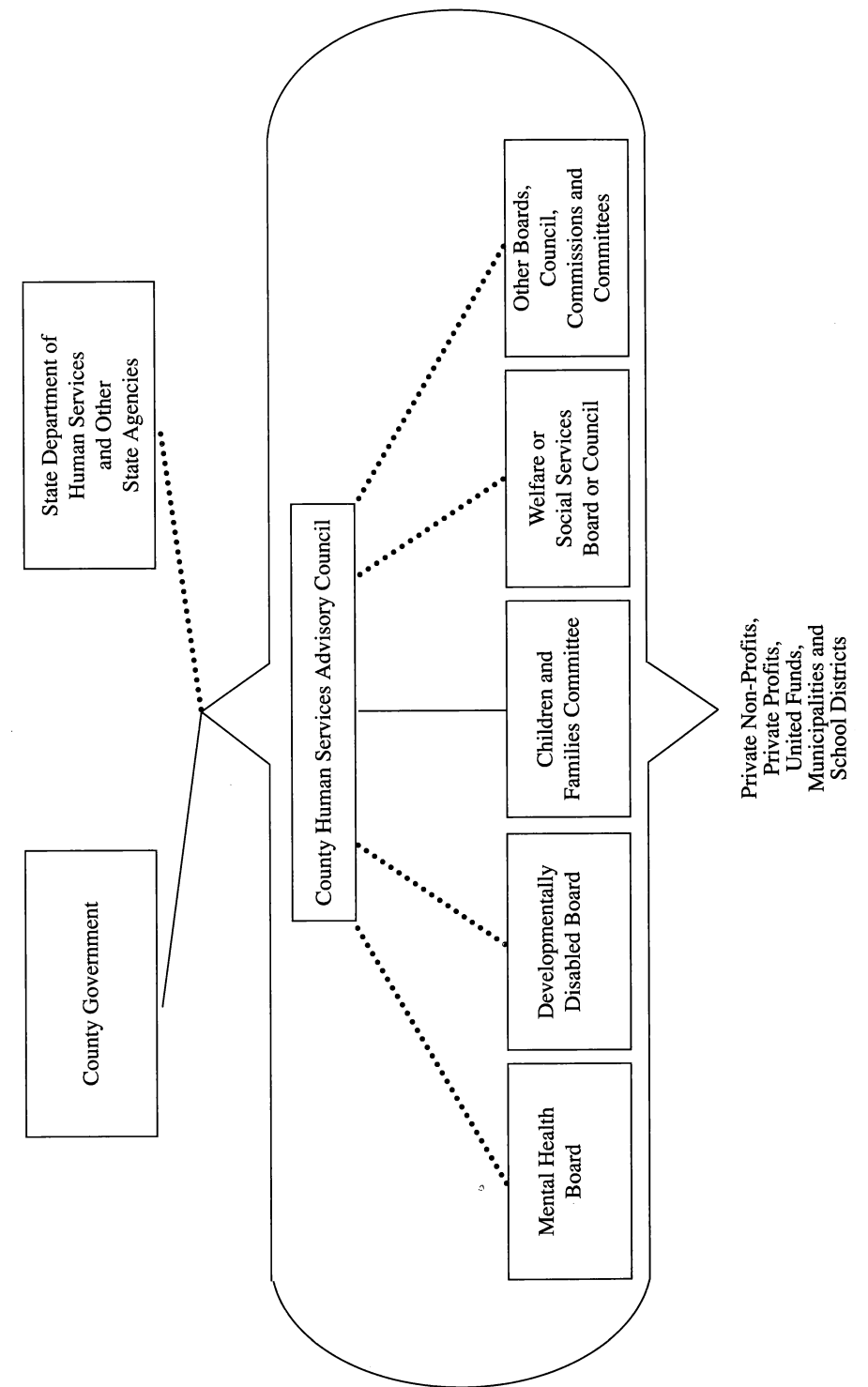
The county disabled councils described later in this chapter which exist in a majority of the counties might be converted into the Developmental Disabled Boards recommended herein. Even in the absence of a positive inducement to encourage county private non-profit cooperation for the good of the developmentally disabled, fourteen counties make contributions to their county Associations of Retarded Citizens and five counties contributed to regional Cerebral Palsy agencies.

The councils and boards described herein would review and recommend where both the State and the county expend funds for community human service programs. Table 10 indicates the \$415,000,000 worth of grants made by the State Department of Human Services for community assistance. The several councils would advise the State on the placement of these funds and would advise the county on county funds utilized for these purposes.

The County Welfare or Social Service Board described hereafter should also be brought into the State-local public-private integrative network described herein. Their role as a social services direct provider and grantee as well as their role in providing payments to qualifying persons is critical in this process.

The integrative role provided by the County Human Service Councils and the several boards described herein and portrayed in Figure 12 provides the basis for integrating all State, local, private non-profit and private-profit agencies in a united system for serving the human service needs of the State's population. The mechanism of overlapping membership between providers and consumers on the County Human Service Advisory Councils and the County Children and Family Committees, Mental Health Boards, Welfare Boards and the proposed Developmental Disabled Boards could be extended to the Youth Services Commissions, Advisory Councils on Aging, Local Advisory Councils on Alcohol and Drugs, Community Action Boards, Private Industry Councils and many other county created boards and councils at the discretion of the various Boards of Chosen Freeholders.

FIGURE 12  
COUNTY HUMAN SERVICE ADVISORY COUNCILS:  
THE FULCRUM OF STATE-LOCAL AND PUBLIC-PRIVATE INTERACTION IN HUMAN SERVICES



## COUNTY WELFARE AGENCIES

County Welfare Agencies, including Boards of Social Services, Welfare Boards and Divisions of Welfare primarily provide direct and occasionally indirect services to welfare clients. County Boards of Social Services have existed for decades, many of which were founded during the Great Depression.

Pursuant to legislation enacted in 1974 and 1987 upon the recommendation of this Commission five counties (Sussex, Atlantic, Union, Essex and Hudson) have converted their welfare boards to Divisions of Welfare in County Department of Human Services as can be seen in Figure 13. The Commission commends this approach to other counties. Counties utilizing this approach may wish, however, to continue citizen oversight through a county created Welfare Advisory Council.

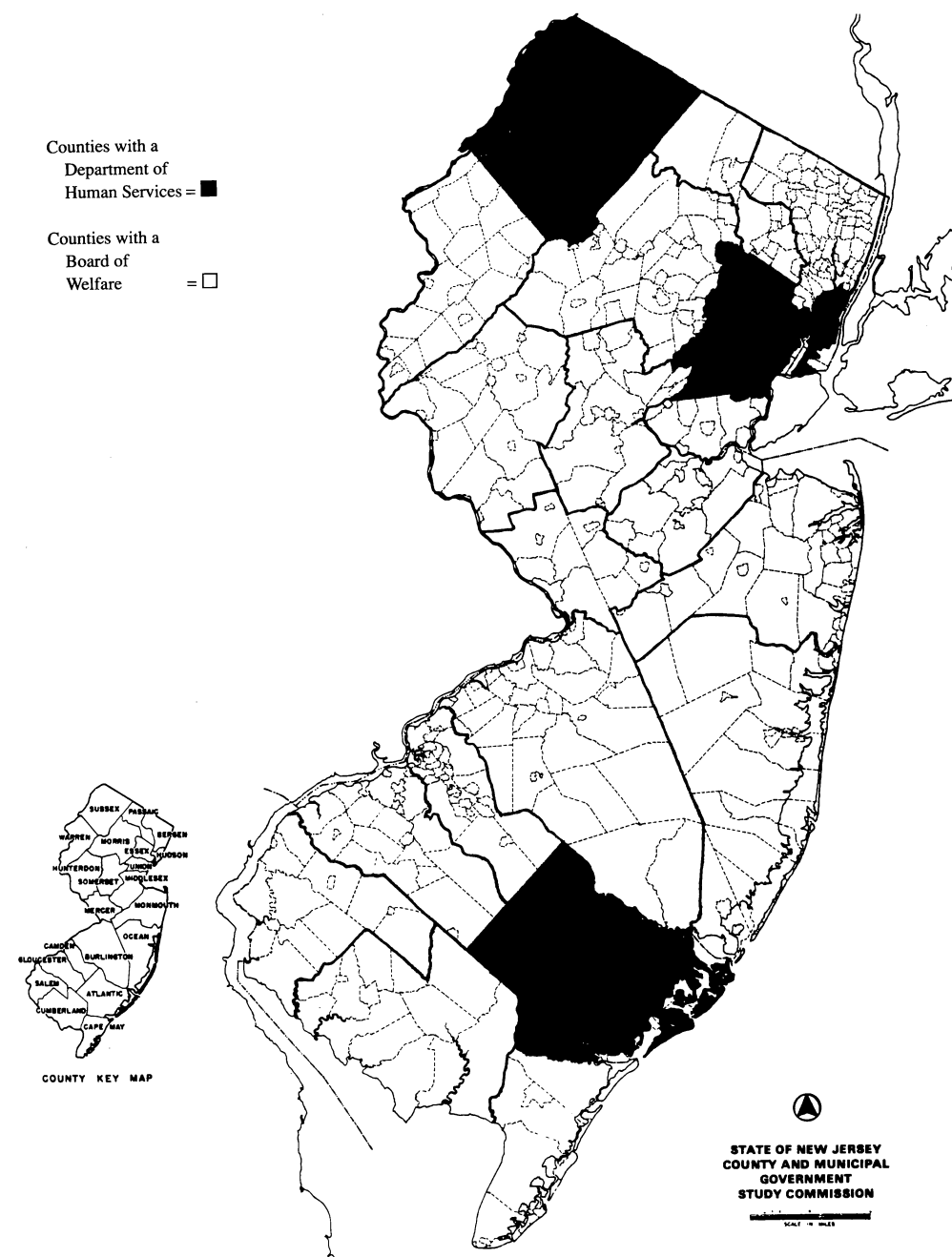
In regard to membership, welfare boards must consist of at least five members who are appointed by the Board of Chosen Freeholders. The board members meet at least once a month for the purpose of addressing the needs of the indigent in their jurisdiction. As was mentioned in Chapter III, these boards are responsible for several major welfare programs including AFDC, Food Stamps and Medicaid. In addition, these boards also administer the Refugee Resettlement Program, the Home Energy Assistance Program, the Child Support and Paternity Program, the REACH Program and a multitude of other social services. In several counties, such as Morris and Warren, the County Welfare Agency is responsible for managing the county nursing home. The county welfare agencies employ more than 7,200 workers to carry out their responsibilities.

The County Welfare Agencies are responsible for \$52,000,000 of county, \$156,500,000 of State and \$212,400,000 of Federal assistance expenditures for AFDC and Emergency Assistance payments to the poor. They are responsible for \$124,300,000 of county and \$145,000,000 of Federal funds for administrative costs of the agencies. Table 11 indicates the county by county breakdown of the county share of these administrative costs. The agencies were responsible for determining eligibility for \$210,200,000 of Federal Food Stamps and \$56,500,000 of Home Energy Assistance grants. The County Welfare Agencies receive another \$23,000,000 from the Federal Social Services Bloc Grant. This money is often used for services to the people receiving general assistance from the municipal welfare agencies described hereafter. The county welfare agencies run a number of other programs unique to one or more counties, such as the county nursing home. ***In the aggregate, the County Welfare Agencies are responsible for more than \$1,000,000,000 worth of public monies for poor New Jerseyans or about one third of the monies handled by county governments for all purposes.***

Conversely, however, county welfare agency expenditures are increasing at a rate substantially lower than the increase for all county government programs.

Chapter III described New Jersey's three AFDC populations (C, F and N) and noted the counties percentage share of both assistance and administrative costs for these programs. Tables 12 and 13 indicate the statewide AFDC and Emergency Assistance costs to counties. Also indicated on Table 12 are the \$15 million in

**FIGURE 13**  
**COUNTIES HAVING ABSORBED THEIR BOARDS OF WELFARE**  
**INTO A COUNTY DEPARTMENT OF HUMAN SERVICES**



Source: NJ Department of Human Services

Source: The county costs are from County Budgets. The municipal costs are from the State Division of Economic Assistance.

