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PUBLIC HEARING

before

SENATE LEGISLATIVE OVERSIGHT COMMITTEE

(A review of the funding and management of the
Special Supplemental Food Program for Women, Infants, and
Children (WIC), administered by the Department of Health)

June 10, 1986
Room 334
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Gerald R. Stockman, Chairman
Senator Christopher J. Jackman, Vice Chairman

ALSO PRESENT:

Steven B. Frakt
Office of Legislative Services
Aide, Senate Legislative Oversight Committee

New Jersey State Library

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State House Annex
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Trenton, New Jersey 08625

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New Jersey State Legislature

SENATE

LEGISLATIVE OVERSIGHT COMMITTEE

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May 28, 1986

NOTICE OF A PUBLIC HEARING

The Senate Legislative Oversight Committee will hold a Public hearing on Tuesday, June 10, 1986 at 10 a.m. in Room 334, State House Annex.

The hearing will review the funding and management of the Special Supplemental Food Program for Women, Infants and Children (WIC), administered by the Department of Health.

For further information contact: Steven Frakt, the committee aide, at (609) 984-4811.

SBF:pc

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SENATOR GERALD R. STOCKMAN (Chairman): I would like to get started with the Senate Legislative Oversight Committee hearing on the funding and management of the WIC Program. I apologize for being a little bit late getting started, but we are kind of close to on time.

Really, these hearings grew out of efforts by Assemblyman Schwartz to express concern about the problems. He urged that we look a little more formally into it, and for any problems there are, see what legislative or administrative action needs to be taken. This has caused me, and perhaps other members of the Committee, to take a look at the WIC Program a little bit, a Program that I am not that familiar with personally, but which obviously is an important fundamental care program.

I think we will start the hearing off with Assemblyman Schwartz. I'm looking around, and I realize-- I thought he was out in the crowd, but I guess--

UNIDENTIFIED PERSON FROM AUDIENCE: I'll check right now.

SENATOR STOCKMAN: Will you please see if we can get him in here to be our lead-off witness?

We have about nine or ten witnesses. We will try to proceed, of course, expeditiously and, at some point, make some determination as to whether we can finish the hearing before lunch or, if not, take a lunch break. I will huddle with the Committee, which at this point is composed of two of us. Whether we will be joined by other members of the Committee, I'm not sure. Several of them had problems about getting here. Senator Jackman is here to my left. He traveled a good distance. I know he is interested and concerned about the issue we are here to talk about today, so I am delighted to see him here. He may want to say something further while we wait for Assemblyman Schwartz. Chris, do you--

SENATOR JACKMAN: I have nothing to say. I am just ready, willing, and able.

SENATOR STOCKMAN: As is always the case. The other witnesses -- for your information, as long as we are waiting for David-- We will hear from people from the Department of Health. We will hear from the Commissioner, Molly Coye, from the Deputy Commissioner, and from one of the Assistant Commissioners. We will also hear from some WIC local coordinators. First we will hear from Assemblyman David Schwartz. David, good morning.

A S S E M B L Y M A N D A V I D C. S C H W A R T Z: Good morning, and thank you.

SENATOR STOCKMAN: I acknowledged that you were the inspiration for this hearing. So, please start off.

ASSEMBLYMAN SCHWARTZ: Thank you very much, Senator Stockman. Good morning, Senator Jackman.

SENATOR JACKMAN: Good morning.

ASSEMBLYMAN SCHWARTZ: I am delighted to be here. I want to thank you, Senator Stockman, for having this hearing, and I want to thank Senator Russo for facilitating this hearing. I think it is an example of legislative responsiveness. It has really been only a matter of weeks since I wrote to Senator Russo asking that a Committee hearing be held on this matter of under-expenditures by the WIC Program -- the Women's, Infants', and Children's Supplemental Nutrition Program in New Jersey -- with unfortunate consequences for the health of these people in the State.

Let me say that I appreciate Senator Russo's responsiveness, and yours. Let me say, also, that I wrote at the same time to Speaker Hardwick, and his response also does him credit. Although he has not yet necessarily ordered a hearing, he has written letters and begun an inquiry on his own. I think that is meritorious, as well. But certainly your willingness to have this hearing does you great credit, Senator, and I wanted to begin by acknowledging that.

Let me say -- as I have said repeatedly, in the press and to you and to Senator Russo and to the Speaker and to leaders in the New Jersey Department of Health -- my interest in having a legislative investigation on the problems in the WIC Program is not at all to hurt the Program or to blame anyone for any problems that may have gone forward. I am not interested in assessing blame. I have no interest in trying to find fault with anyone. My interest is in finding out what the problems are, finding out how to solve those problems, and, where appropriate, finding out where there is a legislative remedy or where those problems need a legislative solution -- and at least one of them does.

I am here this morning to argue for a bill, but a bill needs to be drafted and, I hope, bipartisanly supported. We want to go ahead and find out what the problems are, identify the potential solutions, and, where appropriate, draft legislation to solve the problems. I am not suggesting, of course, that every one of the problems that we will identify -- and I will be talking about four or five problems I have seen in the WIC Program over the last two, three, or four years-- I am not suggesting that all of them need legislation. In many cases, high-minded administrative action will solve the problems. But, there is at least one program problem which, in my judgment, will need legislation. In the next 5 or 10 or 15 minutes -- and I won't take longer than that; I expect to be reasonably brief this morning in my testimony -- I will identify one such problem. I will be suggesting that in both houses, on a bipartisan basis, a piece of legislation to appropriate an emergency fund of approximately a million and a half dollars, to act as a buffer for this WIC Program, so that there is a State fund in place, and the Department of Health will not have to underspend for fear of overspending its budget, and so that we will not have the sorry consequence of people being, in effect, denied recertification or more

opportunities to be fed, or newly denied opportunities to receive nutrition funds for fear of overspending.

I think that is an unfortunate consequence. Everyone wants to have fiscal responsibility. Everyone wants to instruct high State officials that they ought to be careful with money, that they ought to balance their budgets and live within their means. That is a universal conception in New Jersey, and in America, but we don't want to balance that budget and stay within that budget in such a manner as to hurt poor and needy people, or to provide innocent children and infants with a lack of funds, to require that they be malnourished or, in effect, to require that. For us to be fiscally responsible, if we must fix that responsibility on the most vulnerable, the most innocent, the most needy, in my judgment, that is wrong. If that has happened -- and I believe this hearing will show that it has happened; I believe there is documentation that it has happened -- then I think it ought not continue to happen.

I will advocate, and I am prepared to introduce on Thursday, a bill to begin to remedy this. I certainly hope that legislation will be bipartisanly supported and, indeed, bipartisanly sponsored in both houses.

Mr. Chairman, with your permission, I have to tell you that I think there is some context that needs to be set here. My testimony, almost exclusively, will deal with WIC -- as it should at this hearing -- but I have to say that the WIC Program is only a part of our hunger-fighting effort in New Jersey, and in America. I have to tell you, because I have to set the context in which this operates, that, in my judgment, our hunger-fighting effort in New Jersey is in disarray and in a shambles.

First of all, we are all over the map; we are uncoordinated. We have a Food Stamp Program administered by the Department of Human Services; a WIC Program administered by

the Department of Health; a Child Nutrition Program administered by the Department of Education; and, a Senior Citizens Nutrition Program administered by the Department of Community Affairs. This manifest lack of coordination is dictated by Federal law, by Federal statutes. Some of it is not, but clearly there needs to be greater coordination. There just needs to be greater coordination of our entire efforts.

Moreover, we have seen cuts -- if I may say so, Senator, I think inhuman cuts -- in all of those programs; not just Federal, but State cuts, as well. Our School Nutrition Programs have been cut \$3.2 million per year over the last four years. We have seen School Breakfast Programs close all over the State and School Lunch Programs cut. Thousands and, in some cases, hundreds of thousands of kids are not getting the milk or the Lunch or the Breakfast Program that they require for good education.

We have seen a Senior Citizens Nutrition Program which purports to solve the problems and serve the nutritional needs of our State's elderly -- our parents and our grandparents -- meeting less than a third of the need. It is largely unavailable on weekends; largely unavailable on holidays. It is very much unavailable on weekends for the elderly and the handicapped.

We have seen scores of thousands of people in New Jersey being cut off from food stamps -- in my judgment improperly and inhumanely -- and a lack of coordination, I would argue, in some cases, between the Food Stamp Program and these other programs, including the WIC Program.

So, I see that we have an alleged hunger-fighting effort in New Jersey that is in substantial disarray, administratively not pulled together as it might be, and under-funded. I am going to argue this morning that the WIC Program, too, is under-funded, underspent, understaffed, and under-utilized.

I will refer now and henceforth in my testimony exclusively to the WIC Program. I appreciate your tolerance -- your longitude and latitude, as the former Speaker used to say -- in allowing me to set the context, but hungry people are hungry people. We are going to talk this morning about one Program to help hungry people, but all of the programs need to be looked at. We are going to need a major coordinated effort -- a war on hunger in New Jersey -- if we are going to solve this problem. It is time to end hunger in New Jersey, and we can do it.

Let me say as I begin that I am not seeking any blame or fault here. Let me say, also, that I want to begin my remarks about WIC by saying that I support the WIC Program. I think Congress did the right thing in passing it, and New Jersey has, again and again, done the right thing by trying to administer it properly. But, there have been some problems in that program, problems that have resulted in the denial of funds to people who needed those funds, and I want to deal with that this morning.

SENATOR JACKMAN: Let me ask you one question.

ASSEMBLYMAN SCHWARTZ: Certainly.

SENATOR JACKMAN: Why, then, do we have to send money back to the Federal government? If we've got it to spend and we don't spend it, then we send it back to the Federal government. You're telling me that people are going hungry, and yet we have the moneys there. We are willing and able to spend it to give them the food, but we don't spend it.

ASSEMBLYMAN SCHWARTZ: I am sure you will hear that question repeated again and again this morning, Senator.

SENATOR JACKMAN: I will.

ASSEMBLYMAN SCHWARTZ: I know you will, and it does you credit that you are concerned about it. That is one of the reasons we are all here.

I understand that one of the reasons we underspent that money -- that we returned the money -- was the fear of overspending. They were afraid of hitting 101%, or more, so they underspent it. They didn't make the Federal cutoff of 95% or more, so they had a Federal penalty, in effect. At least that is the information I received from letters to the Commissioner from the Federal government and letters from one of the Assistant Commissioners to me.

The fact is, however, we did underspend. We have had competing information as to how much we underspent. There are letters here from the Federal government addressed to Commissioner Richard J. Goldstein, dated April 8, 1985, suggesting that there was, at that time, a return of \$590,000-plus in unspent FY '84 food funds. They estimated at that time that approximately 4980 more participants, that is, needy women, infants, and children, could have been served in the last four months of that fiscal year -- that's '84 -- had the WIC Program been permitted to fully implement what was the June expenditure plan.

A later letter in that same year -- December 2, 1985 -- suggested a return of additional dollars, and serious understaffing problems, which I will talk about. There have been, subsequent to my release of those letters that had been sent to me, reports in the press, indicating over \$3 million in returned funds.

It is clear, whatever the actual number is -- how much of that was food funds, how much of it was administrative funds-- What is clear, Senators, is that Senator Jackman's question is appropriate. We did return money that could have been spent to feed poor people -- hungry women, infants, and children. The consequence of that can't be good.

SENATOR JACKMAN: Excuse me, with your permission, Mr. Chairman--

SENATOR STOCKMAN: All through the Chairman. Yes, surely. Go ahead, Senator Jackman.

SENATOR JACKMAN: Once we lose that money, we lose it the following year, don't we?

ASSEMBLYMAN SCHWARTZ: My understanding is that we lose the money twice.

SENATOR JACKMAN: In other words, hypothetically, if we get \$100 million, and we only spend \$85 million, we lose \$15 million the following year? What do we get, \$85 million?

ASSEMBLYMAN SCHWARTZ: We get a diminished grant, typically. The exact operation of the penalty systems and the calculation of who got how much money is really something that the Health Department and others will be testifying on later, Senator. I am not here to tell you that we didn't, in fact, sometimes get more money, because we did various programs. But, that is not the point. The point is, there were dollars that were not expended, and there could have been hungry people fed. The consequence of that can't be good.

I am not a physician or a nutritionist. I can't come before you and tell you that there were so many cases of this disease or that disease -- whether it be brain damage or low birth-weight children, or what have you. I have no ability to do that. But I can tell you what you already know. Common sense tells you that we have thousands, indeed in this case, scores of thousands of people who deserve the Program, who qualify for the Program, but who aren't on the Program. The Federal government, itself, said that perhaps 5000 more people could have been served. Common sense tells you that that is not good for their health. It is not good for the health and well-being of the people of New Jersey.

Now why that happened-- There are a number of reasons that have been adduced, some of them in response to my letters to the Department. What seems unequivocal here, what seems undeniable, is that one of the reasons for the underspending --

as I said earlier -- was a fear of overspending. They didn't want to go over their budget, so they underspent the money.

Now, systems of projection and prognosis change over time. Presumably, the various systems of projecting how much you are spending on a monthly basis are improving. The use of high-speed computational equipment, no doubt, is helpful in that regard. But the fact is, there will always be, whenever you are dealing in mere prognosis or projection, a fear of overspending. We have known, really for a long time, Senators -- we've known really for years -- that it would be constructive if there were some State moneys in the budget of the State of New Jersey to act as a buffer in case of overexpenditure. In that way, we would maximize Federal draw-downs. We have known that for a long time.

I am here to say this morning that I am going to introduce such a bill on Thursday. I hope we will have some support for that.

SENATOR STOCKMAN: Let me interrupt, since we are here to get some things. If what you just said is true, I guess the Legislature has to share some of the responsibility. Why is it that if we knew that-- Frankly, hearing of the problem here and setting up this hearing and agreeing to have it, one of my first thoughts was, it may be that spending exactly \$30 million in a year is a tricky proposition. I saw a movie a while back where someone was given a lot of money to spend. It's never been a problem I've had, but, you know, in that context, to come right to the dollar. Now, if we have known that -- and you say it has been known for years -- and we should have had, or should have a supplemental fund, why haven't bills been introduced in the Senate, let's say, and I haven't introduced any because I wasn't aware of it; I hadn't thought of it? Why haven't we put legislation in?

ASSEMBLYMAN SCHWARTZ: Let me answer your question by saying, of course the Legislature bears some responsibility.

We all bear some responsibility for this. Naturally, it would be appropriate for legislation to have been introduced. I think a number of us were hoping that this would happen in the ordinary budget cycle. But, certainly, to answer your larger question, "Does the Legislature bear some responsibility?" it sure does. In fact, that is what I hope we are going to rectify. Thursday I want to introduce a bill; hopefully you will, too, and hopefully we will get the bipartisan support needed. Perhaps in the final stage of the drafting we will consult with the Department; perhaps as early as today. I don't think it will take a lot of heavy-duty planning to put this bill together, because I think we know what a couple of percent, a 2% buffer would look like.

SENATOR STOCKMAN: One other question I think you have precipitated, which we will ask later witnesses, is, why didn't there come out of this Program requests to the Legislature to set up a fund and appropriate money for that? I can forewarn some of the other witnesses who will be testifying, from the Department right on down, that that certainly is a legitimate question you have raised, Assemblyman. We will try to get to it. I'm sorry for interrupting you.

ASSEMBLYMAN SCHWARTZ: Oh, no, thank you very much. I am finished with what I wanted to say about underspending. I want to turn, really, to the questions of understaffing and under-utilization.

In letters to me, the Department has been, in my judgment, entirely responsive. I have received good cooperation, I think. The fact that the Department is represented here suggests that they want to be responsive to the Legislature. One of the things that was sent to me from the Department was a memorandum talking about substantial, serious, and not short-term understaffing of this Program. The situation today is something-- You will ask the Health Department, I'm sure, why there was understaffing of this

Program, why there was a hiring freeze on this Program, and whether the consequence of that was to, again, balance the budget, in effect, on the backs of people who needed supplemental nutrition just to be well-fed? That is not something I can talk about knowledgeably.

But, what I can suggest, because it has come to my attention rather forcefully, and is also mentioned in the Department's letters, is that there are two consequences of understaffing which seem fairly clear. One of them is that the Program, in addition to underspending and denying, in effect, some thousands the opportunity to be fed, is that the vendors who deal with this Program— They certainly support the Program, as I support it. We are all interested in supporting the Program and making it better, not worse, feeding more people, not fewer people.

I have a series of letters -- I won't bore you because I understand you are going to have testimony from the New Jersey Food Council, for example -- suggesting that there are serious, I gather, problems. This letter -- dated May 21, just a few weeks ago -- to me from Barbara McConnell, talks about some of these problems, and indicates even that some food purveyors are thinking of dropping the Program, or withdrawing from the Program. I am not sure that is going to happen. Hopefully, it won't happen. I would urge this Committee to look at not only underspending, but also understaffing, because that does create some vendor problems.

Also, Mr. Chairman, I think you ought to take a look at the understaffing as having consequences for the local WIC agencies. Now, I have had a lot of conversations with local WIC agencies; frankly, most of it oral, and some of it with people who do not want to have their names mentioned, little people, if I might say so, people who have day-to-day responsibilities and obligations out in the field. I don't even want to tell you what kinds of agencies, because some of them are scared.

They feel, "Hey, I don't want my name mentioned in a legislative investigation, but I can tell you this or that." What they tell me about this or that is that there are real problems; that they are not getting the guidance, or feel that they haven't been getting guidance, systematic help, technical assistance, common forms, or efficiencies. They alleged -- as I cannot; I am not a day-to-day administrator of this Program -- but they alleged to me quietly that there are real problems in the day-to-day efficiencies and operations of this Program, some of which, they say, may cost the State substantial sums of money.

Let me conclude by saying this: I know the Department has tried to be responsive. I know they recently had a team of consultants come in. Subsequent to my last opportunity to talk to you, I had a meeting with the Department, and they told me that they were having some consultants come in. Hopefully that report will be made available to the Legislature in a timely manner -- to me, to all of us, and to the public -- so that we can see what the consultants said. Perhaps some of that will be summarized-- I understand that perhaps some of those recommendations will be summarized as early as this morning by the Department.

But, I would conclude by saying this, Senator: We have hungry people in New Jersey. Although I have not reported on any materials from the Hunger Commission in any of this, this is all material that came to me external to the Hunger Commission, I do sit on the Commission on Hunger. Indeed, I was the Assembly sponsor of that legislation, and I certainly want to pay tribute to Senator Feldman, who was the Senate sponsor.

I sat through the testimony. It told me what I already knew, because I represent Plainfield and New Brunswick, and there are poor people not only in the cities of my district. It told me that there are hungry people in this

State. There are hungry people in this State, in this blessed State of plenty. In this State which is having an affluent and booming economy, there are people too poor to eat properly. Some of the people in New Jersey are hungry for other reasons than just bucks. There are people who are too old and there are people who are — as President Reagan has said — unaware of the system we have. One of the things is that if you are understaffed, you will be under-utilized. If you underspend, people do give up.

So, let me just conclude by saying this: We have hungry people in this State. One of the programs designed to help that is this WIC Program. We can do better. We owe it to the people of New Jersey to do better. No blame; no fault; no real criticism from the point of view of pointing fingers; no partisan cheap shots. Only one statement from me: We owe it to the people who are hungry in this State. We owe it to the people, especially in this morning's context -- the women, the infants, and the children of this State who are hungry -- to do the very best job. We have not done everything we can do. There is more to be done and, with your help, Senators, we will get the job done.

Thank you very much for hearing me.

SENATOR JACKMAN: Let me ask you a question, my friend. In 1983, we spent \$18,900,000 for food, and we spent \$5,100,000 for administration costs. That same year, we sent back \$1,500,000 not used. We sent back \$400,000 in administration costs, which was a total of \$1,900,000. Now, how in heaven's name can we send money back when we have administration moneys there and we don't utilize them? Now, when you have administration-- I can understand-- I get frustrated.

You're talking about asking the State of New Jersey to put \$1,500,000 into a fund in case we overspend. In 1982, 1983, 1984, and 1985, all we did was send the money back. What

the hell is happening? Who is doing the job? You have administration money that is going back of \$300,000 at the end of 1985, and yet the administration costs of spending \$25 million, is almost 30%. What in the hell are you telling me -- for every \$1.30, you have to have someone there to give the food out? That doesn't make sense to me.

ASSEMBLYMAN SCHWARTZ: Senator, I want to--

SENATOR JACKMAN: If you ever operated your home on that basis, you would go bankrupt.

ASSEMBLYMAN SCHWARTZ: I appreciate your question, because it gives me the opportunity to clarify a statement I should have made. The million-and-a-half-dollar buffer fund -- the legislative fund I am going to recommend on Thursday-- Not one penny of that will be for administration. That is all for food. It will be there so that the Department of Health will not be afraid to overspend its Federal moneys, because they will have that insurance fund, if you will. It is only for food; it is not for administration.

SENATOR JACKMAN: Well, okay.

ASSEMBLYMAN SCHWARTZ: I have concluded my testimony. I appreciate deeply your indulgence.

SENATOR STOCKMAN: Assemblyman, the Committee appreciates your comments. They are part of the record, and they, no doubt, will produce some questions of some of the witnesses who will follow who are responsible for the administration of the Program. Thank you very much.

ASSEMBLYMAN SCHWARTZ: Thank you, Senator. For your information, I plan to make myself available for about an hour here, should you have occasion to call on me further.

SENATOR STOCKMAN: All right. Thank you very much.

SENATOR JACKMAN: Thanks, Dave.

SENATOR STOCKMAN: Commissioner Molly Coye. Commissioner Designate -- you still haven't been sworn in?

SENATOR JACKMAN: You haven't been sworn in yet?

COMM. DESIGNATE MOLLY J. COYE: No. I am not a Commissioner yet. I am just the Designate.

SENATOR JACKMAN: We better make sure. Welcome aboard.

SENATOR STOCKMAN: Welcome, Commissioner Designate. Is this, perhaps, your first legislative Committee hearing?

COMMISSIONER DESIGNATE COYE: After my confirmation, yes.

SENATOR STOCKMAN: So, this is the first one on business, as opposed to selection. We are pleased you are here. I think you have a sense of what brought us here, and I gather you have a statement you would like to give the Committee.

COMMISSIONER DESIGNATE COYE: Yes. Thank you very much, Chairman Stockman, Vice Chairman Jackman. I am Molly Coye. We welcome this opportunity to be here this morning to help to clarify the situation surrounding the Special Supplemental Food Program for Women, Infants, and Children.

SENATOR STOCKMAN: Let me stop you for just a second. I have been given a copy of a statement by Dr. Rutledge.

COMMISSIONER DESIGNATE COYE: I am simply going to be introducing Jack. I will ask him to give the major testimony.

SENATOR STOCKMAN: Oh, all right; fine. Dr. Rutledge, welcome.

DEPUTY COMM. JOHN H. RUTLEDGE: Thank you.

COMMISSIONER DESIGNATE COYE: I have just a few general remarks.

SENATOR STOCKMAN: I'm sorry. Go ahead.

COMMISSIONER DESIGNATE COYE: Since the return of Federal grant moneys was made known, we have examined the cause and effects of the actions taken by the Department. We have consultants working with us so that we can be assured that our future course of action will preclude any such problems.

As Commissioner Designate for the Department of Health, the ultimate responsibility for the WIC Program is mine and, in the best Harry Truman sense of the phrase, "The buck stops here." Because, however, I am very new on the job, and not as well grounded in the events which bring us together today, I have asked Dr. Jack Rutledge, the Deputy Commissioner of the Department, to testify on the questions you pose.

With us as his professional resource is Dr. Leah Ziskin, whom I am sure many, if not all of you know. Dr. Ziskin is the Assistant Commissioner for Local and Community Health Services. We look forward to working with you in resolving this problem to the advantage of all of those whom we serve in New Jersey.

At this point, I would like to have Dr. Rutledge give his testimony, and I will bring forward Dr. Ziskin.

SENATOR STOCKMAN: Before you do that, Commissioner, just a couple of observations. One, are you going to stay with us?

COMMISSIONER DESIGNATE COYE: I will be here the entire morning.

SENATOR STOCKMAN: All right. You did have some role or responsibility within the Department before you became Commissioner Designate. What was that? Did that have any line responsibility with this Program?

COMMISSIONER DESIGNATE COYE: No. I am Deputy Commissioner on the side which is the regulatory side -- the planning and reimbursement side. Dr. Rutledge is the Deputy Commissioner on what is called the public health side, where the responsibility for this Program lies. In fact, the majority of my duties now are still as Deputy on the other side, because the current Commissioner is still in office and carrying out his duties.

SENATOR STOCKMAN: I see, so we can't credit or blame you for any of this from that vantage point either. All right;

okay. One other thing. I want to correct you. Dr. Ziskin will be here, but I don't know her well. I only say that for this reason: You said, "You probably all know her." I think from a legislator's point of view, having acknowledged that perhaps we share some responsibility in this, I want to also share with you a realization that I think ought to be part of the Committee hearing and whatever we do or don't do. That is, as a legislator -- a part-time legislator -- with responsibilities from A to Z in zoning and land use and Mount Laurel and public education and the law and public safety -- you name it -- unfortunately, we don't get to know many of the important people, even way up at the top of departments of State government. It is just too much. I am speaking for myself. Senator Jackman has been at it longer and has a better memory than I, so he may correct me on that, but for--

SENATOR JACKMAN: No, you're right; you're right.

SENATOR STOCKMAN: --myself, I don't. I think that is an important point in the sense that you can't assume that we have that strong a handle on the day-to-day operations of State government, in a whole variety of ways. That is important, in that if there are issues of importance that the Legislature has to get involved in, those people have to make sure that we get the message somehow, through whatever network, because we do try to make ourselves available.

So, I look forward to hearing from the good doctor if she has something to tell us about what happened here and why.

COMMISSIONER DESIGNATE COYE: I appreciate your comments. Thank you very much. Dr. Rutledge and Dr. Ziskin.

SENATOR STOCKMAN: Dr. Rutledge and Dr. Ziskin, we welcome you here. I think you sense and understand the gist of why we are here. We will be happy to hear statements, and then we will probably have some questions for you.

SENATOR JACKMAN: I just want to put you at ease. I am an avid reader; I am a pretty fast reader. I read your

whole statement already, Dr. Rutledge, so I start off with that premise. You don't have to read to us, verbatim, any statement. We would prefer -- and I know my colleague--

SENATOR STOCKMAN: Senator Jackman, I love you, but you are out of order--

SENATOR JACKMAN: Okay.

SENATOR STOCKMAN: Because, as fast a reader as you are, I am a slow reader, and I haven't read the statement.

SENATOR JACKMAN: All right; okay.

SENATOR STOCKMAN: Now, either he is going to read it to me, or we are going to take a recess and I am going to read it.

SENATOR JACKMAN: All right; all right.

SENATOR STOCKMAN: I know you mean well, but let's hear the statement, and then let's go from there.

SENATOR JACKMAN: I have no big problem with that.

SENATOR STOCKMAN: All right; good. We're still together.

SENATOR JACKMAN: I like to cut to the bottom line.

SENATOR STOCKMAN: I know. Read fast, Dr. Rutledge.
(laughter)

DEPUTY COMMISSIONER RUTLEDGE: Right. Senator Stockman and Senator Jackman, I will try to read as fast and as expressively as possible.

SENATOR JACKMAN: Good; go ahead.

DEPUTY COMMISSIONER RUTLEDGE: I am Jack Rutledge, Deputy Commissioner of the New Jersey State Department of Health. On behalf of Commissioner Goldstein and Commissioner Designee Coye, I thank you for the opportunity to be here this morning to address some of these issues, because these are concerns to us, as they are to you.

