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ANNUAL REPORT

Fiscal Year 1977



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department of
HUMAN SERVICES

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Ann Klein, Commissioner

Brendan Byrne, Governor

To the Honorable Brendan T. Byrne
Governor of the State of New Jersey
and the Members of the New Jersey
State Legislature

I submit herewith the Annual Report of the Department of Human Services for the fiscal year of 1977, ending June 30, 1977.

Ann Klein
Commissioner

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DEPARTMENT OF HUMAN SERVICES
ANNUAL REPORT

Expenditures for Year Ending June 30, 1977

Administration General		
Central Administration	4,327,265	
Interest on Bonds	6,215,802	
Division of Veterans Programs and Special Services	658,765	
Division of Medical Assistance and Health Services	290,161,902	
Division of Public Welfare	8,305,185	
Division of Youth and Family Services	27,778,815	
Division of Mental Retardation	11,723,917	
Division of Mental Health and Hospitals	12,381,811	
Total Administration General		361,553,462
Public Welfare Agencies		
Commission for the Blind and Visually Impaired		5,644,254
INSTITUTIONS		
Division of Veterans Programs		
Menlo Soldiers Home	2,565,457	
Vineland Soldiers Home	3,183,292	
Total		5,748,749
Division of Mental Retardation		
Vineland State School	15,636,719	
North Jersey Training School	7,552,138	
Woodbine State School	8,753,048	
New Lisbon State School	7,782,548	
Woodbridge State School	10,276,945	
Hunterdon State School	10,423,603	
E.R. Johnstone Training and Research Center	4,644,265	
Total		65,098,266
Division of Mental Health and Hospitals		
Greystone Psychiatric Hospital	23,361,755	
Trenton Psychiatric Hospital	21,460,885	
Marlboro Psychiatric Hospital	16,795,551	
Ancora Psychiatric Hospital	15,313,057	
Neuro-Psychiatric Hospital	8,792,693	
A. Brisbane Child Center at Allaire	1,163,493	
Glen Gardner Geriatric Center	1,515,562	
Total		88,402,996
Total Institutions		159,241,011
STATE AID		
Division of Mental Health and Hospitals		
Community Services		16,218,947
Division of Public Welfare		
Income Maintenance		223,309,933
Division of Youth and Family Services		
Residential Services		24,962,776
Total State Aid		264,491,716
TOTAL DEPARTMENT OF HUMAN SERVICES		790,930,443

MANAGEMENT AND BUDGET

HERBERT J. HOROWITZ, *Director*

During fiscal 1977, the department continued its effort to upgrade management services by developing appropriate controls and information systems to maximize the effectiveness of resource utilization. Priority areas for improvement were the central office auditing and fiscal control functions. This resulted in the establishment of the Internal Audit and Cost Studies Units.

The functions of Management and Budget include the Comptroller's Office, the Bureaus of Accounts, and Collections and Adjustments, the Offices of Cost Studies, Contract Administration, Department Audit Manager, Federal Fiscal Coordinator, Fiscal Control, Budget Planning, Capital Planning, and Program Evaluation and Research; the Management Systems and Procedures Unit and the Data Center; and the Manpower Planning and Training Unit.

Bureau of Accounts

The Bureau of Accounts provided accounting services to the various institutions, agencies and other offices comprising the Department of Human Services. In addition, it maintained fiscal records for all central office divisions and acted as a departmental distribution center for all payroll checks. It also processed compensation awards, for work related injuries, for the entire department. The following statistical data for fiscal year 1977 illustrate the transactions handled:

Accounting Section

Requisitions	9,644
UA and PA Schedules	18,039
Certificates of Debit & Credit	5,815
Change-Cancel Obligations	3,220
Contracts	772
Contract Change Orders	287
Transfers & Amended Work Programs	4,948
Payments	26,719
Postage Requisitions	5
Payrolls	2,187
Compensation Award Invoices	9,872
Compensation Award Analysis and Letters of Award	730
Refunds	58

Bureau of Collections and Adjustments

During the fiscal year, the Bureau of Collections and Adjustments continued its efforts to collect the cost of maintaining patients in state mental hospitals and the schools for the retarded. Efforts also continued to protect patients' interest in the various federal programs.

In addition to the normal programs, the new SSI program consumed considerable time and effort resulting in nearly $2,000,000 being available for patients and their support.

Total collections for the year ending June 30, 1977 amounted to $89,289,272. This is only a slight increase over the previous fiscal year; however, during this period the loss of accreditation at the Trenton Psychiatric Hospital reduced Medicaid receipts and Mercer County refused to pay support for patients in this facility.

The Chief of the Bureau of Collections and Adjustments attended the monthly meetings of the County Adjuster's Association and discussed problems as well as new regulations and law changes by both the state and federal governments.

Cost Studies Office

This office was established in fiscal year 1977 to provide more sophisticated analyses of the costs of providing services. During fiscal 1977, the Cost Studies Office developed and secured federal approval of direct cost allocation plans for the Division of Public Welfare and the Division of Youth and Family Services. These plans result in $24 million in annual federal reimbursement for the department. The office continued its efforts to secure increased indirect cost recoveries for the department by preparing and negotiating proposals for fiscal 1977 and fiscal 1978. These proposals resulted in an additional $1.4 million in annual federal reimbursement. Other projects performed by cost studies during fiscal 1977 included a survey of all cottage store operations, and providing technical assistance for and reviewing the fiscal 1976 cost reports prepared by the schools for mentally retarded in an attempt to gain Medicaid reimbursement for their medical-surgical units.

Office of Contract Administration

During the fiscal year, the Office of Contract Administration administered approximately $9,850,000 in Title XX Social Service funds employed in all divisions of the department, except DYFS.

In addition, the office was given responsibility for the administration of Title XX funds employed in other state departments, $6,600,000, and Title XX Training Programs, $4,000,000. In total, one hundred sub-contracts were administered with approximately 65,000 clients or training participants receiving services.

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Office of Department Audit Manager

This office was established in fiscal 1977 to provide a departmental audit capability. During the first year, significant activity took place in educating senior management to the uses of auditing as an information gathering tool, the development of standards, and professionalization of the audit function on a department wide basis.

The following five objectives were begun in fiscal 1977 and at year end were in various stages of accomplishment.

- Develop an EDP audit capability within the department.
- Develop a written audit standards in programs on a department wide basis.
- Develop a comprehensive professional development program to include formal classroom instruction.
- Develop functional audit plans for the department in each of the several divisions which incorporate specific audit objectives.
- Develop the Department of Human Service audit review council into a functional management committee to advise and oversee the auditing efforts of the department.

Office of Federal Fiscal Coordinator

The Office of Federal Fiscal Coordinator was established during fiscal 1977 to serve as the department's liaison with various federal agencies.

During fiscal year 1977 the office;

- Conducted negotiations with federal representatives concerning disallowances and deferrals;
- Reviewed expenditure reports submitted to the U.S. Department of Health, Education and Welfare by the Divisions of Youth and Family Services, Public Welfare and Medical Assistance and Health Services; and,
- Provided information and assistance to the divisions regarding new and revised federal regulations and guidelines.

Office of Fiscal Control

The Office of Fiscal Control was formed at year-end, fiscal 1977, to meet increasing management information needs. Its objectives are:

- The collection of fiscal data from all divisions.
- The evaluation of collected data against available appropriations and planned expenditures to ensure full utilization of appropriated funds in accordance with management priorities.

Office of Capital Planning

The Office of Capital Planning is responsible for planning and overseeing construction projects throughout the state's system of institutions. During fiscal 1977, services were provided to the Divisions of Mental Health and Hospitals, Mental Retardation, Veterans Services, and the newly created Department of Corrections.

The primary activities of the unit included:

- Prepared Annual Capital Budget for fiscal years 1978 through 1985.
- Coordinated and expedited implementation of construction of several major life safety projects in the Division of Mental Health and Hospitals to conform to JCAH requirements.
- Initiated through the Capital Facilities Approval process the design of renovation and repair projects in the Division of Mental Retardation under the 1976 Bond Issue.
- Coordinated the application and implementation of a Public Works Construction Grant in the amount of $1.0 million for life safety renovations at NPI.

Bureau of Statistical Analysis and Social Research

This bureau will become part of the Office of Program Evaluation and Research. During fiscal 1977 the bureau continued to collect and interpret monthly, quarterly, and annual statistics of a social and diagnostic nature on the institutions and departmental programs. This information was provided to department personnel, national agencies, other state departments, and the public. Special studies were prepared on request.

Management Systems and Procedures Unit

This unit was created in fiscal 1977 to improve the use of management information in the department. During the year five information systems were cataloged, 20 people were extensively interviewed as part of an information needs survey, a financial information system feasibility study was initiated with the aid of a consultant, and the Mental Retardation Patient Trust Fund accounting system was studied and documented.

The following projects/activities were developed during the year:

- Food Management Information System—This will enable each State institution to save funds in the food service by controlling inventories, relating inventories closely to menu planning and food ordering cycles, and selecting the lowest cost menus which meet client (i.e., patients, inmates) food preferences.
- Medicaid Management Information System—This will spot potential cases of fraud and abuse on the part of medical service providers more efficiently than is currently possible.

- Mental Health Information System Functions Specifications—The Division of Mental Health is developing a set of common terms for patient care demographic areas which will eliminate confusion among the institutions.
- Social Services Information and Delivery System —The Division of Youth and Family Services is developing a coordinated information system to handle client demographics, service information, child abuse data, vendor contract information, as well as specify the payments to be made to the appropriate parties.

Human Services Data Center

The Human Services Data Center provides ADP services in areas of fiscal management and information handling for the divisions of the department.

Among the major applications processed on the Data Center computer are the CODES Income Maintenance System, the Food Stamp Program, institutional patient billing system and several data exchange systems between the federal government, other states and intrastate applications, such as the Unemployment Insurance Beneficiary System.

Among the major efforts that took place during fiscal 1977 were: expansion of the CODES system into six additional counties after the successful completion of the pilot project on one county welfare agency, publication of a request for proposal document for upgrading of the data center's computer systems, and the transfer of the Oklahoma Social Services Delivery System to New Jersey.

During the year, the data center received 386 requests for data processing services and completed 373 requests.

Office of Budget Planning

During fiscal year 1977 the Budget Planning Office continued its movement toward a program and policy oriented budget system. This is being done by developing the analytical capability in the office regarding budgetary and other policy or management issues. The unit is also establishing its role as an integral part of the Commissioner's management staff through the department-wide component unit analysis.

Budget guidelines were revised, planning parameters established and budget issues relating to programs were ranked in priority order. The development of the Human Services budget was computerized, eliminating a considerable amount of manual processing for institutional and central office staff. Two program surveys were conducted of the medical-surgical and children's units of State institutions, providing a data base on these two populations.

Manpower Planning and Training Unit

This unit is responsible for the administration of Title XX training programs which involve contracts for training between the department and educational institutions. During fiscal 1977 the unit prepared the "N.J. Comprehensive Social Services Training Plan for fiscal year 1977" and developed contracting procedures for staff training for state agency and provider staff and for grants to educational programs, all of which were approved by HEW. During 1977, the unit approved all 15 contract training programs involving 1633 trainees.

INSTITUTIONAL SUPPORT SERVICES

James J. Maloney, *Director*

Office of the Director

Following the retirement of the former director on June 30, 1976, the new director was appointed on September 27, 1976.

During the nine months that followed, there were many matters of importance. Some of the outstanding matters were the transfer of farm and dairy operations to the Department of Corrections and the continuation of services to this new department, the reopening of Glen Gardner as a Center for Geriatrics, the development of computerized menus, the contract for Automated Pharmaceutical Services, both current and future space needs for Central Office, the relocation of Human Services' computer facility, sanitation problems, vehicle operations and maintenance for the Division of Youth and Family Services, departmental requirements for copiers, improvements to the print shop area, new kitchen facilities at Rahway Prison and roof replacements at Hunterdon State School.

Space-Leasing Requirements

The past year has reflected a continued growth in the space requirements of the department's programs. Existing programs have been expanded and new pro-

grams added in the areas of Community Mental Health, Mental Retardation and other Social Services areas.

Plans were reviewed and are being finalized for consolidation of the Central Office operations and the Mental Health and Mental Retardation administrative offices into the Capital Place office building. The building is currently under construction and is due for completion in the summer of 1978.

Telecommunications

The past year saw the initial steps taken for the installation of a Centrex Plus-Two Telephone System which will provide additional features not provided by the existing system, as well as realize a cost savings.

Insurance

The department has had good experience with fire losses during the past year. Losses have been few and in most cases below $10,000.

Vehicle insurance premiums have increased sharply. Possible increases in deductibles are being considered.

Task Force

In conjunction with the Task Force on legislation regarding a new Department of Corrections, this office assisted with the preparation of reports on utilities, bakery operations, farms, dairies, inmate details and laundry operations.

Roads and Approaches

Ten institutions submitted budget requests for Roads and Approaches. The Department of Transportation applied slurry seal to roads at eight of our institutions. Available funds were allotted to several institutions for work to be done by the Department of Transportation. Funds made available to the Department of Transportation were either expended or committed.

Bureau of Facilities, Construction and Maintenance

The staff continued to lend assistance to the various institutions within the areas of our assigned responsibilities: namely, review of construction plans and specifications, preparation of cost estimates, on-site inspections of construction projects, troubleshooting and emergency repairs on electrical and mechanical equipment, advice on and review of budgets, instruction in the operation of new equipment, review of bids, award of contracts, approval of payments, approval and processing of encumbrance requests. The bureau, acting as coordinator with the Division of Building and Construction, Department of the Treasury, processed plans and specifications and award of contracts in the amount of $5,418,073.87.

Bureau of Dietary, Laundry and Household Services

The monitoring function of the Bureau of Dietary, Laundry and Household Services extended to the food, laundry, clothing, and housekeeping functions in 31 institutions for the Department of Human Services and 29 institutions and their satellites in the Department of Corrections.

A major project was the development of specifications for a proposed computerized menu planning and food management information system for institutions within the Departments of Human Services and Corrections. The proposed system will allow each institution to plan its own menus and food program, utilizing its own data base that will be stored in the computer. Using the data provided, the computer will plan both regular and special diet menus that will meet adequate nutrition and maximum consumer acceptance at least cost. Food orders, daily requisitions, inventory updating, and summary reports giving accountability of food usage and meal costs will be automatically generated. This will save many of the 100 hours per week per institution now being spent in manual preparation of this information. Savings in food expenditures of over $2 million per year are also anticipated, relating to increased accuracy in calculated food orders and kitchen issues, and in the ability to adjust food production according to changes in daily census.

Following visits to Rockland State Hospital in New York, the idea of establishing institutional clothing boutiques was introduced to our psychiatric hospitals. A very successful program at Rockland allows all patients to select their own clothing, have alterations made for proper fit, and personal identification so that each patient's own clothing is handled on an individual basis and returned to that patient from the laundry. The introduction of such a program requires development of new procedures for handling clothing and integration with the laundry service. The bureau anticipates continuing efforts to assist the institutions in developing this type clothing/laundry service.

An evaluation and detailed cost analysis of several alternatives for providing improved laundry service was made by this bureau. The alternatives included (1) establishing departmental consolidated laundries with a linen exchange system; (2) reactivating institutional laundries; and (3) contracting commercial laundry service.

Bureau of Farm Operations

The production of milk, beef, pork, animal feed, potatoes, fruits and vegetables was maintained during the year. A milk-packaging contract was instituted for

the dairy operations. The Agriculture Department provided us with guidance regarding the outbreak of hog cholera during the year.