County	The County Share of AFDC & EA Payments +	The Municipal Share of GA Payments +	Compensating Welfare Equalization Payments to Counties -	Total Payments to be Transferred to the State =	County Welfare Administrative Costs to Remain at the County Level	Municipal Welfare Administrative Costs to be Transferred to the County
Atlantic	\$2,056,256	\$614,849.75	\$396,700	\$2,274,305.75	3,775,001	\$536,764
Bergen	1,465,000	549,899.50		2,014,899.50	\$4,900,000	598,909
Burlington	1,338,491	364,387.50		1,702,878.50	4,432,009	157,403
Camden	6,174,775	1,172,565.25	1,929,300	5,418,040.25	11,756,993	510,531
Cape May	456,255	139,326.75		595,581.75	934,507	63,580
Cumberland	2,054,991	174,379.00	762,000	1,467,370.00	2,697,057	162,302
Essex	18,275,000	8,632,894.00	8,450,800	18,457,094.00	14,737,755	2,484,844
Gloucester	1,043,107	146,571.50		1,189,678.50	3,565,783	106,513
Hudson	9,407,495	4,281,356.50	2,947,300	10,741,551.50	11,041,599	1,296,452
Hunterdon	101,044	51,016.50		152,060.50	425,034	33,427
Mercer	2,302,383	705,003.25	140,000	2,867,386.25	7,872,136	716,078
Middlesex	2,385,133	815,774.00		3,200,907.00	8,748,525	638,639
Monmouth	2,815,791	480,984.50		3,296,775.50	11,191,919	452,476
Morris	381,789	196,030.00		577,819.00	2,307,500	358,982
Ocean	1,468,063	739,487.50		2,207,550.50	6,869,563	320,980
Passaic	3,469,619	443,228.50	267,200	3,645,707.50	7,128,436	440,706
Salem	626,090	39,268.50	106,500	558,858.50	783,054	24,816
Somerset	403,946	81,534.25		485,480.25	4,822,000	207,458
Sussex	166,713	65,777.00		232,490.00	987,586	37,474
Union	3,150,000	1,050,402.50		4,200,402.50	6,310,628	785,269
Warren	240,000	35,281.00		275,281.00	802,186	30,330
<b>TOTAL</b>	<b>\$59,781,841</b>	<b>\$20,780,077.25</b>	<b>\$14,999,800</b>	<b>65,562,118.25</b>	<b>116,089,271.00</b>	<b>\$9,963,933</b>

**TABLE 12**  
**LOCAL EXPENDITURES FOR WELFARE PROGRAMS - 1989**  
**Payments to Individuals to be Transferred to the State**

**TABLE 11**  
**COUNTY WELFARE AGENCIES**  
**COUNTY SHARE / ADMINISTRATIVE COSTS**  
**STATE FISCAL YEAR 1989**

County	Income Maintenance	Social Services	Food Stamps	Child Support	Net Medical Assistance (1)	Home Energy Assistance	Refugee Resettlement Program	Work Incentive Program	Adult Intervention Project	All Other Programs (2)	Total County Share
Atlantic	1,494,427.29	617,460.96	1,020,253.56	209,120.86	481,443.63	39,858.30	0.00	679.79	8,121.48	232,677.94	4,104,043.81
Bergen	1,854,184.18	448,897.12	1,629,822.64	282,191.16	1,329,859.91	35,728.37	0.00	10.00	40,093.52	17,982.84	5,638,769.74
Burlington	2,398,103.39	183,386.53	1,012,181.94	389,353.42	420,252.16	570.41	0.00	0.00	24,657.32	64,475.43	4,492,980.60
Camden	6,894,599.23	2,268,261.16	3,145,251.52	699,160.05	1,978,735.35	(75,024.02)	(639.47)	5,857.19	70,691.89	175,405.10	15,162,298.00
Cape May	432,115.17	745,784.43	266,927.07	79,021.92	180,597.69	789.16	0.00	0.00	35,606.39	113,600.59	1,854,442.42
Cumberland	1,286,195.52	109,560.83	698,886.06	205,998.84	312,051.08	0.00	0.00	7,040.09	0.00	40,558.36	2,660,290.78
Essex	7,358,474.84	2,306,130.38	4,259,034.80	697,239.95	1,765,324.96	10,320.06	4,235.10	43,932.24	995.79	(4,693.00)	16,440,995.12
Gloucester	1,563,443.62	209,430.23	729,904.51	245,861.73	389,688.86	66,702.23	0.00	0.00	19,036.39	28,553.27	3,525,620.84
Hudson	3,679,706.80	643,089.36	2,401,373.98	336,281.64	878,187.97	0.00	0.00	2,435.12	0.00	148,170.43	8,086,245.30
Hunterdon	283,985.02	194,177.78	169,610.94	43,828.56	79,619.51	0.00	0.00	0.00	24,553.62	4,548.91	800,324.34
Mercer	4,099,050.61	807,837.86	2,171,282.32	555,191.31	1,037,483.83	0.00	0.00	364.26	8,470.05	194,711.72	8,874,391.96
Middlesex	3,714,329.49	1,315,275.95	1,974,033.87	383,908.33	1,172,003.53	32,068.09	0.00	7,021.40	35,734.40	228,825.11	8,863,200.17
Monmouth	3,021,388.96	4,115,952.79	1,864,612.99	517,803.25	721,539.76	48,694.98	0.00	1,938.05	216.67	1,846,918.32	12,139,065.77
Morris	696,515.47	438,758.57	376,121.14	119,229.70	313,804.91	21,489.06	0.00	0.00	11,350.81	84,929.53	2,062,199.19
Ocean	2,371,079.81	48,491.68	1,378,582.36	303,828.48	1,137,623.75	196,884.80	0.00	51.00	204,493.87	321,056.72	5,962,091.67
Passaic	4,692,670.92	716,686.25	2,147,252.29	656,023.27	1,457,028.28	46,978.25	0.00	122.50	28,686.22	492,146.73	10,237,594.71
Salem	507,290.07	40,782.04	259,643.33	85,969.13	213,380.00	0.00	0.00	0.00	0.00	2,397.18	1,109,761.75
Somerset	728,983.93	1,631,655.31	489,822.53	153,498.08	517,746.43	69,698.16	0.00	0.00	261,674.05	241,177.53	4,094,255.82
Sussex	206,057.00	240,112.13	194,132.99	98,819.28	190,891.14	2,797.75	0.00	0.00	48,796.88	54,463.55	1,121,070.82
Union	3,087,128.76	412,118.07	1,576,175.43	268,984.84	809,822.54	0.00	0.00	29,512.62	0.00	58,132.78	6,241,875.04
Warren	351,333.08	164,677.63	261,101.18	78,788.74	171,171.00	0.00	0.00	0.00	(.09)	20,665.58	1,057,434.24
<b>TOTALS</b>	<b>50,811,063.16</b>	<b>17,658,827.36</b>	<b>28,026,308.08</b>	<b>6,414,102.54</b>	<b>15,558,652.99</b>	<b>497,555.60</b>	<b>3,595.93</b>	<b>96,964.26</b>	<b>823,178.85</b>	<b>4,366,703.92</b>	<b>124,258,952.36</b>

(1) Net of Medically Needy.

(2) Income grants and other miscellaneous projects.

(3) This table does not include \$145,000,000 of federal administrative funds received by the counties.

Source: Division of Economic Assistance.

1989 payments to 8 counties for welfare equalization aid. In 1981, legislation was enacted to provide state funding so as to reduce the burden on those counties whose per capita cost of welfare are more than the statewide per capita welfare costs. However, this aid program has not been fully funded since 1981. If fully funded the program would cost about \$25,000,000 per year.

The partially funded welfare equalization act has not equalized expenditures between counties with more persons qualifying for these Federal and State mandated expenditures in some counties than in other counties. Furthermore the counties do not have equal opportunity to raise revenues from their divergent property tax basis.

*The Commission, therefore, recommends that the State assume 100 per cent of the local share of costs for payments to persons who meet the State qualifications for welfare payments.* The State will accept a new obligation of spending \$60,000,000 a year. The State will then terminate its existing payments of \$15,000,000 a year for the Welfare Equalization Act. *The State's net increase in costs will be \$45,000,000.*

In the AFDC and Emergency Assistance programs, the counties spend \$51,000,000 of their funds and \$51,000,000 of federal funds to administer the program.

County welfare agencies are also responsible in determining client eligibility for the food stamp program. The counties spend \$28,000,000 of their money and \$37,000,000 of Federal money on administrative staff for this program.

In regard to the Medicaid Program, these boards determine financial eligibility while Medicaid District Offices address the question of medical eligibility. The county welfare agencies expend \$16,000,000 of county money and an equal amount of federal money on this program.

An additional program of the Boards of Social Services is the Refugee Resettlement Program. This program provides financial assistance to persons who have been granted asylum by the United State Government from political or religious persecution.

Another financial aid program offered through these boards is the Home Energy Assistance program. Through this program low income households, who meet the eligibility criteria, can receive funding which is applied to their heating or cooling costs.

Child Support and Paternity is another major program under these boards. Through this program absent parents are located, paternity is established and support payments are secured. The counties expend \$6,000,000 of their money and \$14,000,000 of federal money on the administration of this project through the county welfare agency. The county probation departments are also deeply involved in this activity. \$378,000,000 is collected through this program of which \$62,000,000 is credited to welfare costs.

REACH is another important program provided through county welfare

TABLE 13  
NET COUNTY ASSISTANCE DISBURSEMENTS  
FY 89

County	Aid To Families With Dependent Children	Emergency Assistance	Supplemental Security Income	General Assistance	Total
Atlantic	1,852,249.64	218,241.88	476,127.92	614,849.75	3,161,469.19
Bergen	828,982.54	163,082.88	441,897.12	549,899.50	1,983,862.04
Burlington	1,021,634.84	203,711.94	331,764.44	364,387.50	1,921,498.72
Canden	6,200,653.94	152,672.30	787,539.49	1,172,565.25	8,313,430.98
Cape May	478,923.32	19,503.63	100,715.74	139,326.75	738,469.44
Cumberland	1,597,091.85	200,898.84	356,595.97	174,379.00	2,328,965.66
Essex	15,805,562.44	2,772,826.77	1,641,105.76	8,632,894.00	28,852,388.97
Gloucester	974,553.61	74,217.12	246,101.32	146,571.50	1,441,443.55
Hudson	7,738,471.75	279,754.34	1,226,865.32	4,281,356.50	13,526,447.91
Hunterdon	82,864.38	4,703.60	61,589.95	51,016.50	200,174.43
Mercer	2,225,289.07	65,452.29	681,363.82	705,003.25	3,677,108.43
Middlesex	1,871,218.81	295,608.81	554,927.71	815,774.00	3,537,529.33
Monmouth	1,847,090.16	560,170.99	717,046.29	480,984.50	3,606,110.94
Morris	346,629.88	20,667.60	209,341.06	196,030.00	772,668.54
Ocean	1,107,405.38	332,022.23	438,196.87	739,487.50	2,617,111.98
Passaic	3,245,466.00	180,975.43	676,685.06	443,2988.50	4,546,414.99
Salem	572,301.25	18,715.92	111,950.06	39,268.50	742,235.73
Somerset	275,405.04	66,158.21	122,529.41	84,534.25	548,626.91
Sussex	138,343.79	31,175.18	90,574.90	65,777.00	325,870.87
Union	2,761,408.49	199,489.06	633,560.37	1,050,402.50	4,644,860.42
Warren	269,722.13	9,146.02	81,334.22	35,281.00	395,483.37
<b>TOTAL</b>	<b>51,242,087.31</b>	<b>5,859,195.04</b>	<b>9,987,812.80</b>	<b>20,783,077.25</b>	<b>87,882,172.40</b>

Source: Division of Economic Assistance.

agencies. As mentioned in Chapter III, this county administered program has the goal of permanently removing AFDC clients, specifically those with children age two or older from reliance on the welfare system. REACH is attempting to fulfill this goal through the process of education and employment. However, many counties have expressed concern that even if clients can be placed in decent paying jobs, employers often do not offer health care benefits. Without these benefits it will be extremely difficult for clients to provide for their own most basic needs due to the high costs of housing in this state as well as the exorbitant costs of obtaining health care coverage.