Let me begin by giving you a little background on the WIC Program, which I think will be helpful to all of us to get it into perspective. WIC was established by Congress in 1974,

on the premise that substantial numbers of low-income pregnant and breast-feeding women, infants, and children were at special risk for health problems because of inadequate nutrition, inadequate health care, or both.

WIC is administered at the Federal level by the U.S. Department of Agriculture, as a food distribution program. However, because the feeding aspect of WIC was conceived as an adjunct to any type of proper health care, the Program is administered at the State and local agency levels by participating public health agencies. New Jersey's WIC Program, established in 1974, was one of the first 10 in the nation.

Funds appropriated each year by Congress are allocated to state agencies, which, in turn, distribute the money to participating local agencies. In New Jersey, these local agencies are primarily local health departments. The local agencies then provide services to eligible participants, including: 1) Individually tailored food packages, chosen from specified foods of special nutritional value to the Program's target population; 2) nutrition education, designed to encourage women to form lifetime good eating habits and utilize available economic resources efficiently; and 3) assistance in arranging free or low-cost health care. In New Jersey, food distribution is effected through checks redeemable at participating retail food stores.

About 170,000 New Jerseyans have been estimated to be eligible for WIC services. These eligibles include: Pregnant, post partum, and breast-feeding women; infants up to one year of age; and children aged one to five. To qualify, individuals must reside within the State, have a family income of no more than 185% of the Federal poverty level, and be considered by competent health professionals to be at nutritional risk.

SENATOR STOCKMAN: Let me stop you to ask you how that happens.

DEPUTY COMMISSIONER RUTLEDGE: Sure.

SENATOR STOCKMAN: How it is determined that someone is at nutritional risk?

DEPUTY COMMISSIONER RUTLEDGE: Dr. Ziskin?

A S S T. C O M M. L E A H Z. Z I S K I N: Yes. A nutritional history -- a diet history -- is taken. They are asked, "What foods do you eat?" That is compared to what the requirements usually are. Also, blood tests are taken to measure the hematocrit, or the amount of iron in their blood to see if they are anemic. Third, their height and weight, and growth in a child, are measured.

SENATOR STOCKMAN: This would be done usually where, at a--

ASSISTANT COMMISSIONER ZISKIN: At a clinic site, or by a private physician, or actually during the intake of the WIC agency.

SENATOR STOCKMAN: All right, thank you.

DEPUTY COMMISSIONER RUTLEDGE: In New Jersey, and in the nation, the WIC Program has been found to be both beneficial and cost-effective. Benefits to participants include: Better diet and food purchasing patterns; more frequent use of health services; improved maternal health and fetal outcomes; and, improved growth and development in infants and children. By averting potentially serious medical and developmental problems, these benefits, in turn, translate into significantly reduced health care and social services costs.

Clearly, WIC is an exemplary Program, both in concept and overall execution. As our presence here today demonstrates, however, it is not without its pitfalls.

Concerns have been raised about the Department of Health's under-expenditure of available Federal funds, resulting in moneys being returned to the Federal government in the past few fiscal years. Concerns have also been raised about other aspects of Program management. These concerns are

legitimate and must be addressed. However, they must be addressed not in isolation, but in the context of the funding history of the WIC Program.

Under the Federal regulations which control it, WIC is not an open-ended entitlement program. It must operate entirely within the limits of the funds appropriated by Congress in any given year, thus subjecting it to the exigencies of the Federal budget process. In practical terms, this means that Program managers cannot anticipate how much money will be available, either nationwide or for individual states, from one year to the next.

SENATOR STOCKMAN: Let me stop you and ask you about the proposal that Assemblyman Schwartz made and that, frankly, in a common sense way, came to my mind also, which is, what about a buffer fund that would back up the Federal Program? Is there anything in the Federal regulations or rules that would inhibit or prohibit that kind of an arrangement?

DEPUTY COMMISSIONER RUTLEDGE: No. In fact, one thing that will come out, I'm sure, in testimony later on, is that some other states -- not a majority -- but a few other states have gone that route. It is one that has been suggested to us by an expert panel, which we will be getting into, and one that we think may be a wise approach.

SENATOR STOCKMAN: Dr. Rutledge, I hope you are not telling this Committee that it took a panel of consultants after this little flare-up and our calling this hearing, to suggest that kind of an arrangement to you.

DEPUTY COMMISSIONER RUTLEDGE: No. We actually called together a panel of consultants about three and a half months ago to look at the entire Program and try to advise us of what ought to be done.

SENATOR STOCKMAN: Let's forget about the entire Program. I am really interested, because I think it is important, and it is one of the things on my mind. I will ask

you again, this statement would seem to imply, if you just took it at face value to this point, that, "Look, you've got this problem. It's a Federal Program, and that's it. It is controlled by that." Assemblyman Schwartz -- apparently later this week -- is going to put in a buffer fund bill. I thought of that before we got here, but I also said to myself, "Wait a minute. Maybe there is something in the Federal regulations which says that you can't do that."

You tell me there isn't, and I ask you again, why did the Department not, at some earlier point -- you specifically-- I'll put you on the spot, and then you can pass the buck. Why didn't you, prior to now, turn to the Legislature through appropriate avenues, and say, "We need a half a million, or a million dollar buffer fund, so that we don't go nuts trying to come right up to the "X" dollar or penny of spending in this Program, and perhaps lose some"?

DEPUTY COMMISSIONER RUTLEDGE: I think one of the problems is that--

SENATOR STOCKMAN: No, no, no. I would rather not have more problems. I have one big one right now. Can you answer my question? Did you make such a recommendation?

DEPUTY COMMISSIONER RUTLEDGE: No, we have not made such a recommendation.

SENATOR STOCKMAN: All right. You have not made, ever, until now-- Maybe it is not you. As I said, and as Senator Jackman really pointed out to me as well, he has been here 20-some years, and he doesn't know many of these people. I want to be careful. I am not saying it should have been your responsibility. I gather you are number two man.

DEPUTY COMMISSIONER RUTLEDGE: Correct.

SENATOR STOCKMAN: All right. But, we're clear on the record that you-- Is it a matter that you didn't think about, or is it a matter that you didn't feel you could approach the Legislature on?

DEPUTY COMMISSIONER RUTLEDGE: I think it is one of those things where we are just now gaining insight into what other states are doing and, based on that, we are coming now and saying that we do think some type of State set-aside would be appropriate.

SENATOR STOCKMAN: Do you think these other states are more sensitive to the poor than New Jersey is?

DEPUTY COMMISSIONER RUTLEDGE: Absolutely not.

SENATOR STOCKMAN: Well, how is it that they came up with the idea?

DEPUTY COMMISSIONER RUTLEDGE: I'm not sure.

SENATOR STOCKMAN: All right. But, you didn't come up with that idea. I am going to ask that question of the Commissioner at some later point, and I am going to ask it on down the line, because I am really going to be surprised if I strike out the whole route; that is, if no one from the grass-roots administrator of this Program through middle management, up to top management, up to the number two man, up to the Commissioner, never thought or recommended that. I will be frank, I am kind of scrambling, you know, to reduce the heat on the Legislature, because I said earlier, "Shame on the Legislature," in a certain way, for not thinking of this.

But, okay, I'm sorry. I'll take that same question up with other witnesses at a later point.

DEPUTY COMMISSIONER RUTLEDGE: Surely. Once Congress sets the Federal amount, an initial grant award for both food and administrative funds reaches the State -- typically during the first quarter of the Federal fiscal year, well after the beginning of the Program year which the award will cover. In other words, you do not know the actual award you are going to be starting with, until after you have already been spending for a month or two.

In addition, this initial award is subject to subsequent revisions. In recent years, it has not been

uncommon for the State to receive as many as five changes in funding level -- significant changes -- within a single Program year, each of which increases or decreases the amount of money available to support Program enrollment. Thus, throughout the Program's planning and operational cycle, there is a considerable degree of uncertainty and unpredictability with regard to the amount of money that will ultimately be available. This means that plans must be made and budgets prepared based almost entirely on projections -- a situation which inevitably leads to either overestimating or underestimating actual figures.

This might not be so problematic were it not for other factors. If the State agency overestimates the number of participants it can serve, thereby overspending its award grant, the Federal government will not cover the additional costs incurred either by the State or by participating locals who base their expenditures on State figures. In New Jersey, there is no mechanism -- as we have alluded to -- for State funds to cover this potential deficit.

SENATOR STOCKMAN: Hopefully there will be soon.

DEPUTY COMMISSIONER RUTLEDGE: In addition, to compensate for checks which remain unclaimed by participants, the State must "overbook" by nearly \$1 million to try and reach even 98% of its enrollment targets.

If, on the other hand, the State agency estimates conservatively to avoid the risk of overspending, it may be left with funds which, under Federal regulation, cannot be carried over into the following year and must be returned to the USDA for redistribution. This problem is especially acute in situations where the award grant is adjusted upward late in the fiscal year.

While the difficulties described above are virtually built into WIC's current funding mechanism -- a problem identified on a national scale by the U.S. General Accounting

Office in September, 1985 -- they have been exacerbated by historical trends as well. From the inception of the WIC Program until about 1981-'82, while funding levels were imprecise, they could be counted upon to increase, rather than decrease, due to a number of court decisions and congressional initiatives. This is no longer the case, and thus the risk of overspending the State award grant has increased.

In New Jersey, in FY '83 and FY '84, we chose what we believed to be the path of fiscal responsibility and purposely risked underspending, rather than overspending, by limiting participant enrollment when funding allotments dropped in mid-Program and by modifying the food package offered to each participant. We judged both of these to be necessary in order to curb expenses.

This approach, however, had a carry-over effect. It gave our local agencies a slow start in FY 1985, a year which turned out to have five different grant award revisions -- including an increase in June of over \$1.8 million with a mandate to spend by September 30. The State had to choose whether or not to accept this additional money. We chose to accept it and risk underspending because of the net effect the additional funds would have on the next year's grant allotment. The award grant funding formula for a given year is based on the prior year's total grant, plus inflation, plus a small amount of "growth" money. In other words, the State's grant for 1986 is over a million dollars greater than it would have been had we not accepted those last-minute additional funds.

We also wish to clarify the correspondence from the USDA Regional Office, alerting us to possible problems and making concrete observations and suggestions for improvement in FY '85, the year in which the Program was struggling with the combined effects of the 1983-'84 policy decisions I mentioned earlier and the five different funding levels.

When the USDA reminded us that we were at risk of underspending and urged us to undertake an "expeditious and intensive" effort to expend a higher percentage of our food grant, we had already made several attempts to adjust planning so that the pattern of 1983-'84 would not recur. Individual plans for local agencies were devised, letters urging cooperation and expansion of local initiatives were sent out, and most local agencies did, in fact, increase their participant level. At the end of 1985, however, the State, as a whole, had expended only 95% of its \$6.2 million administration grant and 94% of its \$25 million food grant. Because we did not spend at least 95% of the food grant, our FY '86 grant award is subject to a USDA penalty of \$334,947, imposed under a regulation--

SENATOR JACKMAN: Through you, Mr. Chairman, why didn't we spend the money for food? In one case, you reduced the amount of food-- Maybe I misunderstood it when I read it the first time. What were you doing when you modified the food package? What did you do, reduce the amount of food in the package?

DEPUTY COMMISSIONER RUTLEDGE: There are a number of items that can be put in a food package that a participant can purchase at a store--

SENATOR JACKMAN: Right.

DEPUTY COMMISSIONER RUTLEDGE: --and by deleting one or two items -- a high-priced item, for instance -- you can reduce what you expect that person to purchase, thereby reducing the overall expenditures -- or the projected expenditures -- of the Program.

For instance, we reduced peanut butter out of it at that point.

SENATOR JACKMAN: Peanut butter? God bless us. I get worried, Mr. Chairman, you know. Go ahead; I didn't mean to interrupt you.

DEPUTY COMMISSIONER RUTLEDGE: Despite the return of Federal funds in 1983, 1984, and 1985 -- demonstrably one of the most difficult times our Program has seen -- WIC services in New Jersey actually expanded in terms of number of participants served and amount of money spent. Grant awards increased from just over \$24 million in FY '83 to \$33.4 million in FY '86, and number of participants increased from an average of 47,000 per month in FY '83 to 65,000 per month in FY '86.

While the Program overall has been successful, we acknowledge that some of its policy decisions -- decisions which appeared prudent at the time -- have proven, in retrospect, not to have been in the best interests of the Program.

The New Jersey Department of Health is currently focusing on maternal and child health as one of its highest priorities. While working in the Governor's office, Commissioner Designee Molly Coye identified this area as one of the State's critical health needs and developed a comprehensive initiative to address it.

When she joined the Department this year, Dr. Coye identified WIC as a cornerstone of any maternal and child health program.

SENATOR STOCKMAN: Let me stop you.

DEPUTY COMMISSIONER RUTLEDGE: Surely.

SENATOR STOCKMAN: You are now talking about initiatives outside of WIC. You volunteered them, so I guess you thought they were important. This comprehensive initiative that Commissioner Coye has apparently developed-- Does it contain recommendations with regard to the WIC Program and how to avoid the kind of problems we are here about today?

DEPUTY COMMISSIONER RUTLEDGE: No, it doesn't.

SENATOR STOCKMAN: That was just a gratuitous offer. All right, that's fair enough. I guess you are entitled to a little of that. I'm sorry; go ahead.

DEPUTY COMMISSIONER RUTLEDGE: Recognizing the need for external assistance in assessing the Program's concerns, Dr. Coye initiated plans for convening a panel of national WIC experts to advise us. Concurrently, we contacted USDA representative Andrew Hornsby and met with him to discuss WIC in early March. He was very supportive of our plans for an external review panel and offered to have a member of his staff participate.

In addition to the USDA staffer, the review panel included a former WIC Director from Massachusetts; an Assistant Professor of Public Administration at Rutgers University; and, a national WIC advocate from the Center of Budget and Policy Priorities in Washington, D.C.

SENATOR STOCKMAN: Let me ask you, what about somebody way down -- I don't know about a recipient, but somebody closer to -- maybe a former recipient of a WIC Program -- on a panel like that? Did you think of that?

DEPUTY COMMISSIONER RUTLEDGE: I think that would be addressed in one of the suggestions, which is to have an advisory council. We actually convened a panel of people who had a great deal of expertise nationally in what other states were doing and what the Federal government was doing.

SENATOR STOCKMAN: Okay.

DEPUTY COMMISSIONER RUTLEDGE: I think one of their recommendations will address that.

The panel's recommendations were as follows: 1) The Department should create a separate maternal and child health division, which would include WIC and all other programs and initiatives designed to improve the health of mothers and young children; 2) the Department should adopt a financial management plan for WIC aimed at spending all available funds, and should not utilize freezing participant rolls as a tool for managing the WIC caseload; 3) the State should establish a WIC contingency fund equal to 2% of each year's food grant, so that

there would be a mechanism for expending 100% of the food grant without risk of overspending available resources.

SENATOR STOCKMAN: I gather that is the kind of a proposal Assemblyman Schwartz is talking about.

DEPUTY COMMISSIONER RUTLEDGE: Yes. And 4), The Department should establish a WIC Advisory Council to provide ongoing suggestions, recommendations, and advocacy to the Department as a whole and to the WIC Program itself. We have just received these recommendations, and are now studying how to implement them as expeditiously as possible.

SENATOR STOCKMAN: On their face, they sound very sensible and very positive.

DEPUTY COMMISSIONER RUTLEDGE: I am pleased to report that we have made significant progress even in the last few months, and that right now we are spending at the 99.8% level for FY '86.

All of us are here today because we share a belief in the value of the WIC Program and a desire to see it implemented in the best way possible. The New Jersey State Department of Health has taken, and continues to take steps directed toward this end. We welcome the comments and suggestions which today's hearing will generate, and thank you once again for the opportunity to appear before you.

Dr. Ziskin and I will both be glad to answer any questions you may have.

SENATOR STOCKMAN: Doctor, let me follow-up a little bit on the questions I put to you. Let me say first, thank you for being here. Thank you for your comments. I think they will help us in terms of developing a further context and understanding. I am happy to hear of these recommendations, some of which touch directly on the problem that brings us here.

I want to get the picture a little bit clearer in other regards, though. You, yourself, had not recommended, for instance, this buffer fund of sorts, which apparently is also

supported by these recommendations. Did anyone in the Department ever suggest such a fund, or such a proposal to you, prior to this hearing?

DEPUTY COMMISSIONER RUTLEDGE: Candidly, I have just been at the Department now for about eight months, so I am somewhat new at this.

SENATOR STOCKMAN: Okay; okay.

DEPUTY COMMISSIONER RUTLEDGE: It has been mentioned before. When I got in there -- in about the December/January period -- we started discussing that other sites are doing this, and that it is one option we would hope to pursue.

SENATOR STOCKMAN: All right. So, I gather the answer is yes, but the yes is qualified, understandably, because you have only been at the Department for eight months, and I gather your first awareness that people within the Department were suggesting that, "Hey, we ought to have a buffer fund of some sort," came in January or February of this year.

DEPUTY COMMISSIONER RUTLEDGE: I believe that is true.

SENATOR STOCKMAN: All right. I gather that before-- I mean, did you support it, oppose it, or were you kind of neutral?

DEPUTY COMMISSIONER RUTLEDGE: I think all of us in the Department think that some State contingency fund to give us the ability to aim as close to 100% as possible, is a very good idea, and we absolutely support it.

SENATOR STOCKMAN: And that was true back in January or February?

DEPUTY COMMISSIONER RUTLEDGE: Yes.

SENATOR STOCKMAN: It was just a matter of time-- Were you going to propose that to the Legislature, or what? Obviously, we are here today because of some correspondence, because of the sensitivity of an Assemblyman getting into it, urging this, and so on, and a commission has been set up.

Were you in the process of making that law but for this hearing?

DEPUTY COMMISSIONER RUTLEDGE: Well, yes. One of the things we have been discussing quite a bit is whether there should be an amount set aside -- a dollar amount -- a percentage of the grant. We have been trying to find out what other states are doing, seeing which seem to be the most feasible and which ones seem the most workable. So, we definitely have been pursuing this, and we did intend to come forth with some recommendation.

SENATOR STOCKMAN: Did I interpret you correctly to suggest that probably this idea was suggested before you arrived with the Department?

DEPUTY COMMISSIONER RUTLEDGE: I am not sure.

SENATOR STOCKMAN: Okay. I will ask others that. But, doesn't the Department send representatives to national or regional conferences established for the purpose of dissemination of information about programs and so on? Does the Department of Health have such a program going?

DEPUTY COMMISSIONER RUTLEDGE: There are different national WIC meetings that people from our staff attend, yes.

SENATOR STOCKMAN: Do you know, for instance, who has attended those meetings, or what kind of money has been spent to attend conferences or meetings of that sort?

DEPUTY COMMISSIONER RUTLEDGE: I am not sure what moneys have been spent for attending them. I believe the Coordinator of the WIC Program is one of the people who has attended and has taken a lead nationally in some of these.

SENATOR STOCKMAN: Who is the Coordinator of the WIC Program?

DEPUTY COMMISSIONER RUTLEDGE: Linda Barr-Gale.

SENATOR STOCKMAN: Linda -- how do you spell that?

DEPUTY COMMISSIONER RUTLEDGE: B a r r - G a l e.

SENATOR STOCKMAN: How long has she been the Coordinator?

DEPUTY COMMISSIONER RUTLEDGE: I believe for approximately eight years or so; since its inception, I think.

SENATOR STOCKMAN: And, as far as you know, she has regularly attended national WIC conferences to discuss and sort of share problems, ideas, and so on?

DEPUTY COMMISSIONER RUTLEDGE: Yes.

SENATOR STOCKMAN: Did you ever talk to her, or did she ever talk to you about the question of a buffer fund?

DEPUTY COMMISSIONER RUTLEDGE: Yeah. That is what I was saying. I can, in my own mind, remember that since December or January, this has been discussed.

SENATOR STOCKMAN: She advocated that to you?

DEPUTY COMMISSIONER RUTLEDGE: Yes.

SENATOR STOCKMAN: And you're telling me-- You were agreeable to it, and were in the process of putting it into law?

DEPUTY COMMISSIONER RUTLEDGE: We are in the process, again, of looking at other states to see if they did a strict dollar amount or a percent. The latest information we have is that 11 other states have some type of contingency fund like this. We have been actively trying to pursue this to find a way of doing it for this State. Dr. Ziskin?

ASSISTANT COMMISSIONER ZISKIN: In addition to thoughts in New Jersey, at the national level there have been proposals to change the Federal legislation to allow states to go over their amount, to sort of have carry-over.

SENATOR STOCKMAN: Okay. So, even the Federal government is aware and has been agitated a little bit about what has been happening. Doctor, you don't have a separate statement, I gather?

ASSISTANT COMMISSIONER ZISKIN: No, I don't.

SENATOR STOCKMAN: Let me get a sense of where you fit into this Program. Your title is?

ASSISTANT COMMISSIONER ZISKIN: I am an Assistant Commissioner.

SENATOR STOCKMAN: Assistant Commissioner. How long have you been an Assistant Commissioner?

ASSISTANT COMMISSIONER ZISKIN: Six years.

SENATOR STOCKMAN: And, what are your responsibilities as Assistant Commissioner?

ASSISTANT COMMISSIONER ZISKIN: I am responsible for a Division called the Division of Local and Community Health Services.

SENATOR STOCKMAN: WIC would come under that?

ASSISTANT COMMISSIONER ZISKIN: That is correct.

SENATOR STOCKMAN: Local and Community Health Services. How many programs other than WIC come under that? Can you identify them for me?

ASSISTANT COMMISSIONER ZISKIN: Yes. There are approximately 20 or 30 programs. They include: The Maternal-Child Health Program, the Handicapped Children Program, the Family Planning Program. They also include Public Health Priority Funding, that is, aid to local health departments -- hypertension, diabetes, renal hemophilia -- the Emergency Medical Services Program--

SENATOR STOCKMAN: Do I understand, then, that the Coordinator of the WIC Program -- Linda Barr-Gale -- would be directly responsible to you?

ASSISTANT COMMISSIONER ZISKIN: No.

SENATOR STOCKMAN: You would be in the chain of command next--

ASSISTANT COMMISSIONER ZISKIN: That's right. There is a Service Director. Dr. George Halpin is the Director of Parental and Child Health Services.

SENATOR STOCKMAN: Service Director?

ASSISTANT COMMISSIONER ZISKIN: Right.

SENATOR STOCKMAN: Who is the Service Director?

ASSISTANT COMMISSIONER ZISKIN: Dr. George Halpin.

SENATOR STOCKMAN: I am not clear in my mind yet. What services would he have under him?

ASSISTANT COMMISSIONER ZISKIN: Ms. Barr-Gale reports to Dr. Halpin.

SENATOR STOCKMAN: What other responsibilities does Dr. Halpin have?

ASSISTANT COMMISSIONER ZISKIN: He has Maternal-Child Health, the Handicapped Children Programs, Special Child Health Services, Family Planning, the Lead Prevention Program, Dental Health for Children -- that's pretty much it.

SENATOR STOCKMAN: So, he has a variety of programs under you?

ASSISTANT COMMISSIONER ZISKIN: That is correct.

SENATOR STOCKMAN: So, we have the Commissioner; we have yourself as a Deputy Commissioner--

ASSISTANT COMMISSIONER ZISKIN: No, Dr. Rutledge is the Deputy Commissioner.

SENATOR STOCKMAN: Oh, I'm sorry. Dr. Rutledge is Deputy Commissioner. We have you as Assistant Commissioner. We would have Dr. Halpin as Service Director, and we would have Barr-Gale as Coordinator of WIC.

ASSISTANT COMMISSIONER ZISKIN: That is correct.

SENATOR STOCKMAN: So, initial recommendations for any changes in this Program, or ideas of this sort that might come out of a national conference or otherwise, would presumably have been reported, or should have been reported to Dr. Halpin. Dr. Halpin, if they got past him, if they were viable and sensible and what have you, would carry them to you. You, presumably if they made sense to you, would carry them to Deputy Commissioner Rutledge; he would carry them to the Commissioner; and the Commissioner would carry them home, if necessary, to legislative action.

Let me then ask you the same series of questions which puzzle me as to how this could happen if, in fact, we are being sensitive in this area. Did it ever occur to you that rather than agonize or struggle over spending down to the last penny

at the risk of losing Federal money in this, one of the most critical and fundamental sort of safety-net programs imaginable, that we should have some sort of a buffer? Did that ever occur to you?

ASSISTANT COMMISSIONER ZISKIN: Yes, it has been spoken about in the Department from time to time.

SENATOR STOCKMAN: People spoke to you about it?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR STOCKMAN: What was your reaction? When did they first speak to you about it?

ASSISTANT COMMISSIONER ZISKIN: It's hard to say. I can't--

SENATOR STOCKMAN: Approximately -- five years, three years, two years?

ASSISTANT COMMISSIONER ZISKIN: Well, I would say within the past two years -- one or two years.

SENATOR STOCKMAN: All right. Do you recall who spoke to you about it?

ASSISTANT COMMISSIONER ZISKIN: Well, I have spoken to Ms. Barr-Gale and Dr. Halpin. It has been spoken about in the Department.

SENATOR STOCKMAN: I am less interested in it being spoken about, because that gets to be, you know, nowhere. I am really trying to see whether we are working as a team, whether the people who know things are getting to the people who don't know things, who should know to do something about it. But, at any rate, again, you're telling me that Linda Barr-Gale talked to you about some type of buffer fund to deal with this problem, apparently, of spending up to snuff, and that was maybe a couple of years ago?

ASSISTANT COMMISSIONER ZISKIN: Well, it has been spoken about. I can't say precisely when.

SENATOR STOCKMAN: Any memos, any communications on the issue?

ASSISTANT COMMISSIONER ZISKIN: I have nothing in writing, that I recall.

SENATOR STOCKMAN: At the time, were you sympathetic? Did it make sense to you?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR STOCKMAN: So, you supported it. It wasn't something where you said, "Wait a minute, the Federal regulations will prohibit that," or, "Wait a minute, we're spending all the money. Spend your time at better things"? You were supportive and sympathetic when Linda Barr-Gale brought this idea to you?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR STOCKMAN: All right. Well, actually, did Dr. Halpin bring it to you also?

ASSISTANT COMMISSIONER ZISKIN: I would say he would be supportive. I cannot recall a specific meeting or hearing or anything like that.

SENATOR STOCKMAN: Well, how did you leave it when Linda Barr-Gale brought the idea to you? Did you say, "I'll take care of it"? Or, did you recommend that she write a memo to you to do something about it?

ASSISTANT COMMISSIONER ZISKIN: I do not recall having anything in writing or seeing anything in writing to this effect.

SENATOR STOCKMAN: Did you give her some understanding that you would carry the ball and see that the idea was pushed as far as possible?

ASSISTANT COMMISSIONER ZISKIN: I don't know what understanding I left with her. I'm sure she knows that I was sympathetic to it. I do not recollect my writing anything; however, I probably spoke to our former Deputy Commissioner, who is no longer with the Department. I know the idea has been circulated and talked about in the Department.

DEPUTY COMMISSIONER RUTLEDGE: One of our hesitations, I think, in pursuing this, is that we have also been-- All of the WIC Programs have been pursuing this at the Federal level, trying and hoping that Federal legislation would be changed, and the regulations would be changed, so that the funding cycle would not be so erratic, having five different funding levels.

I know part of our energy has been expended at national meetings discussing what can be done to try to get the USDA regulations changed.

SENATOR STOCKMAN: All right. Let me ask you about that, and I will come back because-- Dr. Ziskin, I hope you can appreciate and understand why I am a little frustrated over your answer. I want to be careful that I am understood. I am not saying you are not trying to be helpful. You are giving me information, but I think you can see the sand. It is kind of-- We are not really-- But, that's all right. We will have a little more time on this.