Meetings were held during the year relative to farm operations, its problems, and the anticipated transfer to the Department of Corrections.

Routine duties included visiting and inspecting the various institutional farms, reviewing surplus farm equipment and transferring it to other areas where needed, and arranging for the sale of surplus commodities produced on the farms to other institutions that could use them.

Bureau of Office Services

There were no significant changes in the bureau's operations during the year under review. The trends noted in the 1976 report persisted—erosion of purchasing power because of continuing inflation (about ten percent over the twelve-month period), a relatively stable backlog of work, and increased cost of overtime due to wage increments.

The Bureau of Office Services is charged with the responsibility of providing the central office divisions with the following services:

- Printing, Copying, and Graphic Arts
- Word Processing (Stenography & Transcripts)
- Mail & Delivery
- Office Supplies
- Filing
- Temporary Office Coverage

An audit by the Office of Fiscal Affairs led to a change in bookkeeping procedures for postage transactions. A study of word processing in the stenographic pool is underway.

Vehicular Operations

Records were maintained to cover monthly and daily rentals and mileages for assigned vehicles and those secured on a daily basis from the Central Motor Pool.

During the year, a total of 197 accidents and losses were reported by the department, including the divisions and institutions received 85 replacement vehicles and 37 additional vehicles.

The fleet policy holder, Pennsylvania Manufacturers Association, was contracted this fiscal year.

Institutional Environmental Services

The Environmental Services Unit has conducted inspections, and provided consultation and educational activities at institutions to assist in developing and maintaining a high level of environmental sanitation.

BUREAU OF PERSONNEL SERVICES & EMPLOYEE RELATIONS

Employee Relations Section

At the beginning of the fiscal year, the section established as its major goal the finalization of the organizational structure and staff experience necessary to complete the regionalization of the employee relations functions and consolidation of collateral functions in the section. With the regionalization program completed, the section planned to proceed to develop and test a department program for the administration of unit agreements as well as defining and developing conjunctive programs dealing with grievance processing, disciplinary actions, and the internal coordination and preparation for department participation in negotiations between the state and the certified majority representatives.

During the final quarter of the year, the section had set in place the organizational structure, had achieved the necessary staff training and the authorities and responsibilities necessary to finalize the regionalization program had been delegated. At this point, the next most experienced individual in this section was lost to a private industry. The loss of that individual represented the removal of the keystone of the regionalization program. The section supervisor was then forced to assume supervisory and administrative functions previously performed by that individual. The program was slightly modified and the total functions of the section were adjusted organizationally.

The outlook for the next fiscal year is excellent. It is felt that the remaining staff represent an outstanding cadre of professionals with excellent potential. During the next fiscal year, the situation will be evaluated, goals set, and steps towards achieving those goals will be implemented.

The section provided full employee relations services to the Department of Corrections until the end of the fiscal year. Preparations were made for a smooth and coordinated transfer of the employee relations functions to Corrections.

Disciplinary Arbitration

During the fiscal year, 12 cases of major discipline were appealed to disciplinary arbitration, 11 covered employees in the Health, Care and Rehabilitation

Services Unit, and one in the Law Enforcement Unit. With the exception of the Administrative and Clerical Services Unit Agreement, the six other unit agreements provide for the arbitration of major disciplinary action. Four of the disciplinary actions taken by institutions were upheld by the arbitrators, five were settled by the Employee Relations Section with the cooperation of the involved institutions. Two were held in abeyance pending the outcome of criminal charges and one is pending the receipt of the arbitrator's decision.

Regionalization of Employee Relations Function

As one of the preliminary steps in the further regionalization of the employee relations function, the Chief Executive Officer of each institution and agency was requested to designate an individual to function as an Employee Relations Officer. The Employee Relations Officer functions as the institution or agency coordinator with the Employee Relations Section in all matters related to employee relations. Meetings at the department level of the Employee Relations Officer have taken place and the section is working as close as possible with individuals so designated.

Unfair Labor Practice Charges

During the fiscal year, three unfair practice charges were filed against department components. One was settled. One went to a hearing involving several hearing sessions, the Public Employment Relations Commission Hearing Officer has not yet rendered a decision on the matter. The other is still pending a hearing.

Grievance Processing

The Employee Relations Section processed 361 grievances which were appealed to the departmental level during the fiscal year which ended June 30, 1977. Of the total processed, 201 were non-contractual and 160 were contractual.

During the year, 34 non-contractual grievances which were heard at the departmental level were appealed to the Department of Civil Service for review. In all the final administrative decisions rendered by the Department of Civil Service, this department was upheld. Also, this section conducted two conferences in accordance with the disciplinary removal appeal procedures for provisional and unclassified employees provided in the various unit agreements. Both of these terminations were sustained by this section.

There were several significant developments that occurred during the year in regards to the processing of departmental level grievances. It was the first year since the advent of negotiated agreements that the total number of grievances processed at the departmental level decreased from the previous year.

It was also the first full fiscal year of operation under the regional coordinator concept where the regional coordinator intervened in the processing of grievances at the lower levels of the grievance procedures.

Finally, it should be noted that the end of fiscal 77 also marked the end of the section's processing of the Department of Correction's departmental level grievances.

MANAGEMENT DEVELOPMENT AND PLACEMENT SECTION

Management Development System

During the past training year, 1,105 of the department's managers and supervisors participated in programs offered by the Management Development Unit. A total of 12 basic, week-long programs and 41 two-day, follow-up courses were conducted.

At the first-line supervisory level, 24 programs were offered; 115 supervisors attended one of the five basic courses, and 373 attended one of the 19 follow-up sessions. One hundred-thirty-three middle managers attended six week-long programs and 447 participated in one of the 21 two-day, follow-up seminars. Thirty-seven of the department's executives attended either the basic seminar or the two-day, follow-up course.

Pre- and post-test scores from tests administered at the beginning and conclusion of each basic, week-long program indicated a significant increase in knowledge of effective management theory and practice.

Two pilot "Assertiveness Training for Managers" programs were offered. Topics discussed included: Managerial Behavior; Assertive Management; Choosing Effective Patterns of Behavior; Assertive vs. Aggressive Behavior; Management Responsibilities; and Assertiveness and Achievement. Plans are underway to offer several more of these sessions in the future.

The department's Executive Seminar was attended by 21 top managers. A significant addition to the seminar, and one that met with great success was the Problem Analysis and Decision Making session presented by the Chief Consultant for Government Operations from Kepner-Tregoe.

An executive-level, follow-up program was offered. Entitled "The Individual and the Organization", the program dealt with the most current theories and skills in the area of organizational behavior.

A meeting for all of the department's Training Coordinators was held. At this meeting, the Central Training Office Catalogue and training records for each employee in the Management Development System were distributed.

Adjunctive Programming

A number of adjunctive programs were either con-

ducted or co-sponsored by the Management Development Unit. Descriptions of these courses, as well as the number of trainees involved in them, have been included in this report.

In all, there were four main areas of adjunctive programming. They were: Conversational Spanish; Pre-Retirement Planning; Train the Trainers: Self Breast Examination Program; and Tips for Women. A total of 1,353 department employees attended these programs.

Cost Analysis

Although funds were reduced by approximately 28% from the previous fiscal year, management training was offered to the same number of managers, with no qualitative differences; this was done by curtailing expenses in a number of ways, including regionalization of programs and the reduction of reimburseable expenses.

Field Service Unit

The Field Services Unit was organized just prior to the start of the fiscal year. This unit in the Central Training Office has been designed to provide direct, on-site training services to constituent components of the department on a systematic basis.

Through a system of regularly scheduled visits to each component, field services has committed itself to the following objectives.

- to provide an effective mechanism for determining, on a continuing basis, the educational and training needs of both the organizational unit and the individual employee.
- to monitor and evaluate component employee development and training in order to determine effectiveness in meeting assessed needs.
- to provide appointing authorities with recommendations and assistance in setting priorities and implementing plans for more effective and economical programs consistent with assessed needs.
- to provide components with direct, on-site training, as needed, and to assist in developing internal capabilities to meet projected needs.

Field Services, during the course of the year, was able to move in the direction, to some extent at least, of meeting all of the objectives it had set.

Programs, primarily around performance evaluation and standards of performance, were designed and offered on-site in sixteen organizational components. Curricula for six employee training programs to be conducted on-site at various institutions and agencies were developed. Eight special programs designed to improve clerical and secretarial skills were arranged and offered at seven institutional sites throughout the department. Special programs designed to prepare institutional and agency staff members to train or orient other employees were offered in several areas, such as the Heimlich Maneuver and the Elective Surgery Second Opinion Program.

One of the goals of the Field Services Unit is the development of a proposal for training throughout the department. In-depth training needs assessments of the various components throughout the department were begun during fiscal 1977.

Two pilot assessments were completed in November and December. These were conducted at the North Jersey Training School and the Hunterdon State School. Preliminary findings at each of these components indicated a need for greater participation by managers/supervisors in the department's Management Development Institute, more training in the philosophies of mental retardation, nursing refreshers and clerical skills enhancement.

After the evaluation of the assessment process was completed, assessments were conducted at Greystone Park Psychiatric Hospital, Marlboro Psychiatric Hospital and Ancora Psychiatric Hospital.

Preliminary findings at these three facilities indicated a need for training in grievance handling, EPEIS, employee relations, philosophies of mental health, clerical skills and training of those in non-direct care positions.

RECRUITMENT, SELECTION AND PLACEMENT

Advertising

Nearly $14,000 was expended on an extensive advertising program during the year. A significant portion was devoted to recruitment for registered nursing personnel.

Certification

During the year, 404 certifications were requested by various components of the department and 409 were adjudicated.

Promotional Opportunities

Eight-seven promotional examination announcements were received and 695 eligible employees were notified.

Two hundred-sixty-seven announcements designed to apprise eligible employees of promotional opportunities were circularized throughout the department.

Applications-Placements

In 1976-77, 578 applications (including 178 applications for summer employment) were received in the mail; 953 applicants were interviewed and screened by staff of the Recruitment Office; and 53 applicants were placed.

Turnover

Total employee turnover in the department for the year was 19.26% representing a slight increase from 1975-1976 (19.18%). Institutional attendants accounted for a turnover of 26.2%, an increase from 25.27% in 1975-76.

Support Services—Department of Corrections

Staff continued to provide support to the new Department of Corrections during the year. Promotional examination announcements for Correction Sergeant, Correction Lieutenant, Correction Captain and Deputy Keeper positions were distributed: over 1000 eligible employees were notified.

Recruitment

Staff visited a total of 38 high schools, colleges and community organizations to describe career opportunities in the department. Literature was disseminated and questions concerning career possibilities, examination procedures, etc., were answered among the over 2100 people contacted.

Affirmative Action

This office continued to work closely with the Department EEO Office. An interview disposition form was developed. The form is distributed with each promotional circular announcing a vacancy in a position when the salary is in excess of $10,000 per year. Since its inception, approximately 86 such forms have been distributed.

CLASSIFICATION AND OPERATIONS SECTION

Computerized Personnel Reports and Position Control

Efforts were continued in conjunction with the Bureau of Data Processing to improve and refine the current system of computerized services. There has been continuing discussions between bureau and Data Center personnel concerning revisions to the present system which will increase its efficiency and ensure that the computerized reports meet user needs.

CETA Program

The CETA Program is funded by the federal government and is designed as a panacea to long term unemployment relief.

In the past, this department has enjoyed an excellent record with the Department of Labor and Industry and Budget Bureau for program participation and transfer of CETA employees to budgeted positions. However, because of frequent transfers such as these it is often difficult to document exactly when the department has filled all of the positions allocated to them. At one point however, and at the height of program activity, documentation was established where 90% of all program allocations within the department were effectively filled. During the period between July 1976 through June 1977, CETA program stability in the State and specifically this department was greatly affected by the following situations:

- Federal uncertainty on the future of CETA programming in an election year.
- Discussion of new approaches to entire unemployment relief question.
- New methods and procedures for contract renewals.
- Separation of the Department of Institutions and Agencies into two separate departments.
- Changes in program emphasis and job priorities.

During the fiscal year our total allocations ranged from 202 positions to 34 positions as of June 30, 1977. Our percentage of positions filled ranged from 46% to 74% filled on June 30, 1977. The reason for the huge difference in number of positions is the fact that for the first nine months of the year the figures include those of the Department of Institutions and Agencies and Department of Corrections. The last three months only include figures for the Department of Human Services. It is noted that although the Department of Human Services and Department of Corrections were established on November 1, 1976, the CETA figures for both departments were not separated until March 1977.

Reclassification

During the past fiscal year a total of 299 reclassifications were approved through the departmental reclassification program; 10 reclassification requests were disapproved. In addition to these figures, 21 reclassification requests were recalled by the initiating agency for various reasons.

Classification

A total of 131 new titles were approved by the Department of Civil Service for this department. There are an additional number of new titles pending that have been submitted by this department.

A total of 46 titles were re-evaluated upward. Most of the new titles as well as re-evaluations stemmed from reorganizations within the Divisions of Youth and Family Services, Mental Health and Hospitals, and the Central Office staff.

Layoff at N.J. Neuro-Psychiatric Institute

As a result of the budgetary cutbacks and the decision to change NPI from a mental health facility to a mental retardation facility, it was necessary to eliminate 142 positions. Fifty of these positions were vacant, twenty-six positions were in the unclassified service and sixty-six positions were in the competitive division.

The actual layoff took place between July 6, 1976 and July 15, 1976. A total of ninety individuals were involved as a result of the actual bumping procedures; of this total only fourteen employees took a layoff.

Reopening Of Glen Gardner

During the last four months of 1976 and January and February of 1977, the bureau was directly involved in the providing of direct assistance to the administrator at Glen Gardner. The bureau assisted in the establishment of new titles, positions, recruitment and actually sent professional and clerical employees there on 28 different dates.

Search Committee

As a result of vacancies for the titles of Director, Division of Youth and Family Services and Executive Director, Commission for the Blind and Visually Impaired, the Commissioner appointed a Search Committee to conduct a nationwide search to recruit, interview and recommend candidates for final interviews. Over 400 applications were received from one position and over 25 applications were received for the other position.

Central Office Personnel Section

The personnel records and processing of forms for the Department of Corrections was smoothly transferred to their new personnel section with a minimum of problems.

The reorganization of the Central Office, Division of Mental Health and Hospitals is in its final stages. This has required a tremendous amount of coordination with the division and an increase in workload, particularly in the area of new titles and development of reclassification requests.

Preliminary work was begun on the reorganization of the Division of Mental Retardation and the Division of Veterans Services.

A continuing monitorship of the EPEIS program was continued including requiring the placing of the I&A forms (EPEIS) 214 and 215 in the personnel records and having the employees sign the rating form.

The Bureau of Transitional Services comprising 65 persons, was transferred from the Division of Public Welfare to the Division of Mental Health and Hospitals with a minimum of problems.

CHIEF DENTAL CONSULTANT

On November 1, 1976, the Department of Institutions and Agencies became the Department of Human Services and the Division of Correction and Parole became a separate Department of Corrections. The Director of Dentistry continued in that capacity to both departments with a time allocation of approximately 70 percent to Human Services and 30 percent to Corrections. Recommendation was made that the Department of Corrections eventually take over these functions with a community-based oral surgeon handling the oral surgery on a fee-for-service basis and an existing dentist within that department handling the administrative functions.

The Dental Externship Program was continued as previously with good patient and educational benefit. The program has served as a national prototype and is to be extended throughout the academic year.