Under the welfare agency, various social services are provided. Federal Social Service Block Grant monies are passed through the Department of Human Services to these boards for the provision of such services. Table 14 indicates that the counties expend \$23,000,000 of federal and State funds which are matched by up to \$6,000,000 of county funds. The counties spend an additional \$10,650,000 of county funds to provide services to deserving citizens. This funding is utilized both for purchased services as well as for those that are directly provided by the agency. It is especially important that the social services provided through this mechanism be integrated with the other human services provided by State and county government. In Monmouth County, the board utilizes this funding for the following services: case management, community development, day care, housing assistance, initial response, crisis intervention, homemaker services, protective services, treatment and health services and administration and training.

In an earlier report "The Organization and Dynamics of Social Services in New Jersey" released in 1979, the Commission found substantial overlap between the County Welfare Agencies and the regional offices of the Division of Youth and Family Services. This interaction was discussed earlier in Chapter III. After extensive interviews in the field, the Commission no longer believes that any substantial degree of overlap occurs. Nevertheless, the leaders of both offices must work together and work within the context of the Human Services Advisory Councils to expedite and facilitate the provision of basic social services to the people of every county in the State.

A final point to be made about the county welfare agencies is their evolving role in regard to the municipal welfare program, General Assistance. Presently the County Welfare Board in Cape May is administering the General Assistance Program for six municipalities. In addition, both the Monmouth and Somerset Boards of Social Services have been approached by one or more municipalities to take over their welfare program. This issue of the county assuming the administration of municipal welfare programs will be addressed in the section that follows.

## MUNICIPAL WELFARE AGENCIES

Municipal welfare is for able bodied adults. It is not for the elderly or disabled; they are served by the Federal Supplemental Security Income Program. It is not for mothers and children; they are served by county welfare agencies. Many

**TABLE 14**  
**COUNTY WELFARE AGENCY EXPENDITURES**  
**FOR SOCIAL SERVICES<sup>1</sup>**

Counties	Social Services Block Grants Received From The State	Unmatched Additional Social Service Expenditures By The Counties
Atlantic	\$ 834,127	\$ 174,959
Bergen	724,184	8,376
Burlington	449,330	2,790
Camden	1,767,343	2,553,349
Cape May	297,062	88,581
Cumberland	297,198	79,421
Essex	6,161,241	0
Gloucester	269,259	240,543
Hudson	1,599,548	0
Hunterdon	168,844	133,134
Mercer	813,880	368,120
Middlesex	1,461,804	1,020,879
Monmouth	3,987,643	3,439,449
Morris	441,630	322,854
Ocean	577,376	45,698
Passaic	1,277,279	0
Salem	157,055	1,493
Somerset	586,506	1,897,267
Sussex	325,805	164,922
Union	860,486	15,578
Warren	134,234	122,824
<b>TOTAL</b>	<b>\$23,191,834<sup>2</sup></b>	<b>\$10,680,236<sup>3</sup></b>

<sup>1</sup>These funds include both direct purchased services by the counties.

<sup>2</sup>These funds are matched by county expenditures up to 25 per cent of the total.

<sup>3</sup>These funds are commonly described as overmatch funds.

Source: Department of Human Services, Social Service Grant Fiscal Year Pre-Expenditure Report; Division of Youth and Family Services and 1989 county welfare budget statements and social service spending plans.



municipal welfare clients do receive social services from county welfare agencies. Municipal welfare costs have increased from \$23,000,000 a year in 1977 to \$35,000,000 a year in 1987 according to the Division of Local Government Services. This is a rate of increase substantially below that of all other municipal programs.

In accordance with N.J.A.C. 10:85-22 (a) 1, every municipality is required to have a municipal welfare board. The board consists of three or five unsalaried volunteers whose responsibility is to oversee their municipalities General Assistance Program. Pursuant to law, each municipality's General Assistance Program is administered by a director of welfare. The director is appointed by the board of welfare, not by the governing body. Figure 14 indicates the 74 municipalities that have municipal welfare directors earning more than \$15,000 a year. It is assumed that these 74 municipalities have full-time welfare departments and that the remaining 493 municipal welfare departments are part-time agencies. Figure 15 indicates that 9 municipalities have 10 or more full time welfare employees and that 14 other municipalities have 3 to 10 full time welfare employees.

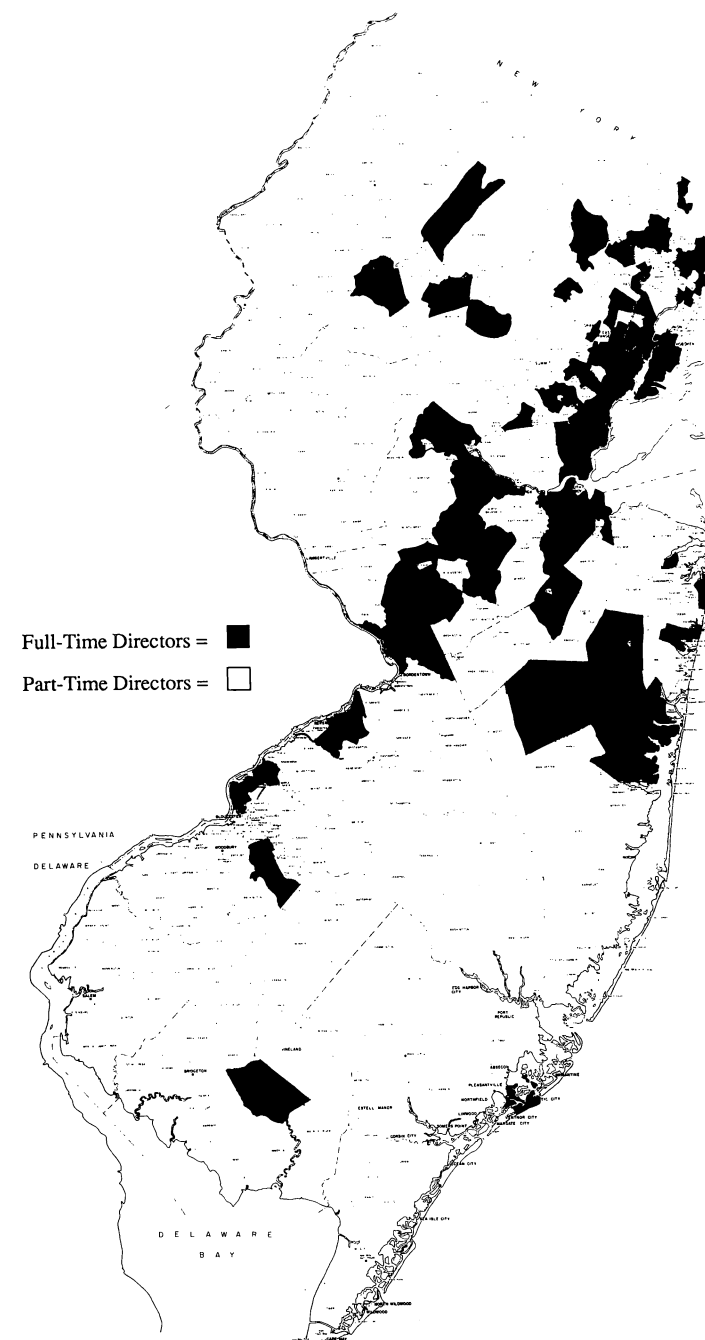
As was briefly discussed in Chapter III, General Assistance provides financial and medical aid to certain categories of employable and unemployable individuals who meet specific eligibility criteria. In 1987 an eligible employable person qualified for \$140 in payments where an eligible unemployable individual qualified for \$210 per month. Social services that are offered under this welfare program may be offered through contracted providers. One such example is in Bergen County where the welfare director of Ho-Ho-Kus Borough and Ridgewood Village contracts out for social services for both of her municipalities.

State records indicate that in 1989 municipalities expended \$20,800,000 of local funds and \$62,400,000 in State funds for welfare payments. Applying ratios for the combined State-municipal general assistance costs from the winter quarter of that year to the municipal share for the year, yields figures of \$8,200,000 for maintenance payments, \$6,400,000 for inpatient hospitalization, \$1,500,000 for nursing home payments, \$1,100,000 for other medical payments, \$300,000 for burial payments, \$2,000,000 for emergency assistance, \$1,300,000 for prescription drugs and \$100,000 for payments ineligible for State matching.

Of these payments an incredible inequity exists in the State in that by State law (N.J.S.A 44:8-146), only municipalities in first class counties are required to make the inpatient hospitalization payments cited herein. ***The Commission recommends that this law be repealed.*** The Uncompensated Care Trust Fund program should cover these costs. Whereas a mandate limited to municipalities in a certain class of counties for these expensive medical services is incredibly unfair and discriminatory as a State policy. The State share of these costs (\$19,000,000) could be diverted to the Uncompensated Care Trust Fund or to the Medicaid Program.

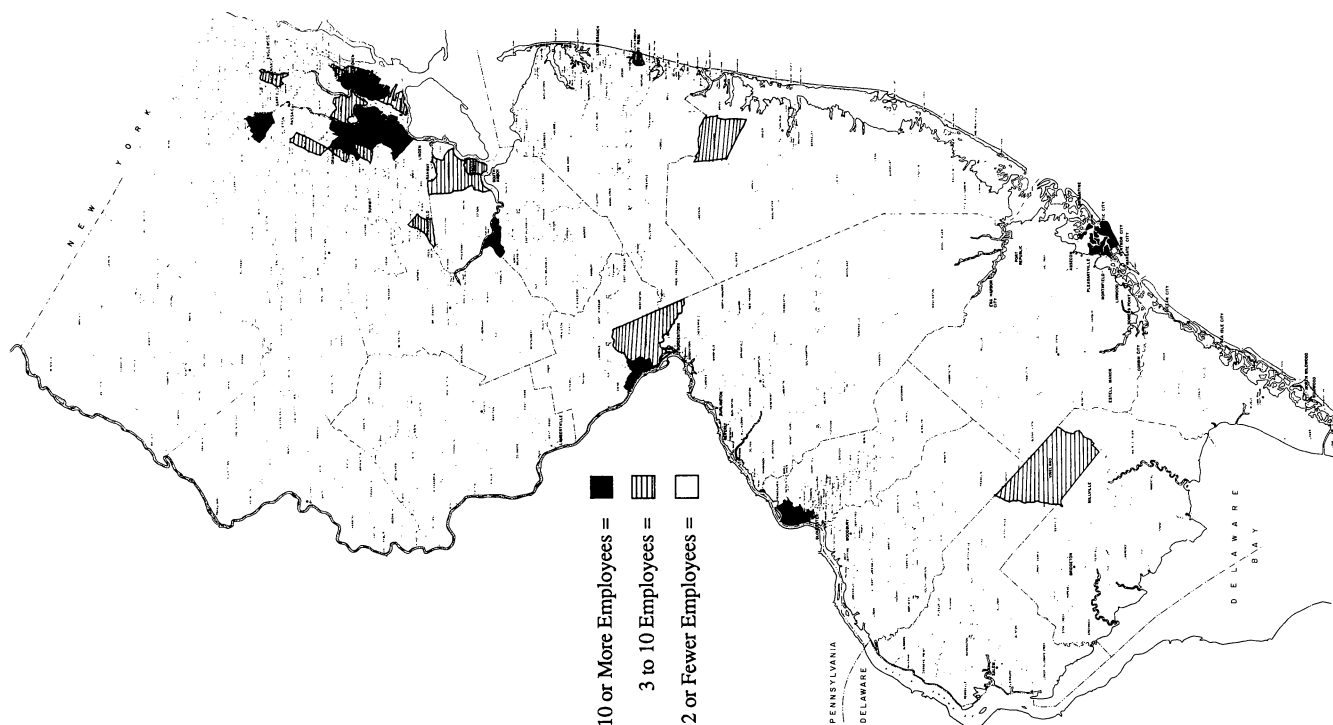
Of the non-medical costs included herein, the maintenance, emergency assistance and burial costs are all programs which are provided to a much larger degree by county welfare agencies.

**FIGURE 14  
MUNICIPALITIES WITH FULL-TIME  
WELFARE DIRECTORS**



\* N.B. The determination of full-time employment is derived from a 1987 survey by the New Jersey State League of Municipalities in which every municipality reporting paying its Welfare Director \$15,000 a year or more, plus Paterson and Elizabeth, is included.