Dr. Rutledge has brought out this idea, well maybe the large reason for the explanation was that hope springs eternal at the Federal level. What steps were taken by anyone to contact our representatives in the Federal government to make a change here?

DEPUTY COMMISSIONER RUTLEDGE: I know one thing on that. It was mentioned at many of the Federal meetings on WIC that this was something that needed to be done; it has been discussed there. I know I spoke to Mr. Hornsby--

SENATOR STOCKMAN: Wait a minute. What kinds of meetings are you talking about?

DEPUTY COMMISSIONER RUTLEDGE: WIC meetings.

SENATOR STOCKMAN: Were there any Congressmen or any legislative people? Maybe I am thinking too much legislatively. You were talking about legislative changes, right?

DEPUTY COMMISSIONER RUTLEDGE: Right.

ASSISTANT COMMISSIONER ZISKIN: Yeah.

SENATOR STOCKMAN: Were there any communications with any Federal legislators on this idea, at any point?

DEPUTY COMMISSIONER RUTLEDGE: Not that I am--

ASSISTANT COMMISSIONER ZISKIN: I believe there were. I do know that recently -- within the past year -- I was asked what Federal regulations would I most want to change if I had that ability. I put in writing that I would like to change the WIC regulations, and I put in writing that there should be allowability for us to carry over the Federal money, so that the way the Federal administration would work, would be that we would not have to end the fiscal year so precisely, and that--

SENATOR STOCKMAN: Doctor, do you know who you sent that to? Was this what, in response to some Federal administrator of the Program?

ASSISTANT COMMISSIONER ZISKIN: Well, the last time this was done was-- I believe Mr. Standiford went to a meeting concerning Federal regulations, and I was asked by the Division of Management and Administration to please point out what Federal regulations I would like changed, and what was the worst barrier to our administering Federal programs.

DEPUTY COMMISSIONER RUTLEDGE: One of the things that got us--

SENATOR JACKMAN: Let me ask you a question. You know, we have a-- I am assuming -- and I am not being disrespectful, I want you to know that-- I notice Tom Kean is on television for tourism and, you know, periodically he does a good job selling the State of New Jersey. And, we have a Washington office we have established. I think we spent some money down there. I think people are working in Washington. There is a WIC Program, and it is a Federal Program. Do we consult with the Congressmen, for example? Have you sat with these people, and have you told them what is taking place with this money? It seems asinine -- excuse the expression -- for

us to be sending money back when people are — not starving now — but are going hungry back home here.

And, peanut butter is an aside; you don't like it. I am not being disrespectful, but I get a little annoyed. We have Congressmen who run for office, who work and, in many cases, live in Washington because of the nature of their jobs. Are they contacted? The Washington office we have functioning today — is it contacted? Are they told about this WIC Program? Reagan wants to be everything to everybody, and so far he hasn't been too successful because there is an awful lot of--

SENATOR STOCKMAN: Now, now, keep it nonpartisan, Chris?

SENATOR JACKMAN: I'm nonpartisan, but there are an awful lot of homeless people today, and people are starving. Now, why can't we spend this money? Where does this money go when it goes back to WIC?

DEPUTY COMMISSIONER RUTLEDGE: It goes back--

SENATOR JACKMAN: Now, I am going to get very annoyed with everybody so you will understand me. I cut to the bottom line; I don't make no long speeches or nothing. We are spending 30% of the money we receive to administer giving out food. We have to give 30% of that food money for administration. Thirty percent of the money to give the food out. Holy Moses, that is a lot of money.

SENATOR STOCKMAN: Is it that high?

DEPUTY COMMISSIONER RUTLEDGE: That is set by the Federal government.

SENATOR JACKMAN: I beg your pardon?

DEPUTY COMMISSIONER RUTLEDGE: We don't have the ability to transfer funds back and forth. It is set, the amount we get for administration and the amount we get for food.

SENATOR STOCKMAN: Is it set?

DEPUTY COMMISSIONER RUTLEDGE: It is not a percentage; it is a grant award.

SENATOR JACKMAN: Oh, yes, it is. It says here, "Food, \$25 million; administration, \$7 million." Any time you want to multiply in your head, it's almost 30%.

SENATOR STOCKMAN: I don't want to argue with my colleague, Chris, but I think the number is a little different. But, at any rate, it is a significant amount.

ASSISTANT COMMISSIONER ZISKIN: I would like to speak to that because--

SENATOR JACKMAN: What's different?

SENATOR STOCKMAN: The total cost is \$31 million. It's seven over 31; it's seven over 31. I don't have--

SENATOR JACKMAN: Twenty-five million-- Here, take a look. (referring to Dr. Rutledge's written statement) Twenty-five is food. It comes to \$31.9.

SENATOR STOCKMAN: So, it's seven over 31, which is about 22%.

SENATOR JACKMAN: All right, but--

SENATOR STOCKMAN: It's a lot of money. All right; okay.

SENATOR JACKMAN: Yeah, 22%. But, the point I'm making -- excuse me, again-- When you spend \$25 million for food, and you spend \$7 million for administration-- If the total comes to \$31 million, \$7 million is almost 30% of the cost of the food -- close to 30%.

SENATOR STOCKMAN: All right; okay.

SENATOR JACKMAN: That is the point I am trying to make.

ASSISTANT COMMISSIONER ZISKIN: I would like to go back to Dr. Rutledge's testimony, which explained to you that this is not only just giving out food. This Program mandates that we give nutrition education. So, part of that administration -- a large part of that money -- is funding for

nutritionists at the local level. These people must actually meet each of the people who are recipients. They must speak to them several times during the course of the year. They must give them educational materials, and so forth.

SENATOR STOCKMAN: Doctor, all right, we will get into the Program a little more. I understand that. I think, perhaps, we have exhausted ourselves in terms of this give and take with you over this question of steps taken to put in place a buffer fund. But, I would ask you to search your records and provide the Committee, if you would, with any memos, any internal memos of the Department that touch on this question of trying to solve this dilemma prior to 1986. Let's forget '86, but prior memos. I would be interested, and I think the Committee would be interested, that if there were recommendations made and they were not acted upon, why not? -- that kind of thing.

Off the top of your head, you have done your best in recalling that there were some discussions. We will have a chance to talk to Linda Barr-Gale, I believe, at some point today about it, and perhaps Dr. Halpin about it. So, I appreciate that.

Do you have anything else that you want to share with the Committee?

ASSISTANT COMMISSIONER ZISKIN: The only other thing I would like to say is, I served on the Governor's Council for the Prevention of Mental Retardation. At that Council, we spoke about WIC because we do feel that WIC is a Program that prevents mental retardation. That Council was very supportive of it, and also looked to this problem and would be willing to support help for it.

SENATOR STOCKMAN: It's a super Program. Everybody seems to agree about that. That is why some of us are perhaps extra sensitive and anxious if we find that somehow, you know, there are deficiencies. I think you understand that.

I would like to ask, incidentally, is Dr. Halpin here? (negative response) He's not here?

ASSISTANT COMMISSIONER ZISKIN: That's right.

SENATOR STOCKMAN: Now, we don't know, at this point then, and perhaps you could request this information of him-- I would like to know from him -- the Committee would -- and I would be happy to have him supply it to us in writing, when he first considered the need for a buffer fund to deal with the kind of problem -- the principal problem that brought us here, although there are others, and whether anyone in the Department under him recommended that such a fund be set up. And, if so, what, if anything, he did about it. I am concerned about that. I would like to get that from him.

What I would now also like -- if I may take the liberty of the Chair -- is to ask Linda Barr-Gale, who I gather is the Coordinator for this Program, and who I guess is preeminently qualified to know about the Program to administer it, if she could answer a few questions. Is she here?

DEPUTY COMMISSIONER RUTLEDGE: No.

SENATOR STOCKMAN: I wonder if I could ask the Commissioner, as her boss-- You know, it seems to me that before the hearing ends, we ought to really hear from Linda Barr-Gale a little bit. I mean, you've got some top people here, but, by their own admission, one is relatively brand-new to the Department, and another has a tremendous number of other responsibilities. I would like the Committee to hear from Linda Barr-Gale, particularly on this question about a buffer fund.

Commissioner, do you think it is possible to call her and have her come over?

COMMISSIONER DESIGNATE COYE: If you would like me to, I don't think there is a problem. I would suggest, I think, that Dr. Ziskin's testimony has amply provided us with what I understand to be the case in the Department, which is that

recommendations were made to the previous Deputy Commissioner, Dr. Koplin, both originating with Ms. Barr-Gale, but truly in support of Dr. Ziskin, asking that a buffer fund be established, and it never went any further than that. So, I don't think we need Ms. Barr-Gale.

SENATOR STOCKMAN: Well, that is the difference between you being the Commissioner of the Department and me being the Chairman of the Senate Legislative Oversight Committee. So, with all due respect, if you could give her a call and ask her to come over, I would appreciate it, and I think the Committee would appreciate it.

SENATOR JACKMAN: This may be an unfair question, but what is the comparison to our neighboring states, for example, in the turn-back of moneys? Pennsylvania -- how much does Pennsylvania turn back?

ASSISTANT COMMISSIONER ZISKIN: I can't tell you precisely.

DEPUTY COMMISSIONER RUTLEDGE: We will be glad to submit that to you in writing. We can contact them and submit it to you in writing.

SENATOR STOCKMAN: Good question. All right.

I guess that completes your testimony. The Committee thanks you for being here.

SENATOR JACKMAN: Yes, thank you very much.

SENATOR STOCKMAN: Unless you have something you would like to add.

DEPUTY COMMISSIONER RUTLEDGE: I would like to say that we really do sincerely appreciate coming, because we are concerned, and we want to do everything we can, too, to get the Program on track. We will be looking forward to working with you and trying to implement any solutions.

SENATOR STOCKMAN: Good.

DEPUTY COMMISSIONER RUTLEDGE: Thank you.

ASSEMBLYMAN SCHWARTZ (speaking from audience): Mr. Chairman?

SENATOR STOCKMAN: Yes, Assemblyman?

ASSEMBLYMAN SCHWARTZ: If I may, I just want to say one thing. I will be staying a little longer, but I just want to say one thing. In all the questioning and commenting regarding when the Department may have thought about a buffer fund, and when the Federal government may have thought about it, one thing, I think, should not be lost sight of. That is, we seem to have administrative support for the proposal, which I think will ensure the support of the Legislature as well. Whatever its origin is, it seems clear that the consultants say it is needed; I think it is needed; I hope you think it is needed; and, the Department thinks it is needed.

I don't want you to lose sight of the fact of going forward now because one piece of the puzzle may be falling into place.

SENATOR STOCKMAN: I absolutely agree. I think that is going to be an easy downhill, Assemblyman, but since you volunteered, what about the question of being sure, or ferreting out, or looking at this question of the ability of people in State government at lower levels to administer important programs, where there are deficiencies that can be legislatively corrected, being able to accomplish the message to us?

I am concerned about that. Did your comments suggest that you didn't think we should get into this? Maybe I misunderstood you.

ASSEMBLYMAN SCHWARTZ: No, not at all.

SENATOR STOCKMAN: All right; fine.

ASSEMBLYMAN SCHWARTZ: I think your questions are very apt and very appropriate.

SENATOR STOCKMAN: Good. We are going to pursue that accordingly. I gather that will be with your--

ASSEMBLYMAN SCHWARTZ: I just do not want to lose sight of the fact that going forward we seem to have--

SENATOR STOCKMAN: I think your bill has a good shot.

ASSEMBLYMAN SCHWARTZ: All right.

SENATOR STOCKMAN: I think your bill has a good shot.

ASSEMBLYMAN SCHWARTZ: Thank you very much.

SENATOR STOCKMAN: All right. WIC local coordinators-- I am not sure that we have to hear from all of them. We will be happy to have all of you come up.

SENATOR JACKMAN: Come on up.

SENATOR STOCKMAN: Why don't you-- We have Jean Borkowski, Barbara Keller, Janice Padula, Elaine Nadel, and Carol Bendixen. Ladies, I gather you are the sort of front line administrators of this very, very worthwhile Program. The Committee is proud to have you here before us to share with us, perhaps, some ideas or suggestions. If you have been here -- and I think you have -- you sense the direction the Committee is going. We are not preoccupied with fault, but we do want to learn why maybe this is happening, and why, arguably, it won't happen in the future in a similar way.

So, we are looking both backward and forward. There is no question about that. We are looking backward and we are looking forward. Now, I don't know how we can best proceed, but I have been told, for the record's sake, that it is important that each of you identify yourself from my right to my left, so that the reporter will be able to confirm in the transcript who is speaking. There are five of you. Why don't we start with the young lady to my far right. Will you please identify yourself, and then we will go right down the line and get that part of the record clear.

MAUREEN LUCKETT: My name is Maureen Lockett. I am the Director of the North Hudson Community Action Corporation--

SENATOR STOCKMAN: Can you speak a little louder?

MS. LUCKETT: My name is Maureen Luckett. I am the Director of the North Hudson Community Action Corporation WIC Program. I am not here to speak as part of the WIC Forum Coordinators Delegation. I am speaking as a separate individual. I am not sure it is appropriate for me to be sitting up here right now.

SENATOR STOCKMAN: Oh, yeah, sure it is. You stay right there, Maureen.

MS. LUCKETT: Not that I don't support the Forum.

C A R O L B E N D I X E N: I am Carol Bendixen. I am Coordinator of the St. Joseph's Hospital WIC Program, in Paterson, New Jersey.

J E A N N E B O R K O W S K I: I am Jeanne Borkowski. I am Coordinator for the Burlington County WIC Program. This year I am also Chairman of the New Jersey Forum of WIC Coordinators.

B A R B A R A M. K E L L E R: My name is Barbara Keller. I am the Coordinator for the Camden County WIC Program.

E L A I N E L. N A D E L: I am Elaine Nadel. I am the WIC Coordinator Nutritionist for the City of Passaic -- the Passaic WIC Program.

SENATOR STOCKMAN: And that's it? I have a protest. My schedule shows Janice Padula, from Trenton, my district. I gather she is not here today. She wasn't able to--

J A N I C E P A D U L A (speaking from audience): Yes, I'm here.

SENATOR STOCKMAN: Janice, is there some reason you want to stay in the back?

MS. PADULA: Well, when we went through what we were going to talk about--

SENATOR STOCKMAN: Why don't you stand up for just a second?

MS. PADULA: When we went through what we were going to talk about, we had enough speakers.

SENATOR STOCKMAN: All right. Well, if you have anything you would like to add or subtract, be assured that we would be happy to hear from you. Janice is from our great capitol city.

Now, who speaks for you first?

MS. BORKOWSKI: I will speak first.

SENATOR STOCKMAN: All right; fine.

MS. BORKOWSKI: Senator Stockman, Senator Jackman, thank you for the opportunity to present the local WIC agency perspective. I would like to introduce my colleagues — who you have already met — Barbara Keller, who will speak about administrative funding difficulties; Elaine Nadel, who will discuss the outreach problems; and, Carol Bendixen, who will assist in answering your questions.

We represent the New Jersey Forum of WIC Coordinators. Our testimony today will reflect input from Forum Coordinators across the State.

I would like to address the difficulties local WIC agencies have had in spending food dollars in the past several years, especially Fiscal 1983, 1984, and 1985.

At this point, you may want to refer to the attached chart, which represents participation levels in a typical local WIC agency.

During Fiscal Year 1982, local WIC agencies experienced increased Program enrollment as a result of additional funding received late in the year. In October, 1982, funding difficulties at the Federal and State levels prompted State officials to "freeze" local WIC Programs in New Jersey in an attempt to control spending. As a result, pregnant women, infants, and preschool children across the State were placed on waiting lists. The freeze was completely lifted after two months, but its negative effects were felt well into the next several months. Local agencies frantically tried to recover by reinstating clients from waiting lists and by enrolling new

participants into the Program. Another complication arose that summer when New Jersey received additional funds through the Federal Jobs Bill Act. Coordinators were now faced with the extremely difficult task of spending hundreds of thousands of additional dollars, with only two months left in the fiscal year.

SENATOR STOCKMAN: Where does the Jobs Bill Act -- if I may interrupt you -- fit in with the WIC Program?

MS. BORKOWSKI: Several million dollars were appropriated under the Jobs Bill for WIC. So, the WIC Program, nationwide, received additional funds through the Jobs Bill Act.

SENATOR STOCKMAN: All right, thank you.

MS. BORKOWSKI: In October, 1983, local agencies began the new fiscal year with caseload levels that continued to climb as a result of the massive efforts taken to spend the Jobs Bill funds.

It was clear the allocation received by New Jersey could not sustain the increased participation. Measures were taken by the State agency to reduce food package costs without negatively affecting caseload levels. Local agencies were advised that certain items and brands available through WIC would be prohibited until further notice. Several agencies, however, still had to impose waiting lists to keep within their budgets.

In June, several agencies received additional funds; yet, many were still in serious trouble as caseloads and food costs were not dropping enough. In August, 14 local WIC agencies were then mandated to freeze their Programs to certain categories of participants to prevent overexpenditures.

SENATOR STOCKMAN: Let me stop you right there. Those orders came from the Department of Health, I would guess.

MS. BORKOWSKI: That is correct.

SENATOR STOCKMAN: Who would the freeze order come from directly?

MS. BORKOWSKI: It would come from the management--

SENATOR STOCKMAN: From the Commissioner?

MS. BORKOWSKI: It would come to us from the management of the State WIC Program.

SENATOR STOCKMAN: And that would be--

MS. BORKOWSKI: Ms. Barr-Gale.

SENATOR STOCKMAN: Ms. Barr-Gale, okay. That freeze order came--

MS. BORKOWSKI: Excuse me. Which one are you--

SENATOR STOCKMAN: The last one came in August?

MS. BORKOWSKI: In August.

SENATOR STOCKMAN: Okay. I'm sorry; go ahead.

MS. BORKOWSKI: At the start of Fiscal Year 1985, some local agencies received inadequate funding to serve existing caseloads, while others received funds far in excess of what could be realistically utilized. By January, it was recognized that several agencies would not be able to spend their food dollars, while others were seriously overspent, yet funds were not reallocated at that point.

Agencies that were in danger of overspending once again resorted to waiting lists in efforts to control caseload levels, while agencies that were underspending stepped up their efforts to increase their enrollments.

By March, additional funds were received and distributed to local agencies. In July, even more food dollars were received in the State, and local agencies were allocated additional funds above and beyond what they had requested. Again, these funds had to be spent by September 30.

Despite all efforts made at the local level, only 50% of local agencies were able to spend more than 95% of their food dollars in Fiscal Year 1985.

Local agencies began this year with extremely high caseload levels and limited administrative dollars. In December, funds were reallocated within the State in an effort

to finally stabilize caseloads. Last month, New Jersey received additional funds and distributed them based on levels of clients estimated to be eligible for WIC in each area of the State. Therefore, certain agencies received additional funds and could actually grow modestly, while other agencies initiated and continued their waiting lists. Further, agencies that received additional food dollars to increase their caseloads have still not received additional administrative funds to support caseload growth.

The decision to initiate a waiting list at the local agency is not an easy one. It is not a decision that is made arbitrarily, and it is not a decision that is made without consideration for Program participants. Every day, mothers who come in expecting to receive food vouchers for their children, are told that while their children are eligible, there are not enough funds at the local agency to serve them. Thus, children do not get their food, infants do not receive their formula, and parents lose confidence in the WIC Program. Health indices are negatively affected, since WIC participation has been positively correlated with improvement in health status.

SENATOR STOCKMAN: Let me stop you there for a minute. That is a serious statement. What kind of numbers are you talking about? I mean, when you-- This statement that, "Every day, mothers who come in expecting to receive food vouchers for their children, are told that while their children are eligible, there are not enough funds at the local agency to serve them"-- Can you quantify that at all? I mean, are we talking about a couple of mothers, or are we talking about hundreds of them in New Jersey?

MS. BORKOWSKI: My agency isn't on a waiting list right now, but maybe some of you would like to address this.

MS. KELLER: In Camden County, we have approximately 500 eligible children on the waiting list.

SENATOR STOCKMAN: Right now?

MS. KELLER: Yes.

SENATOR JACKMAN: Waiting for food?

MS. KELLER: Yes.

SENATOR STOCKMAN: What others?

MS. NADEL: In the City of Passaic, we have over 700 people on the waiting list, including pregnant women and infants and children.

SENATOR JACKMAN: All right. Let me ask a question, through you, Mr. Chairman.

SENATOR STOCKMAN: Go ahead.

SENATOR JACKMAN: In the beginning of your statement, you mentioned that the moneys are allocated. I am assuming that this is on a county-- Is this strictly county-- The moneys that go in, do they go to a county WIC or to local WICs?

MS. BORKOWSKI: In many instances, they are county; some are local.

SENATOR JACKMAN: All right; okay. Now, that allocation comes from the State Department of Health, is that right? Do they handle the moneys? In other words, let me go back in retrospect to see if I can get it straight in my mind.

Thirty million dollars comes into this State to be allocated to WIC. The money goes to the Department of Health?

MS. BORKOWSKI: That is correct.

SENATOR JACKMAN: They then reallocate that money out to the WIC Programs, right?

MS. BORKOWSKI: That is correct.

SENATOR JACKMAN: In your statement, you said that in some WIC areas, they get more money than they can use. Who makes the decision to give that kind of money to someone who can't use it?

MS. BORKOWSKI: We are not privy to the information of who actually makes the decisions.

SENATOR JACKMAN: Yet, when you ask for your allocation, you do not get the kind of money you are entitled

to. Why? Who then makes that decision, the same State Department of Health?

MS. BORKOWSKI: I would have to say it is State management.

SENATOR JACKMAN: Again, with your permission, Mr. Chairman--

SENATOR STOCKMAN: All of this is through the Chairman.

SENATOR JACKMAN: Right. In some areas, we have more money than we can actually use, and yet you just made the statement that you have a waiting list of 500 mothers and children who have no food.

MS. KELLER: Mine are all children.

SENATOR JACKMAN: Children who have no food.

MS. BORKOWSKI: It is not that they don't have food. They are not permitted, at this time, with the funding level that I have-- I don't have the funds to serve them.

SENATOR JACKMAN: You don't have the funds to serve them?

MS. BORKOWSKI: Right.

SENATOR JACKMAN: Yet, you said in the context of your statement, that there are other WIC areas that have more money than they can spend. Is that right? (no response) How in the hell did you send back \$2 million then? How do we send back \$2 million to the Federal government.

SENATOR STOCKMAN: These people didn't say that.

SENATOR JACKMAN: No, I didn't say that; I didn't say that. All I am trying to get clear in my mind is, you said you need money in your district, and yet in other districts they have money sitting there. Is that right? (no response) In essence, that is what you said to me.

SENATOR STOCKMAN: I don't think there is too much money sitting. Correct me if I am wrong. Is there money sitting that you are unable--

MS. KELLER: There is probably not much this year, although there was in other years. This year, funds are very tight at the local agencies. We all started out at high levels.

SENATOR STOCKMAN: Funds are very tight now, but let me explore a little further these 500 children, and these are infants; these are small children.

MS. KELLER: No, sir. These in my agency are Priority V, which are decided by the Federal government. These are children whose diets are not adequate. The higher priority children, who fall into the higher levels-- I am able to serve them. These children are Priority V. They might not get enough milk in their general diet.

SENATOR STOCKMAN: Right, but they are under age five?

MS. KELLER: Yes, sir.

SENATOR STOCKMAN: That is what I said. These are small children, under age five, whose nutritional diets are at risk -- to use the other phrase -- to some degree anyway. You're speaking for Camden. In Camden, there are roughly 500 on the waiting list. How long has that been? Is that just this week, or is that something that has prevailed for a period of time?

MS. KELLER: My waiting list began at the beginning of this fiscal year -- in October.

SENATOR STOCKMAN: October of '85?

MS. KELLER: Yes, sir.

SENATOR STOCKMAN: Five hundred children have been on that waiting list for roughly--

MS. KELLER: The waiting list has grown as the year has progressed.

SENATOR STOCKMAN: What was it in October?

MS. KELLER: I think approximately-- I think it is about 70 children we screen a month who fit into this particular priority.

SENATOR STOCKMAN: The waiting list has grown from 70 in October of '85 to 500 in June of '86?

MS. KELLER: Yes, sir.

SENATOR STOCKMAN: And, some of those have been on the waiting list since October?

MS. KELLER: Yes, sir.

SENATOR STOCKMAN: The only answer you can give these people is that they are on the waiting list, and when you get the funds, you will get back to them. Do some of them come in more than once to be told, "Look, we just don't have these things for you"?

MS. KELLER: When we do the initial screening and they are put on the waiting list, they are given instruction by the nutritionist that, "Should additional funds become available, we will be the ones who will be contacting you."

SENATOR STOCKMAN: So, they are kind of politely told, "Look, you are on the waiting list. If we get the money, we will contact you. Don't contact us." I guess they don't come back too often?

MS. KELLER: The only parameter I have is, when I have functioned with a waiting list in years past, when we have a call-back when additional funds do come, I get about a 60% return.

SENATOR STOCKMAN: Now, let me get -- because I am concerned and restless about this, as I think Senator Jackman is -- a profile of these children. My instinct is that when you are under five, it is pretty hard to blame you for anything, but these are not derelicts, are they? I mean, these are not people who have refused to do a job, or work -- that kind? Right? We can put them totally out.

MS. KELLER: Right.

SENATOR STOCKMAN: These are children under five years of age, who some medical personnel have recognized and discerned as being deficient in terms of the nutritional items they are to receive. Right?

MS. KELLER: Yes.

SENATOR STOCKMAN: And, the Program doesn't give them a five spot, or \$25 that they can take out and either go in the direction of a juke box or a coke, or something here or there. It gives them basic food -- nutritional food -- and that's it. Right?

MS. KELLER: Yes.

SENATOR STOCKMAN: And the people in Camden have to be told, regularly, that the State of New Jersey does not have the wherewithal to provide them -- these children -- with their basic nutritional needs. Right?

MS. KELLER: The funds come from the Federal government to the State, and then to us local agencies, so I would say that the money that has come to us federally is where the problem lies.

SENATOR STOCKMAN: Incidentally, the mothers of these children-- You give me a profile; I don't know them. Are they caring mothers?

MS. KELLER: Yes, sir.

SENATOR STOCKMAN: In other words, we are not dealing with women who have children who are off and couldn't care-- These are caring mothers who want the supplemental nutritional needs of their under-five-years-of-age children taken care of. Right?

MS. KELLER: Yes.

SENATOR STOCKMAN: And, in Camden alone, there may be 500 of them who are told that we may get around to them. Because once they turn six, I guess, they are out anyway, right?

MS. KELLER: Yes.

SENATOR JACKMAN: What happens when they are six?

SENATOR STOCKMAN: That strikes me as outrageous. It must be troublesome for you. You work in the Program right in the office where this occurs -- right in Camden, in the City of Camden?

MS. KELLER: My nutritionists are on the front line. It is very difficult for them, yes.

SENATOR STOCKMAN: Are you on the front line, too? Where is your office?

MS. KELLER: I am a couple of offices down, but, yes, when the complaints come, I am where the buck stops at the local agency.

SENATOR STOCKMAN: It must be very upsetting to you to see what we are doing, you know, what State government is doing in some other ways, when you are not able to respond positively to the mothers of those roughly 500 children, isn't it?

MS. KELLER: It's difficult, yes.

SENATOR STOCKMAN: How do you explain to people, "Hey, look, life is tough"? How do you do that? (no response) Let me ask you this: It must undermine either your, or a lot of other people's sense of respect for the political process. Am I right? (no response) In other words, big shot elected officials -- Senators, with maybe license plates with gold seals, and even a Governor, and Cabinet members, and so on -- you know, whatever we're doing-- But here down in this little town of Camden -- not so terribly little -- there are 500 children, and mothers of those children, who are being told, "Hold it, we can't provide you with this important nutritional package for your children." I would think it would make you begin to wonder about the whole system. Am I right?