There was recognized value in further development of the preventive program, especially that of patient education and self-care.

A program of general dentistry under general anesthesia was initiated at the Vineland State School. At the same time a program was developed whereby this type of service would be provided in community hospitals for institutionalized patients using Medicaid funding.

Recognition was made of the difficulty of handicapped people having made and wearing removable dentures. Whereas methods for prevention of loss of teeth, thus obviating the necessity of dentures have been ongoing, there will now be an attempt to study the problem of better prosthesis construction and patient management of them.

A protocol was developed for the management of dentures for patients entering institutions with them or having them made in regard to their suitability, the patient's suitability in properly maintaining them, the pathogenicity of the denture itself and the identification of the denture.

Standards and protocol were developed for general dentistry under general anesthesia purchased for patients throughout the nation as part of the Purchase of Care Program.

A dental program was developed for the start-up of the Glen Gardner Center for Geriatrics tailored to that population and considered a prototype for similar institutions.

A health questionnaire and an anesthesia record were developed, consistent with update in this field and new rules and regulations of the New Jersey State Board of Dentistry.

A program of dentistry for the diabetic patient has

been developed and recommendations were made in the area of personnel in reference to dentists and union activities.

There was an indepth study of the dental program at the Arthur Brisbane Child Treatment Center, making recommendations for change to community support and Medicaid funding.

Also, the Division of Medical Assistance and Health Services noted an increase of dental services with no more than a proportionate increase in cost, as there is no increase in administrative functions or fees. It is noted that the dental program represents a very low percentage of the overall cost of the functions of that division.

CHIEF MEDICAL CONSULTANT

During fiscal year 1977, the activities of the Chief Medical Consultant continued to grow, both in numbers and in depth. The creation of the Department of Corrections in no way decreased the responsibilities of the Chief Medical Consultant. Indeed, the last three months of FY 1977 were devoted primarily to services to the new department. In the absence of an Assistant Chief Medical Consultant, inspection visits were necessarily short and superficial.

The health needs of residents, patients and inmate populations were well provided for. The institutions are plagued with inadequate staffing and employment of second echelon professionals. Recruitment, especially in the Department of Corrections and to a lesser degree in the Department of Human Services, is impaired by low salaries, poor working conditions and substandard facilities and a difficult patient population. These conditions occur alone or in combination. Nevertheless, the dedication of the medical personnel and allied services has overcome to some degree these deficiencies.

The Chief Medical Consultant was the medical liaison officer to many of the Department of Health activities and served as the Commissioner's designee. A significant change was being relieved of attending the meetings of the new State Health Coordinating Council, which replaced the State Health Planning Council. However, the Tuberculosis Advisory Council became more active, meeting monthly or twice monthly instead of five times a year. Similarly, the Nursing Home Administrators Licensing Board is more active. The Chief Medical Consultant received informal inquiries from the Department of Health professionals at irregular intervals on a variety of problems.

During the past year, the swine flu vaccination program was successfully and satisfactorily completed without incident. At the request of the Board of Pharmacy, eight institutional pharmacies were visited to monitor correction of deficiencies. The Chief Medical Consultant continued developing a liaison with Rutgers Medical School to interest medical students in the medical care in our institutions, including state prisons. A survey of the medical-surgical unit at Trenton Psychiatric Hospital was completed.

CHIEF PSYCHOLOGY CONSULTANT

The year was an eventful one for psychological services within the department. The split of the Department of Institutions and Agencies, into Human Services and Corrections, led to a cutback in the internship training program. The Psychology Junior Fellowship program will lose three positions. Efforts to develop a liaison between the two departments are ongoing.

Several professional staff development programs were conducted which included an eight week seminar on the psychoanalytical model, programs on the treatment of schizophrenia, the development of the professional school model.

During the year the consultant reported to the Division of Mental Retardation on a survey conducted of all the State Training Schools. The survey dealt with the standardization of procedure in determining level of adaptive behavior for the retarded residents by the psychology services. Apparently no standard procedure is used. This was identified as an area requiring further exploration and development.

The consultant conducted a research project in order to evaluate training at the university level of students in the area of Projective Techniques and Psychodiagnostic Testing to evaluate the kinds of experiences the internship program should provide.

The project will be presented at the American Psychological Association meeting in August 1977.

The consultant continued to serve as Secretary to the Board of Psychological Examiners, a member of the Election and Mental Health Committees of the New Jersey Psychological Association, as President of the Council of Psychologists, Directors, Administrators and Consultants, and as Visiting Clinical Professor of the Graduate School of Applied and Professional Psychology at Rutgers University. The consultant continued to maintain ongoing relationships with a variety of professional organizations within the state as well as with the American Psychological Association attending appropriate meetings and conventions.

The consultant met with representatives from the New Jersey Psychological Association, Bureau of Personnel Services, Division of Mental Health and Hospitals and the Commissioner's Office to review salary schedules for psychology titles within the department. The meeting resulted in a more extensive review of various factors influencing recruitment and retention of psychologists which hopefully will result in an upgrading of salaries for these titles.

The consultant conducted on-going seminars for supervisors within the Psychology Junior Fellowship Program. This program is designed to upgrade qualified staff psychologists to the level of supervisor within the internship program. It involves several sessions of orientation to theory and practice of supervision and is followed up by monthly meetings of approximately ten sessions with presentations by each supervisor of their own work and approach to supervision, either through videotape, audiotape or process notes.

OFFICE OF AFFIRMATIVE ACTION

During the year the Office of Affirmative Action was staffed to address the dual concepts of equal employment opportunity—those of affirmative action needs and equal employment. We were the only department to hire an Affirmative Action Officer and an Equal Employment Opportunity Officer. In order to more adequately address the departmental concerns of Hispanic employment opportunities, the person hired as the EEO Officer was of Hispanic origin.

OFFICE OF PUBLIC INFORMATION

In its function of providing the media, legislators, other agencies of government and the general public with news and information regarding the department and all of its operations, the Office of Public Information helped to arrange for and conduct a variety of special events including news conferences, meetings and seminars.

A new press secretary, Catherine Arnone, was named by Commissioner Klein, replacing former office director James Stabile who transferred to the Department of Corrections.

During fiscal year 1977, the office arranged for numerous radio and television appearances by the Commissioner and other officials and provided on-the-scene personnel to answer news questions during emergency situations at incidents involving the department facilities.

In addition to providing the news media with background information for feature stories, programs and special events, 94 press releases were issued. Public information staffers handled an average of 20-30 incoming telephone calls daily from all sources and made twice that number in researching answers and reporting requested information. There were 100 incidents recorded and distributed in writing to the Commissioner and division directors.

Special activities of note were the arranging for a statewide campaign to recruit selling agents for food stamps, press tours and briefings at state institutions during National Hospital Accredition team survey, and the formal opening of Glen Gardner, a former state tuberculosis treatment facility, as a Center for Geriatric care.

A daily press clipping service was maintained. The Public Information Officer was available 24 hours a day, 365 days a year, to answer media inquiries. Photographic services were provided to the divisions and agencies and the office maintained updated departmental directories and compiled and summarized the monthly reports and annual report. Also, assistance was provided to the several divisions when requested for the writing of press releases, radio copy and copy for brochures and booklets.

OFFICE OF SPECIAL SERVICES

The Office of Special Services continued to provide resources to the departments and the community in the areas of chaplaincy and volunteer services during the year. Each institution was visited at least twice and every chaplain and volunteer director was contacted.

Our library facility has been expanded to include a loaning service for our staff. Books and periodicals are catalogued to include a loaning service available for four week loans.

The office now has information packets available which include a multitude of information about the department and voluntary action. These packets are extremely valuable to new staff and associates.

We have been fortunate to have the services of three student interns during the year. Each has played a significant role in enhancing our ability to provide resources and assistance to department staff and to community persons.

Chaplaincy Services

We continue to work closely with the Chaplaincy Consulting Committee and the New Jersey State Institutional Chaplains Association, meeting regularly with each group.

During fiscal 1977, four chaplains were hired under the new procedures utilizing the Chaplaincy Consulting Committee for interviewing and recommendation.

In February a combined installation service for these new chaplains was held in the chapel at the Department of Corrections. Each institution was represented, as well as both departments and major church judicatories on a state and national level.

The selection procedures and standards for Institutional Chaplaincy Services developed by the Chaplaincy Consulting Committee have been shared, upon request, with chaplain coordinators in several other states. We have been pleased to discover that these selection procedures appear to be among the most equitable of those we have reviewed.

Training continues to be a high priority for the chaplains, especially in the area of administrative skills. We were able to arrange for five chaplains to attend training sessions sponsored by the department. We have also arranged, with the Central Training Office, for a series of training seminars which will commence in the fall of 1977.

In March, a Day of Awareness for community clergy was held at Trenton State Prison. The event, sponsored by the chaplain's office, attracted almost 200 ministers from around the state. The purpose of the meeting was to develop contact and dialogue between the local church and institutional chaplaincy. Since that time, several local churches have become involved with the institutions of both departments.

This office, along with the Chaplains Association and the Chaplaincy Consulting Committee, have been working with the American Bible Society toward developing scripture materials appropriate for psychiatric and correctional populations. We have also been reviewing study materials and resources for use in pastoral care programs.

At the request of Commissioner Mulcahy, a status report on chaplaincy services in correctional institutions was prepared.

Volunteer Services

Fiscal 1977 saw the first promotion of a "Volunteer Services Assistant" into the newly created "Supervisor of Volunteer Services" title. This is an important first step in the realization that in some facilities, two positions are necessary due to the vast scope of the office.

The quarterly meetings have been revamped to function primarily as a training device. A needs assessment was completed and acts as a guide for subject material to be covered.

This office has expanded its involvement in voluntary action on a state and national level through increased participation with the: National Center for Voluntary Action; Association for Administrators of Volunteer Services; Division of Mental Health; Nursing Home Ombudsman, Department of Community Affairs; State Office of Volunteer Services, Department of Community Affairs and the community.

The office has initiated a procedure wherein an annual out-of-state visitation to a different facility representing one of our disciplines is made. This year, the coordinator and assistant coordinator visited Pennhurst State School (for the retarded), Spring City, Pa. Philosophies, techniques, programs, and problems were shared with the chaplain coordinator and volunteer director of that facility. We plan to include various staff people on these annual trips in an effort to create new contacts and provide insight to new and different approaches in the field.

Indepth consultations with new and existing staff members have played an even more important role this year. We have been requested to evaluate training, organize a new auxiliary, reorganize an existing auxiliary, problem-solve, plan training and advise in the areas of time management and accountability skills. Although such one to one consultations are time consuming, they have proven to be one of our most productive techniques.

The department celebrated National Volunteer

Week, April 24-30, with a volunteer luncheon which was held at the Commissioner's home.

Following the conclusion of the first volunteer training program at Trenton State Prison, the coordinator continued to work with institution staff regarding the placement and evaluation of the volunteers. We provided some assistance in recruiting for the training sessions which followed.

At the request of the Bureau of Standards (Corrections), we were involved in the development of extensive standards on volunteers which will soon be promulgated.

Staff Activities

We attended a number of workshops and training programs which served to create new awareness, increase skills, and provide new training ideas.

Staff assisted in the development of a Welfare Funds Manual, at the request of Commissioner Klein and the State Board of Institutional Trustees. The manual is now complete and in effect.

COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

CARL C. PIRUPS-HVARRE, *Acting Director*

The Commission underwent an interim period, as a result of the untimely loss of its Executive Director, Joseph Kohn. Despite his terminal illness, the director maintained a line of communication with the agency. With the assistance of a fine and dedicated staff the delivery of services to the blind and visually impaired of the State of New Jersey continued in a smooth and effective manner.

The commission's goals and objectives are to meet the comprehensive needs of blind and visually-impaired individuals; to reach more of the elderly and the poor; to reach more of the multiply-disabled blind and the disadvantaged, and to integrate and develop necessary services to meet these needs. These include vocational training and job placement, the education of blind and near-blind children throughout the state, home teaching and special services to elderly homebound individuals and prevention of blindness.

It is estimated that there are 15,000 blind people (two to three per 1,000) in New Jersey. The number of new cases referred to the commission this past year was 3,538. Although all of these individuals may not be classified as blind, they all have substantial vision problems. The agency register on June 30, 1976 reflects a known total of 15,839.

Education Department

In this department there were 353 new referrals for the year and 232 closures. The number continuing on the register and in school programs in this unit as of June 30, 1977 was 1,661. The classification of these children at year end by school needs is as follows:

Preschool	161
Local School Placement (Elementary and Secondary)	785
Special Programs for Multiply-Handicapped	166
Special (Separate) Classes in Public Schools	69
Residential Schools and Training Centers	91
Multi-Handicapped Children at Home	10
College and University	95
In State Institutions	184
TOTAL	1,661

The major causes of blindness is the preschool population are: cataracts, optic atrophy, retrolental fibroplasia, central nervous system afflictions, albinism and myopia.

Some innovations to the department this year included: formation of a parent advisory group to assist in the development of goals for deaf-blind children; development of a curriculum and teaching guides; in-service training programs for public and private school teachers on methods and materials utilized in working effectively with visually-handicapped children. In addition, it continued its program of monitoring case service effectiveness with 125 cases reviewed.

Two hundred eighty-four blind and deaf-blind children in institutions for the mentally retarded are registered with the education service. Initial funding for the expansion and centralization of the commission's program of services to the deaf-blind population at Woodbridge State School was secured last fiscal year from Title VI-C funds. As a result of the increase in the number of deaf-blind children located in institutions, additional funding has been secured from a Title VI-C grant to expand services and double the number of children served in the special program at the Woodbridge State School.

In co-operation with the agency's Vocational Rehabilitation Department, the Education Department conducted summer programs in specialized preparation areas for 30 college-bound students at Drew University. Students lived on campus; were counseled by instructors and given training in special areas of need such as Freshman composition, mathematics,

preparation of term papers, selection of courses, mobility, activities of daily living, vocational counseling, etc.

An evaluation and training program for 21 non-college bound students was conducted at the commission's Joseph Kohn Rehabilitation Center as a means of preparing these high school students for suitable employment. Twenty-two multi-handicapped children attended a six week vocationally oriented program at Perkins School for the Blind.

The commission continued to operate classes for preschool deaf-blind children in Cranford, Teaneck and at Glassboro State College. A summer program was provided for 23 of the deaf-blind children and included parental participation.

Two hundred thirty children participated in summer camp activities at Camp Marcella. The first two weeks were geared to programs for the most severely multi-handicapped blind children who require one-to-one supervision and who would otherwise have been unable to attend. This year ten of the deaf-blind children were integrated with regular campers. In addition to the summer program, special week end programs were conducted during the fall and winter season to provide young adults with experience in group activities.

In the Textbooks and Material Center 6,372 braille volumes, 852 reels of recorded material, and 1,187 large-type volumes were distributed to students attending schools throughout the state.