**FIGURE 15**  
**NUMBER OF FULL-TIME EMPLOYEES IN**  
**MUNICIPAL WELFARE DEPARTMENTS**



Source: Municipal Welfare Departments Report to the Division of Economic Assistance, Department of Human Services.

**TABLE 15**  
**MUNICIPAL WELFARE DEPARTMENT AND FULL TIME EMPLOYEES SALARY COSTS**  
**CALENDAR YEAR 1987**

County	Full time Employees	Salary Costs	Municipality	Full Time Employees	Salary Costs
Atlantic	25	\$536,764	Newark	85	\$1,616,599
Bergen	23	598,909	Jersey City	48	662,724
Burlington	8	157,403	Trenton	19	496,401
Camden	29	510,531	East Orange	17	479,989
Cape May		63,580	Atlantic City	19	434,790
Cumberland	8	162,302	Camden	22	378,382
Essex	118	2,484,844	Elizabeth	19	319,258
Gloucester	6	106,513	Paterson	17	229,140
Hudson	80	1,296,452	New Brunswick	12	202,244
Hunterdon	2	33,427	Bayonne	6	130,764
Mercer	25	716,078	Orange City	6	129,623
Middlesex	34	638,639	Perth Amboy	8	128,004
Monmouth	18	452,476	Lakewood	7	119,000
Morris	9	358,982	Hoboken	6	118,641
Ocean	12	320,980	Irvington	5	111,348
Passaic	20	440,706	Englewood	2	58,260
Salem		24,816	Montclair	3	51,123
Somerset	7	207,458	Dover Twp.	2	37,185
Sussex	3	37,474	Pemberton Twp.	2	35,280
Union	37	785,269	Red Bank	2	33,572
Warren	1	30,330			
<b>TOTAL</b>	<b>465</b>	<b>\$9,963,933</b>		<b>307</b>	<b>\$5,772,327</b>

Source: Division of Economic Assistance.

Municipal welfare directors are responsible for determining the eligibility of potential clients for the General Assistance Program. These directors are also obligated to provide information and referral to their clients regarding other welfare assistance programs. Some welfare directors particularly those who are part-time, are not fully cognizant of the services available to their clients and thus cannot adequately inform them of these services.

An additional area of concern regarding municipal welfare directors is their lack of consensus in regard to what educational requirements are appropriate for this position due to the varying backgrounds of current directors. Furthermore, although a variety of training programs are offered statewide for these directors, they do not always avail themselves of this continuing education opportunity. This is a particularly strong concern in regard to those directors in smaller municipalities who are not especially active in the daily operations of their welfare program due to the existence of a small welfare population in their locality. In a number of municipalities the welfare director's salary is greater than the municipal share of payments to qualifying individuals.

A further point to be made about municipal welfare directors situated in smaller municipalities is that often times these directors serve in several other municipal roles at once. Thus, this type of director may not be available to a client when they are needed. Some of these directors felt that the infrequency of their activity in dealing with the General Assistance Program warranted the transfer of the program to county government.

An additional problem encountered in the area of municipal welfare is the occurrence of General Assistance clients receiving checks for aid from two municipalities at the same time. Due to the transient nature of these clients and a lack of a formal communication system between municipalities, this is a common dilemma.

Under this welfare program assistance costs are 75 per cent state, 25 per cent municipal with the municipality assuming all administrative costs. In 1988, 50 of the state's municipalities did not bother to apply for the state portion of General Assistance payments with the largest proportion of these municipalities being located in Warren County. For these municipalities the unwanted paperwork outweighed the value of the State aid to be received.

The present municipal welfare system contains major inequities. According to the Division of Economic Assistance, in 1988, 20 municipalities bore 82 per cent of the state's total municipal welfare costs. These municipalities are located in densely populated urban areas that are struggling to meet the most basic needs of their residents.

The State mandated municipal welfare program is without a doubt the most regressive mandate the State imposes on local officials in New Jersey. The need for public assistance is concentrated in municipalities where poor persons live. These same municipalities have a very weak property tax base from which to collect the necessary revenues. This dual inequity is many times more pronounced than any

comparable local government program in New Jersey. It is much worse than county welfare or court costs, municipal police costs or local school costs.

Figure 16 indicates that six New Jersey municipalities have welfare expenditures more than ten times the State average per dollar of taxable property, with Newark and Camden having expenditures over 20 times the State average. Another 24 municipalities have expenditures per taxable dollars from two to ten times the State average. Conversely 160 New Jersey municipalities have welfare expenditures less than one tenth of the State average per dollar of taxable property. The burden of the six most strained municipalities is more than ten times as great as the 494 municipalities below the State average and one hundred times the burden of the 160 most favored municipalities. Again, no other State program in human services, public safety or education has such gross discrepancies between need and the ability to pay for a program. It is incredibly unfair for the State to mandate expenditures for such a grossly disparate program to municipal governments to raise from their divergent property tax bases.

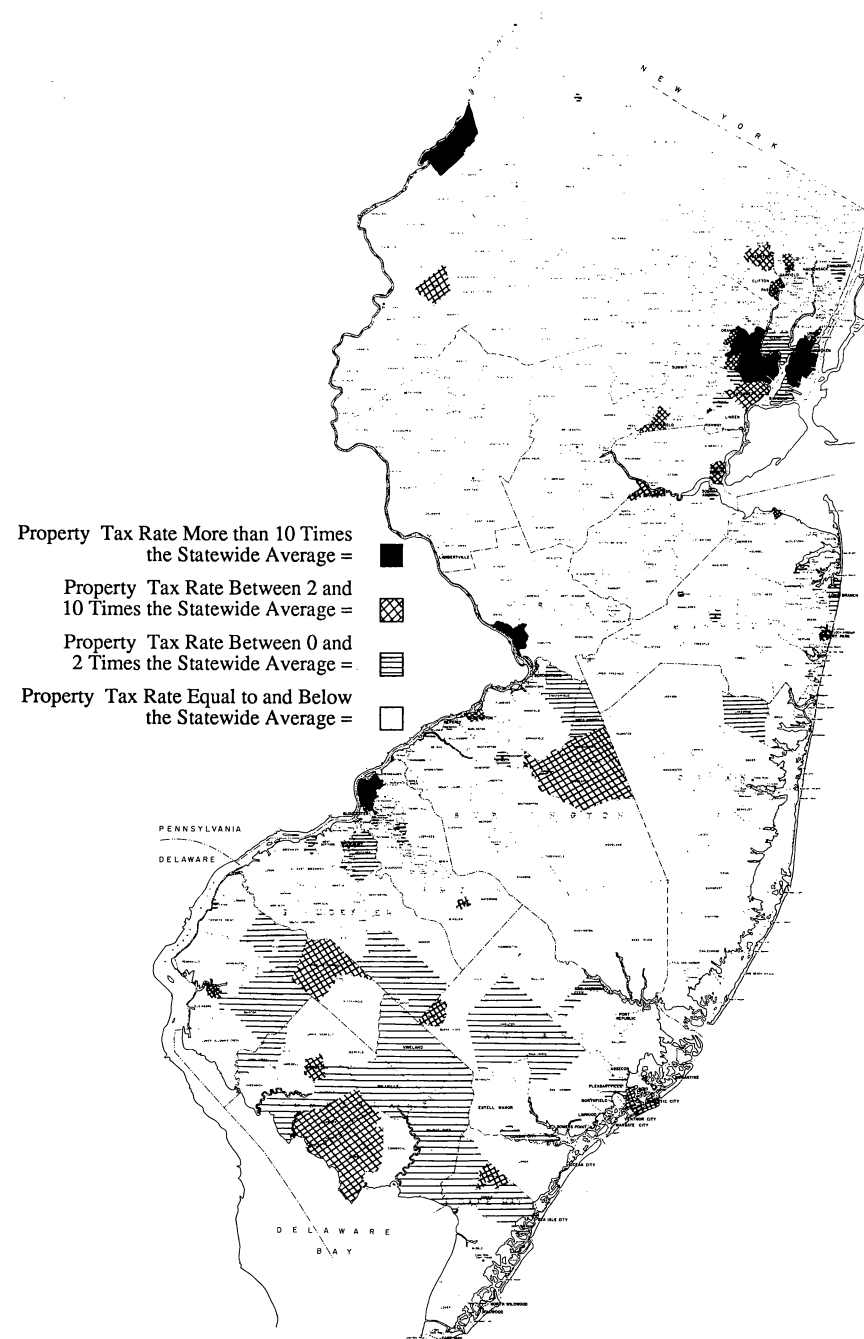
***The Commission recommends that the administration of municipal welfare programs should be transferred to county welfare agencies. This will save municipalities ten million dollars a year.***

***The Commission also recommends that the State should accept responsibility for paying for 100 per cent of the cost of General Assistance payments to qualifying individuals. This increase in State funding will remove \$21,000,000 a year permanently from the municipal property tax.***

The transferring of municipal welfare to the county level would unite the municipal and county welfare agencies in fully professional welfare agencies capable of placing clients with appropriate human service providers in all cases and would provide for a more equitable distribution of the remaining local welfare costs. New York State successfully transferred the municipal general assistance program to county government in 1972.

In 1979 the County and Municipal Government Study Commission and in 1988 the State and Local Expenditure and Revenue Policy Commission recommended the transfer of the municipal welfare program to the counties. The Municipal Welfare Association opposed this recommendation arguing that the welfare recipients would not get adequate attention. The Commission believes that the county welfare program for mothers and children which is 15 times as large as the municipal welfare program for able bodied adults requires and receives equivalent attention. After recognizing that 82 per cent of the municipal welfare load is located in 20 cities which should not be burdened by this State mandate; it becomes clear that the other 547 municipalities, only have a case level of approximately 3,400 per month. This is substantially below one per cent of the combined municipal and county caseload. The vast majority of the remaining 547 municipalities serving this one per cent of the case load, do it with part-time welfare directors who may not have the time or experience to do a job equivalent to the full-time welfare agencies. A transfer of this program to the counties will not have a negative impact on the welfare recipients.

**FIGURE 16**  
**MUNICIPAL GENERAL ASSISTANCE PAYMENTS**  
**EXPRESSED AS A PROPERTY TAX RATE PER DOLLAR**  
**OF STATE EQUALIZED ASSESSED VALUE**



Source: New Jersey Department of Community Affairs, Division of Local Government Services, 50th Annual Report of Financial Conditions of Counties and Municipalities, 1987.

The transfer of municipal welfare to the counties would also bring all welfare clients into the "FAMIS" computer system which is utilized by all New Jersey counties. This would assist in preventing double payments. County agencies also are open during normal working hours and have such special services as interpreters. *To maximize client accessibility to welfare services, the Commission recommends that every county reassess its expanded case load and develop procedures for serving clients at all times throughout the county and that it establish additional outreach offices in appropriate areas of the county when needed.* The legislation providing the transfer might also allow the municipalities and counties to agree to place county welfare employees in municipal buildings by mutual agreement of the two governments.

Furthermore, former municipal welfare directors should be offered the option of continuing as full-time or part-time municipal human services directors as described hereafter or being transferred with their employees to full-time status in the county welfare agency. The legislation transferring general assistance responsibilities from municipalities to counties should guarantee every municipal employee who works full-time on general assistance a comparable position in the county welfare agency, effective on the day the program is transferred. The position of municipal human services director described hereafter would provide information and referral to municipal inhabitants and oversight for the municipal human service activities described in the following sections.

## OTHER MUNICIPAL HUMAN SERVICE PROGRAMS

Numbers of urban and suburban municipalities provide a broad variety of human services on a voluntary basis to their citizens. The Commission strongly commends this practice. The orientation of these programs is toward services for young and elderly people. However, they span the gamut of human service programs. Programs are provided by municipal government to assist the mentally ill, the developmentally disabled, the physically handicapped, the poor, persons with alcohol and drug problems, as well as various minorities. The Division of Local Government Services reports that, in total, New Jersey municipalities expended \$92 million for these programs in 1987.