MS. KELLER: It does make you wonder where the government's priorities are.

SENATOR STOCKMAN: Where the government's priorities are-- That is a \$64 question. That may be the most important thing we have heard today. Where are the government's priorities? How about Passaic?

MS. NADEL: Passaic is a small City. We have approximately 53,000 people in the City. In December, we had almost 2000 people on the Program. I have had a waiting list

since December, and I have 700 people on that waiting list. For the City of Passaic, that is a very large amount. Included in that are pregnant women and infants. I don't just have children on my-- No child can get on my Program today -- with anemia, with obesity, with any of the high risk factors.

SENATOR STOCKMAN: This must be disconcerting to you.

MS. NADEL: Yes, it is. We have a smaller office than Barbara has, and I sit right outside the clinic, and I hear my nutritionists trying to explain the situation, and I hear the angry clients. It bothers me; it bothers me a lot.

SENATOR STOCKMAN: What have you done about it?

MS. NADEL: I have appealed for more funds.

SENATOR STOCKMAN: To whom?

MS. NADEL: To the State WIC Program.

SENATOR STOCKMAN: And, what kind of a response do you get?

MS. NADEL: They have heard me, and they are taking it under consideration. I have been given two additional allocations this year, but they were small compared to my needs. I asked for \$100,000 the first time, and was given \$18,000. The second time I asked for \$51,000, and I was given \$17,000.

SENATOR STOCKMAN: Incidentally, Elaine, this is a little tricky setting for you, I would think. I mean, let's be frank about it. I think it is important that we be frank. Sitting behind you are the people who operate the Program. I am not suggesting that it is their fault. Sitting somewhere else is the top administration. Sitting here are a few legislators. And you are trying to deal with those cries from those people -- those mothers who are not getting their children fed. If you complain too much here, someone might get annoyed, and that could be a problem. If you don't complain, I guess you would leave here feeling pretty lousy, wouldn't you?

SENATOR JACKMAN: Well, let me tell you something, and you can make book on this. There will be no reprisals. If anyone tries, in any way, shape, or form, you will see heads flow down this river. That is not an idle statement; I want you to know that. If I find out that anyone -- but anyone-- This hearing was called by the Legislature. We expect people to come in here and give us honest answers.

What is the average cost per mother with an infant, let's say, for a whole year? Say she is on the Program and the youngster is three years old, how much money do we actually expend on that young person for one year? Give me a figure.

MS. NADEL: Every Program, of course, is different, because there are different inflation rates throughout the State.

SENATOR JACKMAN: Yeah.

MS. NADEL: I happen to be in an area with a very high inflation rate, so my food package is going for about \$34 a month right now.

SENATOR JACKMAN: Thirty-four dollars a month.

SENATOR STOCKMAN: About \$500 a year.

SENATOR JACKMAN: About \$500 a year. And, you have 700 young people who are not on that Program. That, in quick figures, would be about \$35,000.

SENATOR STOCKMAN: Shame on us; shame on us. What other agencies of a similar sort--

SENATOR JACKMAN: No, \$350,000.

SENATOR STOCKMAN: What other agencies, to your knowledge, have waiting lists, besides Camden and Passaic? What about Trenton? Where is Trenton in all of this? Does Trenton have a waiting list?

MS. PADULA (speaking from audience): No. We had a unique problem last year because--

SENATOR STOCKMAN: Excuse me. Could you come up to the microphone? I hope you don't mind my pulling you up here, but I am particularly interested.

MS. PADULA: Last year, we received a number of allocations -- Fiscal Year 1985. We grew about 700 or 800 people a month to spend money. This year, we were cut initially, and then we were cut again in December.

SENATOR STOCKMAN: When you say cut, do you mean you were told you would get less funds? Would you have to tell some of your clients--

MS. PADULA: What happened was, we went on a waiting list. Trenton is a small City, and from word of mouth people decided that if they came in they would be turned away, so it wasn't worth coming in. So, a tremendous number of our participants just stopped coming. We dropped tremendously.

SENATOR STOCKMAN: How many people, roughly? What numbers are you talking about?

MS. PADULA: Last year, at the end of September, we were up to 3700 people who were participating in the Mercer County WIC.

SENATOR STOCKMAN: Most of those, I would suspect, were in Trenton.

MS. PADULA: Yes, most of them were in Trenton.

SENATOR STOCKMAN: Yeah, okay. What was the drop?

MS. PADULA: We maintained that for a while until the State took money from us in December.

SENATOR JACKMAN: Why did they take money from you? What was their reason? Did they give you a reason for taking the money, or did they just arbitrarily take it?

MS. PADULA: That was one of the major concerns I voiced to the State. We had performed in 1985. We spent over 95% of our money, despite the fact that we took three allocations in Fiscal Year 1985. Besides that, we are number two on the Affirmative Action Ranking, meaning we have the second highest infant mortality right in this State.

SENATOR STOCKMAN: I am aware of that; very aware of it. This ties in -- this question of inadequate nutritional

needs for children under five and at birth and mothers, during pregnancy -- with that medically, doesn't it?

MS. PADULA: Yes.

SENATOR STOCKMAN: Okay, go ahead. I'm sorry.

MS. PADULA: So, what happened was, when we received the cut in our funding in December of '85, we started a waiting list. We went from 3700, within two months, down to 3000.

SENATOR STOCKMAN: So, there were 700 mothers and children who dropped off because of that cutback.

MS. PADULA: It was across the board.

SENATOR JACKMAN: You dropped them off because you didn't have the money.

MS. PADULA: No. What happened was, we didn't want to drop that fast. We didn't want to go down that low but, as I said, since Trenton is a small community, people heard, through the grapevine, that people were being turned away, so they decided it wasn't worth their time to come down to see. So, they just all stopped coming.

SENATOR JACKMAN: I get it.

SENATOR STOCKMAN: Ms. Padula, again, a profile. You know, and I know, that there are a lot of governmental programs, historically, that were well-intended, well-meaning, but really tried to do things that couldn't be done. Sometimes it was the people involved and their lack of motivation, education, etc. Again, I want to get a profile of the kind of people we are dealing with. My instincts tell me they are not people who anyone can wave a finger at and say, "Why don't you get a job?" or, you know, "This country was built on hard work, and everybody has to pull his or her own weight" -- all those kinds of things.

Really, these people are not those kinds of people, are they? (no response) Correct me if I am wrong. What kind of people are they? How would you share with this Committee, for the record, the kinds of people we are turning away from this Program?

MS. PADULA: Well, depending on the area— In Mercer County, in the Trenton area, I would say that most of the recipients are on AFDC and other welfare programs. They certainly need the additional help from WIC. But, if you go out to Hamilton Township, where we have an outlying clinic, or out to the other outlying areas, which are Hightstown, Princeton, Ewing, and Lawrence, we find that a lot of the people who participate in WIC are those who have working members in the family who need just a little bit of help to make ends meet, because they are not collecting in other areas that are available.

SENATOR STOCKMAN: But — one of the things I am trying to get at — these are not people who, for instance, if you bring them in and give them these nutritional needs, will take them out and throw them in the garbage, or try to sell them to someone to buy, you know, a shot and a beer. These are people who need these things for their children.

MS. PADULA: For the most part, yes.

SENATOR JACKMAN: When they go to the store, they buy that food; for example, in Shop-Rite. They get coupons, don't they? They don't get the food to sell.

MS. PADULA: Right.

SENATOR JACKMAN: They get the coupons, and then when they go to the store they exchange the coupons for the food. Is there a listing of the food they are supposed to get?

SENATOR STOCKMAN: They get packages, right?

MS. BORKOWSKI: There is a list of food.

SENATOR JACKMAN: What?

MS. BORKOWSKI: There is a list of food they are permitted to get.

SENATOR JACKMAN: That's what I'm saying. When they go in, they have a list of food they have to get. In other words--

MS. BORKOWSKI: Well, they can select from the list.

SENATOR JACKMAN: They can select from the list. They can't go in and say, "I want a bottle of gin and two cases of beer," or anything like that.

MS. BORKOWSKI: That is correct.

SENATOR JACKMAN: They go in. There is a food program which has to be implemented. Okay?

SENATOR STOCKMAN: These numbers in Trenton-- You're talking about at least 700 people. How many would be mothers, and how many would be children, roughly?

MS. PADULA: It was across the board. I think an even amount dropped out. In proportion, I would say more children dropped out, because that is usually where we have most of our caseload, but we also had women and infants dropping out. It was across the board. They all felt, out in the community, that it wasn't worth their time to come down if they were going to be turned away because there wasn't enough funding. So, they decided not to take the time to come down.

SENATOR STOCKMAN: All right. Thank you. Back to the group. Besides Trenton and Camden and Passaic, does anyone know the situation in Newark? Is there a waiting list there? Are there problems there?

MS. BORKOWSKI: There are three agencies which serve the City of Newark -- the Newark WIC Program, UMDNJ, and East Orange. I can't say with any great certainty, but I believe two of those three agencies are on a waiting list right now.

SENATOR STOCKMAN: Have waiting numbers. Do you have any sense of the number of children or pregnant mothers who are on that list?

MS. BORKOWSKI: No, I do not.

SENATOR STOCKMAN: Could you get that for us? Well, I'll ask the Department-- We'll have the Department get back to us on this.

Dramatic testimony, I think; you know, embarrassing in the sense that perhaps people like myself should have known

these specific numbers and, to that extent, I have to stand responsible. But, it just doesn't seem that in 1986 -- midyear -- in New Jersey, that we ought to have children aged five and under, and pregnant mothers, who seek and need basic nutritional foods, to be told by this great State, "We're sorry, it just ain't there." Something's wrong.

All right. I'm sorry. Let's go back to finishing your statement, and then we may have some other questions for you.

MS. BORKOWSKI: Okay. We can only guess at the numbers of pregnant women who refuse to enroll in WIC because of the mistaken notion that their own participation would cause their child to be placed on the waiting list. Other community agencies and health professionals have also lost confidence in WIC. Agencies that have routinely referred potential clients -- agencies such as the Lead Program, Special Child Health Services, Child Health Conferences, Prenatal Clinics, and Family Planning Programs -- have been advised to curtail referrals because of limited funding, and then to increase referrals because additional dollars were received.

This year, the individual at the State agency responsible for caseload matters has made an extraordinary effort to assist local agencies in managing their participation. The initial reallocation was made promptly, and subsequent modification letters were promptly sent to local agencies.

Local agency coordinators are sincerely interested in serving WIC participants as effectively and efficiently as possible. But, in order to do so, we need to achieve caseload stability as early as possible in the fiscal year, and avoid the freezes and waiting lists that accompany an uncertain funding situation. We need assurances that funds will be available to maintain the caseload growth that has been necessary in order to spend funds received at the end of the

year, and we need administrative support, as well, to achieve and sustain the increased caseload. It is likely that the Federal government will continue to distribute WIC funds to states in a manner that has caused local agencies in New Jersey so many problems. Without additional funds to supplement the Federal allocation, it is also likely that WIC participants will continue to suffer from freezes and waiting lists.

Thank you.

SENATOR STOCKMAN: Thank you. Are there any others of you who would like to add anything that might help us in what we are trying to do here today, which, of course, is to shed some more light on the WIC Program, the benefits of it, the shortcomings, the needs, with some ideas about the possibility of legislation and things of that sort? Now is your chance. I echo Senator Jackman's sentiments. I would hope -- and want to believe -- that there would be no reprisals or impacts from any direction as a result of anything you say. We are really searching for direction here. We don't want to overdramatize the issue, but, believe me, we are here to listen to you.

I sense that you are people who are really out there on the battle line. If anybody has anything to give us, it is probably you and the people who work directly under you.

SENATOR JACKMAN: Take this young lady from Hudson County.

MS. LUCKETT: This is a little bit off my written testimony.

SENATOR STOCKMAN: That's probably better.

MS. LUCKETT: However, I think it is a little bit unfair to look at the State as though it has not made attempts to distribute funding equitably throughout the State.

SENATOR STOCKMAN: Okay.

MS. LUCKETT: It is a difficult issue. My testimony had to do with some particular issues that I think make it difficult, but in speaking for the State's interest here, in

their State plan, they describe -- and also in our WIC Procedure Manuals -- in detail, the approaches they have taken to equitably fund different areas of the State so that the moneys do get sent. But, there are some major problems. So, it is not that they haven't made attempts at equitably distributing funds, and getting funds. They have.

SENATOR JACKMAN: What were the attempts made?

MS. LUCKETT: Excuse me?

SENATOR JACKMAN: Give me the attempts that were made.

MS. LUCKETT: I think every year they have made a different attempt and a different approach. They have learned a little bit from this approach, and tried a different approach. But, you can find the write-up in detail -- in fact, I have it with me, if anyone is interested -- of what they have attempted to do.

SENATOR JACKMAN: Well, then, why would we send money -- through you, Mr. Chairman -- always through you, so you'll understand that -- okay? -- always--

SENATOR STOCKMAN: What a team, huh?

SENATOR JACKMAN: Why do we send money back?

MS. LUCKETT: There are a lot of factors. One is the way the Federal government distributes the funds to us very late in the fiscal year. Sometimes the factor is, you know-- An area is given moneys based on what the State assumes is the number of estimated eligibles that it really has in an area, and there are some flaws with that formula. This is one of the issues I wanted to address, and I would like to at some point.

SENATOR JACKMAN: Go ahead.

MS. LUCKETT: There are problems with-- I am just trying to think quickly off the top of my head. I think the biggest problem is the way the funds are allocated, more than anything else. For instance, this year, we got a tremendous amount of money in July. Well, that is not very helpful in stabilizing your caseload when you are high in October, and

then you have to drop down because you don't have the money, and then suddenly in July, the Federal government hits us with a ton of money, and there we are. We don't have the admin money or the time to get those participants on to spend those moneys.

So, it is not really fair to say that the State didn't make attempts. My agency spent 106% of its original grant.

SENATOR JACKMAN: That's Hudson County. We're right up there.

MS. LUCKETT: Some extraordinary efforts were made by both the State and the locals to attempt to spend those moneys.

SENATOR STOCKMAN: I didn't hear anyone -- but maybe you can correct me -- say that the State hasn't made attempts. The flow of the comments may have led one to wonder about that, but I don't think anyone has said the State hasn't made attempts. Did you think someone said that?

MS. LUCKETT: No, I just think it is kind of being implied by saying, "Oh my God, how could we send back all that money?" Sometimes it is just not possible to spend it, you know.

SENATOR STOCKMAN: All right. But, I think you would agree with me that there oughtn't to be 700 WIC applicants who qualify turned away in Passaic, or 500 in Camden. We have to do something about that. Maybe the fault lies with the Federal government totally in this up and down flow of money. That has been emphasized before, and I think we will hear more about it. But maybe it is a problem, also, of trying to spend up to each cap and not having a little leeway, and the need for a cushion of some sort, or maybe some other factors.

I appreciate, you know, that there are some answers to some of the problems, but I suspect you would agree with me that we have to change some rules. You have a statement that you wanted to give us.

MS. LUCKETT: May I give that at this point, or would it be more appropriate for someone else to speak?

SENATOR STOCKMAN: Yes, you may.

MS. LUCKETT: Okay. My name, as I said, is Maureen Luckett. I am from North Hudson. My Program is in its ninth year of operation, and I have been the Director since its inception. That is why I really wanted to approach the idea that I think they have tried to spend the moneys. I have been around for a while.

My Program is located in Hudson County. We serve Union City, West New York, North Bergen, Weehawken, Guttenberg, Secaucus, Kearny, and East Newark.

I want to address three major points which I believe could have a significant impact on the State's ability to spend its moneys, which have not been previously addressed by the State and funding formulas. As I said, the State has tried many different approaches. Two of the approaches that they do take into account on a regular basis -- and these could be handed to you from the Procedure Manual -- are: the estimated eligibles in the area and, also, what they call their Affirmative Action Plan. Now, these are not the only factors they use in distributing both Federal and State funds, but they are factors that are frequently used. Okay?

The major points that I think have not been addressed anywhere in the funding formulas, at any time, are: the cost of living in a particular area; the diversity of the cost of living within particular areas in New Jersey; the difference in geographic areas; the depth of poverty among those who are estimated eligibles -- and I will get into more detail about that -- and, also, the impact of the Mariel Cuban entrants who came to this State in April and June of 1980, who have not been counted in the census data because they came after the census data was collected, and who are, therefore, not reflected in the estimated eligibles listing, which is very much the basis for two of our major forms of funding formulas.

In the Affirmative Action Plan-- Estimated eligibles is one factor in that Plan and, again, estimated eligibles alone is frequently used to distribute funding.

SENATOR JACKMAN: Maureen, let me ask you a question. It was on my mind before -- and I don't mean to be facetious -- but you said you spent 106%. Where did you get the other 6% from?

MS. LUCKETT: When all of that money came in at the end of the year, they said, "Go out and spend it. Anyone who can spend that money, please do whatever you possibly can to do it." It was open-ended.

SENATOR JACKMAN: A hundred and six percent. In other words--

MS. LUCKETT: The grant allocation we had before that money came in.

SENATOR JACKMAN: Oh, you had an allocation, hypothetically, of \$1 million, and then they came along and gave you additional money, and you spent that?

MS. LUCKETT: Yes. We even spent more than we told them we could spend.

SENATOR JACKMAN: Well, where did you get it from?

MS. LUCKETT: Excuse me? The moneys that came into the State in July from the Federal government -- equity moneys -- and redistributed moneys. These came in in July -- actually in June, but really you couldn't use it until July.

SENATOR JACKMAN: I get it. But, you found a way to use it.

MS. LUCKETT: Well, because we are a unique area, and these are some of the things I wanted to address here.

SENATOR JACKMAN: Okay, I get it.

MS. LUCKETT: In the area of cost of living, cost of living has not been included in any formula used by the State for funding distribution, either for admin or for food moneys. To illustrate what I am talking about, let's look at my County,

Hudson. For a variety of reasons, the costs of housing are extremely high in Hudson County, and if anyone would like more detail, I could go into that. Housing costs are a very, very important factor in your total cost of living. Hudson County has extremely high housing costs. A single small room, for instance, in an inadequately maintained apartment building, may cost, in our area, a good \$100 a week. However, if you go into other areas of the State, that same housing unit -- a small room in a house someplace or a small apartment -- may cost you \$10 a week.

The depth of poverty is another major issue here. The Estimated Eligibles List, which is also a factor in calculating the State Affirmative Action Plan -- which are both frequently used factors in making food and admin distribution decisions -- looks at an estimate of the percent of people below 200% of poverty level for different areas of the State based on 1980 census data. Each estimate of percent of people below 200% of poverty level for each area is then applied to the total estimated women and children under five living in that geographic area, to arrive at the estimated number of eligible WIC participants in the area.

For a more detailed explanation of this calculation, you can see the Summary of the Statistical Method Used in Establishing this Estimation of Eligible Clients for the WIC Program, which is something produced by the State that is in our Procedure Manual, and I do have a copy of that with me.

While the calculation may, indeed, target where the highest number of potential eligibles are -- those who would be under 200% of poverty level -- it does not address the depth of poverty within the geographic area.

To quickly illustrate this point, based on 1980 census data, 32.5% of the population of Hudson County -- and, again, I am using my County because the statistics are easily available to me -- who were determined at or below 200% of the poverty

level, were actually also below 75% of the poverty level. Now, if you look at the State average for that, the State, as a whole, had 27% of those below 200% also below 75%. Another area in the State might have only 15% of those also below 200% below 75%. So, the depth of poverty is not measured by just looking at 200% of the poverty level. Can you see?

SENATOR STOCKMAN: I understand.

MS. LUCKETT: Okay. There are statistics available from the 1980 census where you can look at percentages in the 75% poverty, the 125%, the 150%, as well as the 200%. These figures could be used to indicate depth of poverty within the area, rather than just estimated eligibles being looked at. I think this is one of the reasons why funds go out to agencies that can't spend them. You know, these factors are not being looked at, and they really do impact the poor.

SENATOR STOCKMAN: When you say this depth of poverty is one of the reasons why funds go out to agencies that cannot spend them, what do you mean?

MS. LUCKETT: Let me explain that. In geographic areas of the State impacted by the high cost of living and/or the deep depth of poverty, the poor are simply poor, and are more likely to be in need and reach out for WIC services because they are in greater financial need. These two factors actually show a greater financial need -- the high cost of living and the depth of poverty. A person who has more money and less expenses is much less likely to go to the bother of going to a WIC Program. She is getting maybe 30-some dollars a month, you know--

SENATOR STOCKMAN: I thought you said those would suggest why-- If there is a greater depth of poverty, there would be a higher spending ratio. There would be less trouble spending the money.

MS. LUCKETT: That's right.

SENATOR STOCKMAN: I thought you were saying the reverse.

MS. LUCKETT: No, that's right; that's exactly correct.

SENATOR STOCKMAN: All right. Well, Camden and Passaic -- if they could just come back for a second-- In terms of those concepts and those ideas, that doesn't explain-- Take Camden, for instance. Certainly the depth of poverty in Camden, I think we could probably all agree, is pretty high. The cost of living -- well, I am not as sure about that.

MS. LUCKETT: I am not familiar with the depth of poverty in Camden. I am familiar with it for Hudson County in relation to the State, but I am not familiar with Camden's depth of poverty.

SENATOR STOCKMAN: All of the studies I have been shown seem to suggest this is a heavy poverty area.

MS. LUCKETT: These are easy-to-collect statistics.

SENATOR STOCKMAN: All right. Go ahead; I'm sorry. What are your other points?

MS. LUCKETT: Again, even with 100% of the poverty level, you can have this same situation where you have people down there in 10%, and the large proportion of the 100% are down there at 10%, or they could be closer to the 100%.

The people who are affected by the high cost of living, whether it be housing costs or other factors that may affect other areas and, also, those who are affected by the depth of poverty and have a very deep depth of poverty in their area, are all likely to come out for WIC services. They are more likely to actually arrive at the local agencies. So very often moneys are put out into these areas, and the people say, "Oh, I don't really need it that much," where in an area like mine -- or any other areas that are affected by these areas -- these people are poor. They are genuinely poor. They have less discretionary income.

SENATOR STOCKMAN: Just so I am clear, these 700 people we are talking about wouldn't-- That is not what you are talking about.

MS. LUCKETT: I don't know what the factors in Trenton are, or in Camden are. I am not a Camden or a Trenton coordinator.

SENATOR STOCKMAN: But, since you have injected into this, and that's fine -- we are trying to get to the bottom of it -- I want to be sure of something. I don't want to get direct dialogue too much. But, they were described as 700 applicants who are on a waiting list, who want these provisions. Can't you talk about, well, maybe they are not as poor and are just managing somehow?

MS. LUCKETT: I don't think that this is the answer to all underspending at the State level, or even at the local level. These are just three factors that I consider are not considered.

SENATOR STOCKMAN: Okay; all right. I guess I am getting confused because of your earlier comments.

MS. LUCKETT: There are many other factors, and each different local coordinator would probably be able to give you five or six factors she thinks contribute.

SENATOR STOCKMAN: Are there any other--

MS. NADEL: May I just say something? There is something called the Affirmative Action Plan of the WIC Program. It is one of the parameters that the State uses in allocating money to us, and some of what Maureen is talking about is considered there; for instance, the neonatal death rate, the teen birth rate, the income level. It takes all of the areas and looks at them, and comes up with the 10 areas most in need. Those are the areas that will get, you know, favor, or preference, in funding, which is the way it should be, because they are showing need according to the Affirmative Action Plan.

So, what Maureen is talking about -- depth of poverty -- is measured in many different ways, and in the Health Department and in a WIC Program it is measured in terms of

health. So, we are concerned with how many babies are dying and how many teen-agers are getting pregnant. There are many different parameters.

SENATOR STOCKMAN: Maureen, I didn't mean to cut you off. Do you have any other points you want to make?

MS. LUCKETT: Yes. I wanted to make a point about the Mariel Cuban boat lift entrants who arrived after the census data. We have a Cuban/Haitian Entrant Program at my agency also. They estimate that approximately 12,000 Cuban/Haitian entrants entered the country during that period of time, and sponsorship relationships broke down within the following year. So, in looking very quickly at some statistics from our check program, it looks as though there may be a potential 4300 -- in that neighborhood -- possibly eligible pregnant women and children -- potentially pregnant women and children -- within the State, just in our service area, and I know there are a number of Cuban entrants who are also in the Elizabeth area. There are very few in other areas but those two areas, and I don't have statistics for Elizabeth.

These people are getting services from WIC, and they are not being reflected in any of the formulas that are being used to distribute funds for the State. So, the net effect of that in an area that has these people, is that services that are being designated for the people who were shown in the census are being shared with these other eligibles, and they are not fairly allocated because of that. I think the State needs to look at this because it will increase the number of estimated eligibles who, in fact, are here. Maybe that will help us to get Federal funds.

Our estimates are very different from the Federal estimates of the number in the area for a variety of reasons. If anyone is really interested in that issue, I would be glad to show you why and where my statistics come from.

SENATOR STOCKMAN: Is there a great disparity -- and this is really a question I should ask someone from the Department, I guess -- in terms of estimates as to needs by New Jersey, as compared to estimates that the Federal government publishes of people eligible for, and in need of the WIC Program?

MS. LUCKETT: I believe the State gives that data to the Federal government. I am not certain, however.

SENATOR STOCKMAN: But, is there-- Commissioner, can you answer that? Is there a disparity--

COMMISSIONER DESIGNATE COYE (speaking from audience): I do know at a policy level that the Federal government does not provide funds adequate to meet all of the need which they determine in every state. Dr. Ziskin may want to add some comments, but the important point, I think, for you is that even if it were fully operational and no money was turned back, the amount of moneys received from the Federal government in no way would meet the full need even by Federal standards for need out there.

SENATOR STOCKMAN: A further question -- and we will get to that question -- is, how much further money would be needed to take these 500 people off the Camden waiting list and the 700 people off the Passaic waiting list? How much further money would the State, if necessary, have to put into it?

COMMISSIONER DESIGNATE COYE: The best way to answer that is, the amount of the total eligibles which we receive money for from the Federal government-- I think it is now around 30%, 35% of what we estimate who are being served -- of eligibles. The total need then is another 65%. Of the 65% of the people out there who are theoretically eligible-- We do not receive funds to serve them. So, it is not just 500 people in any of these areas; it is a considerably larger number who ought to be served.

SENATOR STOCKMAN: So -- if I may talk over, and I think this is important to the exchange -- if we were going to get to those youngsters-- I was going to say, your figures, then, would seem to suggest as much as a \$40 million or \$50 million State supplemental appropriation to get to all of them.

Let me ask you a question this way-- Both the Commissioner and your staff may feel free to answer, although I don't want to get the reporter too confused, but we are trying to get to the truth here and help some people out. Let's take, hypothetically, if we were to add, say, \$2 million of State money to this Program-- Now, that sum we know would more than cover the rough guesstimated figures of 500 times the 30-some dollars a month, times 12 months, and so on. If we were to add \$2 million -- if we were to put it into your hands -- would it likely, then, allow you to shift moneys down to Camden and to Passaic and probably satisfy the waiting lists, so we would have no waiting lists in the State?

COMMISSIONER DESIGNATE COYE: The answer to that depends. Forgive me, administrators of the WIC local agencies here, because I know you have a great deal more experience. But, it would depend, to a large extent, on the skill of the local administrator, if we provide that buffer so that we smooth out the flow of money some way. If they overspend, they are safe. We would basically be giving them a safety margin if they overspent.

I am asking a question, also, of them. It would help considerably, but they are walking a thin line every day, knowing that there are many hundreds more eligible people out there in their communities, and trying to figure out how much they can encourage people to come in, and how much they should discourage people from coming in. So, even if they spend exactly to the penny what we give them, there is still going to be a major amount of need out there. It might not show up on a waiting list. They might have a waiting list of zero if they

are very skillful at not encouraging people to come in when they don't have the money to give them the services.