Eye Health Department

This department helps conserve the vision of New Jersey citizens through vision screening programs, as well as through direct assistance to individuals requiring surgery and treatment as follows:

- Case Service—The number of individuals served totaled 1,223. Sight was restored or improved for 182 individuals.
- Preschool Vision Detection Program for Amblyopia—In its 12th year, 334 community-wide detection programs were conducted. 23,141 children were screened. 1,990 required follow-up for complete eye examinations or treatment.
- Glaucoma Control Program—The 22nd statewide detection program was conducted in co-operation with the Medical Society of New Jersey at 93 hospitals. Over 10,949 adults were examined at no cost; 589 glaucoma suspects were identified and referred to the commission for follow-up.
- Traveling Eye Unit—This unit provided 214 days and 11 evenings of service and 6,555 examinations. Among the vulnerable population groups reached were: 11 special centers for the handicapped or retarded; six nursing homes; 17 health departments; 27 senior citizen centers and housing projects; 15 migrant locations; five community centers; two drug programs.
- Community Health Vision Screening Programs—A total of 466 hours of service was provided by staff ophthalmologists resulting in 3,117 disadvantaged individuals being examined and appropriately followed. Programs were conducted at learning disabilities and low income centers, drug abuse centers, mental retardation centers, senior citizens centers, model cities programs, recreation centers and nutrition centers.

Home Service Department

This department serves newly-blinded adults and elderly homebound individuals through an array of services which include training in personal adjustment, braille and communication skills, handwork for leisure or occupation and assistance with personal, family and social problems. Working with clients chiefly in their home setting, workers reached a total of 4,955 clients.

Home service field staff initiated and executed a high number of in-service training programs in care facilities and served as consultants to a wide variety of individuals and groups involved with visually-handicapped persons. All of these efforts have been directed toward the goal of fostering acceptable attitudes regarding blindness, assisting with integration of blind persons into community activities and aiding individual visually-handicapped persons in achieving independence and satisfaction in their personal lives.

One thousand one hundred and six talking book machines were provided to blind residents in the state who thus are able to listen to recorded books. The total number now in use statewide is 7,239.

The renewal of the Title XX grant, which was initially implemented in fiscal 1976, expanded services to clients and enabled the home service section to reach greater numbers of visually-handicapped individuals. Funds from Title XX made it possible for clients to receive necessary training equipment required to achieve their goals. Of the 776 individuals served, 504 were closed as homemakers.

The home service unit intensified its efforts to identify the blind and visually-impaired population at state mental facilities. Two hundred eighty-three individuals were identified. Home service staff provided in-service programs and professional guidance to staff members at institutions.

The inception of the rental assistance program by the Department of Housing and Urban Development (HUD) provided an upgrading in the living standards of a number of clients. This program is designed to improve and lower the costs of housing for elderly and handicapped individuals. As a result of home service staff efforts, 72 clients were referred for rental assistance.

Vocational Rehabilitation Department

In this department a total of 3,138 clients were served; 248 individuals were placed in competitive employment and 137 were rehabilitated as homemakers for a total of 385. Projected aggregate annual earnings for those placed in employment amount to $1,148,784. Earnings for the same group at the time of referral were $170,560. The unemployment rate in the state continued at a higher than national level. Staff have been involved with CETA and the National Alliance of Businessmen exploring avenues of potential employment sources.

The summer development experience program has proven to be beneficial in assisting students who have difficulties in breaking into the job market. The program is in its sixth year and is designed to provide blind high school and college students with actual work and life experiences which they are frequently unable to secure because of their blindness and which are generally available to their sighted peers. Seventy young clients were placed in appropriate work activity in diverse areas of employment including rehabilitation facilities, hospital settings, day camps, pharmacy, etc. Thirty additional individuals secured their own positions in equally varied areas.

Three hundred thirty-six multi-handicapped blind adults were served by the agency's *Multi-Handicapped Unit* of which 50 were placed in employment. The Hayes Unit at the Johnstone Training Center, a special co-operative project with the state Division of Mental Retardation served 16 retarded blind clients providing vocational evaluation and training.

The commission's *Joseph Kohn Rehabilitation Center* in Newark served 96 clients during the year for a total of 5,290 man days. Fifty-five percent of these individuals were in special programs requiring more intensive professional time because of severe added handicapping conditions which included diabetes, hypertension, emotional disorders, orthopedic and neurological involvements.

To prepare blind people for independence and to cope with the mobility demands in employment situations, specialized *Mobility and Orientation* training was extended to 853 clients.

In the *Vending Stand Program* 57 vending stands were in operation at year end. This program provides the most lucrative source of employment for blind individuals in New Jersey. Average annual earnings for operators increased to $13,376 from $12,300 last year. Gross sales for the year amounted to $3,180,108 with a total net income to operators of $745,915.

The *Supplemental Security Income and Trust Fund Programs* were combined into one unit in the Vocational Rehabilitation Department for administrative purposes. Many obstacles were encountered as a result of inadequate staffing and as well as the revision of the referral and the statistical reporting system for the program. These required changes in record keeping and the data retrieval system. Five hundred thirty-six beneficiaries were referred for service in the trust fund program with 35 rehabilitated. Three hundred forty-one individuals were serviced with SSI funds with 21 closed in employment.

In the vocational rehabilitation of clients every source is explored to provide effective and quality service to clients. To this end, improvisations this year included provision of career information to high school and residential school clients to motivate and acquaint individuals towards realistic employment objectives and the business world; computerization of the vocational rehabilitation reporting program; in-service training programs for counselors and supervisors to improve performance and accountability. Program and fiscal audits of the Vocational Rehabilitation Department were conducted by Regional Rehabilitation Services Administration staff and by representatives of the General Accounting Office.

The agency operates three *contract workshops*—one in Newark, one in Somerset and one in Westmont. The shops provide short-term evaluation as well as extended employment for less able clients. Minimum wage or better is paid at the workshops and every effort is made to graduate clients into competitive industry.

The *Staff Development and Training Section* arranged a variety of training programs for staff to broaden and expand their knowledge in the delivery of services to clients. These programs included: evaluative workshops, facilitative case management workshops, braille and other communication skills, conversational Spanish, clerical development, mobility and orientation training in sonicguide and electronic devices, SSI/SSDI program information, visual pathologies, use of audio-video equipment, affirmative action workshops, sensory aids and learning disabilities seminars.

The commission's *Supervisor of Facilities and Workshops* works closely with the federal government, State Division of Vocational Rehabilitation and other agencies on problems of statewide planning for facilities and on programs designed to meet the needs of the Vocational Rehabilitation Department. As an official agent, the commission must approve and supervise federal grant requests to other rehabilitation facilities in the state that work with blind people. During the year $169,076 was authorized. All of these grants are matched by the federal government on a 90-10 basis. These included:

- The third year of a grant for providing rehabilitation services to older blind clients.
- The third year of a grant for a satellite home industries sewing unit to expand employment

opportunities for blind people using facilities at the New Jersey Blind Men's Association in Leonardo, New Jersey.

- The third year of a grant for a satellite home industries sewing unit to expand employment opportunities for blind people using facilities at the New Jersey Foundation for the Blind in Denville, New Jersey.
- The first year of a grant for expanding vocational rehabilitation service to the homebound blind.
- The first year of a grant for expanding vocational rehabilitation to the blind in New Jersey to establish three skill training programs at the commission's Joseph Kohn Rehabilitation Center.
- A subgrant to the Associated Craftsman-Easter Seals facility in Hackensack in advanced clerical training program for selected agency clientele.

Total sales through the *Home Industries and Craft Program* amounted to $204,688, a $13,554 increase over 1976. Three hundred sixty-five consignors benefited from this program and received earnings of $70,075. The consignors in this program are homebound blind individuals who are provided with instruction in handcrafts, caning, sewing and the like as a leisure outlet as well as a source of supplemental income. Many of these articles are sold through local sales. In the department's marketing program of selected articles to be sold through commercial sales outlets, sales to chains increased in 1977 by 4.0 percent for a total of $51,525.

The *Supervisor of Volunteers'* principal role is to coordinate the activities of volunteers associated with the agency, arrange for recruitment, training, evaluation and awards programs. Annual statewide awards day and luncheons were held to give recognition to volunteers for their many hours of service to the commission in its various programs. To accommodate volunteers in the North Jersey and South Jersey areas two separate luncheons were held in Clifton and in Jamesburg. Two hundred fifty-two volunteer organizations and 3,285 volunteers provided 31,299 hours of service to the agency.

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

THOMAS M. RUSSO, *Acting Director*

OVERVIEW

Fiscal year 1977 saw a number of new directions in the division and the Medicaid program. The year was characterized by efforts to improve provider relations in the wake of last year's traumatic non-institutional (optional) provider service cutbacks and the 10 percent fee reductions brought about by budgetary deficits that remained in effect for the first half of the fiscal year. A supplemental budgetary appropriation enabled the division to restore fees to all providers (except laboratories and transportation) in February, 1977.

With the necessary funding for the remaining months of fiscal 1977, the division could as a priority measure return the program to "normal," with all optional services having been fully restored to recipients in early 1976 and provider fees restored. At the same time, the division could now give consideration to the future possibility of developing more equitable payments. To give priority attention to these efforts, a Fee and Reimbursement Review Committee consisting of key executive staff members was formed to examine requests for fee adjustments and make recommendations to the director. However, because of ongoing budgetary contraints no provider group could this year realize any significant fee increases although small fee adjustments were made in certain areas.

Among the other new directions pursued by the division was the effort to develop alternatives to long term institutional care. These efforts assumed a new degree of urgency as the Medicaid bed shortage in nursing homes continued, resulting in an ever-increasing waiting list of persons seeking placement.

Among the measures taken was a reorganized home health services program, in which levels of care were identified, and for the first time a professional team approach was used to determine the level of care needed by the patient in the home. A goal under the reorganized program was to encourage home health agency providers to improve the utilization of services and on the part of the division to reduce paperwork and simplify billing procedures. The results of this effort were dramatic as the number of recipients receiving this service rose by more than 40 percent during the remainder of the year following the reorganization.

Another measure was the establishment of the

Medical Day Care Program. As a result of the division's efforts, day programs could be established in nursing home facilities for ambulatory patients living in the community but in need of medical treatment and/or therapies. By year's end, one nursing facility had successfully met the requirements and established a program, while the application for another was pending. It was expected that other facilities would also be applying.

Unrelated to the Medicaid bed shortage were intensive efforts to establish a long term care program for young adults in cooperation with certain medical facilities which expressed interest in such a program. At year's end, negotiations were under way with one facility, and a special reimbursement system was under study.

New directions were also seen in the area of program integrity with the passage of the New Jersey False Claims Recovery Act (A-1455) that for the first time significantly increased fines and penalties for convictions of Medicaid fraud from $1,000 to $10,000 and enabled the state to impose treble damages and interest charges upon those providers who received excess payments and in addition enabled the imposition of $2,000 penalty for each fraudulent claim. The division collected $671,869 in penalties and interest during the first year of the new law.

The Department of Health, Education, and Welfare, without prior notice, initiated a strict 100 percent compliance standard for Section 1903(g) of the Social Security Act on utilization control procedures during June, 1977. This resulted in an announced $4.6 million utilization control penalty against the Medicaid program for the calendar quarter ending June 30, 1977, for conducting one periodic medical review in one facility after the due date for such review. The penalty was not imposed, however, because the state obtained a temporary restraining order from the federal court on the unreasonable penalty and the President signed legislation delaying imposition of the disallowance on federal matching funds.

Office of the Director

During the year, three bureaus were assigned to the Office of the Director: the Bureau of Research and Development, the Bureau of Prepaid Health Plans and the Bureau of Management and Planning.

The Bureau of Research and Development, the "legal" arm of the division, undertook research projects to assess the impact on Medicaid of various state and federal regulations, provided consultation on legal questions as requested, and conducted fair hearings.

Among the research projects undertaken by the bureau was review of the division's policies to insure conformity with federal regulations pertaining to sterilization and the Federal Privacy Act. In addition, as a result of the concern of federal and state legislative and executive bodies concerning Medicaid abuse, the bureau assisted in revising the division's regulations governing provider suspensions in conformity with Executive Order #34, issued by the Office of the Governor.

The Bureau of Prepaid Health Plans was established within the division to serve as the state's liaison with the Newark Comprehensive Health Service Plan ("Compre Health") and also to develop alternative methods of paying for contracted Medicaid services through Health Maintenance Organizations. With the final approval by the Department of Health, Education and Welfare of the Newark plan at the end of 1976, the bureau worked closely with the plan's administrators to develop a marketing program to attract new members and to bring eligible and established providers into the program.

The Bureau of Management and Planning, which was not in existence last year, concentrated mainly on areas of hospital utilization, with emphasis on establishing formal relationships with Professional Standards and Review Organizations (PSRO). These PSRO's, in accordance with federal mandates, are based in various hospitals throughout the state.

Office of Administrative and Fiscal Affairs

This section underwent reorganization this year with the incorporation of the Staff Development and Training Unit and the Personnel Offices within its area of responsibility. The Data Processing Unit was reorganized and replaced by the Bureau of Management Information Systems.

In addition to its responsibilities for the division's budget, purchases and office space allocations, the section this year coordinated the reissuance of a contract for the Department's Unit Dose Pharmaceutical Program. The program was expanded this year from the site of the initial demonstration program, the Vineland State School, to include the Center for Geriatric Care at Glen Gardner and 300 patients at Greystone Psychiatric Hospital to ascertain the validity of the unit dose system for different types of patients. Under this system medications are prepared by the pharmacist in the exact amounts prescribed and prepackaged for each patient. The demonstration was designed to test the feasibility of extending this system statewide.

Bureau of Claims and Accounts

During the year the bureau processed billings from its 230 long term care providers in amounts in excess of $254,000,000. This represents payment on a monthly basis for approximately 18,000 patients. Addi-

tionally, the bureau processed payments to the four state and two county psychiatric hospitals, amounting to over $43,000,000. This represents payment on a monthly basis for about 3,000 patients.

In other activities, the bureau processed claims for the Pharmaceutical Assistance to the Aged Program for more than 18,500 persons at a total expenditure of $1,530,000. This did not include rejected application claims nor the number of incomplete claims requiring a second processing. To assist applicants, the division installed a special toll free "hot line" for telephone calls directly related to PAA. At year's end, plans were being made for the computerization of the program.

Bureau of Health Statistics and Economics

At the beginning of the year, work proceeded in the development of a computerized budgetary model for Medicaid with econometric elements to provide data for policy making and the budget. The bureau was also actively engaged in a number of other projects and studies:

- Reviewed and updated the Medically Indigent Study, with preliminary cost estimates reworked into eight alternatives for the next two fiscal years.
- Developed a model to analyze recipient response to introduction of copayment;
- Worked closely with the Newark Comprehensive Health Services Plan on federal data reporting requirements and analysis of differences in benefits offered by the plan as compared with Medicaid benefits;
- Analyzed hospital utilization with comparison of rising per diem rates and stable total expenditures.

Bureau of Management Information Systems

The bureau planned for the implementation of a Medicaid Management Information System (MMIS). This computerized system when operational and certified under federal guidelines will perform two major functions for the division. First, it will enhance the division's ability to monitor and contain program costs through improved utilization control procedures. Second, it will provide the division with an expanded management information capability. Once implemented, the MMIS will carry with it an additional federal share amounting to 25 percent of the costs of data processing functions (bringing the total share to 75 percent). The scope of this program and the work involved represented an ambitious effort on the part of the bureau. Plans call for full implementation in January, 1978.

In other activities, the bureau in cooperation with the Department of Treasury, initiated plans for a new computerized Nursing Home Claims Payment System. The need for the revised system resulted from a number of mandated changes occurring during the tenure of the present system.

Staff Development and Training Unit

The unit provided monthly orientation programs for a total of 153 newly appointed staff; 152 persons received three hours of training in the Employee Performance and Evaluation and Improvement System (EPEIS); and all staff in management positions continued to participate in the Department Development Series. During the year 49 staff members attended these programs; and five executive level staff attended the Basic Executive Seminar and one attended the Executive Seminar Follow-up Program.