One of the major categories of human services for municipalities is programs for the elderly. Despite wide variation among municipalities, there exists a core of programs for seniors that are common to many New Jersey municipalities. They include: the establishment and operation of local senior citizen centers, information referral services, health screening and transportation aid for seniors. The operation of the local senior citizen center is worthy of mention. Many New Jersey municipalities have established such centers. They serve as a focal point of senior citizen activity within the community. Activities generally sponsored by senior citizen centers include recreational activities, lectures and classes, arts and craft activities, and field trips for cultural and social events.

One should also note that there is a multitude of services offered by the larger

municipalities. Some of these services are funded by county monies particularly the Office on Aging, others through State and federal grants. Many of the larger municipalities have an office on elderly affairs. Several are worth mentioning as illustrations of present efforts. Atlantic City provides one of the broadest array of senior citizen programs of any municipality within the State. Its elderly program includes: legal assistance, public recreational activities, information and referral, escort and transportation services, telephone reassurance, food commodities distribution operations a couple of times a year, health screening and lectures and day trips for seniors.

Bloomfield Township provides for the elderly: outreach and referral services as well as mental and physical health programs. Morristown, whose Division on Aging served as a national model for the kind of local senior center envisioned by the National Administration on Aging, provides: information and referral, transportation service, senior citizen housing, case management, family and personal counselling, cultural trips, provision of home delivered meals and retirement counselling. New Brunswick operates its Senior Resource Center with a full-time staff of four. Its programs include: information and referral, medical screening and educational classes, transportation for food shopping, recreational and cultural chartered trips and participation in the food commodities distribution program.

The city of Camden provides for its seniors: information and referral, transportation services for food shopping, medical screening, social activities, home repairs for low-income residents as well as assistance with application forms for public programs. Elizabeth City provides informational and referral services, ongoing public transportation for basic elderly needs, hearing aid and glasses collection for the needy, cultural trips, health screening and aid in applying for public assistance.

Another major area of municipal human services is programs for youth and infants. Numbers of the larger municipalities have summer employment programs for youth. These vary in program size and number of hours worked. Municipalities engaged in summer youth employment include East Orange, Plainfield and Atlantic City. Municipalities such as East Orange and Atlantic City also have part-time employment programs during the school year. In addition East Orange also has a Mayor's Youth Advisory Council which articulates the needs and concerns of the city's youths.

Atlantic City has a "latch key" program which is an after school program in which tutorial services, arts and crafts and recreational activities are sponsored after school for those children whose parents are unavailable after school hours. Atlantic City also makes available a "teen service center" where young people may receive job or psychological counselling.

Also of significance is the human service role performed by some municipalities in their administration of State and federal programs for expectant mothers, newborns and infants. Included here are the "Healthy Mothers, Healthy Babies" program. Atlantic City government provides some of its own money in operating the program. The federal "Supplemental Food Program for Women, Infants,

Children" (WIC) is operated by East Orange.

Other social service programs in which there is a municipal role deserve to be noted. Many municipalities operate social service referral services. Municipalities also offer drug and alcohol programs. Newark operates the federal "Supplemental Assistance of the Homeless" (SAFH) program on a matching basis with federal dollars. This program provides health care for the homeless. Newark also operates day care centers which are funded by the City, Social Service Block Grant and Head Start monies among others. Low-income families have day care use for free while for the nonpoor there is a sliding scale fee for utilization of the 18 City operated day care centers. Atlantic City runs a support group for mothers in the REACH program.

*The Commission recommends that a permissive statute be enacted authorizing and encouraging municipalities to design and implement any type of human service program they choose. This same statute should authorize the employment of a municipal human service director and related staff and the creation of a Municipal Human Service Advisory Council, both on a permissive basis.*

## COUNTY DEPARTMENTS OF HUMAN SERVICES

As noted in an earlier chapter, the State Department of Human Services directly provides a wide variety of human services. At the county level, such programs operate through a multitude of departments, boards, councils and commissions except in those counties where a broader based Department of Human Services has been created. This section will examine the role of the various agencies which provide human services through county government and will recommend the creation of comprehensive County Departments of Human Services.

Most New Jersey counties have taken some action to coordinate the numerous agencies that are providing human services within county government. In many cases they have created a partial or a comprehensive Department of Human Services. The more limited departments play a coordinating role and are not as involved in the direct provision of services. The comprehensive departments of human service are direct providers of most of the county level services described in this chapter. The agency is administered by a professionally qualified department head. These departments serve as the county's focal point for human services planning and for fiscal oversight of federal, State and county dollars.

An additional role of these departments is to monitor contracts for various services offered through private providers in the community. Another departmental service is the provision of information and referral services. A further area of involvement for these departments is their provision of staff to the County Human Service Advisory Councils and their committees as previously described in this chapter.

Located within County Departments of Human Services are a diverse range



of divisions and offices (see, Figure 17). An emerging trend within these departments is the absorption of a number of previously independent boards, including County Welfare Boards or Boards of Social Services as previously described. Presently, four of the six charter counties (with the exception of Bergen and Mercer), as well as Sussex County, have chosen to transfer all the responsibilities of the Board of Social Services to the Human Services Department.

In 1986, the Commission released a study on *The Structure of County Government*. A by-product of this report was the enactment of legislation in 1987 (chapter 236) allowing the Board of Chosen Freeholders in non-charter counties to absorb various autonomous county boards, commissions and councils into a department of county government. Prior to the passage of this law only optional charter counties could avail themselves of this benefit. In Essex County, where welfare has become a division of their Department of Citizen Services, the director of this department noted that there has been improved administration of the agency as a result of this transition.

***The Commission recommends that every county create a comprehensive Department of Human Services.*** The components of a department might include all or a portion of the various agencies described hereafter.

In selecting agencies for inclusion in the department the decision to include or not include the county welfare agency is the single most important decision about the department's contents. Usually the county welfare agencies' budget and staff will be substantially larger than all other components of the agency combined. This situation will require the chosen department head to devote a large portion of his or her time to solving problems of that division.

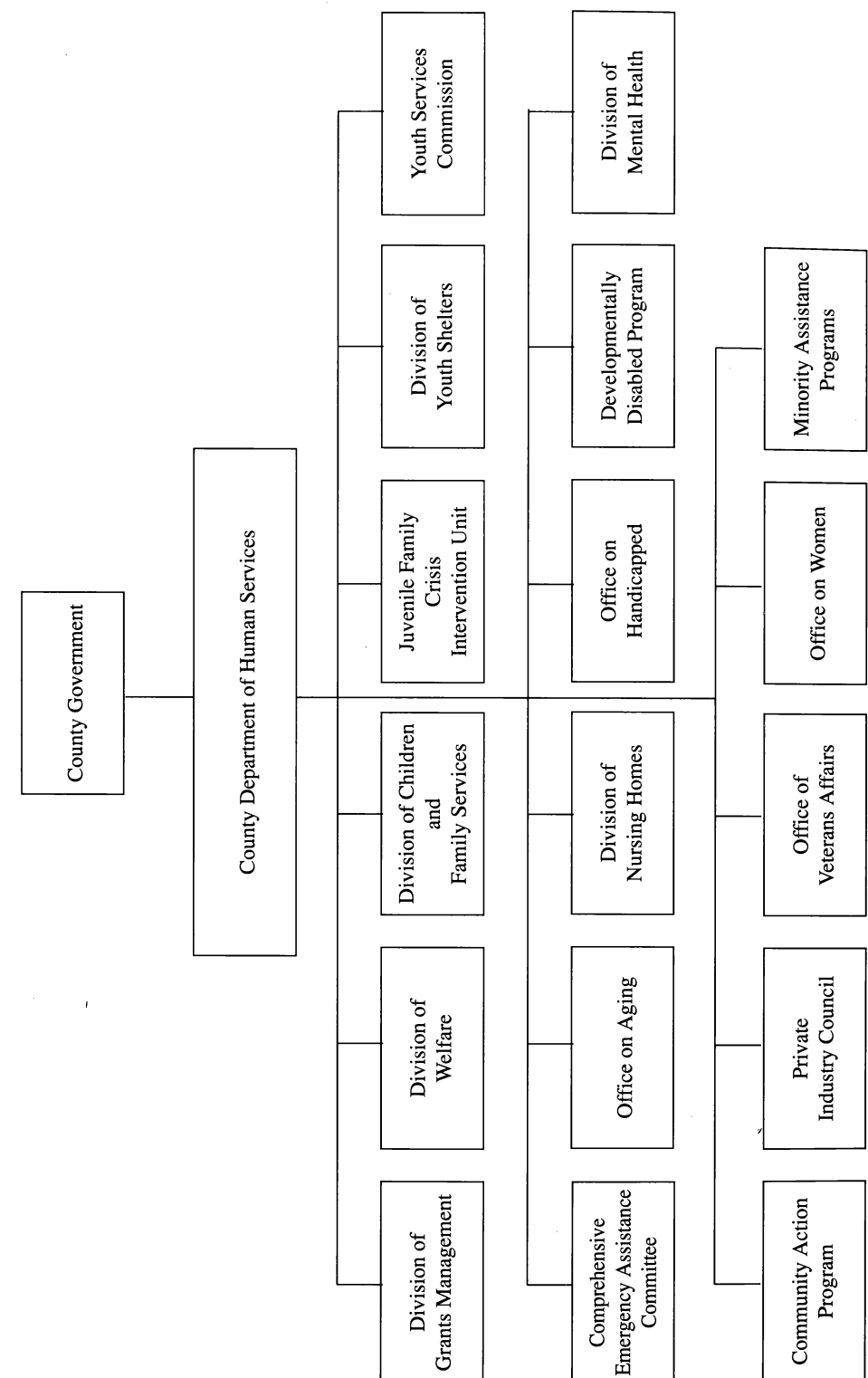
The inclusion of the county nursing home or hospital will also heavily orient the new department to the administrative problems of a single one of its components. Decisions on the inclusion of other agencies will relate to both substance and personnel. Under personnel consideration should be given as to what people will work best together. Under substance consideration should be given as to what functions should this particular agency be associated with, such as human services or another function such as health, corrections or transportation.

### Grants Management

Counties receive over \$110,000,000 per year of State and federal funds for their non-welfare human service programs. They also appropriate over \$70,000,000 a year from their own revenues for a variety of human service programs, including \$15,000,000 for mental health, \$8,000,000 for the elderly, \$5,000,000 for youth shelters, \$4,000,000 for homemaker program and many more.

As previously indicated the County Human Service Advisory Councils and related citizen boards, staffed by the proposed departments would monitor these county funds, and the \$415,000,000 of State grants to private non-profits located within the various counties.

**FIGURE 17  
A HYPOTHETICAL COMPREHENSIVE DEPARTMENT OF HUMAN SERVICES**



## Peer Grouping

"Peer grouping" is one component of financial management. It constitutes an altered reimbursement schedule from the Federal government for Medicaid payment to the county nursing homes. Traditionally, county nursing homes were included in the general rate system of Medicaid reimbursements despite the built-in inequities of that system regarding Medicaid reimbursements towards them. One of the chief problems was the higher levels, and thus costs, of skilled nursing care undertaken in county nursing homes which were not reflected in the previous statewide reimbursement schedule.

In 1984 "peer grouping" went into effect. Basically, it established a separate system of Medicaid reimbursement for county nursing facilities whereby county nursing homes would receive higher rates of federal reimbursement. The State share of this increase of Medicaid cost was picked up by county government. The net effect was an increase in additional federal funds to the counties of \$27 million in 1989.

The agreement further provided that the eighteen counties affected would expend the \$27,000,000 of federal funds saved by the county for county provided community care programs. This includes a range of \$258,000 for Salem County to \$5,066,000 for Hudson County.

## REACH Coordinator

All 21 counties have a REACH coordinator's office whose responsibility it is to represent the county's interest in the REACH program. In eleven counties the REACH administrator is in a Human Services Department, in five counties it is within the Welfare Board and in five counties it is placed elsewhere in county government. In Camden County the office operates out of the county community college. The main role of the office is to serve as a facilitator among the various involved county agencies. The coordinator's role in job training, education and day care is particularly important. Major tasks of the office include monitoring and fiscal oversight with close scrutiny given to the implementation of REACH objectives.

## Children and Families Program

The Children and Families Committee of the County Human Services Advisory Council may be staffed with its own administrator or planner. In other cases the director of the Department of Human Services carries out this function directly. As this function takes on a greater role in planning and monitoring State and county expenditures for children and family programs, this activity will grow in importance and thus require appropriate staff. The State Division of Youth and Family Services should provide appropriate assistance to this emerging function within county government.