Now, I would like to make sure that this is correct -- this point of view.

SENATOR STOCKMAN: I think I follow you, Commissioner. I think that makes sense. Could I get from the front-line people some response or reaction to that? Does anyone want to comment on that?

MS. NADEL: Senator Stockman, I am going to address the outreach issue, which is what Commissioner Coye has touched on. In '85, we were encouraged -- in order to spend our money -- by the State WIC Program to have an extensive outreach program. We did have it. One of the reasons why we had so many people on the Program this past fall of 1985, was because you can't stop outreach. It is a little bit like teaching. It affects eternity and infinity. You cannot very well just say in July "Come," and then in December, "I don't want you any more because I don't have the money." It is a very difficult thing to do. You don't know how much of what they hear in July they are going to retain or how long they are going to retain it. They may not be pregnant in July, but then when they get pregnant in December, they are going to come to you.

SENATOR JACKMAN: I am getting a little frustrated. We're talking about \$25 million that is now allocated to WIC. Is that right -- \$25 million in food?

SENATOR STOCKMAN: Thirty.

SENATOR JACKMAN: Twenty-five million dollars in food; \$6 million in administration, nutritionists, and all that. The average cost of the food runs around \$400 to \$500 a year -- would you say, for an individual? (affirmative response from unidentified person) So that means, in total, about 50,000 people are actually being taken care of with food for the \$25 million. Is that right? Would you say that figure is about right? Because when you multiply 50 times 25 -- 50,000 people times \$500 -- that's \$25 million.

DEPUTY COMMISSIONER RUTLEDGE (speaking from audience): We actually issue about 65,000 checks per month, so we think there are about 65,000 people enrolled in any given run.

SENATOR JACKMAN: Sixty-five thousand? Then they can't be getting their full \$500 worth of food.

DEPUTY COMMISSIONER RUTLEDGE: It depends upon the different local agencies how much the food costs might be.

SENATOR JACKMAN: But, it is not an average then.

MS. KELLER: Well, we issue-- We actually--

SENATOR JACKMAN: I know I am a pain in the neck.

SENATOR STOCKMAN: No, no.

SENATOR JACKMAN: I would like to know how the money--

SENATOR STOCKMAN: You came all the way from up north. You don't have to--

SENATOR JACKMAN: You know, when you talk money to me, I like to know if the money is being utilized properly. I hear my friends from Hudson County, who are very proud of it. They spent 106%. They're taking no chances; they are not going to give it back.

What I am asking is, here you are with 700 people, yet we gave that money back to the Federal government. I can't comprehend why we give it back to the Federal government, and you ran out of money.

MS. NADEL: It's a different fiscal year. There are different problems in each year. One of our problems last year -- in '85 -- was that our money was given to us too late to spend 100%. I was able to spend 97%, and that was with a considerable amount of hard work from my staff. Not only in the summertime are you involved with staff vacationing, but the clients go on vacation, as well. They go to see their mothers in Georgia and Florida and Puerto Rico and Jordan. So you are faced with that, as well. It is very difficult to put people on the Program in the summertime. So, many of the coordinators

canceled staff vacations in order to do that. That is the way we did it. We coupled it with outreach. We had many things going at the same time to get those people on the Program.

SENATOR STOCKMAN: This is a difficult Program to administer, I would think. (laughter)

SENATOR JACKMAN: That is an understatement.

SENATOR STOCKMAN: I think in fairness, because I sense building up within the room, you know, some anxiousness and some suggestion that maybe we are getting into a witch hunt kind of thing-- I understand, and I think Senator Jackman does. It goes without saying that when you are trying to provide services to the poor, you are going to have your hands full. What keeps coming back to my mind is, of course, the notion, however, that that is what government is all about. I mean, it gets tough when you start dealing with programs that involve adults, and especially others who start finding their way into either juvenile or criminal justice systems, you know, and then into questions about the work ethic, and so on, and I brought that up earlier.

But, we are here today talking not about those kinds of people for the most part. We are here talking about infants, pregnant women, and children. It seems to me that if society isn't sensitive to them, and doesn't take up this challenge, about which we are hearing a lot of nuances and a lot of different aspects, then that isn't the kind of society that I think we can be so proud of.

I hope I am not misunderstood; I hope Senator Jackman is not misunderstood, as we struggle. Some of the questions we ask may be unartful and may seem to go in one direction and then another, but let's-- I don't think the real enemy is in this room anyway. I think the real culprit is probably apathy and ignorance, including a very generous share of ignorance, probably, among public officials. Having been that long-winded, and recognizing it is 12:30, and recognizing that

I would definitely like to hear from the administrator of this Program-- Has she arrived yet? (affirmative response)

SENATOR STOCKMAN: All right. I think probably the most prudent thing would be to take a half hour break until one o'clock. We will come back and continue, and will try to hear from the Food Council, Shop-Rite, and certainly from the woman who has had the burden of really administering this Program for a long time.

Before I do that, are there any further comments or observations that any of you ladies would like to make to the Committee?

MS. KELLER: Yes. Barbara Keller and Elaine Nadel have still not given their testimony.

SENATOR STOCKMAN: I'm sorry. I was rushing you. Are you going to be able to stay around? (affirmative response) Could we take this half hour break now and start off the afternoon with those statements?

SENATOR JACKMAN: We got them.

MS. KELLER: No, we have not testified.

SENATOR STOCKMAN: No, they are two we haven't heard from.

MS. KELLER: I mean, you have them, if you don't need us to testify.

SENATOR STOCKMAN: Why don't you give us copies to look at over lunch. If you can stay here, we may have some questions for you after lunch. Then we will pick it up, and my hope would be to try to conclude the hearing by 2:30, which is a little longer than I thought it was going to be, but I definitely want to hear from the administrator. I think Senator Jackman shares that. So, we will recess for a half hour.

(RECESS)

AFTER RECESS:

SENATOR STOCKMAN: We are ready to reconvene. I understand that Linda Barr-Gale is here. Linda, would you like to come up? Is it Dr. Barr-Gale?

L I N D A B A R R - G A L E: No, it's just Linda.

SENATOR STOCKMAN: Do you mind my calling you Linda?

MS. BARR-GALE: That's fine.

SENATOR JACKMAN: She's too young to be a doctor.

SENATOR STOCKMAN: All right; okay.

MS. BARR-GALE: Oh, thank you.

SENATOR STOCKMAN: Linda, I think you are aware that this hearing was called out of, really, the urging of Assemblyman Schwartz, and about some suggestions that we are not spending the full Federal allocation of moneys in the WIC Program. There were other concerns about whether we were on target with the administration of this Program.

I hope you understand we are really trying to learn from this hearing. We are not trying to, you know, create a big storm over nothing. We are trying to get facts. If the facts suggest that someone was a little bit asleep at the switch, so be it. I made the point early in the hearing that certainly the Legislature has to assume some responsibility for what is or what isn't happening -- funding-wise and operation-wise -- with this Program.

I also recognize that you are accountable to people above you in the system. I hope and suspect that you have a lot of sensitivity to people below you, both staff and the people who are served by the WIC Program. I can't think of any program -- government-run program -- in the State that is more important or more fundamental to the well-being of society, than dealing with poor children and pregnant women. As I said earlier, it strikes me that that is what government is all about.

So, with that sort of long-winded preamble, we have some questions for you. One of the suggestions that was made, was that there ought to be a buffer fund of some sort. Indeed, when I was asked to hold this hearing, before we got here today, knowing woefully little about the Program, the thought occurred to me, "Well, if it is tough to spend that money, why not have some additional State money available so that you could exceed the \$30 million, in this case for the last year" -- or whatever it was -- "by some, and not be violating Federal law, State law, and so on." I want to get at the question of whether that was ever thought of and, if so, by whom, and why wasn't it acted upon?

That is the lead-off question in my mind. Can you help me with that?

MS. BARR-GALE: Yes, it was thought off. Several years ago, I met with other state WIC directors and we spoke of the difficulty we were all experiencing and the positions we were all put in when it came to spending 100% of our grants, since we are not entitlement, we have a budget, and yet we are issuing checks.

SENATOR STOCKMAN: Incidentally, did any of the people from other states say, "Hey, I got an idea," or "As a matter of fact, we've got it in our state. It is a cushion; it is a fund beyond that"?

MS. BARR-GALE: Actually, at that time, what we talked about was how we would approach it in Federal legislation, but then we did go back and we talked with our respective states about the idea of a buffer, and that that would be--

SENATOR STOCKMAN: That was two years ago?

MS. BARR-GALE: Yes, at least two years ago.

SENATOR STOCKMAN: At least two years ago? Maybe even longer?

MS. BARR-GALE: Maybe two and a half years ago.

SENATOR STOCKMAN: And you came back and talked to people in the State about a buffer fund in the State?

MS. BARR-GALE: Yes. I mentioned that this was what we were trying to get into legislation. We did get it into HR-7, which has not been passed yet. But, it is in a bill federally.

SENATOR JACKMAN: That's Federal, but--

SENATOR STOCKMAN: You're talking about Federal legislation. I may have misunderstood you, but I thought you suggested that you brought back the idea of the states--

MS. BARR-GALE: I did that, as well.

SENATOR STOCKMAN: Right, and that was over two years ago?

MS. BARR-GALE: Yes.

SENATOR STOCKMAN: Who did you bring that to the attention of?

MS. BARR-GALE: To the attention of my supervisor.

SENATOR STOCKMAN: That would be Dr. George Halpin?

MS. BARR-GALE: Yes.

SENATOR STOCKMAN: And, what was Dr. Halpin's reaction or reply to that?

MS. BARR-GALE: He questioned me about it. He thought it was an interesting idea.

SENATOR STOCKMAN: Is that as far as it went, as far as you know?

MS. BARR-GALE: I then heard, subsequent to that, about the potential of the Hunger Commission being formed. I tried to see if I could get on that Hunger Commission to push for this buffer.

SENATOR STOCKMAN: But Dr. Halpin's reaction was, "An interesting idea"?

MS. BARR-GALE: Yes. He seemed interested in it.

SENATOR STOCKMAN: But, did he do anything?

MS. BARR-GALE: I don't know what he did with it. I think he may have spoken to Dr. Ziskin about it.

SENATOR STOCKMAN: To whom?

MS. BARR-GALE: To Dr. Ziskin.

SENATOR STOCKMAN: Dr. Ziskin? Did you ever talk to Dr. Ziskin about it?

MS. BARR-GALE: I mentioned it at a later point. I talked to Dr. Ziskin about two years ago about the types of things I would be interested in getting for the Program, and that was one of them.

SENATOR STOCKMAN: But as far as you know, Dr. Halpin did not carry it-- Well, you think he carried it to Dr. Ziskin.

MS. BARR-GALE: Yes. After I spoke to Dr. Halpin, I did mention it to Dr. Ziskin.

SENATOR STOCKMAN: But I gather-- You as much as said that Dr. Halpin was not necessarily convinced it was the right way to go. You said he said something like, "It's an interesting idea."

MS. BARR-GALE: Yeah, he was interested in it. He didn't promise what he was going to do with it, but he was interested in the concept, yes.

SENATOR STOCKMAN: We don't have Dr. Halpin here, do we?

COMMISSIONER DESIGNATE COYE (speaking from audience): No.

SENATOR STOCKMAN: Does anyone know what Dr. Halpin would say about what he did with this idea a couple of years ago?

COMMISSIONER DESIGNATE COYE: Well, the only important step he would have taken would be to talk to Dr. Ziskin, I think.

SENATOR STOCKMAN: Did you say he did talk to you about it, Dr. Ziskin?

ASSISTANT COMMISSIONER ZISKIN: Yes. I said we spoke about it in many levels of the Department.

SENATOR STOCKMAN: But, a couple of years ago, did he share with you the fact that the person who ran the Program felt it was a good idea and should be done?

ASSISTANT COMMISSIONER ZISKIN: I spoke directly to Linda about it.

SENATOR STOCKMAN: Okay. So, you had the ball, in a way?

ASSISTANT COMMISSIONER ZISKIN: Yes, and I spoke to my Deputy Commissioner at the time -- Deputy Commissioner Allen Koplin.

SENATOR STOCKMAN: Okay. So, two years ago, you had the ball on this fund that might have avoided this hearing and saved me today's work. (laughter) As I understand it, you passed it to Deputy Commissioner--

SENATOR JACKMAN: Koplin.

SENATOR STOCKMAN: Deputy Commissioner Koplin.

ASSISTANT COMMISSIONER ZISKIN: Right.

SENATOR STOCKMAN: What was his reaction or reply?

ASSISTANT COMMISSIONER ZISKIN: He thought it was an interesting idea. (laughter)

SENATOR STOCKMAN: This is getting-- I don't know whether you are being picked up on the mike, but I will just repeat, for the record, so to speak, that Dr. Koplin thought it was an interesting idea, and that brought laughter.

ASSISTANT COMMISSIONER ZISKIN: I do not know what Dr. Koplin did with it.

SENATOR STOCKMAN: Did you attempt to see that he followed through? I mean, did you ever check with him and say, "Hey, what happened to that idea which sounded so sensible?"

Maybe you could come up to the mike, because we are probably missing this, and I think we ought to get it.

As I understand it, Linda Barr-Gale, who operated the WIC Program for the State, recommended to you that there be some form of buffer fund, or some supplemental moneys from the State that would avoid the kind of losses of revenue that we are here today about. You listened to her, and actually I think you said there was some dialogue in the Department

generally about it, beyond that. You, in turn, brought the idea to Dr. Koplin -- Deputy Commissioner. You indicated, I assume, that Linda supported it. Did you indicate that you supported it, too?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR STOCKMAN: That you thought it was a good idea?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR STOCKMAN: But, you don't know what he did after that, as far as that idea was concerned?

ASSISTANT COMMISSIONER ZISKIN: That is correct.

SENATOR STOCKMAN: Did you ever, Doctor, try to recheck with him, and say, "Hey, we brought this idea to you. Is there any way we can implement it?"

ASSISTANT COMMISSIONER ZISKIN: The time when we would have done that would have been when we were preparing our budget for the next year. At that time, I would have had discussions with Dr. Koplin, and would have said, "These are the things that I need in my Division." I brought that up to him again, and said, "These would be the things we would need in the Division. What would you like me to put in my budget to ask for?" I was never told to include that in my budget.

SENATOR JACKMAN: Through you, Mr. Chairman--

SENATOR STOCKMAN: Surely.

SENATOR JACKMAN: The Commissioner of Health sits on the Cabinet, doesn't he?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR JACKMAN: Who was the Commissioner?

ASSISTANT COMMISSIONER ZISKIN: J. Richard Goldstein.

SENATOR JACKMAN: Goldstein? Did anyone discuss it with Goldstein?

ASSISTANT COMMISSIONER ZISKIN: I do not know.

SENATOR JACKMAN: You see, it would seem to me that if you are going to do something, it's got to be done-- If it is going to be done on our level, it has to filter down to the

Governor; the Governor is then going to speak to the Legislature in order to tell us, in essence, "I need 'X' amounts of moneys in order to do the kind of job that is necessary." We get requests every day in the week. I know my colleague feels the same way I do. I am not putting any fault on anyone. It seems to me that every time somebody says it is a good idea, nothing happens with the good ideas. That is the part that gets frustrating to both myself and my colleague.

When you mentioned your budget--

ASSISTANT COMMISSIONER ZISKIN: Excuse me?

SENATOR JACKMAN: You said you have to make up your budget.

ASSISTANT COMMISSIONER ZISKIN: Yes, my budget.

SENATOR JACKMAN: Now, that budget, of course, goes from the Deputy Commissioner to the Commissioner. He is the guy who is going to have to justify that when he goes to the Governor, because when the presentation is made, the Cabinet member is the one who gives the kind of moneys that have to be expended.

Has this-- Well, I guess it is unfair to ask you this kind of a question because you wouldn't know the answer. I won't even ask the question. Go ahead.

SENATOR STOCKMAN: I missed that, and I may wind up asking it.

SENATOR JACKMAN: I was going to say, do you know whether the Commissioner or anybody ever discussed this subject matter, from a political standpoint, with the Governor, or whether it filtered down? Have you ever had an opportunity to talk to maybe a--

ASSISTANT COMMISSIONER ZISKIN: I would not know, Senator.

SENATOR JACKMAN: You never spoke to an Assemblyman or a Senator?

ASSISTANT COMMISSIONER ZISKIN: Did I? No.

SENATOR JACKMAN: Did you ever speak to an Assemblyman or a Senator about this subject matter, Linda?

MS. BARR-GALE: Yes.

SENATOR JACKMAN: You did? Oh, that's--

SENATOR STOCKMAN: I hope it wasn't me. (laughter)

SENATOR JACKMAN: Go ahead; follow it through.

SENATOR STOCKMAN: Oh, now you want me to follow it through.

SENATOR JACKMAN: Go ahead.

SENATOR STOCKMAN: Linda, did you speak directly to some people in the Legislature about it?

MS. BARR-GALE: Yes, I did. When I was on the Hunger Commission, I was able to speak with Assemblyman Schwartz. It was brought up quite a bit. He spoke about additional funds for WIC, and he was very interested in it.

SENATOR STOCKMAN: When was this conversation? Was it recently -- within the last six months?

MS. BARR-GALE: Yes, but the issue has been brought up and we have been talking about it for well over a year. But, yes, my interaction with Assemblyman Schwartz, when he heard about this, was--

SENATOR STOCKMAN: Just so I understand, are you telling me that over a year ago you urged Assemblyman Schwartz to--

MS. BARR-GALE: No, no. I have been on the Hunger Commission for some time--

SENATOR STOCKMAN: Right.

MS. BARR-GALE: --and these types of issues were worked out in subcommittees.

SENATOR STOCKMAN: Okay. Let me turn back to Dr. Ziskin, because I think it goes to the heart of the government process -- the budgetary process -- which I am supposed to know a little something about because I am on the Appropriations Committee, but which I learn about every day. It really is where the action is, in many ways.

Let me put it this way to you, Doctor: Obviously, you are a well-educated person. You have a doctorate. I assume you have a sense of feeling for this Program and commitment to it. We know that the Director of the Program, Linda Barr-Gale, presumably out of concern, or frustration, or disappointment, or worry about being able to spend all of the Federal dollars that come to us, apparently discussed with you some kind of a supplemental State program -- funding program -- that would go beyond the basic Federal moneys coming to the State in this very needy area. She encouraged it and thought it was a good idea; I guess a real good idea. Linda, is that fair?

MS. BARR-GALE: Yes.

SENATOR STOCKMAN: A real good idea. You listened, not only listened, but you concurred. Your judgment was, "Hey, this is not a lower level staff person who has some wild idea, some crazy scheme."

ASSISTANT COMMISSIONER ZISKIN: No.

SENATOR STOCKMAN: "This is right on target. I'm with it. I agree. It's a good thing; it's a needed thing." You brought that message to Deputy Commissioner Koplin, and requested that, in fact, he carry it to whoever else would have to see that it became law. I guess you were thinking about legislation, right?

ASSISTANT COMMISSIONER ZISKIN: Not necessarily. I was thinking about also including it in the State budget.

SENATOR STOCKMAN: Or, in the annual budget, which is legislation.

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR STOCKMAN: It is an appropriations act.

ASSISTANT COMMISSIONER ZISKIN: That's right.

SENATOR STOCKMAN: It's a major specific act of the Legislature, but it is a legislative responsibility. All right. You also maybe even communicated it in writing to him, in a memo of some sort, about things you needed in the Division?

ASSISTANT COMMISSIONER ZISKIN: I do not recall--

SENATOR STOCKMAN: Whether you did or not?

ASSISTANT COMMISSIONER ZISKIN: That is correct.

SENATOR STOCKMAN: All right. Then, you used the phrase-- You asked him what he would like you to put in for the budget.

ASSISTANT COMMISSIONER ZISKIN: The process, when we form our budget priorities, is generally one where the Deputy, or the office of the Commissioner, may call us in prior to our submitting what we call our "priority packages." They ask us, "What are your needs?" or they will say, "Let's go over your needs." I list what I think are our major needs within the Division. Then I generally am told, "Okay, this looks like one the Department will support; this one we will support; write this one up in detail; write that one up; and, write that one up."

SENATOR STOCKMAN: Now, in the broader list -- the wish list, the larger list--

ASSISTANT COMMISSIONER ZISKIN: Yes?

SENATOR STOCKMAN: --did the WIC Program supplemental moneys make that list of yours?

ASSISTANT COMMISSIONER ZISKIN: Yes, it made my list.

SENATOR STOCKMAN: Okay. But, then, between making that list and the Department's decision as to what would go in their budget request, it was knocked out, I gather. It was rejected.

ASSISTANT COMMISSIONER ZISKIN: Yes. I was never told, that I recollect, to include it as a priority package.

SENATOR STOCKMAN: Okay. So, either Deputy Commissioner Koplin or someone above him -- which really could only be the Commissioner--

SENATOR JACKMAN: Goldstein.

SENATOR STOCKMAN: Goldstein -- would have had to make a judgment that in the scheme of the Department and, in turn, I

would assume, the scheme of State government, a \$9 billion -- maybe \$8 billion back then, \$7.5 billion budget -- that this item ought not be included in the budget submitted to the Governor for the Executive Branch to support. Is that--

ASSISTANT COMMISSIONER ZISKIN: As best I understand it.

SENATOR STOCKMAN: You see, what I am getting at is-- I think this -- and I am speaking for myself now, not the Committee -- it strikes me that there was inadequate advocacy there. We are talking about a limited amount of money for a highly needy segment of society; that is, people served by this Program, because as the Commissioner pointed out, the need in this area is even far greater than the Federal moneys would provide. So, you have an aggravated situation. You have an extraordinary situation here in a functioning of government setting; that is, you have \$30 million available to you, roughly, to deal with some of the most fundamental needs in society. You have the risk that by this quirk of up and down Federal allocations, you could lose a couple of million dollars of that; better put, that pregnant women and children under five could lose a couple of million dollars worth of money for nutritional needs.

You have that threat. You had a proposal to see that that didn't happen; to see that that money was gotten and, indeed, maybe a little more State money could be put into it, money which incidentally would be well-spent, because there are many, many people of this sort whose needs are not being met nutritionally. And, in that setting, you allowed, and Koplin, presumably, or Goldstein insisted, that that was not in the priorities of State government.

Now I say to you sitting here -- it's hindsight, and we all know hindsight is 20/20, right? -- but I still say to you, I think there was inadequate advocacy on the part of top level people in the Department of Health, which allowed that

item to not put the ball in our lap -- Jackman's, Stockman's, other people like us in the Legislature. Now, when we got it, we may have fumbled it. We may have said, "Hey, we've got to balance this budget. We need this for this, and I've got that here in Trenton," and so on, and we might not have funded it, but at least then the people in the Department of Health could say, "Hey, I know how valuable this Program is. I know how pressing these needs are, and I did all I could."

But, instead, Chrissy Jackman and Gerry Stockman never heard about this. I, for one, and I think Senator Jackman will concur, never knew that we were potentially jeopardizing the loss of Federal moneys in such a critical Program. Now, I think, from what your testimony and other testimony has produced here today, that it is inescapable that there was not the kind of advocacy, the kind of commitment within the Department of Health, that there should have been, and, as a consequence, children and some pregnant women in New Jersey lost nutritional attention that they should have gotten.

Am I being partisan or unfair or am I missing something when I say that? I really didn't-- I'm not sure I can ever refine, or will, or may be able to refine, whether it was Goldstein alone, or Goldstein and Koplin, or Goldstein, Koplin, and yourself. But, that conclusion seems fair to me. What do you think?

ASSISTANT COMMISSIONER ZISKIN: I don't know. I have deep commitment for all of my programs. I have deep commitment for--

SENATOR STOCKMAN: So, maybe it was Koplin.

SENATOR JACKMAN: I would like to blame Goldstein. (laughter) This way it's even. He's the boss.

SENATOR STOCKMAN: Doctor, do you understand why I am pressing this? Do you understand where I am coming from?

ASSISTANT COMMISSIONER ZISKIN: I believe I do. All I can say is, I administer my programs and feel that I have a

great deal of dedication and commitment to them. I especially feel very sensitive to the needs of pregnant women and children.

SENATOR STOCKMAN: Have you been battered down over the years, incidentally, in the sense-- Do people above you, in terms of fiscal matters-- Have they gotten to a point of wearing you down, where they say, "Hey, don't even talk to me about it. There is so much. This is a small Department. Sure, if you have a little something here you need, or a little something there, but don't"-- Is that the mood?

ASSISTANT COMMISSIONER ZISKIN: I don't consider myself battered down or burnt out, or any of those things.

SENATOR STOCKMAN: Well, then, you agree with me that there was not adequate advocacy on this issue?

ASSISTANT COMMISSIONER ZISKIN: I don't know how to characterize it. I feel that I--

SENATOR STOCKMAN: Well, I have characterized it. You can disagree with me. You can say, "Senator Stockman, I think that is unfair." For instance, you might even say, "It's partisan." Maybe, you know, right now there is a Republican Administration, and I am a Democratic Senator. You say what you want. I am trying to get an answer.

ASSISTANT COMMISSIONER ZISKIN: All I can say is that I pride myself on the amount of advocacy and commitment that I make in general to all of my programs, and especially to pregnant women, infants, and children across the board.

SENATOR STOCKMAN: Why didn't this get into the budget?

ASSISTANT COMMISSIONER ZISKIN: I don't know why it didn't get into the budget.

SENATOR STOCKMAN: I think the conclusion is inescapable, either that you didn't advocate strongly enough to Koplin -- and I am not saying that; I doubt that; I don't know -- or that Koplin snuffed it out, or that Goldstein did. I will -- and I think Senator Jackman will concur with me -- request that Dr. Koplin advise us, in writing, if he wishes

to-- He will be free to have this transcript. His name is being bandied about. He may even want to come in -- and if he does, I think the Committee would probably have to provide him the opportunity -- and say, "Hey, wait a minute, Stockman. I heard you were taking my name in vein." I don't want that. I don't know this Deputy Commissioner Koplin. I am not sure I ever met him. But, I do say it is either him or Goldstein or yourself, or a combination, it seems to me, that allowed this to happen.

Again, I invite you, and I am going to ask the Commissioner back. She may think I am missing something or being too harsh on it. This Program is suggested to be one of the most vital, you know, important, well-meaning, and well-directed. It was into a little trouble. In fact, there was, I think, evidence that we lost a tiny bit before this period -- two years ago roughly -- that we are talking about. You supported it; Linda Barr-Gale supported it. It got nowhere, and here we are today. I could have been practicing law and making money, instead of struggling with this issue. Do you see my point?

ASSISTANT COMMISSIONER ZISKIN: Yes, I do. The only other comment I would like to make in support of the advocacy that I personally have toward this Program is, as I mentioned before, I have been the Department's representative on the Governor's Commission for the Prevention of Mental Retardation and, as such, I also advocated for this Program in that Commission.

SENATOR JACKMAN: This Program is nine years old?

SENATOR STOCKMAN: Eight.

SENATOR JACKMAN: Eight years old?

ASSISTANT COMMISSIONER ZISKIN: Yes.

MS. BARR-GALE: It's 11 years old.

SENATOR JACKMAN: Eleven years old? So, it goes back to the Democratic Administration?

SENATOR STOCKMAN: Oh, yeah, sure.

SENATOR JACKMAN: So, we started it off. We got nothing to worry about there. Somewhere along the line, I think-- I am going to be honest, and I think you are the same way. I am going to tell you something. I said inside, when we were sitting down talking, "I would like to believe that if we ever called all of the Assemblymen and all of the Senators together and said, 'Hey, what are you going to do about WIC?'" the average-- I think 90% of them would say, "WIC who?" or "WIC what?" Do you understand what I am saying? There is a lack of communication. This is why I think-- You know, there is no way that Gerry is putting the finger on anyone.