The unit continued to provide special programs to professional staff involved in the Long Term Care Program which this year included five regional training programs entitled "Medications and the Elderly."

During the year, the unit initiated the monitoring of two Title XX training grants implemented by the College of Medicine and Dentistry—Rutgers Medical School. Programs under the headings of "Training Social Workers to Better Serve the Elderly" and "Child Health—EPSDT" were designed for Title XX county welfare social services workers who provide services for the elderly and for those involved in making referrals for the EPSDT program.

OFFICE OF THE MEDICAL DIRECTOR

Bureau of Professional And Technical Services

No new professional or technical services were added to the Bureau of Professional and Technical Services, which coninued to maintain liaison with professional providers at the local level through peer-to-peer relationships among physicians, dentists and pharmacists. As participants in the medical evaluation team, staff physicians continued prior authorizations of levels of care required by nursing patients and also conducted medical review and authorization of other services.

Staff physicians were increasingly involved in assisting division investigators in on-site reviews of physician-providers' billing procedures and quality of care.

Of note was the establishment of relationships between the division's staff physicians and medical directors of nursing facilities in various areas throughout the state. The medical staff was instrumental in encouraging medical directors to form an association in one county, with a goal being a statewide organization. Through the organization, Medicaid physicians would work cooperatively with medical directors toward upgrading the quality of care received by nursing facility patients.

Changes in the pharmacy program in nursing facilities took place this year: costs of prescribed over-the-counter drugs previously reimbursed directly to the pharmacy were incorporated in the facility's per diem rate and a new capitation system was developed to pay pharmacists for services to nursing home patients.

This year the dental section spent considerable time in revising and updating the dental program's standards and billing procedures. In other activities the dental section reactivated the Medicaid Utilization Review Committee in cooperation with the N.J. Dental Association and continued to provide consultation to other agencies in the department.

The vision care section centered in the division's central office continued to process miscellaneous prior authorization requests for non-routine services (e.g., replacement of lost or stolen eyeglasses). In addition to its own utilization review of providers, the vision care section received assistance from the Optometric Professional Review Committee, staffed by members of the N.J. Optometric Association which also participates in the Optometric Peer Review Committee.

Bureau of Child Health Services

Major activities of the Bureau of Child Health Services continued to focus on refinement and implementation of the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. During the year the EPSDT Advisory Committee, composed of provider, consumer, child advocate and the governmental representatives continued to provide input, which this year resulted in an improved EPSDT statistical reporting format for program evaluation. In addition, the Child Health Advisory Committee consisting of medical and osteopathic representatives provided guidance in improvements to the EPSDT system.

Among the major accomplishments in the EPSDT program was the establishment of EPSDT Units in 19 of 21 county welfare agencies to provide required outreach and follow-up support services and monitoring of the units. These units were developed in cooperation with other related departmental divisions (DYFS, DPW) and monitoring continued in order to assure their compliance with federal requirements. At year's end, all participating units were in compliance.

The bureau continued to work toward development of two school health demonstration projects designed to effect delivery of EPSDT-equivalent care to Medicaid-eligible students through school district health services in Union City and Asbury Park.

Bureau of Long Term Care

The Bureau of Long Term Care was actively involved in the reorganization and implementation of the Home Health Care Program in cooperation with other professional disciplines. In a departure from the previous home health care program, three levels of home health care were established as a means of facilitating access to this service. The bureau also actively participated cooperatively with the Social Services Unit in completion of medical day care procedures.

The number of Medicaid patients in nursing facilities increased from 17,500 to 18,200, an increase of 4 percent in contrast to the previous annual increase of approximately 8 percent as expected. This has been, according to the bureau, influenced by the lack of available beds, which if filled with those on waiting lists, would have increased the institutional caseload by more than 15 percent as compared with figures listed for June, 1976.

The bureau's nursing staff conducted a total of 49,500 assessments of the levels-of-care needed by patients in long term care facilities. Less than 10 percent of those assessed were determined as needing skilled care, 61 percent needed intermediate care (medical) and 28 percent intermediate care (non-medical). Slightly over 1 percent were found in need of sheltered or residential care and less than 0.2 percent needed general hospital, or other institutional care not provided in the skilled or intermediate nursing facility setting.

Under the reorganized home health care program, medical evaluation teams assumed responsibility for assessing the levels of home health care needed by recipients, and during the year the team made 4,504 such evaluations.

Bureau of Mental Health Services

Requests for courses of outpatient psychotherapy increased by 72.4% over fiscal 76 to 6,607. Of these, 3,441 were by privately practicing physicians; 1,261 by privately practicing psychologists; 671 by clinics; 1,234 were for partial hospitalizations. The latter group represents the largest change in the mental health services program, reflecting the implementation of the department's deinstitutionalization program.

MEDICAL CARE ADMINISTRATION

The section was directly involved in the planning, and development, as well as the implementation, of the various new and/or revised program policies adopted during the year. These policies among others included the restoration of provider fees, implementation of the reorganized home health program including manual and forms revisions and establishment of standards and enrollment procedures for medical day care centers.

Another function of the section is to maintain liaison with other agencies in the department relative to recipient eligibility and services to clients of these

agencies who are Medicaid eligible. Other ongoing liaisons are maintained with the Department of Health related to health planning and licensing of Medicaid providers, in addition to liaisons with the Social Security Administration and the Region II office of the Department of Health, Education and Welfare. Of particular note, was the appointment of a division representative to serve as the liaison between the division and the contractors (Prudential Insurance Co. and Blue Cross). For the first time, a division staff member maintained offices on-site to review and coordinate various activities common to the division and the contractors.

The section also maintained responsibility for provider enrollments of non-institutional providers other than private practitioners, who are enrolled through Prudential.

Bureau of Local Administration

In addition to ongoing administrative activities, the 16 Local Medical Assistance Units (LMAU's) throughout the state maintained contacts with providers, recipients, other governmental district or field offices and community and professional organizations. Throughout the year local administrators participated in numerous community programs to explain aspects of the Medicaid program to a wide range of groups including senior citizen organizations, college classes, provider associations and others.

As a result of closings or changes in status of nine nursing facilities during the year, it was necessary to relocate the affected patient populations in these facilities through the LMAU's. Social workers in cooperation with LMAU staff members were credited with performing relocations without incident, at times on an emergency basis.

The Retroactive Eligibility Unit continued to process retroactive eligibility applications and claims in conformity with federal law. This year saw increases in retroactive applications and payments with 3,979 approved applications representing an increase of 789 over the previous year. Claims processed numbered 4,600, compared with 3,611; with total payments for retroactive claims totaling $3,811,596, representing a significant increase of 44 percent or $1,617,617 over last year's payments.

Social Services Unit

The ongoing Medicaid bed shortage and the growing waiting list continued to be a persistent problem throughout the year without a ready solution. The waiting list increased from 1,211 to 1,819 during the year.

The unit assumed responsibility for coordinating policies and standards for the Medical Day Care program and for serving as the division's focal point for this program. In addition, the unit has taken the lead in working toward development of a long term care program for young adults.

With the program requirement that nursing facilities provide social services and the enactment of the patients' right legislation the unit's monitoring functions expanded to assure compliance with these new requirements. The emphasis on social care in nursing homes served as the impetus for the formation of a new Nursing Home Social Workers Association.

PROGRAM INTEGRITY ADMINISTRATION

The section replaced the Bureau of Utilization Review with a new Bureau of Utilization Control, incorporating two units, the Administrative Action Unit and the Recovery Unit. Responsibility for collection of claim overpayments and related functions were centralized under the new bureau.

As a result of planned expansion of surveillance and utilization review computer capabilities through the Medicaid Management Information System (MMIS), the section throughout the year concentrated considerable attention toward implementation of the necessary programs by the beginning of 1978.

Bureau of Utilization Control

With this bureau, the Administrative Action Unit assumed responsibility for necessary action on referred cases, such as recoveries of inappropriate payments, participation together with medical staff in conferences with providers found in violation of program standards, and other required action. During the year, 179 cases were referred to the unit, resulting in suspension of 39 providers from participation in the Medicaid program and recoveries totaling $215,011. Remaining cases were closed or held pending a determination of amounts to be recovered.

Bureau of Audits

Bureau auditors completed 74 audits of nursing facilities during the fiscal year resulting in recoveries of $772,324. During the year 64 audits were initiated which were in various stages of completion by year's end. It was estimated that recoveries in all would total $1,514,000 with the inclusion of the pending audits.

DIVISION OF MENTAL HEALTH AND HOSPITALS

Michail Rotov, *M.D., Director*

Introduction

The 1977 fiscal year was a crucial one for the Division of Mental Health and Hospitals. A major accomplishment was the final implementation of the long-needed and long-awaited reorganization of the division. The unified services system concept was adopted to bring mental health care to the citizens of the state in as appropriate and expeditious a manner as possible, utilizing all resources, public and private, at all levels—state, county and local communities. Emphasis is now being placed on the total needs of the individual as opposed to simply one segment of his or her needs. Programming is being reorganized around the concept of a consumer or advocacy approach, with emphasis on raising the consciousness not only of the public but also of those who work with the mentally ill as well, sensitizing them to the personal and often complex needs of clients as human beings rather than merely patients. By bringing the mentally ill more fully into the mainstream of everyday activity it is hoped that the alienation which occurs with institutionalization and the lack of community participation can be largely alleviated.

Non-medical hospital administrators were appointed to the three remaining hospitals, with the appointment of the following chief executive officers: Roy Ettlinger, appointed to Marlboro Psychiatric Hospital; Paul Cohen, to Trenton Psychiatric Hospital, and Richard Wilson, to Ancora Psychiatric Hospital. Morris Foye, first non-medical administrator, had been appointed to head up Greystone Park Psychiatric Hospital in 1972.

Levels of functioning scales were developed as a new approach to assessing the capacity of individuals within the hospitals to respond to the increasing demands of the environment from the lowest dependency level to the highest level where the patient can then be returned to the community, whether in a supervised setting or outright discharge to the home.

The new approach is based on the premise that major factors in preparing individuals for re-entry to society should be the provision of assistance, support, treatment, training and other services to facilitate rehabilitation to community living. In other words, a person's skills and performance in the various areas of living are then conventional diagnostic assessments alone. Greystone Park Psychiatric Hospital was the first hospital to implement the new level of functioning scales, and fiscal year 1977 saw their gradual introduction into the other state institutions as well.

Regionalization of the division's services along the unified services system concept was largely consolidated and the number of community care contracts and Title XX projects increased. During fiscal 1977, 26 community care contracts were signed serving 1,300 clients, with 344 clients deinstitutionalized and 537 diverted from hospitals to community care. In the Title XX program the number of contracts totaled 16, serving 1,000 clients, 340 deinstitutionalized and 225 diverted from hospitals to community care. A significant factor in the expansion of community services was the amendment of regulations governing state grants-in-aid to local community mental health projects to provide for allocation of a minimum of 15 percent of state and matching funds to transitional services.

The division's normalization program was under way with promising results in all four hospitals and transitional housing was developed within the hospital building complex. For example, at Greystone Park Psychiatric Hospital, Marlboro Psychiatric Hospital, and Trenton Psychiatric Hospital, cottages or staff housing were adapted to provide a home milieu for clients who would soon be ready to return to community living.

Glen Gardner Center for Geriatrics, formerly a hospital for chest diseases, was assigned to the division as a Center for Geriatrics and 100 elderly, no longer in need of psychiatric care, were transferred there from Trenton Psychiatric Hospital. Lawrence E. Pratt was appointed Chief Executive Officer of Glen Gardner which is now being operated as a skilled nursing facility rather than a psychiatric institution.

The central office of the division underwent major revisions with some changes not full implemented by the close of the fiscal year but expected to be relatively complete by the end of the calendar year. Reorganization was effected along the following lines:

- The Office of Deputy Director was reactivated to handle a large part of the ever-increasing administrative work load. Thomas Blatner, former Assistant Director of Community Services, was named to the post in April.
- A new post of Associate Director of Professional Affairs and Education was created, with Julia R. Allen, M.D. named to the post. This office carries responsibility for professional consultants, including a psychiatric social work consultant and occupational therapy consultant.
- A new office, Planning and Program Evaluation,

was developed in the last half of the fiscal year, with Raymond Baxter, Ph.D. named as Assistant Director. This office has been divided into four areas of responsibility: Planning, Research and Evaluation, Inspections and Standards and Training and Program Development.

- The four state hospitals, Ancora Psychiatric Hospital, Greystone Park Psychiatric Hospital, Marlboro Psychiatric Hospital, and Trenton Psychiatric Hospital, were placed under a newly appointed Assistant Director for Institutional Services. The Arthur Brisbane Child Treatment Center and the newly created Glen Gardner Center for Geriatrics were also placed under Institutional Services. John Friedlander was named to this post at the end of the fiscal year.
- An Office of Fiscal and Management Operations was created, with V. Jack Bittner as Assistant Director. This office is divided into three components: (a) the fiscal aspect which includes budget preparation and analyses of funding sources as well as the auditing function; (b) personnel administration which encompasses recruitment, processing, orientation and record keeping; and (c) a mental health information and education component.
- The largest growing program of the division was the Office of Community Services with Geraldine Marcus named as Assistant Director. As noted earlier there was an increase in state grants-in-aid, new community care contracts and Title XX projects were initiated, advocacy and legal services set up in several counties, and the Bureau of Transitional Services was created with the transfer of staff from the Division of Public Welfare.

HIGHLIGHTS

Since the first community care contract was signed in 1975, 30 similar programs have been established in 16 of the state's 21 counties. The providers of service are all local community agencies. More than 1200 persons are now receiving services, more than half of whom had been chronic hospital patients.

Other community services include the establishment of legal advocacy services to several counties, and negotiations are under way with the New Jersey Association for Mental Health to provide a system of third-party advocacy and volunteer services for former mental patients. Also, in conjunction with the Department of Community Affairs, the division has been able to arrange federal rent subsidies in eight counties in the state.

In addition, efforts are being made to involve transitional mental health providers more fully in the community process which sends people to institutions. Recent developments include the establishment of community based residential alcoholism services to replace hospital services in two of the state's four regions.

Programs for pre-trial detainees in local jails are also being developed for those who have traditionally been admitted to state hospitals when they show signs of mental disturbance. Local community mental health providers in eight of the 21 counties are now screening and serving such detainees in the community jails and thus reducing admission to state hospitals by approximately 50 percent.

Contract activity, therefore, for provision of transitional services has accelerated markedly during the year in keeping with the concepts of community reform. In all four regions of New Jersey's mental system, services began to take shape with the opening of additional projects designed to serve current and former psychiatric hospital patients. Some of these include: Project "First Day"—Atlantic County; "Transitional Services"—Cumberland County; "Christopher House"—Mercer County, Trenton; Project "Right-On"—Essex County, Newark; Project "Portals"—East Orange, affiliation of Prospect House; "Community Provide-A-Home" Project—Morris County.

Normalization concepts began to gain significant headway at all the hospitals, with more attractive ward settings, greater privacy where possible and increasing attention to the amenities of daily living.

These humanization and normalization efforts, on the institutional level, also exemplify the division's efforts in deinstitutionalization. Just as in community services, the institutional services component has stressed the importance of normal, comfortable, and pleasant atmospheres in the hospital setting. Ancora Psychiatric Hospital, as mentioned previously, changed one ward into a transitional unit. This part of the hospital has been completely carpeted and newly furnished with a modernized kitchen and dining room, lounge, framed pictures or wall plaques, clothes racks, etc. New wiring was installed so that bedside lamps and floor lamps could be placed in the attractively furnished bedroom. An open nurses' station provides for better communication between staff and residents. The same type of renovations have also improved conditions at Greystone Park Psychiatric Hospital, in certain sections. Trenton Psychiatric Hospital and Marlboro Psychiatric Hospital continue to work toward making such changes.