## Juvenile Family Crisis Intervention Units

County human service activities include "juvenile family crisis intervention units." These organizations, which are mandated by the State, are established by the county to handle juvenile cases that involve a conflict between family and youths. Their role is to resolve the immediate crisis and thus avoid having court involvement. Their success is attested to by the fact that 90 per cent of the cases they handle do not go before a judge. Placing the juvenile in a shelter for an extended period of time would require such court involvement.

Within counties, nine of the "crisis intervention units" are located in-court and 12 out-of-court. In-court "crisis intervention units" are generally operated by probation officers of the courts, whereas those out-of-court may be operated by an executive agency or even a private entity by contract. There are professional education and training requirements for the staff. While "juvenile family crisis intervention units" are mainly county financed, the Division of Youth and Family Services and the family courts make several million dollars a year available for this purpose.

*The Commission recommends that all the "Crisis Intervention Units" be transferred to the County Department of Human Services.*

## Youth Shelters

The majority of counties operate youth shelters. They serve as temporary facilities for non-delinquent children, under the age of 18, while their case is being processed by the family court. Youth residing in such shelters have not committed criminal acts. Rather, they are involved in parent-child conflict. Typical shelter residents are truants from school, runaways and victims of child abuse or perpetrators of minor delinquent acts inappropriate for detention. The family court disposes of cases after the efforts of "family crisis intervention units" have been exhausted. "Family crisis intervention units" can determine that it is in the best interests of the youth to be placed on a temporary basis in institutional facilities or individual homes, that serve children on a foster basis, while the case is expedited by the family courts.

In addition to county operated youth shelters, Essex, Hudson, Hunterdon, Monmouth, Passaic and Somerset Counties contract out to private entities which provide such shelters, including host homes. The average county youth shelter tends to have a capacity of about a dozen youth, with Hudson County having the largest capacity at 28 and several smaller ones having capacities of eight or nine. Numbers of the county shelter slots are also contracted out to DYFS with DYFS paying a per diem rate of up to \$49 a day. This does not meet the overall costs so county governments make up the difference which run up to \$100 per day. Recent figures for late 1989 indicate a daily average statewide of DYFS use of county sponsored "youth shelters" of about 150 slots. The family courts expedite their cases by referral to DYFS or community agencies. DYFS is also responsible for licensing, inspecting and regulating youth shelters.

## Youth Services Commission

Youth Services Commissions function at the State, county and municipal levels of government. The previous chapter briefly discussed the State Youth Services Commission.

County Youth Services Commissions are now in place in all 21 counties. These commissions were established under a pilot program beginning in 1981. As mentioned in the Commission's 1989 report *Corrections Policy for the '90s* the role of these commissions is to prepare and submit to the Board of Chosen Freeholders an annual comprehensive Youth Services Plan for providing services to meet the needs of youth at risk, (possible juvenile delinquents) to coordinate and integrate existing services for troubled youth and to develop new and innovative programs for unmet needs.

Members of the County Youth Services Commission are appointed by the Board of Chosen Freeholders. Each commission has a youth services coordinator and may be assigned additional staff. Under the county commissions are a broad array of standing committees, ad-hoc committees and subcommittees. In Burlington County, the youth services commission utilizes three standing committees: planning, direct services and prevention-education.

Many municipalities now also have an active Municipal Youth Services Commission. The degree and nature of involvement vary greatly from one commission to another. In Burlington County alone, there are 22 Municipal Youth Commissions. Among the activities of these commissions in Burlington County are a program for latch key children, a support program for high school students and a buddy program involving senior citizens with troubled fourth graders.

## Juvenile Detention Centers

Juvenile detention centers are secure facilities where juveniles, charged with delinquency, can be held prior to disposition of their cases. Detention may take place if the court concludes that the juvenile is unlikely to appear for the court hearing or if the physical safety of persons or their property is seriously threatened.

Juvenile detention centers are operated by the counties. The facilities range in size from 19 to 85 juveniles with an average of 35 juveniles. With the exception of Cape May, Hunterdon and Salem Counties, which contract for services with other counties, the rest of the counties have juvenile detention centers. Over 11,000 juveniles spend time in a juvenile detention center annually. The total county costs for providing juvenile detention services for FY 1988 was \$24.6 million. The Department of Corrections is responsible for ensuring minimum standards and inspecting the facilities for compliance.

Under the new Code of Juvenile Justice, detention facilities may also be used for short-term commitment for sixty days in certain cases. At present, seven counties - Bergen, Cumberland, Middlesex, Ocean, Somerset, Sussex and Warren - utilize the "sixty-day" option.

## Comprehensive Emergency Assistance System Committee

Within county government there exists a standing committee of the County Human Service Advisory Councils whose sole focus is on the needs of the homeless population. Comprehensive Emergency Assistance System Committees (CEAS) are present in all 21 counties for the aforementioned purpose.

Members of CEAS are selected by the Board of Chosen Freeholders. Included in the responsibilities of this committee are the following:

- Preparing and annually updating the comprehensive county plan for homeless individuals and families;
- Assisting the County Human Service Advisory Council in its needs assessment activities;
- Assembling information on sheltering programs;
- Coordinating public and private agency efforts related to affordable housing and the homeless;
- Monitoring the operation of the county's emergency food and shelter systems;
- Serving as a clearinghouse on all projects under construction which call for the use of public funding;
- Reviewing County Human Service Advisory Council allocations, spending plans and contract renewal recommendations relevant to homelessness;
- Developing and reviewing plans required for state and county initiatives regarding homelessness.<sup>1</sup>

The counties expend several million dollars a year in both emergency assistance and homeless funds from their own sources and from funds received from State grants. It is imperative that the CEAS programs be closely integrated with the Emergency Assistance programs of the County Welfare Agency.

## County Offices on the Aging

Another level of New Jersey's local government system through which multifarious human services are provided is the County Offices on the Aging. Each of the 21 counties has such an office. Like many County Departments of Human Services, County Offices on the Aging function mainly as a watchdog for services that have been contracted through private providers. These services are made available through a combination of federal, State and county funds.

<sup>1</sup>Burlington County Office of Human Services, Comprehensive Emergency Assistance System Committee.

Among those services which are either directly or indirectly provided through the County Office on the Aging are the following: information and referral, various nutrition and home support services and community support services such as legal assistance, a retired senior volunteer program and a language translation program.<sup>2</sup>

The County Offices on Aging expend more than \$20,000,000 a year on programs for the elderly. Both the federal government and the county governments contribute significant funds to this effort which is also assisted by the State. The larger counties and the shore counties have the largest programs for the elderly.

### County Nursing Homes

In New Jersey there are 23 county nursing homes located in all of the counties except Ocean, Somerset and Hunterdon. According to the Division of Medical Assistance and Health Services, as of January, 1989, these facilities provided 5,583 beds statewide to an average daily population of 4,428. The counties spend over \$250,000,000 dollars a year to run these large staff heavy residential institutions as can be seen in Table 16.

Potential nursing home residents can be referred to these institutions through a variety of agencies including community social service agencies, Boards of Social Services and Medicaid District Offices. As was noted in the previous chapter, those clients who are receiving or eligible for Medicaid are now being carefully screened through PASAR and PASS Programs to determine if community placement would be more suitable for a client than nursing home placement. For those residents who do end up in these facilities, nearly 80 per cent are presently covered by Medicaid. The Medicaid program has provided incredible relief to the counties in financing this expensive program.

### Senior and Disabled Transportation Program

Every county operates a "senior and disabled transportation program." The program's purpose is to enable seniors and the disabled to function in their communities by providing direct transportation services for basic activities such as medical appointments, banking and food purchases. Services range from regular senior citizen mini-bus routes to dial-a-ride services.

Funding for the program emanates mainly from the Casino Revenue Fund where 7.5 per cent of the tax is earmarked for the "senior and disabled transportation program." In FY 1990, the amount provided from the Fund to counties was \$12.5 million, with 75 per cent of that amount designated for Paratransit. Funding is apportioned to the counties on the basis of senior population with no county receiving more than 10 per cent of the total budget nor less than \$250,000. In most

<sup>2</sup>The County and Municipal Government Study Commission, *Services for the Elderly: Current and Future Needs* (October 1988), pp.64-72.

**TABLE 16**  
**1989 COUNTY APPROPRIATIONS FOR**  
**COUNTY NURSING HOMES**

COUNTY	NURSING HOMES
Atlantic	\$ 2,993,821
Bergen	84,219,115
Burlington	7,208,334
Camden	16,600,000
Cape May	3,731,176
Cumberland	5,231,972
Essex	9,082,410
Gloucester	4,123,645
Hudson	22,802,000
Hunterdon	
Mercer	5,716,277
Middlesex	29,441,740
Monmouth	8,139,808
Morris	14,175,000
Ocean	
Passaic	13,478,000
Salem	2,752,000
Somerset	
Sussex	2,995,739
Union	15,819,597
Warren	5,800,398
<b>TOTAL</b>	<b>\$254,311,032</b>
Source: 1989 County Budgets	

counties the service is free, while in others there is a slight charge for use. In addition to State and county monies for the program, federal monies, through the Older American Act - Title IIIB (\$2.1 million) and the Urban Mass Transit Act (\$2 million) support the transportation program.

The transportation program commonly operates, at the county level, out of either the "Office on Aging" (seven counties) or "Department of Transportation" (12 counties). In providing this service, counties may contract out to private companies or run the service themselves. Two counties, Warren and Camden completely turned over the program to nonprofit transportation entities. Variation exists from county to county regarding fees.



Photo courtesy of Gordon Parker, Department of Human Services, Office of Public Information

## County Office on the Handicapped

All of New Jersey's 21 counties now have an Office on the Handicapped. These offices are designated as the conduit for both physically and developmentally handicapped services. Services emanating from the aforementioned office may be provided directly or through a contracted private, non-profit agency. Among the services that may be provided by this office are the following: information and referral, intake, client advocacy, general case management, outreach, housing location assistance, recreation, consumer education and supportive counselling.

A specific program of this office, established in 1985, is known as the Personal Attendant Service Program. Through this program those between the ages of 18 and 65 are offered assistance in the form of personal care, light housekeeping, shopping and meal preparation so that they may remain in the community. The State Division of Medical Assistance and Health Services provides funding of several millions of dollars per year to the counties for this program.

A number of counties offer special programs for the handicapped. One such program is the Mercer County Youth Equipped Satellite Services for Recreation (YESS). The program was established in 1986 and is located within the Office of the Handicapped in the County Department of Human Services. In 1987 an advisory board consisting of 11 members was formed under this program.

Through the YESS Program, hundreds of families with disabled children are offered an extensive array of recreational programs. These programs are provided through contracts to private agencies and are selected and monitored through both the advisory board and the Office on the Handicapped. The Offices on the Handicapped have done an especially good job in meeting the needs of the physically handicapped.

## County Disabled Advisory Council

In a majority of New Jersey's counties, the needs of the disabled are addressed not only through the County Office on the Handicapped but, also through County Disabled Advisory Councils. Members of these councils are approved by the County Board of Chosen Freeholders. However, the council size and degree of activity varies significantly from one county to another.

Earlier in this chapter the Commission recommended the use of a Developmentally Disabled Board in each county. This council might provide the base for such a board. If it were, its responsibilities would need to be revised with an appropriate increase or change in membership as needed. Staffing for the board might also be provided through existing resources. In addition, the State Division of Developmental Disabilities should provide appropriate assistance for this new role within county government.



## County Mental Health Programs

Each county in New Jersey has both a mental health administrator and a mental health board. The members of the board are appointed by the Board of Chosen Freeholders. The role of the County Mental Health Boards is advisory in nature, and generally speaking, they do not provide services directly. The program reviews and monitors those community agencies with whom the State or county has contracted for the provision of mental health services.

Both the County Mental Health Board and the Mental Health Administrator are responsible for the development of a county mental health plan. These plans must focus on those individuals with the greatest mental health needs in the community. The boards also make recommendations to the State and county as to which private non-profit agencies receive grants in aid each year for mental health purposes. The boards use an artificial system mandated by the State of regions of equal population to make decisions as to what agency deserves funding. This practice should be abandoned in favor of a single countywide region.