What we are trying to say, in essence, is, how do we make values? Here the Federal government-- I am a great believer-- I think the Federal government -- the waste -- is just mind-boggling. When I see little old women and men standing on corners, around the block, in the rain, waiting for a five-pound piece of cheese, that is getting moldy laying in warehouses, and nobody does a damned thing about it-- We're spending hundreds of millions of dollars to warehouse this stuff, and yet we have these little old people standing in line to get a five-pound piece of cheese that is getting moldy. Then, some smart guy woke up, and said, "Holy Moses, look at all the cheese we've got. Get rid of it." The same thing as Gerry is saying now to you, is the lack of communication.

I am not going to fault Goldstein or anybody before him or anybody else, but I am going to do it in the future, I'll tell you that, because I know what WIC means now. That makes a big difference.

I think the point Gerry keeps emphasizing -- and it is very, very important to us -- is that we didn't know about it. We would like to have known about it. It is fortunate that you mentioned it -- and you did mention it when you were on the Hunger Commission; you mentioned it to our friend Schwartz and

he picked it up. Of course, now, we would like to think that this is something that can be accomplished in the future. What we are worrying about right now, are the 700 people that someone mentioned from Passaic, who are not receiving this food today, and yet we have it warehoused, laying there rotting.

I am going to tell you, every single one of the congressional delegation is going to be notified by us. We are going to notify them. We are going to say, "Hey, there are 14 of you guys there. You've got an election coming up this year -- every one of you." We are going to come up next year, so we will throw the monkey on their backs this year, and let them know that somebody has to do something about it.

That's it. I mean it.

SENATOR STOCKMAN: Dr. Ziskin, I have an added problem that really fits in, in a way, with this. Let me ask you about it because it was brought to my attention, really, in this statement by Elaine Nadel. Do you know Elaine Nadel, the Passaic WIC Coordinator?

ASSISTANT COMMISSIONER ZISKIN: Yes, I know Elaine.

SENATOR STOCKMAN: All right. In her statement, one of the things she points out is that in February, 1985, the State WIC staff initiated an extensive outreach campaign. Were you aware of that?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR STOCKMAN: Did you approve that? I mean, was that something you had to sort of sign off on?

ASSISTANT COMMISSIONER ZISKIN: Indirectly.

SENATOR STOCKMAN: All right. And, incidentally, I guess, Linda, you would have been involved in that to some extent. Correct?

MS. BARR-GALE: Yes.

SENATOR STOCKMAN: One of the points made -- it is small, but I think it is significant -- is, "The State WIC staff spent time and money putting together a poster. We were

informed of this" -- the local WIC people were informed of this -- "on March 29, when a mock-up poster was unveiled. It was in the production process." In other words, it wasn't brought to them and said, "Here it is. What do you think of it? It's a rough draft. Will it sell? Won't it sell? Will it do the job? Won't it?" Rather, the die was cast. And, you know, "The result was not a poster. It was a pretty pink lengthy description of the Program. Apparently it was designed for the State by a professional artist and was costly."

A professional artist designed this poster that missed the mark. I think all of us can probably sense that when you are going to try to make people in poor neighborhoods aware of WIC -- and high-priced guys like Jackman weren't aware of it, or Stockman -- if you are going to try to get poor people, you don't need lengthy words and sophisticated description. So, someone spent State money on an artist and got a costly poster, which my instincts tell me was probably an embarrassment to put out and around. Is that a pretty fair description of what happened, or not -- either of you?

MS. BARR-GALE: Well, we did not have a costly poster. The outreach campaign, during that time, was very much rushed. We were supposed to have started it earlier and, for other reasons, we did not get the amount of work we needed done on outreach, and it was an absolute rush trying to get this out because we were behind schedule. We were very short-staffed at the time. It was not a costly poster. It was not using State money or Federal money. It was donated money. It didn't cost very much at all.

The problem was, the local Programs did not get input into this because it was so rushed.

SENATOR STOCKMAN: Okay. A local coordinator was not aware of that, and thought it was a costly poster. All right, you have corrected the record on that. Certainly, I am glad we got that straightened out.

Coming back to Linda -- because I think we have probably all but exhausted what we can do about this question of advocacy for a supplemental buffer fund, and I think we are moving in the right direction on that-- Do you have, Linda, any other suggestions for us, or recommendations, while you are here, about the problems which brought us here, this inability to meet full spending, and that sort of thing? Is there anything you want to add in the way of testimony?

MS. BARR-GALE: I think I would like to reiterate the things I stressed on the Hunger Commission. I feel that the Health Department is now very supportive of the WIC Program. I feel that the buffer is essential if we are to spend our money -- if we are to be able to spend our money. I feel that, as other states have done and are in the process of doing-- The State of Pennsylvania is now deciding how much they are going to be giving to their WIC Program. New York has already decided that, as has Massachusetts and Utah.

SENATOR STOCKMAN: To start giving more state money?

MS. BARR-GALE: They have given state money to their WIC Programs in support of this Program, and it is extremely valuable, and cost-effective. There is a new Federal funding policy that is going to be coming out very shortly. It is proposed, but it is going to go into operation. This funding formula, which is going to be applied to all states in determining Federal money allocated to the states, is going to be based on heavily supporting pregnant women and infants in the Program. Those states that have state allocations given to them, are going to be able to claim that they are covering their lower priority -- national priority categories, which are the children, and those states will be able to compete for more Federal dollars.

New Jersey will not be able to compete as well as other states which have state moneys given to them. So, the bottom line is, if State money is given to the WIC Program, it

has a better chance in faring for Federal dollars in the future. This is a new proposed policy. I have brought this to the attention of the Hunger Commission, and I wanted to bring it to your attention.

SENATOR JACKMAN: Are the Commissioner and the Deputy Commissioner aware of what you just said?

SENATOR STOCKMAN: I'm sure they are.

MS. BARR-GALE: I just found out about it last week, so--

SENATOR JACKMAN: Oh, oh. That is what I am asking. You just found out about it?

MS. BARR-GALE: Yes. This is a proposal that is coming from USDA. I don't even have it in my hands yet. It hasn't been released from Washington yet. But, advocates in Washington who we are very closely connected to, are telling us that it is coming. I have talked to the USDA Regional Office about it. It is about to be released. The National Association of WIC Directors is discussing this now as to how we can deal with it.

SENATOR STOCKMAN: How many states in the United States, to your knowledge, contribute state moneys to WIC Programs?

MS. BARR-GALE: It's a growing number, and I am not sure. I think right now it is approximately 10 to 12 states.

SENATOR STOCKMAN: Would you say that one could make an interesting argument out for the fact that those states that were in the forefront are states that seem to show a sensitivity -- a higher sensitivity -- to the needs of the poor, particularly pregnant women and infants? Or -- and this is a tough question, and maybe it is accidental, coincidental-- But, I would think for that to happen, there probably had to have been fairly strong advocacy within the Departments of Health, primarily, in those states, to move their legislators. Legislators are, by nature, creatures of

reaction. We react; something happens and we react. That is really our design. I guess I am almost asking a rhetorical question, because I am not sure you are an expert-- I know you are an expert in the WIC Program. I want to tell you -- and maybe I should have said this at the outset -- I have heard very good things about your performance in that Program. I have heard complimentary remarks about your commitment to the Program and the effort you put into it. That should be a matter of record, for what it is worth, in my judgment.

I think Senator Jackman has already expressed interest to me about the possibility of sponsoring some legislation to follow-through on this. I think it would be particularly appropriate that that happen, based on the added testimony you have just given us. I think that has been helpful.

SENATOR JACKMAN: The moneys that were mentioned before, Gerry, the \$1,500,000-- Was that the supplemental--

SENATOR STOCKMAN: That was a buffer fund. But I think we have heard the suggestion that it could be argued that the State might very seriously consider an appropriation beyond that. In doing so, we may well put ourselves in the position of some greater advantage with the Federal government, as it revises its approach to this whole area.

SENATOR JACKMAN: When you mentioned before that it is an advantage when you have a buffer-- When you go in to make your request for moneys, they see that you have a buffer so that there won't be an overexpenditure, so to speak. Is that the criteria that the government takes, the fact that the buffer is there, and you won't go beyond-- If you do go beyond your expenditures, you will have the buffer to overcome it. Is that, in essence, what we are saying?

MS. BARR-GALE: In talking about the buffer, the advantage in that buffer is that that allows you, as a State, to spend your Federal allocation as close to the 100% mark as possible. That is a clear-cut advantage. There are

performance standards in the WIC Program. The Federal government takes us very seriously. It is a very unusual Program in that sense. You are penalized if you spend under a set level.

This other thing I was talking about, the additional funds that states allocate to their WIC Programs in order to serve above and beyond what the Feds have allocated, is allowing states -- or will allow states who are still serving children -- and, of course, we would want to serve children -- to cover their Priorities III and IV and V, and put their Federal money into prioritizing Is and IIs, because that is what the Federal government is going to be looking at, how many Priority Is and Priority IIs -- which are pregnant women and infants at very high risk -- are you serving as a state. They will reward you with more Federal money when you do that. So, it's two separate issues.

SENATOR JACKMAN: There are two separate issues; however, the one thing I always get a little frustrated about-- I use that word frequently, but it is a frustration when I think in terms of giving back to Uncle Sam something that we could be using here. There seems to be no value-- Here's a young lady who sits here today and says, "I have 700 people on my waiting list," and yet we give back \$1.2 million, or whatever it may be -- the hypothetical \$1 million, \$2 million -- it doesn't make that much difference. As Gerry said, the difference is, we would not have had to give anything back if we had that buffer. That buffer would be the criteria.

Again, I don't want to be -- and I use this word frequently, too -- facetious, but when we talk about \$2 million, we're talking about the stamps that go out of here in less than a week. We spend that kind of money in stamps, sending out packages to legislators telling them what their next day's work is. I look up in the corner and see \$4.62; United Parcel brings the packages to me in the morning. Do you

know what I am talking about, Gerry? If you multiply that quickly, it adds up to the so-called \$1,500,000 you're talking about. It's like a drop in the bucket.

I'm sure -- I'm sure -- that every one of the Assemblymen and Senators will feel the way we do, because when you say \$1.5 million-- Normally we come in with \$25 million, \$300 million, \$60 million, \$40 million. When you come in with \$1.5 million, you confuse us, because it's small.

Go ahead, Gerry.

SENATOR STOCKMAN: All right. Linda, one other quick question. What about the issue of allocations to these 24 WICs? Some get more than they need; others get less. Are the formulas out-of-date, out of kilter, or what?

MS. BARR-GALE: The formula we have been using in New Jersey is in sync with the national funding formula. Ninety-five percent of their grants, from one year to the next, are guaranteed. The 5%, which is usually the additional money that comes in from the Federal government, is allocated to those areas with unmet need. For example, about three years ago -- four years ago -- the disparity among New Jersey counties and cities was that some counties were servicing about 95% of their need, where other counties were servicing 5% of their need.

We had to do something about that. So, what we did was make sure that we set aside some funds, particularly the new funds that came into the State, and geared those to those communities that were servicing so few of their needy. In doing that, we have brought the figure down, so that no county or no city is servicing 5% of their need; they are servicing at least 25% of their need, and no one is servicing 95% of their need. It is down into the 60s.

SENATOR STOCKMAN: We have 24 of these agencies. Is that too many? Should there be fewer?

MS. BARR-GALE: That has been a contention of USDA. Yes, there could be fewer, and we could still survive. But I don't think there needs to be that many fewer. I think what we want to do is make sure that our local agencies, and the State agency, are running as efficiently as possible, and that we, through a variety of techniques, which we are working with the local agencies on, try to make sure that their staffs are used efficiently and that our staff is used efficiently, as well.

SENATOR JACKMAN: Wouldn't you say, Essex County, for example, has more than one?

MS. BARR-GALE: Yes, yes.

SENATOR JACKMAN: Because of Newark. And, wouldn't you say Hudson County, because of Jersey City, with the kind of population it has-- Would Jersey City have one, and then the balance of the County have another one? Is that something that is prevailing today? Well, you have 24, and you have 21 counties. I wouldn't single anyone out, but take Cape May; one down there would be, like, lost in Jersey City, by comparison, because the Jersey City population, I think, is maybe more than the whole County of Cape May. Is that what is taking place?

MS. BARR-GALE: There are some of our very small local agencies-- USDA has recommended that we look into this seriously, and try to work with Programs to see if their administration could best be covered by a smaller number. One of the smallest Programs, for example, has come up recently. It was having a difficult time; it had a very small budget. If, for example, in the summertime, people wanted to take vacations, the Program would close down. I had to intercede this past summer, and say, "No, you cannot take a vacation," because the clinic had to be open.

We don't like having to do things like that, but it showed in how much jeopardy the Program could be. So, some of the small ones do have difficult times.

SENATOR STOCKMAN: Is there anything else you would like to add for the Committee, at this point? Incidentally, obviously this is a Program with multiple issues, potential problems, and so on. This Committee is not designed, necessarily, to get into all of them or to solve all of them. I hope that by what we are doing, by shedding some light, and maybe a little heat on the situation, that some good will come out of it. But, is there anything further that either of you would like to add in the way of a statement or testimony? Doctor?

ASSISTANT COMMISSIONER ZISKIN: Yes. I feel compelled to go back to the advocacy issue--

SENATOR STOCKMAN: All right.

ASSISTANT COMMISSIONER ZISKIN: --and not let you believe that we are not as much advocates as any of the local people in this room.

SENATOR STOCKMAN: When you say "we," you are championing not only yourself, but Dr. Goldstein and--

ASSISTANT COMMISSIONER ZISKIN: I cannot speak for Dr. Koplin or Dr. Goldstein.

SENATOR STOCKMAN: Well, who do you mean by "we" then?

ASSISTANT COMMISSIONER ZISKIN: I mean myself and the staff which serves under me.

SENATOR STOCKMAN: The people below you?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR STOCKMAN: All right. We are not talking about above you; we are talking about below you. Go ahead. I understand.

ASSISTANT COMMISSIONER ZISKIN: Right. I feel, as I mentioned, that we have great advocacy for mothers and children. I would hope that our past performance would attest to our caring about them, our concern for them, and our commitment.

SENATOR STOCKMAN: Probably some of the best public employees in all of government, I would suspect.

ASSISTANT COMMISSIONER ZISKIN: Yes, I think they are.

SENATOR STOCKMAN: If I -- I know I can speak for Senator Jackman when I say this -- have said anything in this hearing, or inferred anything that would suggest anything but tremendous commitment on the part of people, particularly those in the trenches, from the lower line levels on up-- I do have a problem -- I expressed it at the top; I don't want to overemphasize it -- which I think goes to this advocacy. I have tried to spread my view on the record, in fairness, and I think it is there. But, certainly, I am not talking about anything other than in a very limited situation, and maybe it was this one time. I know there is a lot of competition for State money.

Okay. Thank you very much.

SENATOR JACKMAN: Thank you.

SENATOR STOCKMAN: We appreciate it. We have two other witnesses listed who we would like to hear from at this time. The first is the New Jersey Food Council, Robin Kimbrough. Is Robin here?

J O H N B A R T O L O M E O (speaking from audience): We would like to come up together.

SENATOR STOCKMAN: All right. You are John Bartolomeo from Shop-Rite Supermarkets. Fine.

R O B I N K I M B R O U G H: Good afternoon, Senators.

SENATOR STOCKMAN: Good afternoon.

MS. KIMBROUGH: Thank you for allowing us to air our views on the WIC Program.

As you know, the New Jersey Food Council represents the supermarket chains and many independent store owners in New Jersey. Because of several inquiries from our members regarding administrative problems associated with participating in the WIC Program, we conducted a survey among our members as to the problems they are experiencing.

I want to begin by saying that all of our respondents indicated support for the WIC Program, and the hope that the Program could be made more efficient so that participation by retailers would increase, rather than decrease.

I just want to make one comment, Senator, about you asking for a profile of the WIC client, or the WIC customer. It is very interesting that in this country, where we are lucky enough to have the greatest number of wholesome food products and the greatest variety at the lowest prices in the entire world, we still have people who cannot afford to buy food. I think this has a lot to do with a few comments that were made earlier by the local WIC administrators. It is not so much that they can't afford to buy food, but when you don't have very much money and you are spending it on housing, rent, utilities, clothing, and things that are really not flexible, then the money you have leftover is what you stretch out for food. Many times, this causes poor families to delete certain items from their diets, such as high-priced protein items. This is where WIC really provides a tremendous service.

We believe the Program is a critical one in the fight against hunger and malnutrition in this State and in the country, because it does target vulnerable populations which can benefit lifelong from additional nutritional support -- namely pregnant and nursing women, infants, and children.

We appreciate the opportunity to share with you some of the problem areas which threaten to decrease vendor participation in this important Program, and urge you to call on the WIC Program administrators to address these areas with a view toward serving the maximum number of eligible clients in the State.

Number one, stores report that WIC takes up to six months to validate prices before informing the store that they have allegedly "overcharged" for an item on a voucher. The store is then asked to respond within two weeks -- I said three

weeks in my written testimony, but that should be corrected; it is two weeks -- to the alleged overcharge. Given the tremendous number of items sold through a typical store over a six-month period, this is really an unreasonable time frame to ask for a verification.

I have a copy of a letter that I would distribute to the Committee, if they would like to see it. It is an actual letter, but I did delete the store name. It is a notification of an overcharge. The overcharge is for the month of November, 1985, and the letter is dated May 7, 1986. The letter asks--

SENATOR JACKMAN: Let me look at that. Do you have a copy?.

MS. KIMBROUGH: Yes.

SENATOR JACKMAN: Let's have a copy.

MS. KIMBROUGH: The letter threatens the store with being dropped from the Program if it doesn't comply with the request. We just feel that this is very counterproductive, because it is nearly impossible to comply with that request and then have the threat of being dropped from the Program. It is really counterproductive to the Program for the client, the store, and WIC. That is one area where we would like to see some change.

SENATOR JACKMAN: Do you mean to tell me that 52 checks cashed in the month of November appear to be overcharges? Fifty-two checks, and the total overcharge for the 52 checks is \$61.35. If you divide 52-- It is just about \$1.20. Do you mean to tell me we are talking about \$1.20 per check? Holy Moses.

SENATOR STOCKMAN: Go ahead, Robin.

MS. KIMBROUGH: Okay. I will go on to point two, unless you have other questions about that. I think it is obvious that it is a difficult administrative request to comply with.

Number two is unauthorized vouchers. Stores report that clients get to the check-out with WIC vouchers which have not been stamped with the official seal. Many times the client has taken public transportation to the store, with small children in tow, not to mention the line of impatient cash customers behind the client. Naturally, the cashier, in an effort to serve the client on the spot, calls WIC for a verbal authorization on the voucher, which many times WIC does offer. However, when it comes time to reimburse the store for the voucher, WIC cites the original irregularity in the voucher and refuses to honor it. Then the store must absorb this loss, much as with a bad check.

Now, I do want to give the WIC Program a little bit of credit here, because they have recently instituted a new policy on replacement checks. It is a step in the right direction, but it still requires that only a limited number of replacement checks will be given for certain errors, such as missing seals and missing clients' signatures. As I understand it, the seals are to be applied at the office, and the client is to sign the check when they receive it at the WIC office. We really feel it is unfair to limit the number of replacement checks we would receive because of a major -- really what seems to be a major error at the office. But, it is a step in the right direction, because the loss to the vendor in bad checks is a great discouragement to participation in the Program.

Now, the policy also states that the store is not required to service an improper voucher. That is great in theory but, as I say, when you have a client who may have taken three buses to get to the store, who has a lot of little kids, and who is standing in line with a lot of food, you know, it really behooves you to try to be flexible and serve them, and not to be--

SENATOR STOCKMAN: Why wouldn't the seal be stamped on the check? Would you know that?

MS. KIMBROUGH: I don't know.

MR. BARTOLOMEO: Just human error. Just, you know, the office forgetting.

SENATOR STOCKMAN: Checks shouldn't be given out without the seal, right?

MR. BARTOLOMEO: I have copies, if you have never seen a WIC check. (witness delivers copies to Committee)

SENATOR STOCKMAN: Let me see one of them.

MR. BARTOLOMEO: This is the seal we are talking about. They are a little beat up; I use them in training.

SENATOR STOCKMAN: If -- and I would ask Linda this, if she would join us for a moment-- .If a participant in the WIC Program shows up at a store for food, gets in line and waits, and hands this to the cashier, and it doesn't have a seal on it, that, presumably, is a mistake made by someone in the administration of WIC -- right? -- in that--

MR. BARTOLOMEO: The local office.

MS. BORKOWSKI (speaking from audience): I would like to address that issue. I am the Burlington County WIC Coordinator.

SENATOR STOCKMAN: All right, why don't you. You better come forward.

SENATOR JACKMAN: Come over here; sit over here, and bring the mike in close to you. That's it.

MS. BORKOWSKI: In a clinic situation, you may have a clerk who has a potential to give checks to as many as 50 clients a day. You may have a pregnant woman come in with three small children; she comes in to pick up vouchers. You may have a clerk who may have as many as 15 or 20 people in the waiting room, screaming because someone else is late coming back from lunch. Children are missing their naps. Children are missing their lunches.

According to the State regulations, my clerk is not to seal those checks until after that pregnant woman has signed

her eight checks and eight checks for each one of her three children. So, she is signing 32 checks, after which my clerk will take those checks back, examine each one of those 32 checks, and then place the seal.

SENATOR STOCKMAN: Okay.

MS. BORKOWSKI: She may also be giving the woman information about other services, making her next appointment, and dealing with the 10 to 15 people in back of her who are waiting for services.

SENATOR STOCKMAN: All right, we get the picture. Let's work it out.

MS. BORKOWSKI: Thank you.

SENATOR STOCKMAN: Item three, consumer information?

MS. KIMBROUGH: Yeah. Just one more point on that. You know, when she is talking about--

SENATOR JACKMAN: With your permission, may I just say something?

SENATOR STOCKMAN: Yes.

SENATOR JACKMAN: Why don't we have the stamps on the checks when they bring them in? Instead of stamping them, just put the stamp right-- You know, when I get a check, the stamp is already on there. It is already printed on the check, like my name on my checks. Why can't you have the stamp already on the checks?

SENATOR STOCKMAN: Let's ask Linda that question.

SENATOR JACKMAN: Linda, why can't the checks be printed with the stamp already on, so that when you issue it, no one has to go through that routine? Let the printer put them on, and then you issue them.

MS. BARR-GALE: We are not allowed to do that.

SENATOR JACKMAN: You are not allowed to do that?

MS. BARR-GALE: No.

SENATOR JACKMAN: Some jackass up front says you can't do that. (laughter) I don't believe it.

MS. BARR-GALE (speaking from audience): The USDA has said that the making of the checks-- The checks are to be nonnegotiable until all of the requirements have been met. So, they have made it clear that we will have a problem if that seal, which makes that check negotiable, is not the very last thing that is done to that check before it is released from the clinic.

As was said, the vendors have an agreement, which they have to sign before we are allowed to issue them any checks, that they agree to that -- that they will not accept checks.

SENATOR JACKMAN: Can you imagine three kids, with their mother, screaming like hell, they have nothing to eat, and they are standing in line -- after getting in line like everybody else -- a whole line, because they have 22 items, and they get right up to the check-out counter, and, "Oh, I'm sorry to tell you, you can't take your food home." What a case.

MS. BARR-GALE: That is just what happens.

MS. BORKOWSKI: I just want to make a statement. Several coordinators have recommended that the seal be eliminated. The State of Pennsylvania does not have a seal on their checks.

SENATOR JACKMAN: Okay. I knew someone was going to come to my defense.

SENATOR STOCKMAN: Linda, are you aware of that -- that the State of Pennsylvania doesn't have seals on their checks?

MS. BARR-GALE: We are asking the USDA about that. Apparently the State of Pennsylvania is doing something else. We are trying to find out what that something else is, because we would prefer not-- We have to--

SENATOR STOCKMAN: Maybe you ought to come up here, Linda. I'm sorry, but we are getting you into the act a little bit. I'm sorry. You said you are looking into this question of why Pennsylvania can do that if it is a Federal law.

MS. BARR-GALE: Yes, we are. We would prefer not to have to-- We have to buy these seals, register these seals, and inventory these seals, and we would prefer--

SENATOR STOCKMAN: So, you will follow that through?

MS. BARR-GALE: Oh, yes.

SENATOR STOCKMAN: Okay. Linda, why don't you stay right there; we may have a couple more questions for you. Consumer education-- I'm sorry, Robin.

MS. KIMBROUGH: Senator, if I may, I really wasn't finished with unauthorized vouchers.

SENATOR STOCKMAN: Okay.

MS. KIMBROUGH: We certainly appreciate being overworked. What this lady was talking about in her clinic sounds very similar to a check-out counter in a supermarket. But, the point I was trying to make was -- and Ms. Barr-Gale did mention that the store signs an agreement saying that they will not accept a check that is not fully stamped and signed-- As I mentioned before, in a situation where you have someone standing in line waiting for their food, it is very difficult to take a hard line on that.

My question really is, would it be possible for WIC not to limit the number of reimbursed checks? The point is, they are putting a limit on reimbursing checks that are without seals and signatures on them. I don't understand why--

SENATOR STOCKMAN: Okay, your message has been received. It is part of the record. They will have to deal with it. I would volunteer the notion that it strikes me that if a store gives out food and accepts a check because of the peculiar circumstances of someone having gotten there, and so on, and if the mistake is apparently an error, albeit an understandable one, of people under you, or within the WIC Program-- Equity seems strongly on the side of reimbursing the store notwithstanding. It isn't the store's behavior that is encouraging the stamp to be left off the check. The problem of

the stamp left off the check, I gather, is traceable to the particular agency, and I would think that you would have some leverage over them that you might begin to start to exercise. If too many unstamped checks showed up out of one particular WIC office, it seems to me that that would raise basic fundamental administrative problems that could be dealt with there, rather than penalizing the store.

But, at any rate, let's move on to item three.

MS. KIMBROUGH: Right; thank you. Item three, consumer education. A major complaint from our stores is the lack of education provided to the client. Stores report that many times clients are unaware that they must present their WIC vouchers prior to the order being checked out, and they fail to properly segregate eligible items from other grocery items. The check-out clerk must then proceed to explain the Program to the client, much to the irritation of the other customers in line.

Now, unfortunately, this transaction -- the WIC transaction -- must take place manually, unlike the food stamp transaction, which today is done electronically. Foods do not have to be segregated; eligible items do not have to be segregated from ineligible items. But, the WIC transaction does have to be done manually.

We believe the client should be fully educated as to the mechanics of the transaction and the purpose of the eligible high-nutrition value items they are receiving assistance for prior to getting to the check-out counter at the supermarket, staffing, understaffing, and all the problems, you know, notwithstanding. We would like to see greater education of the clients before they get to our stores.

Those are the three major complaints from the retail food sector in New Jersey. Hopefully, by reducing the loss to the vendor associated with WIC transactions, and with greater client education, the Program can be made more attractive to vendors and become more widespread.

It is interesting and encouraging to note that our members who operate retail stores in other states report that they experience little, or none, of the above-mentioned problems in their stores which participate in the WIC Program outside of New Jersey.

Mr. John Bartolomeo is here from Shop-Rite. He is the Director of Training. I think, if you have no further questions of me, that he will be able to give you more of an operations point of view, specifically.

SENATOR STOCKMAN: Fine, go ahead.

SENATOR JACKMAN: Those checks that you just showed us--

MR. BARTOLOMEO: Right.

SENATOR JACKMAN: Those were checks that were not redeemable because--

MR. BARTOLOMEO: Those are not redeemable because they were altered checks.