A further advancement in humanization programs deals primarily with the "cottage concept." This concept, actually, calls for the provision of more transitional housing. Located on hospital grounds, small cottage type housing would offer hospital residents the advantage of seeing and experiencing life in

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a normal, homelike setting. Greystone Park Psychiatric Hospital has already initiated renovation of Cottage 13; other hospitals plan for the renovation of former medical directors' houses.

During the year, seventeen counties had mental health administrators with only four southern counties without such a position. Several of these counties were considering such appointments.

In the federal program, three planning grants and one consultation and education grant were submitted to HEW Region II. Also during the year, New Jersey's Comprehensive Mental Health Service Plan for 1977 was completed as mandated by P.L. 94-63. The new plan also included a revised Inventory of Community Mental Health and Social Services, a valuable resource document for mental health workers.

Ancora Psychiatric Hospital embarked on a $2.9 million project for life safety construction on four buildings plus $1 million for a new boiler and the upgrading of emergency power systems.

The Director of Laboratories at Greystone Park Psychiatric Hospital instituted two new and valuable procedures—namely—rapid determination of Dilantin and Phenobarbital serum levels. The addition of these two tests, now readily available in the laboratory, has been accepted enthusiastically by the medical staff and will result in improved patient care as well as in substantial savings to the state.

Out-door and off-grounds activities had been stressed in all of the division's facilities during the summer months this year. Weekly bingo, social hours with music and refreshments, as well as increased programming for evenings and weekends highlighted the warm months. It was significant to note that, for the first time, evening staff at the hospitals became involved in patient activities.

Following a hearing by the Appeals Hearing Panel, the Board of Commission on Accreditation of Hospitals voted to approve the favorable recommendations of the panel and award one year accreditation to Marlboro Psychiatric Hospital.

DIVISION OF MENTAL RETARDATION

MAURICE G. KOTT, Ph.D., *Director*

The trend towards resolution of problems through litigation continues and during the year we were involved in a number of lawsuits dealing with a variety of issues. A challenge to the method of establishing the cost basis for charges to legally responsible relatives was dismissed "without prejudice" during the year and has been reactivated. The "C.S." case dealing with the extent and quality of treatment in state schools continues to be pursued by the office of the Public Advocate. These were joined by a third lawsuit alleging inadequate educational programs in the state schools. In at least the last two instances intervening state and federal legislation complicates the situation even further.

The year started with enactment of the Thorough and Efficient (T and E) legislation which established Day Training as a mandated educational service for the mentally retarded including those in state schools. It was anticipated that the original legislation would clearly establish the responsibility of local school districts for the cost of educational services provided in state facilities. The actual law, however, was interpreted to be less than precise in this regard and new legislation was prepared to clarify the matter. Until this is accomplished the budgeted funds available for educational programs in state operated facilities are not sufficient for complete implementation in respect to day training services in state schools and community day training centers.

Fiscal problems will also place limitations on complete implementation of certain aspects of the civil rights legislation, particularly the development of full individualized habilitation plans. Plans will be developed within available financial resources but may not contain all of the refinements originally contemplated.

The year ended with no adequate solution to the laundry problems which have been plaguing the state schools for many years. A number of solutions will be considered including the possibility of commercial laundry service.

RESIDENTIAL FUNCTIONAL SERVICES

At the end of the year, there were 7,927 persons in residence in New Jersey's public institutions for the mentally retarded. This is an increase of 61 residents over the previous year. Highlights of the residential programs in the eight institutions follow.

General Residential Care

Although for the past two fiscal years, no additional

positions were funded at the Vineland State School, maximum usage of available resources enabled progress to be made in a number of aspects of resident living. A comprehensive therapy system program was initiated in several cottages for specialized training and behavior shaping for difficult to manage, emotionally disturbed residents. The professional hair care program was decentralized from the beauty shop to various cottages to meet the needs of the more handicapped population. A Resident Developmental Skills Program was instituted to define objectives, guidelines and measurement in resident self-help skill training. The staff made a significant effort to reduce physical restraints in the use of isolation rooms by controlling anti-social or violent resident behavior.

At the North Jersey Training School two cottages were renovated with partition structures which afforded semi-private rooms simulating the atmosphere of family living. Daily procedures were changed to permit unlimited vacation and visiting privileges for residents and their families and to permit residents to handle incidental cash and make telephone calls in a majority of the cottage units. Of significance is the fact that a reduction of 40 percent in the overnight admission rate to the adjustment unit was achieved. In the nursery unit, the population was reduced by five in order to accommodate the addition of larger beds in C Wing for the use of residents. Ambulation has become almost non-existent in the nursery unit and complete bed care is necessary. The non-mobility of these children presented major problems in movement to bathing and mat therapy areas and has necessitated expenditures for specialized equipment and revisions in operational procedures.

At Woodbine State School, the management of residents manifesting behavior problems continued to be a very serious problem for the staff and other residents. In order to better manage these difficult residents, plans were made to allot 28 Cottage Training Technician positions to begin a unit for behavioral rehabilitation. This unit was scheduled to begin at the start of the new fiscal year, 1977-78.

At the Johnstone Training and Research Center the Henry Warner Group Home, funded by a Developmental Disabilities Grant and monies from the Anna Boyle Estate, was opened. The residential group home is staffed by a Cottage Training Supervisor and four Cottage Training Technicians to provide minimal supervisory coverage for six female residents. Johnstone is moving into a program that will provide a continuum of less restrictive living alternatives for the residents as they grow developmentally.

The Woodbridge State School is attempting the same diversified continuum of service for its residents. During the last year the Trailer Training Park became a reality for 12 Woodbridge residents who participated in a normal living experience in three house trailers located on the state school grounds. Each trailer houses four residents who are exposed daily to all aspects of normal living, including cooking, cleaning, leisure time use, community church attendance, entertaining, going to and from work or school. An on-the-grounds resident vocational program has been developed where residents, under the supervision of vocational staff, assemble redwood picnic sets for sale to the public. The Menlo Park Camp Site was developed and made operational through a combination of private and public effort.

A landmark in the history of the Hunterdon State School was achieved with the attainment of a full capacity of 1,000 residents. An area of concern and disappointment for Hunterdon has been effective intervention in the problems of the emotionally disturbed. Hunterdon, like several other state schools, has experienced increasing numbers of emotionally disturbed residents. Resident response to behavior modification, chemotherapy, time-out and increased activity programming has not, to date, yielded the results desired. Staff limitations and groups that are too large may be the factors limiting more successful intervention. Basic issue may lie in yet to be identified laboratory findings revealing bio-chemical, neurological deficits that are not amenable to inputs currently recommended. The staff continues to take all reasonable steps to find ways to manage this increasing and perplexing problem.

Education and Recreation

Sometimes accomplishments are depicted in terms of a few residents or minor human activities, but are noteworthy to people working in the area of the mentally retarded. Examples provided by the Woodbine State School demonstrate this. During the past fiscal year 120 residents who were in the pre-school program were evaluated in terms of certain objectives. The first evaluation was done in the spring of 1976 and the subsequent evaluation in June of 1977. In the category "responds to name" there was an increase from 85 percent to 88 percent of the group. In "clothing identification" there was an increase from 30 percent to 45 percent. Sixty-one percent of the group had learned to listen to a short story as contrasted with only 38 percent who could at the beginning of the survey. At the end of the year 80 percent could follow a one step oral direction, whereas only 57 percent of the group had been able to do that a year earlier. In "body parts identification" there was an increase from 33 percent to 62 percent of the group. It is this kind of growth that all of the institutions for the mentally retarded strive to achieve.

The New Lisbon State School was able to accomplish the full-time school enrollment of a signifi-

cantly larger group of residents. They started the year with 368 residents attending school full-time and by June of 1977, 432 residents were participating full-time in the school program. Johnstone identifies the need to improve in several areas including the assessment of the vocational training needs of residents. They are attempting to upgrade the tools and training programs. At present, plans are underway to offer some training programs in the Hayes Unit to higher level blind retardates. The administration has worked out an agreement with the New Jersey Commission for the Blind to provide services for the higher level retardate who is visually impaired and who was previously sent to another institution. At the Woodbridge State School the special deaf/blind program was expanded during the fiscal year to serve 24 multiply handicapped residents.

In September 1976 at the Neuro-Psychiatric Institute, the Departments of Recreation, Music Terapy, Occupational Therapy and the newly established Speech and Hearing Department were placed under the direct supervision of the Education Department. As a result of the integrated effort, many noteworthy training programs were launched and met with encouraging success. The Autistic Unit delivered a full day, 12 month education/training program at the Drake School, with heavy emphasis on experiential field trips during the month of July and August. New occupational therapy programs for physical, intellectual and social development were initiated. The Resident Work Program provided meaningful paid work assignments for 37 residents on institutional grounds. The activities of the Daily Living Unit were established in the Maplewood Apartment to prepare residents for a planned Halfway House which will be institutionally based.

Health Services

The Woodbine State School anticipates a problem by January of 1978 when state institutions can no longer hire exempt licensed physicians. The problem of recruiting New Jersey licensed physicians has been existent at Woodbine for many years.

The New Lisbon State School is particulary pleased with efforts and accomplishments in its Dental Hygiene Program, the Immunization Program, the Seizure Control Program and the improved program of caring for elective surgery patients. At Woodbridge State School the Joint Commission on Accreditation of Hospitals with JCAH conducted an outside review of the Woodbridge Hospital attendant to consideration of a third one year granting of accreditation status. Verbal comments were extremely positive at the summary meeting.

General Institutional Administration

At the Vineland State School the greatest single impediment to achieving greater progress toward objectives has been the renovation project for the older cottages at both East and West Campuses. The East Campus project began in March 1974 with an established completion date of March 1975. The West Campus project began May 1974 with an established completion date of January 1975. These projects required vacating cottages in a sequence to accommodate contractors which in turn compounded the gross overcrowding, unsatisfactory classification of residents by cottage and disruption to programs and services due to continual shifting of residents from cottage to cottage. Because the projects fell more than two years behind schedule, problems resulted in diverting staff from primary goals and objectives to deal with these problems. As of June 30, 1977, two cottages still remained to be renovated.

The Woodbine State School also experienced similar difficulties. The frustration caused by delays in cottage renovation project has been continuing for several years. The project scheduled for completion in May of 1975 was still incomplete at the end of July 1977.

At the North Jersey Training School the major accomplishment has been the consolidation of the food services operations for both the Main Campus and Nursery. The Johnstone Training and Research Center experienced admission of residents manifesting behavioral problems with a psychiatric etiology. Violence and destructiveness were the main characteristics of the residents admitted during the year. By the end of the current fiscal year the division had moved at a rapid pace toward upgrading the institution's resources to better handle those residents.

As the result of a public law requiring written informed consent of every participant or subject to participate in any research program or project of an experimental nature, a procedure for obtaining consent for participation in nonmedical behavioral research was developed at Johnstone.

The operation of the "Swinging Door," a community vocational program, has clearly indicated both the training and economic viability of bona fide business vocational programming. Provided by the Woodbridge Parents Association, the "Swinging Door" is a thrift shop operated by Woodbridge residents under the supervision and direction of the vocational instructor. In the 12 months of operation reflected in this report, the training results are positive. Appropriate behaviors are being achieved and a growing economic success is manifested by increasing receipts and an ability to meet operational costs. At Woodbridge the Veterans of Foreign Wars Auxiliary concluded their year long special project fund raising program devoted to the provision of a component of Woodbridge's satellite village. The project realized

almost $20,000 which will be used toward the purchase of a community residential or vocational unit. The Woodbridge Parents Association completed payment of their off grounds property. The two and a half year "burn the mortgage" campaign resulted in raising $27,323.

Hunterdon looked forward to the prospect that by the next fiscal year the institution would have $1,700,000 added to its budget to enable the facility to add 171 new positions to implement the state's program for a Thorough and Efficient education. On March 14, 1977, a complaint was filed in the Superior Court of New Jersey, Hunterdon County Chancery Division on behalf of the New Jersey Association for Retarded Children and James Loomis a minor, et al, against the New Jersey Department of Human Services, et al. The suit alleges that the defendants, in violation of the provisions of federal and state constitution are failing to provide adequate education and training programs for Hunterdon State School residents. The suit is brought as a class action and seeks declaratory and injunctive release to compel provisions of education and training programs to which the plaintiffs are legally entitled.

Leaky roofs throughout the entire Hunterdon institution remained a problem during the year with the hospital being the most critical. Many areas of the hospital, including the X-ray department, had extensive damage due to water. At the close of the fiscal year an architectural firm had been engaged to study the roof and submit recommendations for repairs and replacements.

PURCHASE OF CARE

In January 1977 the Purchase of Care program was removed from the Bureau of Field Services and assigned as a special residential services unit under the supervision of the Division Deputy Director. Fiscal 1977 was a good year, one in which more money was available for placements and in which the apparent peak caseload was attained. The program manages to sustain good parent support and has received praise from the New Jersey Association for Retarded Citizens' Residential Care Committee.

During the fiscal year the Purchase of Care program experienced a moratorium on admissions for the first time. The financial situation of the Purchase of Care account called for the moratorium until an audit of records revealed that $600,000 in SSI funds has been added to the account. This occurred before the change in procedures that no longer would permit SSI funds to be added to the Purchase of Care account. There were 137 new admissions to the Purchase of Care program during the year; 24 were admitted to guest status. At the end of the year there were 676 persons in the program.

At the end of fiscal 1977, there were seven group homes operating in New Jersey under private auspices. The division was purchasing service for 38 clients. Twenty-two clients were admitted during the year to group homes. A group home in Newark had a fire in February 1977. Our clients lived in a hotel in East Orange for the remainder of the fiscal year while the group home was being renovated.

FAMILY CARE

Strictly defined, Family Care is a service where a client is living in a sheltered boarding home and the state is paying for the room and board. Increasingly, division personnel refer to all clients in sheltered homes, whether licensed or not, as being on Family Care. In most instances, state billing status is discontinued as soon as the client is eligible for SSI, and transfer to SSI is a common goal. During the past fiscal year 142 persons were admitted to the Family Care program and 109 were transferred to SSI billing status.

The emphases of the hospital improvement program project were continued in terms of recruiting and training sponsors, increased placement of clients and use of tutorships for client training. As time permitted attention was given to developing recreational events for clients. Feedback from sponsors regarding their need for and benefit from training was rather positive.

DAY TRAINING

During the 1977 fiscal year, the Bureau of Day Training provided services to 928 school aged children and 697 adults. At the close of the fiscal year, the bureau had an enrollment of 753 school aged children in the "Day Training" program and 590 adults (21 years of age and over) in the "Adult Activity" program for a total of 1,343 persons.

Programs for Children

During the fiscal year children previously determined as "not eligible for public school" were legally assigned to the Bureau of Day Training. This action came about through the enactment of the "Thorough and Efficient" Education Act under which persons formally designated as neither educable nor trainable are now referred to as "day training eligible."

The Bureau of Day Training completed the format of the STAC evaluation tool. Each child in the program has been evaluated with the STAC profile and the baseline for his or her function has been established. It is hoped that this evaluation tool will enable the Bureau of Day Training to evaluate each

child's progress predicated upon his previous functioning level and will enable the writing of a more sophisticated, individualized program prescription.