The counties commit \$14,500,000 of their own funds to community mental health services. Both Middlesex and Somerset Counties have impressive programs of providing mental health service directly. Bergen, Monmouth and Morris also have county programs of special significance. Many counties, however, do not make a direct contribution to community mental health programs from their own revenues.

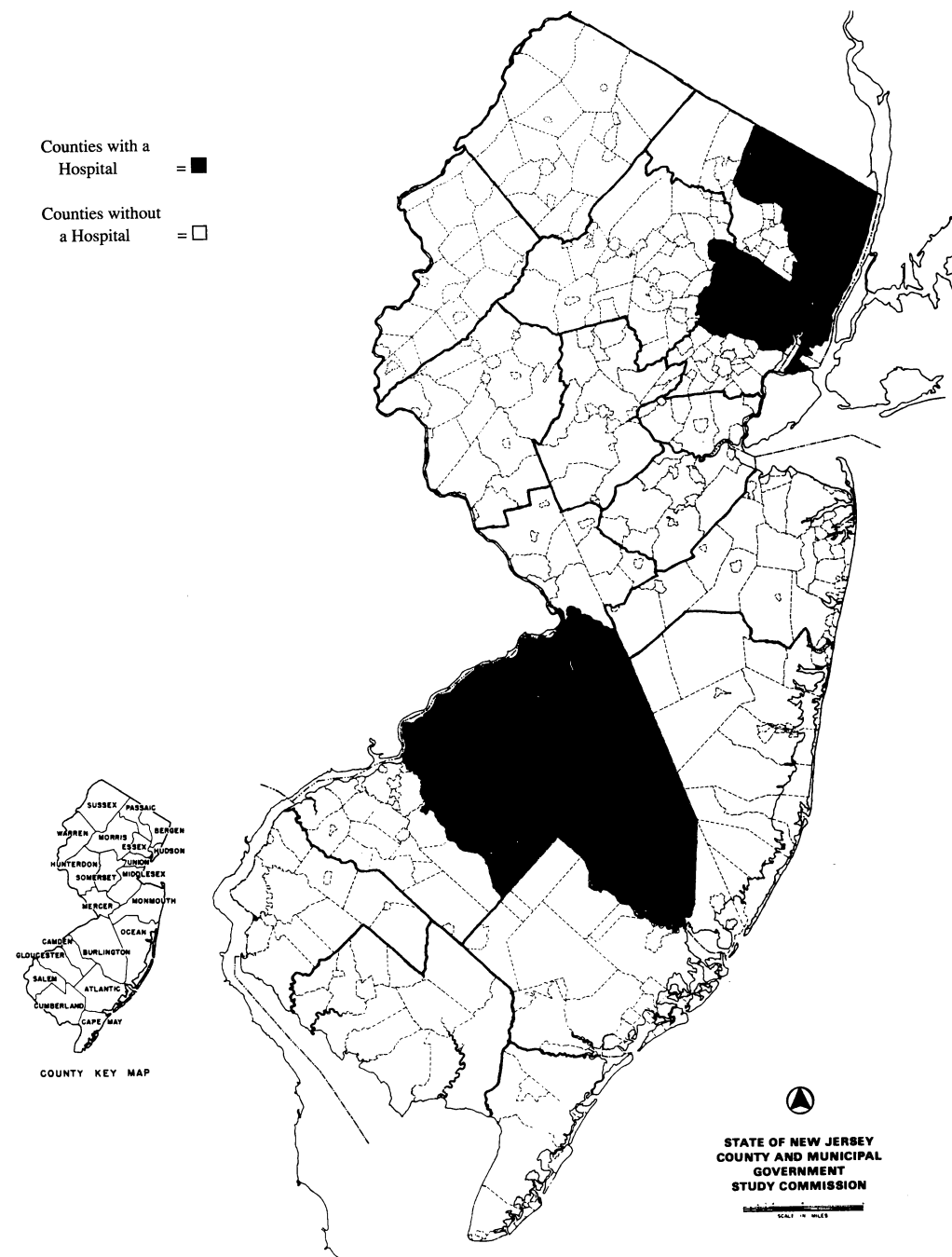
## County Psychiatric Institutions

In New Jersey there are five county psychiatric hospitals. Nationwide there has been a growing trend of closing these hospitals to the point where there are only 14 left in the United States (including New Jersey's five). The five counties with psychiatric facilities in this State are indicated on Figure 18 and are as follows: Bergen Pines County Hospital, Buttonwood Hospital of Burlington County, Camden County Hospital Center, Essex County Hospital Center and Meadowview Hospital in Hudson County. The net average daily population at the respective facilities is 393 in Essex, 250 in Bergen, 101 in Camden, 40 in Hudson and 27 in Burlington.

Between 1975 and 1987 there was a seventy-three per cent decline in the average resident population of these county facilities.<sup>3</sup> The Division of Mental Health and Hospitals, attributes much of this reduction to the placement of patients in long-term care settings. Most recently, the Cumberland County psychiatric hospital was closed in 1982.

<sup>3</sup>New Jersey Department of Human Services, *New Jersey State Mental Health Plan 1989-1991 "Toward A Comprehensive System of Care"* (Trenton, New Jersey: Division of Mental Health and Hospitals, 1989), p. 80.

**FIGURE 18**  
**COUNTIES WITH PSYCHIATRIC HOSPITALS**



Source: NJ Department of Human Services

The facilities in Bergen, Burlington, Camden and Hudson Counties are primarily nursing homes with one building or wing dedicated to treating psychiatric patients. In addition to this, the Essex County Hospital Center, which is the largest county psychiatric hospital in the nation, accepted nursing home patients in one of its wings in 1989 for the first time.

As discussed earlier in this chapter, all responsibility for the patients in the five county psychiatric hospitals should be transferred to the State. The State is presently paying for 50 per cent of the costs of these facilities with the counties assuming the responsibility for the remaining 50 per cent. In State fiscal year 1989, the State paid the counties \$30,183,176 for these facilities. The State paid Essex \$16,422,975, Camden \$6,086,323, Bergen \$5,715,662, Hudson \$1,276,508 and Burlington \$681,708.

### County Adjuster

Every county government has a county adjuster's office. The office may be independent or a part of another county department. Some counties also have assistant adjusters. County adjusters are responsible for processing admissions to State developmental centers and State psychiatric institutions. In addition, adjusters also schedule hearings for patients in such institutions so as to determine their ability to pay for care being provided to them. The majority of these patients are indigent. The adjuster attempts to maximize the return to the county of costs for hospitalization by pursuing any private funds or insurance coverage that may apply to these expenditures.

In 1988 the county adjusters office earned the counties over \$14,000,000 in revenues from this source at an expense of less than \$2,000,000. As part of the shift of responsibility, described earlier, in this chapter, the functions of the county adjusters office will be transferred to the State.

### Local Advisory Committee on Alcohol and Drug Abuse

The primary role of the Local Advisory Committee on Alcohol and Drug Abuse is to develop and implement a plan for prevention, education and treatment of alcohol and drug abuse. Membership of the LACADA is determined by the Board of Chosen Freeholders. Statewide these committees vary in size from seven to twenty-two members. Each LACADA has at least one staff person assigned to it. In regard to membership, LACADAs must also have a professional advisory committee. This committee consists of representatives of agencies which offer drug abuse and alcohol services. These committees range from 14 to 51 members.

Funding is provided to the LACADAs from a variety of sources including the county, federal block grants and a State tax on alcohol. This money is used to contract out with private non-profit agencies for the provision of services which the LACADA also monitors. The counties record State aid receipts of six million dollars a year for alcohol and one million dollars for drug programs and expend

another \$3 million for alcohol and \$2 million for drugs from their general fund. Monmouth, Cumberland and Bergen Counties have larger alcohol programs. Whereas, Camden County has the largest drug program.

### Other Health Programs

The counties operate additional important health programs. This report is not about health programs. There is, however, a large amount of interaction between public and private health programs and public and private human service programs. Counties expend a large amount of funds raised locally and a large amount received in federal and State aid for health services. Many of these funds are distributed to private non-profits for a variety of activities. The counties experience with working with the private sector in purchasing and monitoring health service programs complements their parallel roles in the human services area. The counties role in providing maternal and child health programs, chronic disease programs, communicable sexually transmitted disease programs and nutrition programs is especially commendable.

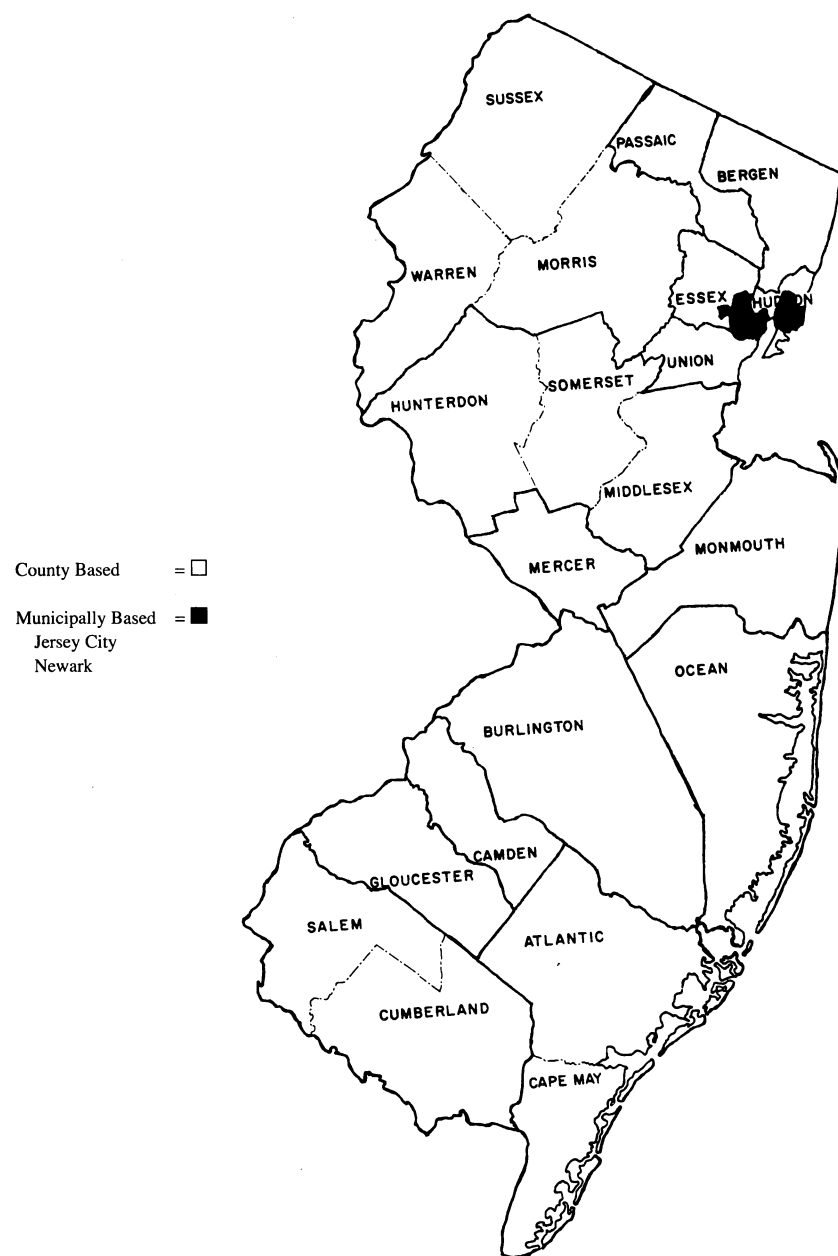
### Private Industry Councils

Private Industry Councils have been established to achieve successful job training programs. As such, they are the successor to the CETA programs which preceded them. The Federal Job Training Partnership Act provides funds through the State Department of Labor and county governments to private non-profits "Private Industry Councils," organized on a single municipality or county or multi-county basis, to train individuals for jobs. In 1989 the county budgets recorded the receipt of \$45,000,000 for this purpose. Funding is provided for them by the federal government through a formula and by the State through administrative discretion. There are 17 Private Industry Councils in the State, 15 which are county or inter-county based and one each which operate for the cities of Newark and Jersey City as can be seen in Figure 19. Their make-up consists of individuals from private and public agencies, appointed by the elected chief executive of the government within which they operate. They are required by Federal law to have at least a majority membership that is private sector. The chairperson must be from the private sector, with one-half of the members from small businesses.