SENATOR JACKMAN: They were altered checks.

MR. BARTOLOMEO: Our store took the loss. I just took them out of the system when we took the loss, and I am using them as a training tool to prevent a loss in the future.

SENATOR JACKMAN: But, that doesn't happen in Pennsylvania?

MR. BARTOLOMEO: I don't know what happens in Pennsylvania. We don't have any stores in Pennsylvania, sir.

SENATOR JACKMAN: Oh, you don't have any stores in Pennsylvania?

MR. BARTOLOMEO: My group of Shop-Rite stores has three in New Jersey, at this time, and one in Staten Island, New York.

SENATOR JACKMAN: Oh, Staten Island. Do you have anything like that in Staten Island?

MR. BARTOLOMEO: We do not have the WIC Program in Staten Island at this time.

SENATOR JACKMAN: You don't?

MR. BARTOLOMEO: The only store we own that we have the Program in is in Passaic.

SENATOR JACKMAN: That's in New Jersey?

MR. BARTOLOMEO: In New Jersey.

SENATOR JACKMAN: Oh, okay.

MR. BARTOLOMEO: Elaine's territory.

SENATOR JACKMAN: There was reference made in this last letter, where she said, "It doesn't happen." Now, who are you talking about? For example, if I cashed a check in good faith, and it was a legitimate check, but it didn't have the stamp on it-- Now, that was a deterrent. Without a stamp, that check was no good. Is that it, or do they issue a new check to that person? You gave the food to the individual because you had a telephone conversation, you said. Isn't that what someone said?

MS. KIMBROUGH: Right.

SENATOR JACKMAN: You had a telephone conversation.

MS. KIMBROUGH: Phone authorization.

SENATOR JACKMAN: And, they approved it. Yet, even with the phone conversation, it could be disapproved? Is that right?

SENATOR STOCKMAN: Well, you had that experience. I don't think this is a frequent experience, but it occurs.

MS. KIMBROUGH: Yeah. In other words, this is-- I am assuming--

MR. BARTOLOMEO: It can occur.

MS. KIMBROUGH: --that this happens with the checks which, inadvertently, do not have the seal on them, or a signature.

SENATOR STOCKMAN: All right.

MS. KIMBROUGH: The client is allowed to have the check. It is part of something they are allowed to have, but if the seal is missing, or whatnot-- If it were a forged

check, or something, I don't think the phone authorization would be given. I think it is probably in a case where the seal is missing, and the WIC office says, "Yes, the check is okay. Mrs. So and So is allowed to have it," but the seal is not there.

MR. BARTOLOMEO: I think that happens in a small percentage, but it does happen. When you are dealing in an industry such as the supermarket industry that is a low-profit industry, it does not take much to make a Program like this -- which we have all agreed is very beneficial to the recipients -- a cost problem, or loss problem, to a retail outlet.

SENATOR STOCKMAN: How many Shop-Rite stores in New Jersey, roughly?

SENATOR JACKMAN: We have quite a number.

MR. BARTOLOMEO: There are approximately 200 Shop-Rite stores in six states. Most of them -- the majority -- are in New Jersey. I really don't know the number, because it is called a cooperative. It isn't one company that owns them all.

SENATOR STOCKMAN: Roughly how many?

MR. BARTOLOMEO: Probably about 120, roughly.

SENATOR STOCKMAN: How many of them participate in the WIC Program?

MR. BARTOLOMEO: I have no idea. See, I am employed by a company called Shop-Rite Supermarkets, sir, that is a subsidiary of Wakefern Foods.

SENATOR JACKMAN: Wakefern, isn't it?

MR. BARTOLOMEO: Wakefern is the wholesaler for all Shop-Rite supermarkets, but Wakefern does not own all Shop-Rite supermarkets.

SENATOR STOCKMAN: Would it be likely that half of these stores are in it and half out, or one-third in and two-thirds out?

MR. BARTOLOMEO: I have no idea. I don't know whether--

MS. KIMBROUGH: I don't know the answer to that either, but I do know that these problems the stores are experiencing have really threatened participation in the WIC Program. If it is low now, it is just going to go lower.

SENATOR JACKMAN: Could I go to the corner grocery with this?

MR. BARTOLOMEO: You can only go to the store which is listed on your check.

SENATOR JACKMAN: A store that has WIC in the window?

MR. BARTOLOMEO: No. If you look at the check, it has to be payable to a specific supermarket.

SENATOR STOCKMAN: Let's ask-- Linda, can you answer this: How many supermarkets in New Jersey participate -- half of them, a third of them, one-tenth of them?

MS. BARR-GALE: I don't know how many supermarkets there are. There are 300 changes -- approximately 310.

SENATOR STOCKMAN: How many of those are outside urban areas?

MS. BARR-GALE: I would say a reasonably good proportion of them, because that is one of our problems in urban areas. There are no large supermarkets; there are "mom and pop" stores mostly.

MS. KIMBROUGH: Linda, does that include the mom and pop stores?

MS. BARR-GALE: That includes the mom and pop stores.

MS. KIMBROUGH: Well, that is about 10% of the supermarkets.

SENATOR JACKMAN: How do you get into the WIC Program?

MS. BARR-GALE: A store?

SENATOR JACKMAN: Yeah. I own a grocery store in West New York, and around the corner is a supermarket, and the whole bit. Can I apply for it?

MS. BARR-GALE: Yes, you can.

SENATOR JACKMAN: How do I go about it?

MS. BARR-GALE: There is a nominating time -- a nominating time period--

SENATOR JACKMAN: Right.

MS. BARR-GALE: --where you would go to the local agency in your area, and say, "I am interested in being a WIC vendor." They would review your inventory and where the participants are -- where they live -- and do they need your store. If they thought your store was needed, they would send that information to the State. We have given each local area an idea of the number of stores for the number of people they serve; however, if a local agency feels that they could use more, they can say, "We want more, and these are the reasons for that."

SENATOR JACKMAN: Do you make allowances for people-- Well, forget it. Okay, I got it; that's enough.

MS. KIMBROUGH: Well, there are at least 3000 supermarkets in New Jersey with payrolls.

SENATOR JACKMAN: Okay.

MS. KIMBROUGH: So that is not a large number of participants.

SENATOR JACKMAN: No. Ten percent?

MS. BARR-GALE: That is about the same size as the State of Maryland, but we do, as a State, tend to have fewer grocery stores. Up until very recently, we also had fewer State-staffed monitors, and local agencies had to monitor, as well.

SENATOR STOCKMAN: All right. John, do you have any--

MR. BARTOLOMEO: I would just like to try to give you a little overview of what a supermarket experiences as a vendor to the WIC Program. The particular store we are talking about is the Passaic-Clifton Shop-Rite. It handles over 3000 WIC checks a month at about \$30,000 of sales -- WIC sales -- a month.

One of the biggest problems we have is the slowing down at the registers. As we just heard, a mother and three children might have 24 checks among them. I believe 32 checks among them -- eight checks each. Each check has to be rung up as a separate order. This becomes very, very time-consuming, not only for the WIC participant, but for the people in line behind the WIC participant, because if you look at those checks, they talk about types of nutritious foods the participant is allowed and the amounts of those foods they are allowed to buy.

Then the cashier has to go to an authorized food list, because not all cereal is deemed nutritious enough to be purchased on the Program. So, when you take this and just say that every check is a separate order, this woman coming through might have-- For example, if she has an infant, she might have three checks for baby formula, and she is purchasing 30, 31, 32 cases of baby formula at once on three different checks. We have to ring that up as three separate orders. And, if you have ever been in a supermarket and waited in a line, you know we don't need anything else slowing down our lines. They are slow enough sometimes.

SENATOR JACKMAN: You should have a WIC line.

MR. BARTOLOMEO: I don't know whether you could get away with that.

MS. BARR-GALE: You are not allowed to do that.

SENATOR JACKMAN: I was only kidding.

MS. KIMBROUGH: We do not discriminate against our customers.

SENATOR JACKMAN: I know that; I know that.

SENATOR STOCKMAN: Have you conveyed some of these problems to the WIC people before? It's a tough problem, I know.

MR. BARTOLOMEO: Myself and one of the supervisors meet periodically with the Passaic WIC people. We try to iron out some of the problems. They have been cooperative, in that

periodically when they find mistakes -- I have a copy of a letter here -- they send me a photocopy of the cash register receipt, because each check has to be accompanied by a cash register receipt, and explain what went wrong. We can then go to the cashier who make the mistake and try to correct it for the future. We can also make a general statement to all of our cashiers. You know, we're talking about a store with 80 to 100 cashiers, and each one has to know how to handle the WIC Program at the register level.

So, if there were some way, such as combining the checks-- You talk about, again, three checks with formula. The checks say, "Not to exceed \$20." What is the difference if each check averages \$15, if I give you one check for \$45 or three checks for \$15. You know, we are still giving the recipient \$45 worth of baby formula. So, there have to be some ways we can streamline this, so that the stores can speed up their check-out service and make it more attractive to be a vendor of the WIC Program, because there are concerns right now. We only have one store. We don't know which way we want to go in some of the other stores because of the problems we are experiencing in the one store.

SENATOR STOCKMAN: Are you having difficulty getting stores to participate in the WIC Program?

MS. BARR-GALE: I would say, in general, no. We usually have many more applicants than we have spaces for them.

SENATOR STOCKMAN: I still think that some of the issues which are raised ought to be addressed, and I am sure they will be. Your testimony certainly will facilitate that.

MR. BARTOLOMEO: Just one other point. Again, not to beat a dead horse, so to speak, but if a store has checks that cannot be processed by the banks and accepted by the WIC Program, I fail to see the logic of us not being able to go to the WIC office ourselves and asking for replacement checks.

SENATOR STOCKMAN: That is a good point. I think that could be looked into. Let me ask you, Linda, while you are here, what about the feasibility of stockpiling and distributing this food -- or much of it -- from the clinics or the locations where the people come to get these checks? Why wouldn't that be feasible?

MS. BARR-GALE: Instead of having a retail system?

SENATOR STOCKMAN: Yes. These items, I gather, are pretty basic things, aren't they?

MS. BARR-GALE: Well, we have had a variety of systems in New Jersey. The Federal government has required that a state have one system. We had, at one time, in Jersey City and in Atlantic City, trucks that would take -- that warehoused either infant formula or some perishables. This had a variety of problems. It was not the worst system in the world; however, the Federal government came into New Jersey and said, "You can't have a retail system and a home delivery system, so pick which one you want." So, we opted for retail.

The State of Mississippi is the only state in the United State that has done exactly what you said. I might add that they have the lowest food costs in the United States, as well. However, their clients do not get-- They have powdered eggs, instead of fresh eggs. The acceptability of the foods is not quite as good. So, we are really quite happy with the retail system. There are some problems returning the money. The Federal government is adamant about us pulling back money, even if it is \$61.35. But, regarding the combining of checks, we are coming up with a new system. We put out our RFP, and we are redesigning some things. I will definitely consider this.

SENATOR STOCKMAN: Good.

SENATOR JACKMAN: Can they utilize coupons with those checks from WIC?

MR. BARTOLOMEO: I'm sorry?

SENATOR JACKMAN: In other words, you advertise coupons in the newspaper. You have sales. Let's use, for example, beans.

MR. BARTOLOMEO: There is really no need for the consumer to do that. They are getting this merchandise free. They might as well save the coupons and use them when they can't get it free. We never really have a problem with a customer clipping a coupon out of the newspaper to use in conjunction with WIC.

SENATOR JACKMAN: A check is made out for \$20, is that right?

MR. BARTOLOMEO: Not to exceed \$20. See, there are different combinations. You can have, with that particular check-- I don't know which one you're holding in your hand. Is that the one with the milk and the--

SENATOR JACKMAN: It's for milk, cheese--

MR. BARTOLOMEO: Okay. That particular check could have many different values, depending on what type of milk they buy, whether they buy canned milk versus fresh milk versus low-fat milk.

SENATOR JACKMAN: What I'm saying to you, very simply, is, you are allowed to buy cheese--

MR. BARTOLOMEO: Right.

SENATOR JACKMAN: We'll say you have \$1.99 for one pound -- I see Velveta -- and yet that same day you advertise, "With this coupon, 40 cents off." Do I get the 40 cents whacked off the \$1.99 coupon?

MR. BARTOLOMEO: They never present coupons with it.

SENATOR JACKMAN: But, they could.

MR. BARTOLOMEO: I suppose they could, but they get it free to begin with.

SENATOR JACKMAN: What do you mean, "Get it free"? I am allowed to spend it. Why can't I get more cheese for my money then?

MR. BARTOLOMEO: You cannot exceed what it says on the check, Senator. If it says, "So many ounces of cheese," we are not allowed to go above that amount of cheese.

MS. BARR-GALE: That's the way it is. You cannot give any more than a prescribed amount to the participant. It's in the law.

MR. BARTOLOMEO: We can give less. If the participant doesn't want to have everything on the check, we can give less, but we cannot give more. I have had instances where we have given more, and we took the loss.

MS. KIMBROUGH: That's the overcharge.

SENATOR STOCKMAN: I think that probably in this area we have gotten as far as we can today. Linda, before you go, there is one area I wanted to ask you several questions about. John and Robin, we thank you for your testimony, and hope that it has some impact with the Department.

MR. BARTOLOMEO: Thank you both.

MS. KIMBROUGH: Thank you for waiting for us, and for listening to us.

SENATOR STOCKMAN: Linda, I meant to ask you before, and didn't do it, but I am concerned about this freeze on new participants in the Program. Who ordered the freeze? I guess it was in '83, or was it in '84?

MS. BARR-GALE: There were two freezes. There was a freeze in Fiscal Year 1983 and a freeze in Fiscal Year 1984.

SENATOR STOCKMAN: Who ordered those, or how did that come about?

MS. BARR-GALE: The first freeze-- I was not there during the first freeze, so I really shouldn't address that.

SENATOR STOCKMAN: Where were you, when you say you were not there?

MS. BARR-GALE: I was on sabbatical. I was getting a degree in administration at Columbia.

SENATOR STOCKMAN: Who was in charge in your stead?

MS. BARR-GALE: Dr. Margaret Gregory was in charge of the staff while I was gone.

SENATOR STOCKMAN: There was a freeze, though, that you had to administer -- deal with, what, in '84?

MS. BARR-GALE: Yes.

SENATOR STOCKMAN: Who called for that freeze? How did that happen?

MS. BARR-GALE: The freeze in '84 was a result of the Division. Dr. Ziskin, her accountant, and Dr. Halpin were concerned that we would overspend our grant. Without a buffer, they felt it was possible this would happen. Therefore, in July, the decision was made to stop enrollment of certain priorities on the WIC Program.

SENATOR STOCKMAN: How long did that last?

MS. BARR-GALE: It lasted only a month, but the problem was, it got out into the community.

SENATOR STOCKMAN: It had a chilling effect on participation?

MS. BARR-GALE: Yes.

SENATOR STOCKMAN: Was there any discussion about going to the Legislature to get a supplemental appropriation to avoid a freeze of people in a Program of this sort?

MS. BARR-GALE: No.

SENATOR STOCKMAN: Did you think of that, or not?

MS. BARR-GALE: Well, my position--

SENATOR STOCKMAN: Let me ask you another question: How distressed were you over the notion of a freeze, or did you think it was something you could comfortably live with?

MS. BARR-GALE: I did not agree with the freeze. I was opposed to it. We had worked out, very carefully, what we considered was a reasonable approach. We had submitted an expenditure plan to USDA and they approved it. We felt we would come in within 99%. We did not feel we would go over the 100% mark, and we did not feel the freeze was necessary.

There were administrative funds available in case we did go over, but that is not the way I would recommend doing it. That is not good form at all. That administrative money was intended for certification and nutrition education, and I admit it was going to be very close. But, we did feel that we could make it.

SENATOR STOCKMAN: Who made the decision for the freeze then -- Dr. Ziskin?

MS. BARR-GALE: Dr. Ziskin.

SENATOR STOCKMAN: Against your advice?

MS. BARR-GALE: Yes. She had the advice of people on her staff, as well -- her accountant.

SENATOR STOCKMAN: That is the missing Dr. Halpin?

MS. BARR-GALE: Oh, no, Dr. Halpin isn't an accountant; the Division's accountant.

SENATOR STOCKMAN: Maybe I should ask Dr. Ziskin about this. Doctor, could I-- I hate to drag you back and forth, but you did volunteer -- I think the record will show -- your advocacy of this Program.

ASSISTANT COMMISSIONER ZISKIN: Yes, absolutely.

SENATOR STOCKMAN: And I am troubled at what I just heard. A freeze was put in, apparently twice, but let's focus on the '84 freeze.

ASSISTANT COMMISSIONER ZISKIN: All right.

SENATOR STOCKMAN: It lasted for a month. I gather, not surprisingly, you froze things for a month, but it may have had somewhat of a chilling effect in terms of participation in the WIC Program beyond that month. Why did that happen? Why did you go against the advice of the administrator of the WIC Program?

ASSISTANT COMMISSIONER ZISKIN: Because I was presented with the data. It was told to me that they could not be certified; that this was a new accounting system, or a new data system. It had been untested, and although there was a plan which USDA said looked good, they were not there to back

me up. We asked several times, "If we go over, will you be there to back us up?" and I did not have authority from my supervisors to go over the Federal moneys. I was presented with a set of data that looked to me, and looked to my accountant, as if the Program would significantly overspend. In fact, I was told that we had already overissued checks in order to come in at a reasonable funding level.

SENATOR STOCKMAN: Let me ask you this: Who were the people who you were relying on? You said your accountant. Is that an accountant in the Department?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR STOCKMAN: Who is that?

ASSISTANT COMMISSIONER ZISKIN: Mr. Joseph Marcucci.

SENATOR STOCKMAN: And, this change in data which was supplied to you--

ASSISTANT COMMISSIONER ZISKIN: Yes?

SENATOR STOCKMAN: What did that spring from?

ASSISTANT COMMISSIONER ZISKIN: That was Program data -- Program estimates of how many people could be supplied food at what funding levels. And, when Dr. Halpin and Mr. Marcucci and I looked at that data, I was told we were already overissuing, and that at the current rate the Program was going, we would overexpend the Federal dollars. I did not have authority, at that time, from my supervisors to overexpend beyond the Federal dollars.

SENATOR STOCKMAN: Incidentally, your supervisors were only two, if I recall correctly. Is that right -- Dr. Halpin and--

ASSISTANT COMMISSIONER ZISKIN: No. My supervisors were Koplin and Goldstein.

SENATOR STOCKMAN: All right, Koplin and Goldstein.

ASSISTANT COMMISSIONER ZISKIN: That is correct.

SENATOR STOCKMAN: What about the ability to shift accounting moneys within the Department? I mean, that is

something I catch sight of now and then in the appropriations process. There is a substantial shifting of moneys in this \$8 billion or \$9 billion budget of the State. Although we allocate specifically, I find that departments often overestimate for phone costs probabilities or stamps. Wasn't there some money around that could have backed up the administrator of this Program, in terms of, you know, your being protected about excess spending?

ASSISTANT COMMISSIONER ZISKIN: Well, in hindsight, that does sound like a possibility; however, I did not have authority at that time to overexpend the Federal dollars.

SENATOR JACKMAN: However, we sent back to the Federal government \$1,100,000 of money we didn't spend.

ASSISTANT COMMISSIONER ZISKIN: That is in hindsight, sir, and I was faced--

SENATOR JACKMAN: I'm not faulting you. I am just saying-- Maybe I approach this thing in a different way because I have been here so long. You know, when you are down here 25 years like I have been, and then 20 years in the Legislature, you get a little frustrated. Again, we are giving money back to the Federal government of \$1,100,000, and yet we have an opportunity to spend that money and we freeze.

ASSISTANT COMMISSIONER ZISKIN: No one feels worse than I do that we did not expend that money and that babies are out there who could have used that money.

SENATOR JACKMAN: What kind of a system do you have?

ASSISTANT COMMISSIONER ZISKIN: I'm sorry, but no one feels worse than I do.

SENATOR JACKMAN: I agree with you.

ASSISTANT COMMISSIONER ZISKIN: However, I work in this system. I have worked in this system, and I was not given the authority to expend more than the Federal dollars. The decision I made was based on a set of data that was a new management system, and it could not be verified or certified

that those numbers were, indeed -- that I would not overexpend those dollars.

SENATOR JACKMAN: Okay. Do we have a computer system, or do we operate with a bookkeeping system of pencils and papers and what have you? How do you operate?

ASSISTANT COMMISSIONER ZISKIN: It is getting better all the time.

SENATOR JACKMAN: No, I didn't ask you that.

ASSISTANT COMMISSIONER ZISKIN: In fact, right now-- It was a computer system; however, it is a computer system now that is re-out for bid because it does not meet Program needs. It has to be re-bid. There is a new Request for Proposal out there now to refine it. It is a very large computer system, and at that time, the particular system was not tested.

SENATOR JACKMAN: It's not Price Waterhouse, is it? (laughter)

ASSISTANT COMMISSIONER ZISKIN: No, it's EDS in Camp Hill, Pennsylvania.

SENATOR STOCKMAN: Dr. Ziskin--

ASSISTANT COMMISSIONER ZISKIN: Yes?

SENATOR STOCKMAN: --the fact is, I gather, that the people above you -- and there were only a couple -- accepted the accountant's opinion, I guess somewhat supported by Dr. Halpin -- who isn't here -- that despite the belief of the Program operator, these figures wouldn't hold up. But, I am still troubled about why they couldn't -- I suspect we've got the wrong person here -- have found other moneys in that Department, or gone to the Legislature for a supplemental appropriation. I can't tell you how many supplemental appropriation bills pass through the Legislature, especially when the Administration wants them, especially when the Governor's office says, "Hey--"

ASSISTANT COMMISSIONER ZISKIN: I can't tell you why we didn't ask for a supplemental appropriation at that time.

At the time, judging by the validity of the figures, we tried to come close and that was, you know, the best shot we called on the numbers.

SENATOR JACKMAN: Let me say something to you so you will understand. When I speak to you, there is no blame. Let's start off with that premise. I am not thinking in terms of singling you out and saying, "You should have done this." I am not doing that. What I am saying is, I am wondering, you know, about the people who came back and gave you the information. Where did they get their information? Please don't misunderstand me again. I want to know, is it on a computer? Is this information there that you can assemble it? Again, I know you are sympathetic. I know what you feel for this Program. There is no question in my mind. But, I would like to believe--

I worry when I see Uncle Sam take our money back. We give so much to him, and then we give this back to him, too.

ASSISTANT COMMISSIONER ZISKIN: All he would have to do, is not have such a tight cutoff. If he had a date, as most of the other Federal programs do-- If that date wasn't such a sharp line, we would have overextended and we would have spent that money.

SENATOR JACKMAN: Yeah, I agree.

ASSISTANT COMMISSIONER ZISKIN: You know, given, say, a leeway period, or the buffer we are talking about--

SENATOR JACKMAN: Yeah.

SENATOR STOCKMAN: All right, Doctor. I think I understand.

SENATOR JACKMAN: You did a good job, too; I want you to know that.

SENATOR STOCKMAN: We have a request from Barry Jacobson, Executive Director, State of New Jersey Commission on Hunger, to speak briefly. Is Dr. Jacobson here? (affirmative response) Doctor, why don't you come forward? Actually, some

people are not too enthused about getting in that seat, but if you want to volunteer, come up. Maybe we will have some questions for you.

D R. B A R R Y D. J A C O B S O N: Well, I would like to thank the Committee for allowing me the opportunity to speak, especially since I requested it at the last minute. As you say, I was not anxious to get up here. I was not planning to testify at today's hearing. However, the Commission on Hunger was brought up a couple of times during the hearing, both by Assemblyman Schwartz and by Linda Barr-Gale, so I felt it necessary to just make a statement as to the Commission's involvement in this issue.

For the record, the Commission on Hunger was created in 1984, and is due to expire June 30. We were charged with the responsibility of doing a report for the Governor and the Legislature on hunger in New Jersey. The reason we did not plan to testify was that we felt it was our obligation to provide our findings in that report to the Governor and the Legislature en masse, and not be handling each issue we identified along the way over the two years we worked as it came up.

We have looked at the WIC Program. We have looked at a number of feeding programs. We have looked at Food Stamps, AFDC, GA, School Lunch, School Breakfast, Summer Feeding, Meals on Wheels, senior feeding sites, food pantries, food banks, almost any conceivable feeding program in the State, even gleanings from the farms. As you can imagine, it was a rather monumental task to examine all of those. We have examined all of them in-depth.

As Linda Barr-Gale pointed out, she has brought some of the concerns regarding the WIC Program to our attention and has provided accurate information to us when we have asked for it or when concerns were brought up by other people. But, again, we were under an obligation to provide that to the Governor and the Legislature, and not to act as we went along.

I should say that the Commission on Hunger does support the WIC Program. We feel it is a very good Program. It addresses an important need, and it addresses it quite effectively. Most of the concerns that were raised today are concerns that the Commission shares. Most of the recommendations made today are recommendations that the Commission would share and support. There are even concerns and issues which the Commission has looked into that were not brought up today.

There are two things I feel I should mention, because it is information the Commission has that differs slightly from the information that was presented here today. Which is accurate, would be difficult for me to say.

Just to clarify one thing, though, there was a question before on the 30% administration money, etc. The way that funding comes from the Federal government is, they provide a food allotment, and then New Jersey gets 27% over that for the administrative money. So, if we get \$100 million for food, they are then giving us \$27 million for administration money. I do think where that money goes is an important issue. There was a discussion before on how many administrative sites we have. As I understand it, the discussion here today -- unless I missed something -- said that we have 24; the Federal government had recommended a few less; and New Jersey is considering that.

It was the understanding of the New Jersey Commission on Hunger that the recommendation had been that New Jersey have 19 administrative WIC sites, and that that recommendation has been in existence for over two years, with the support of both the Federal government and the New Jersey WIC Program and Department of Health. So, there was a little bit of difference there on what number we should be at. It was the understanding of the Commission, that the problem in reducing the number of administrative sites was more of political considerations, and

if we take it from this town, then we've got a lot of problems with that town.

The reason I am mentioning that now is, it was discussed here, but it also raises the issue of the administrative money. Senator Jackman, you questioned the use of food money for administration and administration money for food. Food money cannot be used for administration, but administration money can be used for food. So I do get concerned when I see three or four extra sites existing for three or four years, or two years, at least, when that money could be used in another fashion. That administration money is also broken down for operation, certification, and nutrition education, and if we compare the nutrition education we are spending -- that percentage -- to the other states in the Mid-Atlantic Region, we are spending less than any of the other states in the Mid-Atlantic Region.

Of the estimates I have been given, the most recent is that we spend 20% on nutrition education. I have also been given 15%. The other states in the Mid-Atlantic Region spend from 23% to 36% on nutrition education. So, again, those extra sites may be taking that money for administrative and bureaucracy reasons from areas where it may be better used.

The only other thing I wish to mention, which, again, is somewhat slightly different information -- it may simply be more updated -- is the idea of funding the WIC Program directly. A State appropriation to expand it is something the Commission would also support. However, I think if this Committee is to go into that, they should also recognize the benefit, the reasons, the focus. The change in the Federal regulations, which Linda discussed, was brought to the attention of the Commission about two weeks ago. Since then, I have looked further into that. I have been in touch with the USDA Program. I have been in touch with the Food Research Action Center, and with the Center on Budget and Policy

Priorities. There is an expectation of a change in the funding process. That expectation, even using the worst scenario for New Jersey which was provided to me by those three programs, would not cost a phenomenal amount. Again, it would be about \$2 million. Not that I advocate losing that, but at the same time I was told that the issue of states which do fund their programs-- The USDA is considering addressing that in the funding formula.