Video training tapes prepared by the Bureau of Day Training Services are presently being used on a national basis and are being distributed through the University of Southern California.

Programs for Adults

The adult activities program expanded its services to include many individuals not previously receiving programs. Three new centers were added. Clients' individualized program prescriptions and evaluations were developed and implemented.

The 1977 fiscal year saw the initiation of group work by the social workers in each of the adult activity centers. This counseling is geared toward personal awareness on the part of the adults participating in the program.

SOCIAL SERVICES

The fiscal year began with 3,828 clients on the rolls and ended with 3,313. During the course of the year 3,100 clients were added, thus field services personnel worked with 6,828 clients and/or their families. Of all the divisional components, the Bureau of Field Services continues to work with the largest number of new clients each year.

Staff did banner work in developing alternative living arrangements for clients, particularly in the Family Care or Sheltered Boarding Home programs, and to a lesser but still significant extent, in private facilities and in group homes. Placements into sheltered boarding homes numbered 163. Of these placements, 111 clients were from state schools, 14 from psychiatric facilities and 38 from the community. This is an indicator that efforts to prevent or postpone institutional placement are also working.

The waiting list for residential care has gone down again. As of June 30, 1977, there were 214 persons awaiting placement. At the start of the fiscal year, the number of persons awaiting placement was 329. During the fiscal year there were 439 additions to the waiting list and 574 deletions. Strenuous efforts on the part of the whole staff have contributed to the declining waiting list. Other factors as well have a known but unmeasurable impact including the decrease in the birth rate, abortions, more community programs (such as infant stimulation programs) and a better informed public which seems to accept the notion that early or premature placement of the retarded may be harmful and denies the right of the client to a less restrictive environment. A total of 107 families accepted community supervision while 82 families agreed to alternative placements such as Family Care and group homes.

There were ambulatory vacancies within the state school system unfilled for the entire fiscal year. At the end of the year a plan to translate an ambulatory cottage into a non-ambulatory one was in the planning stage.

The caseload of community supervision numbered 1,128 at the end of the fiscal year, an all time high. There were 503 additions to the caseload. Guest placements, or respite care, are usually provided at the state schools, a private licensed facility, or in Family Care homes. This year there were 112 placements and the year ended with 26 requests pending. Summer remains the high demand period. Clearly the vast majority of families honor the respite nature of the program and honor the implicit contract of picking up their kin at the termination of the service. The guests were primarily children who function at the severe and moderate levels of retardation.

Discharges from the functional service system for the year included 59 from state schools, 145 from field services, 50 from day training and 22 from special residential services, for a total of 276.

At the start of the fiscal year, 71 clients were awaiting transfer from one state school to another to accommodate the family's location or to offer a resident a more stimulating program. There were 45 clients added to the group for transfer. During the year there were 48 transfers affected, and ten clients were discontinued from the group. At the end of the fiscal year 66 clients were pending transfer from one functional service unit to another.

The homemaker contract was used for the first full year. The regional offices and adult activities staff started arranging for homemakers during the early months of the year at such a pace that it was predictable that funds would not be available in the last quarter. Spending was reduced and an overdraft was avoided. Ninety-eight families were served and a total of $45,000 was spent for homemakers.

GUARDIANSHIP

During the year the caseload in the Bureau of Guardianship increased at a far greater rate than the previous year. At the end of the fiscal year there were 5,368 clients in the program as compared to 4,839 at the end of fiscal 1976. Annual visits were made to 82.5 percent of the clients as compared to 66.6 percent in fiscal 1976.

It continues to be difficult for the parents of community clients, especially parents of adult activities clients, to accept that they do not continue as "guardian" after their offspring reach the age of 18. In an effort to counteract the hostility expressed by these parents, the guardianship staff met with the adult activity staff to help them interpret the need for guardianship and the procedure for securing it to the

parents. The guardianship staff also provided consultation for central office adult activities staff regarding letters, written material, forms and the procedural manual regarding guardianship and met with parent groups upon invitation.

DIVISION MANAGEMENT AND GENERAL SUPPORT

Budgetary Issues

There appeared to be some significant relaxation of the fiscal constraints evident throughout the 1976 fiscal year. Although some deficits appeared evident in various institutions, the shifting of funds among various components made it possible to close the year without serious cuts in any program activity. In fiscal 1976 the division accrued balances of more than $1.3 million due to a freeze on employment. These monies were subsequently recaptured through the efforts of departmental authorities for the purchase of new equipment and the replacement of worn furniture and furnishings in this fiscal year. An allocation of $2.2 million was obtained.

The bulk of these monies went to purchase cottage furniture including dormitory furnishings, wheelchairs, recreational equipment, food service equipment and other items relating to direct care of resident populations.

Continuation of the Supplemental Security Income (SSI) collection program has resulted in an increase of $598,152 over the previous year's collections. Total SSI recoveries in fiscal 1977 amounted to $2,054,646. Of that amount $1,264,340 was submitted to the General State Treasury and $790,305 was shared with the various counties. Monthly collections are now averaging approximately $173,000.

A supplemental appropriation in the form of Budget Resolution #205 granted the division an additional 212 positions over the original nine initially approved. The resolution addressed itself specifically to improving staffing for programs dealing with the emotionally disturbed and cottage life areas. Consequently only 13 professional level positions were authorized. All of the others were cottage life positions. Unfortunately the 221 positions granted is far less than the 1,908 requested exclusively by the institutions to attain standards and improve programs.

Inspections—State Institutions

The seventh series of annual inspections of the eight state institutions for the mentally retarded was completed during the fiscal year. The New Jersey Neuro-Psychiatric Institute was included for the first time. This series of evaluations was based on the prescriptive programming process for individual residents. The division's plan for inspections, endorsed by the State Board of Institutional Trustees, requires the application of inspections based on standards and prescriptive programming in alternate years. As a consequence of Senate Bill #1384 which deals with the rights of the developmentally disabled and emphasizes individual habilitation plans, particular emphasis was placed on systematic reevaluation processes and institution compliance with prescriptive programming as established in Standards and Division Circular #6.

Data collected at each institution shows that approximately 8,050 residents are receiving services in the eight state schools. Of these residents, 6,443 are adults, and 1,607 are children; 2,481 are in the mild or moderate range of retardation and 5,569 are in the severe and profound range; 4,235 are males, and 3,815 are females.

Analysis of data collected disclosed that 4,191 programs were recommended for the 196 residents sampled. This figure represents an average of approximately 4.6 programs per resident, an increase over the previous audit when an average of 3.8 programs per resident was observed.

Inspections—Private Institutions

The Bureau of Operations' evaluation team completed onsite inspections of the ten private residential facilities during the year. Major problems appeared to center around meeting life safety codes, which in some instances represents substantial capital outlays for these facilities. However, in many cases, the State Fire Marshal's office will be allowing extensions of time limits required for compliance. All private institutional facilities appear to be providing a generally high level of programs. A recommendation for provisional license was recommended in only one instance.

Foster Grandparents

The foster grandparent program continued to operate in 1977 with funding increased from ACTION to $542,000. The State provided $95,000 and the Title XX contract provided an additional $90,000.

The additional funds from ACTION provided a small increase in the foster grandparents travel allowance and the expansion of the program to New Jersey Neuro-Psychiatric Institute. Foster grandparent service is now available to all of the division's residential facilities, and ten of the day training centers.

A long time pilot project using foster grandparents in private homes in the Newark area was finally phased out as no new client families were recommended by the Bureau of Field Services. Over the four years of its existence, the foster grandparents involved worked in many home assignments. These assignments terminated as the children involved became

eligible for institutionalization or progressed sufficiently to be placed in public school or the day training centers.

A request for a senior companion project to provide services for older institutionalized residents was not funded due to the failure of Congress to increase funds available for this program. Funds were then sought from Title IX of the Older Americans Act, through the New Jersey Green Thumb, Inc. Assurance was received from Green Thumb that they would make 70 positions available to the division to be utilized as senior companions. This was later increased to about 120 positions. The number of foster grandparents assigned to the program at the beginning of the fiscal year was 300. As a result of the Green Thumb agreement, the level of 420 will shortly be reached.

Developmental Disabilities

This year saw the establishment of a Grants Management Office within the Division of Mental Retardation. During the year eleven Title XX programs for handicapped children were transferred from the Division of Youth and Family Services to the Division of Mental Retardation. Since the division had already been administering the Developmentally Disabled Assistance and Bill of Rights Act, a new section was created to administer both the DDSA and Title XX programs as well as other special federal programs.

The Developmentally Disabled Assistance and Bill of Rights Act allocation for the state was $824,234. The greatest portion of this amount $543,331 was obligated for service grant programs. In addition, $263,755 was obligated for planning and $17,148 was expended for administration.

Forty service projects involving a total expenditure of $1,391,230 were awarded to provide services for approximately 7,000 developmentally disabled persons. Of this amount, $543,331 was allocated by the New Jersey Developmental Disabilities Council for service grant programs. An additional $200,000 in state-appropriated funds was available as an aid in matching $647,899 in local funds provided by private sponsors.

Included in the programs were two service grants awarded to state schools to continue group homes on institutional grounds started last year; $58,600 to Johnstone and $61,638 to Woodbridge. Three private voluntary agencies were also awarded service grants for the establishment of group homes. In addition, DDSA funds were used to establish a social worker position within the Bureau of Field Services. To date the division has been instrumental in establishing eight group homes.

The Title XX projects under the administration of the Grants Management Office have generated $832,184 in federal funds and $211,122 in local funds provided by freeholders and the United Way. The State spent $66,272 in matching funds in order to provide a total of $1,109,578 for 11 Title XX projects. These projects provide infant, pre-school, after-school and summer camp programs for approximately 550 developmentally disabled children.

DIVISION OF PUBLIC WELFARE

G. THOMAS RITI, *Director*

The basic purpose of the Division of Public Welfare is the establishment and supervision of an orderly, uniform and efficient public assistance system for residents of the State of New Jersey. The system is to ensure the provision of financial assistance and related services, based on adequate standards of need, to all eligible individuals and families and to assist such individuals and families regain self-sufficiency.

Such financial assistance system includes, but is not limited to, food stamps and medical services as are appropriate. The public assistance programs are the last recourse provided by New Jersey government for those individuals and families who are unable, for a variety of reasons, to maintain themselves.

In June 1977 the programs provided assistance to a population of approximately 607,000 eligible individuals which represents over 8 percent of the entire New Jersey population of approximately 7,445,000 persons. In June 1976 the totals were 608,000 of approximately 7,432,000.

HIGHLIGHTS

Elimination of AFWP Program

As a result of state legislation in June, 1977, the Assistance to Families of the Working Poor (AFWP) program has been incorporated into a three-segment Aid to Families with Dependent Children (AFDC-C, AFDC-F and AFDC-N) program. The C segment consists of one parent families or two parent families with one parent incapacitated, the F segment consists of two parent families, neither incapacitated and the father meets the federal AFDC definition of un-

employment and the N segment is similar to the F segment with the exception that the father does not meet the federal criteria for employment. Families in the C and F segments receive the same standard while families in the N segment receive, by law, two-thirds of the standard. Federal funding is available only for the C and F segments.

Elimination of Household Size Criteria

An AFDC family's grant will no longer be determined by a ratio of the number of persons included in the grant to the total household size. Under new federal regulations, a family's grant will not be reduced by sharing household expenses with other persons, unless the persons not included in the grant contribute more than their share to living expenses.

Food Stamp Outreach

Every county food stamp office was checked at least twice during the year to ensure that: an outreach file is being kept; state and federal pamphlets are being distributed; and the county outreach coordinators are planning and implementing outreach activities that are designed to locate low-income persons in all target groups and imform them of the merits and availability of the Food Stamp Program. In addition, monthly outreach reports received from each county outreach coordinator were analyzed and the state coordinator held quarterly meetings with county coordinators to discuss these goals of outreach and explore ways to meet them.

A toll-free hotline, established March 23, 1977, handled nearly 2,000 complaints and inquiries about food stamp and public assistance programs. The hotline is part of an outreach effort to reach an estimated 800,000 people in New Jersey who are eligible for food stamps. Currently, there are only about 550,000 participating in the Food Stamp Program.

Even though the number of food stamp outlets was increased by 27, the number of food stamp participants declined. The decline of 6,757 during the first half of the fiscal year was attributed to New Jersey's slightly improved economy. Approximately $84,000 was recovered from overpayments of food stamps in 7200 claim determinations.

Emergency Assistance Revisions

The division conducted public hearings, studied proposals and developed revisions of the emergency assistance regulations. Under the new regulations adopted after the end of the fiscal year, emergency assistance will be extended to persons who, within seven days of a catastrophe such as homelessness due to fire or flood, apply for and are determined eligible to receive assistance.

New Federal Laws

Three new federal laws at the end of 1976 had important significance on the operation of the division. The laws included: the exemption of the value of a home owned and resided in by an applicant for Supplemental Security Income in determination of the resource limit, making Public Assistance Withholding in the Food Stamp Program optional for a state, and the mandatory pass-through of future Social Security increases in the Supplemental Security Income Program.

New Policy Manuals

A new policy manual was adopted and issued in December, 1976 for the General Assistance program. A new edition of the Assistance Standards Handbook was necessitated by the incorporation of AFWP into the AFDC program. Major revisions were made in the Public Assistance Manual, including the complete rewriting of Appendix D on Child Support and Paternity.

New Reporting Aids

A Tymeshare Data Analysis System Terminal was added for quality control use in the AFDC, Food Stamp and Medicaid Only programs.

Management information reports were supplied state and county agencies, particularly in respect to federal reports. As the division became more knowledgeable concerning computer output of various systems, it interfaced more fully with other federal state and county units. Increasing sophistication and growing technical expertise made it possible to provide personnel and capability when called upon within the division and also to aid a CWA in a large project involving reorganization of its caseload.

County CODES Conversion

The Systems Analysis and Development Unit successfully converted five CWAs to the CODES system and at the conclusion of FY '77 was in the process of converting two additional counties.

AFDC Program Savings

A savings of over $17 million in federal, state and county monies was realized in the AFDC program last year. The savings resulted from: new procedures in obtaining child support from absent fathers, detection of other sources of income for recipients through new computerized methods and better quality control procedures leading to a decrease in overpayments to recipients and a reduction in the number of ineligible persons receiving payments.

Child Support Collections

Child Support and Paternity collections increased

over 50 per cent, from $13 million in FY '76 to a reported $20 million in FY '77. The increase was the result of the continued cooperation of the Administrative Office of the Courts, county prosecutors' and county adjusters' offices. Child Support and Paternity IV-D units were established in each county and staffing standards developed. A computer terminal to assist the Parent Locator Service was installed.

Fraud Investigations

Efforts to deter fraud were intensified. The Assistance Investigations Unit, County Investigators, Systems Analysis and Development Unit and the Bureau of Data Processing instituted a computerized fraud reporting system which will facilitate federal reports as well as the tracking of individual cases. Preliminary reports indicate that two-and-half times as many possible fraud cases were checked in fiscal 1977 as in fiscal 1976. Over 12,000 cases statewide are now pending investigation.

Corrective Actions

Two matters of non-compliance with welfare regulations were referred to the Attorney's General's office for corrective action. Field staff rendered decision in 156 cases regarding State and inter-municipal settlement. Surveys were conducted on errors of the county welfare agencies and of the Medical Assistance for the Aged Program. Corrective action plans were formulated for the AFDC and for the Medicaid Only programs.