The charge of Private Industry Councils is to establish and implement a policy for job-training within their respective boundaries. Toward this end, they can establish on-the-job training programs, contract with private companies, community colleges and public vocational schools, and non-profit training centers. With the enactment of Job New Jersey, their focus has broadened to the larger concern of the relationship between the employment situation and employee training.

Because of the REACH program, the relationship between the Private Industry Council, the County Welfare Agency and other educational and human service programs is very important.

**FIGURE 19  
PRIVATE INDUSTRY COUNCILS**



Source: New Jersey Department of Labor.

## Community Action Programs

Community action programs (CAPs) exist to provide social services for low-income New Jersey residents. They have their origins in the federal War on Poverty in the late 1960s. There are currently 27 "community action program" organizations operating in the State, six of which are governmental entities and the remainder are non-profit. Their total funding level in FY 1988 was about \$50 million.

Of the six governmental entities, four are county governmental entities (Union, Essex, Passaic and Mercer) and two are municipal government entities (Jersey City and Plainfield) as can be seen in Figure 20. Each of these, public agencies function on federal, State and local monies, although the local share tends to be small.

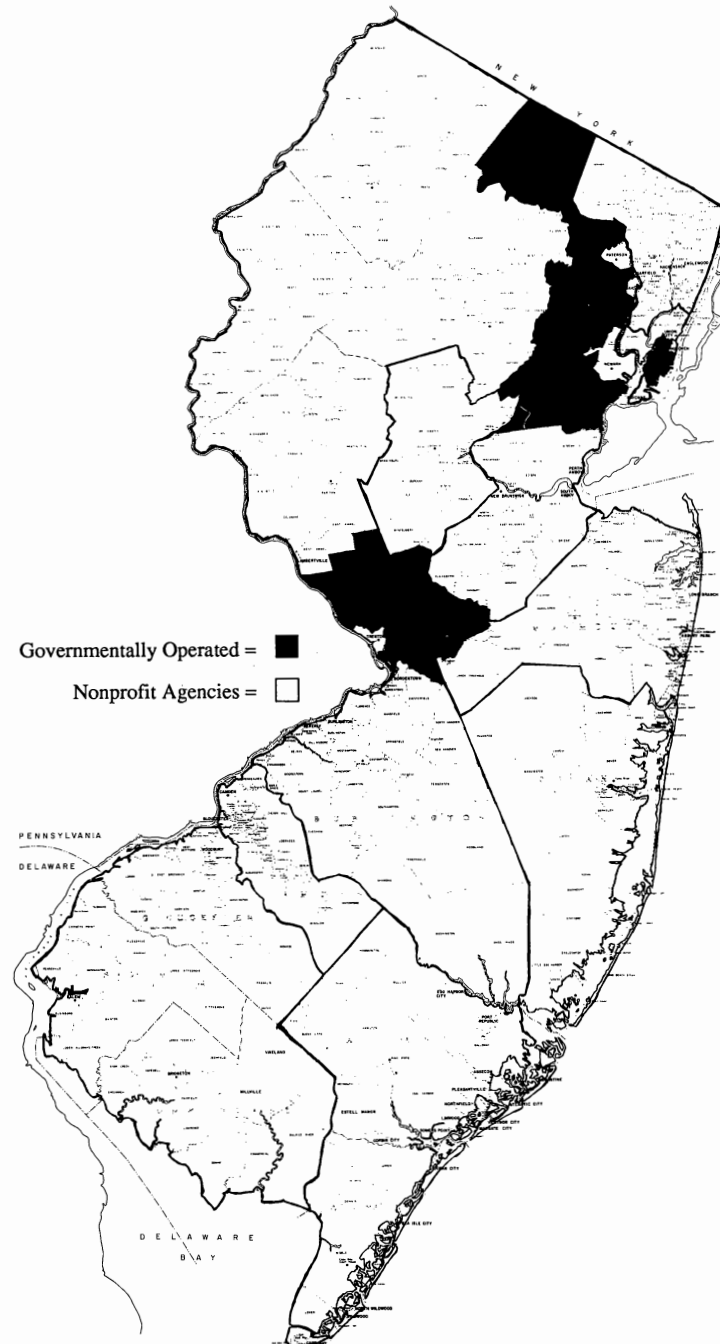
Governmental agencies may provide the social services themselves or contract out. The tendency is for governmental CAPs to contract out. Service areas generally handled by the public community action program agencies include aid for the homeless, weatherization and child day care. A major source of funding for CAPs is the Federal Community Service Block Grant, received through the State Department of Community Affairs, with many community action agencies also the recipients of Social Service Block Grant funds. By in large, community action agencies receive public funding applying successfully for grants, with some individual services, such as child day care, relying partially on fees from non low-income participants. One illustrative CAP is that of Essex County. Essex County's CAP is the Division of Community Affairs. Its staff consists of about 20 employees and a budget of four million dollars, with the effort largely directed at contracting out services. Its largest program is a \$1.3 million program - "Comprehensive Services to the Homeless," with benefits primarily received by non AFDC recipients. Here services are contracted out to nonprofit organizations who provide food, shelter and relocation assistance to the homeless. Also, a "weatherization program" is run by the county CAP whereby the agency engages in a weatherization effort for low-income utility customers and for low-income residents through its own program. Another program is "Targeted Assistance," through which the CAP provides job preparation and placement for recent immigrants who are mainly of Haitian, Cuban and Russian-Jewish descent.

## Office of Veterans' Affairs

Many county governments have an office for veterans. It performs several functions. To a large extent it serves as an informational and referral office, providing information on pensions, veteran hospital and county nursing homes, existing federal, State and local government benefits and widows' benefits. Veterans are then referred to the proper governmental offices for their needs.

In addition, the veterans' offices tend to be involved in linking veterans with perspective employers, companies are sought out and encouraged to hire veterans. Bergen County, which has the largest number of veterans among the 21 counties at

**FIGURE 20  
COMMUNITY ACTION AGENCIES**



Source: N.J. Department of Community Affairs.

110,000 veterans, also is involved in job training for veterans who have just gotten out of the service.

### Office of Hispanic Affairs

County offices on hispanic affairs serve as a liaison between county elected officials and the hispanic community. They do so in two salient ways: by identifying the problems and needs of hispanics within the county and serving as a referral office for hispanic citizens who need and qualify for public program assistance. Some hispanic offices also play an advocacy role. Camden County's Hispanic Advisory Commission, for example, which came into existence in 1989, advocates policies and seeks to increase the participation of the hispanic population. Many offices on hispanic affairs are located with the county's Department of Human Services. In general, they tend to be one or two person staff operations.

### Offices on Minority Affairs

There are different kinds of offices on minority affairs in county government. One of the most common is the "affirmative action office". Its function is to protect employees and job seekers against discrimination in the work place. The office handles complaints from individuals who feel they have been discriminated against. In some counties the Office on Aging has an office on minority affairs within it. Here, the concerns and needs of racial minority elderly are followed and addressed.

### Office on Women

Many counties have created "advisory commissions on women" or "committees on women." Whether located within the county department of human services or existing as an independent entity, such offices oversee the concerns of women and focus governmental attention toward particular problems encountered by women. Areas in which "offices on women" have been involved include: job training workshops, shelters for women, referrals, rape crisis intervention, and assistance for displaced homemakers. County organizations on women play a useful role by sensitizing the county government and its citizens to women's issues and problems. In addition, four municipalities have "offices on women."

### CONCLUSION

This chapter has examined the role of various local government entities in providing human services. Through these departments, boards, councils and commissions a multitude of needs of indigent clients and non-indigent clients are addressed. Chapter IV recommended the elimination of the State's billing the counties for \$169,000,000 a year for State human service; the ending of the local obligation to contribute to State mandated welfare payments - saving the counties

\$45,000,000 and the municipalities \$21,000,000; transfer of municipal welfare administration to the county - saving the municipalities \$10,000,000; the formation of comprehensive human service departments in every county; the use of a variety of county human service advisory councils to promote public-private and State-local interaction; and the enactment of permissive legislation for municipal human service activities.

The recommendations contained in this report end the most unacceptable and most ineffectual state mandates on county and municipal governments in the human service area. It replaces them with a more permissive pattern emphasizing county involvement with a multitude of community human service activities and municipal involvement limited to those activities the municipality chooses to be involved with.

## **FUTURE PUBLICATIONS OF THE COUNTY AND MUNICIPAL GOVERNMENT STUDY COMMISSION**

- Intergovernmental Aid and Financing Within New Jersey
- Independent Boards and Municipal Government
- Private Contracting and Local Services



## ABOUT THE COMMISSION

The New Jersey Legislature established the County and Municipal Government Study Commission with the charge to "study the structure and functions of county and municipal government ... and to determine their applicability in meeting the present and future needs of the State and its political subdivisions".

To achieve as broad a representation as possible in carrying out this legislative charge, a Commission of fifteen members was created, nine of whom are named by the Governor, three of whom are Senators, named by the president of the Senate, and three of whom are Assemblymen, named by the speaker of the General Assembly. Of the Governor's appointments, three are nominees of the New Jersey Association of Counties, three are nominees of the New Jersey State League of Municipalities, and three are from among the citizens of the State.

The Commission's initial report, *Creative Localism: A Prospectus*, recommended a comprehensive and systematic study of the patterns of planning, financing, and performing functions of government. This assessment seeks to develop more effective approaches for the provision of services by municipal and county governments and the State through statutory amendments and changes in administrative practices and policies.

In light of these goals, the Commission has examined alternative forms of providing services on a larger-than-municipal scale and has evaluated current systems for the provision of services. This research has led to a series of structural studies dealing with county government, joint services, consolidation and municipal government forms. The Commission also engages in functional studies that are focused upon the services that local governments provide or should so provide. These functional studies have included examinations of transportation, housing, social services, health, solid waste management, flood control, libraries and state mandates. In addition, a series of informational periodicals and handbooks are published for the use of officials, administrators and others interested in New Jersey government.

While the Commission's research efforts are primarily directed toward continuing structural and functional studies, its staff is often asked to assist in the drafting of legislation and regulatory action based upon Commission recommendations. The Commission also serves as a general resource to the legislature, executive agencies, local government officials and civic organizations, as well as to related activities at the national level.

## PAST REPORTS OF THE COUNTY AND MUNICIPAL GOVERNMENT STUDY COMMISSION

The Organization and Dynamics of Social Services in New Jersey, June 1979  
Forms of Municipal Government in New Jersey, January 1979

(In cooperation with the Bureau of Government Research, Rutgers, The State University of New Jersey)

- \* Local Highway and Road Programs: The Capacity of Federal and State Aid Programs to Meet Increasing Needs, September 1978
- \* Computer Utilization by Local Government, November 1977
- \* Flood Control Management: An Overview of Issues and Responses, November 1977
- \* Bus Transportation: State-Local Roles and Responsibilities, May 1977
- \* Aspects of Law Enforcement in New Jersey, June 1976
- \* Water Supply Management in New Jersey: Summary of Findings, April 1975
- \* Community Health Services: Existing Patterns, Emerging Trends, November 1974
- \* Housing and Suburbs: Fiscal and Social Impact on Multifamily Development, October 1974
- \* Water Quality Management: New Jersey's Vanishing Options, June 1973
- \* Solid Waste: A Coordinated Approach, September 1972
- \* A Public Personnel Information System for New Jersey, March 1972
- (In cooperation with the Bureau of Government Research, Rutgers, The State University of New Jersey)
- \* Consolidation: Prospects and Problems, February 1972
- \* Beyond Local Resources: Federal/State Aid & the Local Fiscal Crisis, April 1971
- \* Joint Services: A Practical Guide to Reaching Joint Services Agreements, May 1971 (In cooperation with the N.J. Department of Community Affairs)
- \* Joint Services: A Local Response to Area-Wide Problems, September 1970
- \* County Government: Challenge and Change, April 1969
- \* Creative Localism: A Prospectus, March 1968

\*Available upon request