So, I am in favor of funding the Program. I don't want to sound as if I'm not. But, if we are funding that Program with the idea that it will get us more Federal dollars, or will save us the Federal dollars, we may be operating under the wrong assumption. That is something we will not know until the Federal government issues those regulations. At this point, it is going back and forth, and each day you speak on it you are getting different information.

SENATOR JACKMAN: What is happening now where the programs are being funded?

DR. JACOBSON: I'm sorry?

SENATOR JACKMAN: What is happening in the states where the programs are already being funded? Are they still juggling?

DR. JACOBSON: The states that are funding their own programs--

SENATOR JACKMAN: Yeah?

DR. JACOBSON: --do provide statistics the way it was explained to you, so their state money is used only for the children, and the Federal money for the high risk priority categories. But, that is not affecting the distribution of the funding at this point. If we focus in on the high priorities, it conceivably could, but the USDA is also considering addressing that issue, so they are not favoring those 10 or 12 states. How that will be, we don't know.

What I'm saying is, I agree with the idea of funding it, but you should be aware of the fact that funding it may not get us more Federal dollars, as I heard before. The only other thing tying into that State funding issue -- and this is an issue I am mentioning--

SENATOR JACKMAN: Excuse me, I don't like to interrupt you. May I, Mr. Chairman?

SENATOR STOCKMAN: Yes.

SENATOR JACKMAN: The states which are being funded-- Do you know whether they are getting the same amount of money they always got, or whether they are getting additional money?

DR. JACOBSON: To my knowledge, they are not getting any additional moneys from the Federal government because they are putting in their own money.

MS. BARR-GALE: May I make a comment?

SENATOR JACKMAN: Sure.

SENATOR STOCKMAN: Yes. Why don't you come up? Apparently there is a difference-- I don't want to get into-- We are running out of time. You come up, Linda.

Apparently there is a debate between you over this, which is important to us. If you would like to add something, I'm sure Barry wouldn't mind.

MS. BARR-GALE: What I was talking about was, there is a proposed change in the funding formula. Right now, the funding formula which exists is that there are stability states and equity states. New Jersey is an equity State, so we have been getting more money each year. That has changed. The Federal government has decided that Priority Is and IIs should be the emphasis of the WIC Program, and not the children. It should be the women and infants. It has been discussed -- actively -- as to what they are doing. They are proposing to change the funding formula, and they are going to weight Priority Is and IIs in that funding formula.

Now, we don't know the weights. The National Association of WIC Directors is still fighting to try to get high risk priority children into that. But, even if we win that battle, they will weight down children, so there is definitely going to be a priority given to Priority Is and IIs. We don't know exactly what it will be, but it will be there.

Now, many states have brought up the issue that those states which do give money to their WIC Programs -- and those are the states, I might add, that have had Hunger Commissions -- are going to have an advantage, if they can claim that the children are paid by state money. This has been brought up to debate, and is being addressed in Washington now. However, if you look into it in a little bit more depth, you will find out that although it is being debated as to this advantage, the Federal government is not likely to not encourage states to put some money into their WIC Programs. Therefore, they are not going to have a disadvantage by doing so. So, the likelihood is great.

SENATOR STOCKMAN: I think we have heard enough testimony on that.

MS. BARR-GALE: Okay.

SENATOR STOCKMAN: Frankly, basically -- and this comes up from time to time -- the notion of trying to design our legislation in anticipation of what the Federal government is going to do, is probably one of the most unwise approaches to the legislative process I can imagine. The basic fact is, this is a needy Program. It is woefully under-funded, and it hits some of the most needy of society. So, I don't think we ought to get bogged down--

MS. BARR-GALE: That is the major point.

SENATOR STOCKMAN: Barry, I want to ask you a question while you are here, though. You looked in-depth and far and wide into feeding programs of a whole variety of sorts that I

couldn't even list as you have mentioned them. Would you agree with me that the WIC Program, and the people it attempts to reach, are probably among the most important for society to attend to?

DR. JACOBSON: I would agree they are among the most important, yes, sir.

SENATOR STOCKMAN: Because, again, thinking there are elderly -- and I want to be careful in terms of expressing priorities among different groups -- and there are teen-agers, and there are people on skid row who become substance abuse victims, and so on-- But, mothers in our society, and I think wisely so, certainly -- it seems to me -- are recognized as among the most vulnerable and the most important, and infants along with them. So, it is hard for me to conceive of a feeding program that touches a more important segment of our society. I was hopeful that you could--

DR. JACOBSON: Senator, I can support that, as long as the word "among" is in there, because as you say, I would not want to minimize the importance of the senior citizen programs, or any of the others.

SENATOR JACKMAN: He means it. I'll tell you what he means.

DR. JACOBSON: So, as long as the word "among" is in there, I can--

SENATOR JACKMAN: You know, that infant will never become a senior citizen unless you feed him.

DR. JACOBSON: Right; right.

SENATOR JACKMAN: Let's get off with that one. I cut all the baloney. The infant is the one who has to be able to become a senior citizen. Okay?

DR. JACOBSON: Senator, as I said, I personally--

SENATOR JACKMAN: And all of the other programs-- They're important. Gerry's right. But, you have to get that kid and feed him so he can grow up to be a senior citizen.

DR. JACOBSON: Senator, as I said, I personally -- and the Commission -- support the idea of additional funding for the WIC Program. I just want to be clear -- as you were saying -- that basing it on anticipated Federal action may be difficult.

SENATOR STOCKMAN: I thank you for volunteering your time.

SENATOR JACKMAN: Thank you.

SENATOR STOCKMAN: I think we better end the hearing at this point, because I think, Chrissy, we have essentially heard from all of the listed witnesses. I'll ask -- I guess cautiously -- if there is anyone else who feels a compelling need to share some information with us at this point? I wouldn't necessarily turn anyone off.

Staff has pointed out, I think very sensibly-- Is there a forum in the Department where the WIC operators and the administration of the Department can sort of compare notes, discuss what is going on, how this Program is operating, and get back information about what is going on? Is that part of the structure of the Department? I don't know who could best answer that.

DEPUTY COMMISSIONER RUTLEDGE: In addition, one of the things suggested by the expert panel we had come in and evaluate it, was that we should get a WIC advisory panel, or an advisory council that would be ongoing. That is one of the things we plan to do.

SENATOR STOCKMAN: You don't have it now?

ASSISTANT COMMISSIONER ZISKIN: Well, no, but we have meetings of the coordinators. I have been going to the last several meetings personally to meet with the coordinators, so I directly hear their concerns. They have written to me directly. I am in direct correspondence with them.

SENATOR STOCKMAN: I hope that out of this hearing comes a little more recognition of the need for advocacy right

on up, and communication. The fact of the matter is, when you have people who operate a Program like this, and you rub elbows with them at times, I am sure they are going to stimulate advocacy. Advocacy doesn't happen in the abstract or, if it does, it usually tends to be half-baked advocacy. It happens, you know, in the mix.

DEPUTY COMMISSIONER RUTLEDGE: One point I would like to make is, in the nine months -- eight or nine months -- I have been at the Department, there has been no stronger advocate of the entire maternal and child health issues than Dr. Ziskin.

SENATOR JACKMAN: No question about it.

DEPUTY COMMISSIONER RUTLEDGE: So I think that any allegation that she, herself, has not been a strong advocate, is probably unfounded. She has been for me the whole way through.

SENATOR STOCKMAN: Then, it is probably the people above her. That is in the record. Certainly, I will accept your suggestion.

SENATOR JACKMAN: All you have to do is look at that young lady and you know how she feels.

SENATOR STOCKMAN: Yes? (responding to signal from someone) There is a hand raised. I feel like a teacher all of a sudden. Will you come forward, please? Oh, I am going to get in trouble because I see a second hand raised now.

I want to tell you that at three o'clock we are going to be out of here, even if all of your hands are raised. But, if you want to add something, please go ahead.

MS. LUCKETT: I just want to mention that we, as a Forum of WIC Coordinators, do exist. We have membership of all of the coordinators in the State. We meet monthly. We hope to continue--

SENATOR STOCKMAN: With the staff in the Department?

MS. LUCKETT: We have met with people from the State at our meetings, and we hope to continue to be able to do that. We are also quite interested -- in particular -- in meeting with the people who come out to our agencies and review us and give us technical assistance. I think that is a good way for us to get information back to Linda, and to the other people at the State level. But, we do exist also, and that is a communication network.

SENATOR STOCKMAN: Yes?

UNIDENTIFIED PERSON FROM AUDIENCE: Senator Stockman, we are here from the town of Montclair, New Jersey, which is one community against hunger. We are against hunger throughout the world. We just adopted a city in Africa.

SENATOR STOCKMAN: Why don't you come up here?

UNIDENTIFIED PERSON FROM AUDIENCE: No, no. The point I wanted to make is that we are down here, extremely in support with what happened here today. We have had meetings. We got involved in Hands Across America. We earned \$500 just in one group. I don't know how much money came out of Montclair.

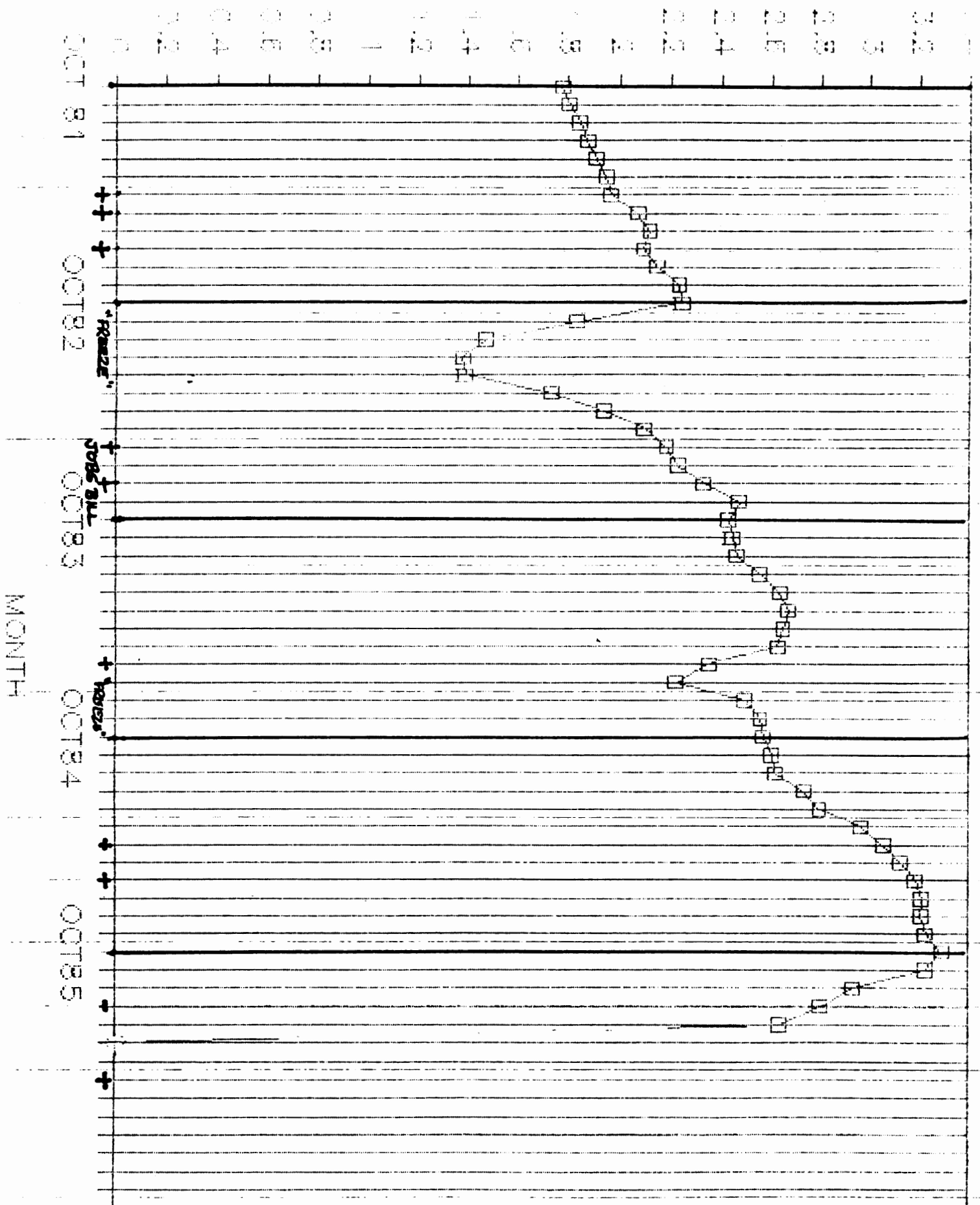
What I want to ask is, can we get a copy of the transcript? I know you've got that thing with cassettes over there. Can we get a copy of the entire hearing today?

SENATOR STOCKMAN: You certainly can. If you will speak to Steve Frakt, who is the staff assistant to this Committee, he will be sure to send you a copy of the transcript. We are delighted that you came down. Advocacy like yours is important in the scheme of things. So, welcome, and stay with it. And I think that ought to end the hearing.

(HEARING CONCLUDED)

APPENDIX

REDEEMED PARTICIPATION (Thousands)



Administrative Funding
Local Perspective on Spending Difficulties

Introduction:

The WIC administrative funds, to be differentiated from the WIC food dollars, are assigned to each local agency by the State WIC Program and are used to support the nutrition education component of the agency as well as the administrative needs (staffing, supplies, etc.). The ability to fully utilize these funds depends on many factors some of which are problematic; I will be highlighting some of these problems later in this testimony.

In order to have an understanding of some of the terms used in this presentation, I would like to take this opportunity to define some of them for you:

Grant Application: a request made to the State WIC Program for administrative funds. Once this amount is determined by the State Program, this is the contract amount used by the local agency to operate their program.

Priority List: a supposedly negotiable document submitted with the grant application prioritizing the staffing needs, equipment, etc. of the local agency by importance.

Budget Modification: a request for additional administrative dollars made to the State WIC Program

Budget Revision: a request submitted to the State WIC Program in order to move monies between budget lines if the dollar amount exceeds \$5000.00 or 10% of the total contract.

Report of Contract Expenditures: a monthly report submitted to the State WIC Program fiscal person showing the breakdown of administrative expenditures between administration, nutrition education and clinic.

At this time, highlights of the factors that can impose difficulties in the full utilization of administrative funds will be discussed.

1. Administrative Funding Allocations: The administrative funding dollars received at each local agency from the State Program are not sufficient to support the activities and requirements imposed on the local agencies by the Federal Regulations. Provision of in-kind manpower and financial support by the local WIC Program's contracting agency is necessary.

The inkind support that is so important to each of the local WIC Programs is only able to be provided to the extent that the contracting agency is able.

While a State administrative funding formula is used to decide the funding level for each local agency based on its grant application, inkind support is very vital to the life of each local agency.

2. Timeliness of Budget/Modification Approval: The timely approval of locally submitted grant applications, budget modifications, or budget revisions is important to the efficient and complete expenditure of administrative dollars. A delay of several months in receiving approval from the State of these documents causes an even further delay in the expenditures at the local level. (The Federal Regulations state that approval or denial of a grant application should take place within 30 days of its submission.) The local coordinators, once approval is received must process a staff hiring or the purchase of equipment or supplies through that local contracting agencies policies and procedures; at this level there may be a delay of weeks. Funds, then, because of a time lag may go unspent having a negative impact on the services offered to clients because staff cannot be hired, educational tools and supplies cannot be purchased that facilitate learning, etc.
3. Negotiation of Budget Priority List: The priority list was originally devised to be a negotiating tool used by the local agencies, so that once an administrative dollar amount was determined for a local agency, negotiation could take place as to what exactly was to be funded. These negotiations would be especially important if the dollar amount awarded to the local agency was a reduced amount from that requested in the grant application and on which the priority list was based.

If the budget lines are set up without local agency input and revision of the priority list, there is a possibility that an immediate budget revision may need to be submitted so that appropriate expenditures can take place at the local level. The time factor previously discussed becomes an issue, then.

4. 1986 Administrative Cuts: The local agencies experienced administrative cuts of between two and six percent in this fiscal year of 1986. This has caused great concern among the coordinators as some are having to consider withdrawing services from clinic sites and reducing their staffs in order to remain within their administrative budgets. These agency decisions create hardships for the clients and these hardships have a negative impact on the local program's ability to spend its food dollars.

While ramifications of administrative funding cuts are being felt at the local level, the State WIC Program appears to be financially solvent as evidenced by the increase made to their staff, the funding of two studies (Focus Group and Patient Flow Analysis), the purchase of computers for State WIC use and the funding of a Spanish consultant to provide Spanish lessons to local staffs who have a high Hispanic population. This all taking place while local agencies are having to make serious programatic decisions that could have a negative impact on their client caseloads.

5. Local Agency Consolidation: In an effort to more effectively use the administrative funds received from the United States Department of Agriculture (USDA), the Forum understands that the consolidation of certain local agencies has been proposed. While the Forum supports the efficient use of funds, the effects and the practicality of some of the consolidation suggestions should be closely and carefully considered so as to create a minimum of hardship for the clients participating with some of these programs.

In summary, I, as a Forum representative have tried to present and highlight some of the problems that cause a local agency difficulty in trying to spend their administrative dollars. We encourage Health Department intervention in helping us to obtain inkind dollars and manpower to supplement our administrative dollars, as well as the timely review of our grant and budget modification requests. We request that our priority lists become a negotiable tool from which appropriate budget lines can be established and timely expenditures made. We understand that consolidations of some agencies may be necessary to allow for the effective use of administration funds, but, encourage an indepth look at the agencies being considered so that a minimum of hardship is created for the clients and the consolidation is a practical, effective one.

The purpose of the WIC Program is to provide nutrition education and supplemental foods to clients at risk. Our administrative funds allow us to do this.

Submitted by:

The New Jersey Forum of WIC Coordinators

Presented by: Barbara M. Keller
Barbara M. Keller, R.D.



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ROBERT C. MILLIGAN
HEALTH OFFICER
ELAINE L. NADEL
COORDINATOR

June 6, 1986

Senator Gerald Stockman Chairman
Senate Oversight Committee
Statehouse Annex
W. State Street
Trenton, NJ 08625

The Honorable Senator Stockman,

The City of Passaic is expressing its support for the WIC Program. We appreciate the commitment to and achievement of helping poor pregnant women infants and children to a better health status.

The Passaic WIC Program has done and is doing a very valuable service for the citizens of Passaic. It is our hope that the WIC Program will be supported in the future and that it will be able to offer even greater benefits.

Sincerely,

C. Richard Paduch,
Director of Community Development

Robert C. Milligan
Health Officer

Testimony

Ladies and gentleman of the N.J. Legislature, N.J. Department of Health, WIC Program and other interested parties.

I am going to **speak** to you today about the Outreach Campaign of FY '85. First I will summarize what was done, then some the problems we had with **an** emphasis on funding and finally I will make some suggestions for the future.

On February 22, 1985 the State WIC staff initiated an extensive outreach campaign. The purpose was to bring more participants to the program, to **spend** food dollars. At our administration meeting an outreach workshop was held. We were encouraged to reach the public, to **tell them** about WIC and to encourage participation in the program. Instruction booklets and suggested lists of agencies to contact were supplied to us. This was followed by outreach campaign follow-ups on March 29, 1985 and April 26, 1985 at the next meetings.

The coordinators intensified ongoing campaigns, created new avenues of approach and gave time and effort to the initiative. Private physician offices, hospital clinics, social and welfare agencies, community offices and the media were approached by mail, phone and in person. Discussion programs were offered. Coordinators and other WIC staff members appeared on regular and cable television (in English and in Spanish), on radio and in the press. Participants appeared with us. They were eager and happy to tell the world how much the WIC Program does for them. Inservices were provided in hospitals. Flyers and posters were plastered on walls

at Food Stamp, Welfare, Salvation Army, YMCA and Hispanic Affairs offices. Booklets were distributed at private industry offices, food stores, mental health clinics and day care centers. We set up booths at information centers, shopping malls and at health fairs. At Christmas time we became Santa Claus giving out toys and WIC information. Everywhere we went we talked WIC. We went into neighborhoods where people live their whole lives in a 2-3 block area. They rarely if ever leave except to have a baby in the hospital. Life revolves around the corner bodega and a local gossip sheet. People here know nothing about the WIC Program. It made us realize how much work, how much outreach remains to be done.

One of the biggest problems we had was that we were not given administration dollars to do outreach. It was necessary to use existing supplies and personnel. Local agencies could not ask staff members to work at night or on weekends without reimbursement. Professional artists could not be hired to design posters or flyers. Flyers were assembled by staff members with little or no graphic experience and run off on copy machines. The result was servicable but certainly not a good advertisement for the WIC Program. A makeshift approach is not what we need. We need administrative dollars to serve us in a more useful way.

The State WIC staff spent time and money putting together "a poster" for us to use. We were informed of this on March 29th when a mock-up "poster" was unveiled. It was in the production process. Comments were not encouraged. It was too late for input from the local agencies. The result was not a poster. It was a pretty pink lengthy description of the program. Apparently it was designed for the State by a professional artist and was costly.

It required time to read and understand. The audience in food store or welfare agency does not spend time reading lengthy messages. It was certainly not what we needed or wanted. We wanted something people could read in about 30 seconds and come away knowing how to contact us. A WIC poster should be a "grabber." It should have about 5-10 words and 1 or 2 messages at most. This would-be poster was a waste. It was not useful to us. If it was placed on a wall with other posters noone would look at it. The local agencies were not asked what our needs were. Noone wanted to listen to us.

One of the big problems we encountered and are encountering now with the outreach campaign was and is, time lag. There is a period of time between outreach contact and client program application. We cannot guarantee that a certain number of people will apply following a particular outreach event, to spend a certain amount of food dollars. The effectiveness of outreach is not a definite science enabling us to put a precise number of people on the program at any time. It is difficult to determine the precise effect. We have since also learned that outreach does not "turn off" like a faucet. People come months afterwards. They heard our message and want to be on the program. They do not understand that we wanted them then but do not have the funds to serve them now.

These are suggestions for the future. It would be appropriate:

1. for coordinators and other local staff members to have the ability to input ideas and have them listened to by State WIC staff

when outreach materials are being prepared for local agency use. An ongoing outreach material review committee made up of State and local staffers would be useful for this purpose.

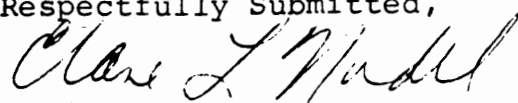
2. for the administration to allocate administrative dollars to do outreach both at the State and local levels. Monies to be used for professional artists, supplies, paid overtime and other needs.

3. to have expert guidance at administration meetings i.e. professionals involved with graphics and the media to offer advice, guidelines and other assistance.

4. to have "time lag" problems considered by the State WIC Staff in its evaluation of outreach effectiveness.

In conclusion I would like to offer the following. The N.J. WIC Program is a very valuable tool helping to improve the health status of poor pregnant women, infants and children. There is considerable evidence to show that it is doing a fantastic job. It is also cost effective. We can all be proud of our accomplishments, but like all growing organizations, we have problems. We came here today to try to help with these problems. Let us hope that our efforts here today will result in a better understanding of what we can do together to help the participants we serve and those we hope to serve.

Respectfully Submitted,



Elaine L. Nadel, M.S. R.D.
Passaic WIC Coordinator/Nutritionist

10X



State of New Jersey

DEPARTMENT OF HEALTH

DIVISION OF LOCAL AND COMMUNITY HEALTH SERVICES
120 SOUTH STOCKTON STREET
CN 364, TRENTON, N.J. 08625

J. RICHARD GOLDSTEIN, M.D.
COMMISSIONER

May 7, 1986

Re: Check Overcharges Demand Payment Notice

Dear Mr.

This is to notify you that 52 checks cashed in the month of November, 1985 in your store appear to be overcharged. Refer to the attached list of the specific checks with the apparent overcharges.

Please return the total overcharged amount, \$ 61.35, or otherwise provide specific justification for the cost of each check, within 15 days of receipt of this letter, no later than May 27, 1986. A check should be made payable to New Jersey Department of Health and sent to the attention of Linda Barr Gale, 120 S. Stockton St., Trenton, NJ 08625.

You are referred to Sections I, VI, IX, XVI, and XIXB of your signed WIC Program Vendor Agreement and your Vendor Training Manual for information on how to redeem WIC checks.

You are cautioned that failure to respond to this notice is grounds for dismissal from the program. If we do not receive payment, or justification, we will begin proceedings to remove you from the program.

If you have any questions concerning this matter, you may call the State office at (609) 292-9560.

Sincerely yours,

Jean C. Mallory, Jr.
Linda Barr-Gale, MS, RD, MPH
Chief

Special Supplemental Food Program
NJ State WIC Program

LBG:lw

C

M. Stern
Dr. G. Halpin
J. Marcucci
R. Atkinson

R. Smith
C. Lezenby
N. Harhigh





State of New Jersey

DEPARTMENT OF HEALTH

DIVISION OF LOCAL AND COMMUNITY HEALTH SERVICES
120 SOUTH STOCKTON STREET
CN 364, TRENTON, N.J. 08625

J. RICHARD GOLDSTEIN, M.D.
COMMISSIONER

May 16, 1986

To All New Jersey WIC Vendors:

Please be advised that the New Jersey WIC Program, in response to a USDA mandate, is implementing a statewide annual check replacement policy. The need to limit replacements has been addressed at past state training sessions and, as noted, is necessary to help ensure accountability of WIC checks. All current local agency policies are replaced by this policy.

The policy, which will begin June 1, 1986, will apply to the remaining four months of FY'86. Beginning October 1, 1986, the policy becomes an annual policy covering the twelve months, October through September.

Much consideration was given to your particular circumstances and needs, as well as the overall accountability requirements of the program. In view of the many circumstances surrounding the handling and processing of WIC checks, the State has included provisions for checks affected by conditions outside of your control, checks handled in violation of strict security control measures and checks redeemed erroneously with an allowance for human error.

The State Check Replacement Policy is as follows:

1. No limit for checks replaced due to the following mistakes:
 - a. Actual cost of foods over maximum value of check
 - b. Lost/Stolen check cashed by vendor prior to being notified
 - c. Damaged check
 - d. Bank misreads of pay amounts
2. No replacements for the following errors:
 - a. Post or stale dated checks
 - b. Checks made out to another vendor
 - c. Checks cashed after sufficient notification of a stop payment

You are required to accept only valid checks. (Refer to Vendor Agreement, current Section XII, Validity of Checks, pages 7 and 8).

3. Limited number of replacement checks for any combination of the following check errors:

- a. Missing seals
- b. Alterations
- c. Missing signatures

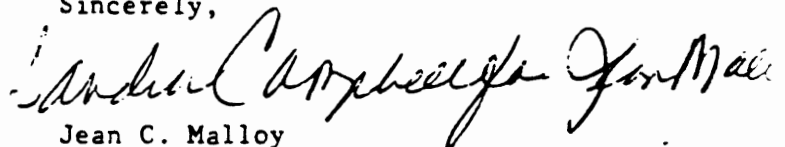
The annual number of replacements will be determined by calculating one percent of one specific month's number of redeemed checks.

Remind your cashiers that checks presented which do not meet the criteria for being valid (i.e., seal stamped on check, left hand side of check signed, valid dates, etc.) should not be accepted. Refer participants back to the local agency to have checks validated. Always write down the ID number and name of participant whenever problem situations occur. The local agency will follow-up the complaint with the participant in order to have check redemption requirements clearly understood.

Continue to contact your local agency regarding check replacements. The checks and any necessary supporting documentation will be assessed by the local agency prior to them being replaced.

If you have any questions, please feel free to contact your local WIC Program or the State WIC office at (609) 292-9560.

Sincerely,



Jean C. Malloy
Supervising Public Health Representative
NJ State WIC Program

JCM:lw