Quality Control Error Rates

Quality Control error rate findings continue to show a decline for AFDC and food stamps. AFDC findings for the report period of January 1 through June 30, 1977 show that the overpayment case error rate is 12.9 percent, underpayments 3.8 percent; and ineligibility cases 2.7 percent. Food stamp preliminary findings for the same period are: undercharges, 19.6 percent; overcharges, 10.3 percent; underissuance, 1.1 percent; overissuance, 0.4 percent; and ineligibility, 16 percent. Approximately 10 percent of the ineligibility rate is due solely to procedural errors.

Winterization Success

In a pilot project sponsored by the division, Ocean Community Economic Action Now (O.C.E.A.N.) nearly doubled its contract requirement for winterization of low-income houses. O.C.E.A.N. completed 359 instead of the promised 193 homes. The homes were winterized at an average cost of $108 instead of the anticipated $250 per house.

FINANCIAL DEPENDENCY IN NEW JERSEY

Applications Approved During 1976 and 1977

The number of applications approved during a given fiscal year is the number of cases added to the public assistance rolls. Nearly 99,000 new cases were approved in fiscal 1977. Among the three major programs—Aid to Families with Dependent Children (AFDC), Assistance to Families of the Working Poor (AFWP) and General Assistance (GA)—only AFWP experienced a decrease in applications approved in fiscal 1977 compared to fiscal 1976. Overall, there was a 3.9 percent increase over the fiscal 1976 total. The following table compares fiscal 1977 and fiscal 1976 number of applications approved by program:

Applications Approved (Cases Added) During Fiscal Year 1976 and 1977

Program	1977	1976	% Change
Aid to Families with Dependent Children	46,118	44,163	4.4%
Assistance to Families of the Working Poor	11,255	11,849	-5.0
General Assistance	40,926	38 558	6.1
Cuban Refugee Program	529	482	9.8
Indochinese Refugee Program	104	161	-35.4
Total	98,932	95,213	3.9%

Recipients, June 1976 and June 1977

The number of recipients of public assistance grants was only slightly higher in June 1977 compared to June 1976. The percent increase for all programs was .2 percent. For the largest program in terms of number of recipients, Aid to Families with Dependent Children, the number of recipients in June 1977 (441,666) was lower than a year ago (441,755).

Number of Recipients

Throughout the year the monthly changes in caseload in the major programs were inconsistent and unexplainable in terms of the existing economic conditions. The following table summarizes program activity in the programs indicated:

Number of Recipients, Fiscal Year 1977

	July 1976	Peak Month		June 1977
Aid to Families With Dependent Children	441,959	444,811	March	441,666
Assistance to Supplemental Security Income Recipients	81,353	81,353	July	79,044
Assistance to the Families of the Working Poor	33,023	36,249	March	31,804
General Assistance	23,021	27,182	March	25,697

"Working Poor" recipients declined by about 6 percent between June 1977 and June 1976 while General Assistance recipients was nearly 12 percent larger.

Comparison of Recipients, June 1977 and June 1976

Program	1977	1976	% Change
Aid to Families with Dependent Children	441,666	441,755	-0.0%
Assistance to Families of the Working Poor	31,804	33,898	-6.2
General Assistance	25,697	22,997	11.7
Cuban Refugee Program	3,061	3,241	-5.6
Indochinese Refugee Program	810	694	16.7
Emergency Assistance (AFDC & AFWP)	1,682	1,296*	29.8
Total	504,720	503,881	0.2%

*Emergency Assistance became a program with a separate appropriation, effective July 1, 1976. This amount was included in AFDC and AFWP in earlier reports. It is broken out here so that a comparison with the June 1977 number could be made.

Food Stamp Program

The Food Stamp Program reflected a slight overall decrease in fiscal year 1977. The decrease in average monthly **Households Participating** was 3 percent in fiscal 1977 in contrast to a 14.4 percent increase from fiscal 1975 to fiscal 1976.

In terms of average monthly **Persons Participating,** the decrease was 6 percent in fiscal 1977. Between fiscal 1975 and fiscal 1976, however, average monthly persons participating increased by 10% as compared to an increase of 34% for fiscal year 1975.

The decrease in number of households and persons utilizing food stamps is also reflected in the value of bonus coupons. Annual value of bonus coupons decreased 3 percent between fiscal 1976 and fiscal 1977. This reflects a significant decrease from the 31 percent increase in bonus coupon value between fiscal 1975 and fiscal 1976.

FOOD STAMP PROGRAM

Food Stamp Program

The following statistics indicate Food Stamp Program activity for fiscal years 1975, 1976, and 1977.

	FISCAL YEAR		
	1977	1976	1975
Average Monthly Number of Households Participating:			
Categorical	92,937	89,918	81,448
Other Low Income	71,405	79,458	66,578
Total	164,342	169,376	148,026
Percent Increase Over Previous Year	-3.0%	+14.4%	+33.5%
Percent Authorized Households Participating: [A]			
Categorical [B]	88.3%	88.3%	87.0%
Other Low Income [C]	88.0%	86.0%	89.6%
Total	88.2%	87.2%	88.1%
Average Number of Persons Participating Monthly:			
Categorical	336,144	331,891	306,900
Other Low Income	179,306	215,421	190,495
Total	515.450	547,312	497,395
Percent Increase Over Previous Year	-5.8%	+10.0%	+34.4%
Total Annual Value of Bonus Coupons:			
Categorical	$100,176,947	$ 94,098,906	$ 70,980,185
Other Low Income	58,636,154	69,938,616	54,325,173
Total	$158,813,101	$164,037,522	$125,305,358
Percent Increase Over Previous Year	-3.2%	+30.9%	+73.5%
Total Annual Value of Coupons Purchased:			
Categorical	$172,498,566	$165,276,340	$136,039,723
Other Low Income	95,058,062	111,304,626	86,591,529
Total	$267,556,628	$276,580,966	$222,631,252
Percent Increase Over Previous Year	-3.3%	+24.2%	+59.0%
Average Monthly Value of Bonus Coupons per Person Participating:			
Categorical	$29.80	$23.63	$19.27
Other Low Income	32.70	27.06	23.76
Total	$30.81	$24.98	$20.99
Percent Increase Over Previous Year	+23.3%	+19.0%	+29.1%
Average Monthly Value of Coupons Purchased per Person Participating:			
Categorical	$51.32	$41.50	$36.94
Other Low Income	53.01	43.06	37.88
Total	$51.91	$42.11	$37.30
Percent Increase Over Previous Year	+23.3%	+12.9%	+18.3%

[A] Households utilizing food stamps as a % of households issued authorizations to purchase.

[B] Households that received assistance under AFDC, AFWP, Indo-Chinese Refugee and Cuban Refugee Assistance Programs.

[C] Includes households with persons that received assistance under GA and SSI programs.

FISCAL AND MANAGEMENT OPERATIONS

BUREAU OF BUSINESS SERVICES

The Bureau of Business Services is responsible for the accounting procedures, internal auditing and field auditing processes related to the program administered by the county welfare agencies, the municipal welfare departments and the state division.

The activities of the bureau were reviewed and audited by representatives from the federal units of the Department of Agriculture and the Health, Education and Welfare Audit Agency.

Child Support and Paternity Section

As a result of the implementation of the Child Support and Paternity provisions of Title IV-D of the Social Security Act on August 1, 1975, a new account structure and reporting techniques have been developed independent of other county welfare agency activities. Procedures were initiated by the bureau to provide for "incentive" payments to counties and other states, and control of arrearages and prepayments. The bureau now reviews and audits reports, examines the allocation of funds, and makes periodic field audits of the fiscal accounts and records of the Child Support and Paternity Units within the respective county welfare agencies and the county offices of the adjuster, prosecutor and probation officer.

As a result of pending federal regulations, procedures have been developed to channel all incentives, both to and from other states through the bureau. This will require the maintenance of extensive financial records to identify the various data relating to the collections upon which the respective incentive payments are based.

Food Stamp Program Section

For the first time since implementation, a slight decrease was experienced in the Food Stamp Program in overall activity during fiscal year 1976-77 despite a continued increase in participation by categorical households.

More than a half-million average monthly persons (515,450) participated in the program, receiving bonus coupons totalling $158,813,101 for the fiscal year.

Field Auditing Unit—County Welfare Agencies

The field auditing staff reviewed the fiscal and financial management activities of 19 county welfare agencies for calendar year 1975 and two for calendar year 1976.

Financial audits were conducted of the winterization programs as administered in the counties of Essex, Monmouth and Ocean. This was accomplished in coordination with other staff within the division which evaluated the effectiveness of the program.

BUREAU OF MANAGEMENT SERVICES

The Bureau of Management Services functions as a service-oriented bureau for all the programs and sections within the Division of Public Welfare. The bureau is responsible for planning and developing division procedures and practices relative to state and county budgeting, research and statistics in the welfare field, word processing, purchasing and supplies, coordinating state car assignments, forms and inventory control, mail delivery, photocopying, and other related activities.

Ongoing activities undertaken during the last fiscal year included:

- Tabulated findings of the 6 county pilot study to determine the feasibility of developing statewide staffing ratios for New Jersey's 21 county welfare agencies.
- Prepared draft copy of the division's accounting manual to be utilized by county welfare agencies.

The Research and Statistics Unit provided federal, state, county agencies and various private organizations with statistical data. Various statistical reports, research, estimating and forecasting and the preparation of budget estimates were all accomplished as required.

Major undertakings accomplished by the research and statistics section were:

- Reviewed procedures and findings of Touche-Ross consultants' study of the cost-effectiveness of New Jersey's AFDC quality control program.
- Designed a six month sampling plan for testing the effectiveness of the three different types of organizations in Essex County. A detailed program of instructions and a special form was designed to implement this study.
- Assisted Kingston Associates in preparing an Income Maintenance Workers Questionnaire, designing report tables and tabulating results. The purpose of the study was to determine worker attitudes regarding workload incentive, facilities, supervision and other factors influencing AFDC-QC error rates.
- Processed tables of results received from the counties regarding the Educational Act Study. Reports of findings were completed and forwarded to respective federal and state agencies.

INCOME MAINTENANCE OPERATIONS

BUREAU OF POLICY AND STANDARDS DEVELOPMENT

The Policy and Standards Development Section achieved bureau status in October 1976. As a bureau, it is responsible for development and dissemination of

new policy and revision of existing policy directed toward income maintenance programs (Aid to Families with Dependent Children and General Assistance) as well as regulations relative to eligibility for benefits under the Food Stamp Program and Medicaid Only for the aged, blind and disabled. This responsibility is carried out through the issuance of five policy manuals (Public Assistance, Food Stamps, Medicaid Only and General Assistance, plus the Assistance Standards Handbook), a series of policy letters prepared for county and municipal welfare agencies, and appropriate explanatory material for clients and the general public.

Policy and procedures in the Public Assistance Manual and Assistance Standards Handbook are reviewed by the Manual Policy Committee which is made up of county welfare agency directors, representatives of legal services and welfare clients, and division staff. Committee recommendations concerning regulations are forwarded to the director of the division.

The bureau also is charged with the central control of all divisional forms and with development of winterization programs to assist welfare clients. The bureau reviews and analyzes federal regulations and court decisions relevant to the income maintenance programs; provides expertise to local agencies regarding property settlements, accident claims and reimbursements to the agencies; and provides interpretation of program policy and regulations to other components within the division and the department.

After more than a year of discussion and consultation by the bureau with local agencies and internal staff, the General Assistance Manual was adopted and issued in December, 1976. This document combines all regulatory material relative to municipal assistance, including new procedures for local and state hearings. Prior to implementation of the manual January 1, 1977, the bureau assisted the Training Unit with orientation for municipal welfare staffs.

The Simplified State Plan for Title IV-A: Financial Assistance, a new and comprehensive format covering all federal regulations relevant to AFDC, was completed and approved by the U.S. Department of Health, Education and Welfare.

A publications unit was added to the bureau for the purpose of developing informational material regarding public assistance benefits, responsibilities, priorities and developments to the welfare population and the general public. This unit prepared the division's annual report, the State of the Division message, a new edition of the County Welfare Board members handbook, and four new client pamphlets published in both English and Spanish. Eleven other client publications are under development.

The Residential Conservation Energy Unit supervised a pilot project for the winterization of homes of low-income and welfare families. The program, administered through three community action agencies, was responsible for the winterization of 884 homes. The Ocean County agency, with 359 homes winterized, completed its program while the Monmouth County agency continued to utilize its allocated funds, with 246 homes winterized by year's end. Problems occurred with the Newark agency's program, and only a limited amount of funds were released to it.

BUREAU OF CHILD SUPPORT AND PATERNITY PROGRAMS

The Bureau of Child Support and Paternity programs carries responsibility for monitoring child support enforcement activities, and establishes and refines procedures with county welfare agencies, probation departments, county prosecutors' offices and county adjusters' offices to better enforce child support obligations; initiates the process for obtaining federal funds for eligible agencies and ensures the use of these federal funds for child support enforcement; operates a Parent Locator Service which interfaces with the Federal Parent Locator Service and assists the counties in their efforts to locate absent parents; interprets federal regulations and advises the county agencies of their responsibilities to ensure compliance with federal regulations; coordinates cooperation with other states in the enforcement of child support and the establishment of paternity; applies to the federal Department of Health, Education and Welfare, when necessary, to enforce child support obligations.

Fiscal 1977 saw a continuation of cooperative agreements with the Administrative Office of the Courts, county prosecutors' and county adjusters' offices. Through federal funds provided, the county probation departments were able to increase their support enforcement staffs and organize CSP units. During the year, the first CSP units were formed in two county prosecutors' offices and efforts are being made to inform all prosecutors of the benefits of establishing such units.

During the first three quarters of fiscal year 1977, $7,618,658 in federal funds were disbursed to agencies performing CSP services throughout the state. Reported collections for the year amounted to about $20,000,000 compared with $13,000,000 in fiscal year 1976. Over 12,000 absent parents were located in the year through state and county efforts and in the first quarter nearly 300 AFDC cases were closed because enough child support was collected that the family was no longer eligible for AFDC.

In performing its duty to monitor child support and paternity operations in the counties, the bureau de-

veloped a case monitoring system by which the counties are informed of deficiencies in specific cases and are also given a statistical accounting of their progress in processing cases correctly. A number of corrective action meetings have been held in each county welfare agency and these meetings are being expanded to include the probation departments.

BUREAU OF LOCAL OPERATIONS

The Bureau of Local Operations assumes the responsibility for insuring efficiency and effectiveness of county and municipal welfare agencies; providing determinations of eligibility for medical assistance to all residents/patients of state and county psychiatric institutions and state schools for the retarded; assuring maximum and efficient utilization of the food stamp program for all eligible state residents; providing adequate public assistance to Indo-Chinese and Cuban refugees and persons repatriated to the state; and providing liaison functions between the Division of Public Welfare, HEW Regional Staff, and local administrative agency personnel, as related to the Supplemental Security Income program, and among the DYFS, ES, and DPW regarding income maintenance operations as related to administration of the WIN program.

Institutional Services Section

The primary objective of the Institutional Services Section is to provide medical assistance for all eligible patients/residents of state psychiatric hospitals, certain county institutions, and state schools for the retarded, and to reevaluate eligibility of recipients of medical assistance on a regular basis. A secondary objective has been to effect recovery and/or reimbursement from recipients or estates of recipients of medical assistance when applicable.

During fiscal year 1977, approximately 10,600 cases were processed for enrollment to the state medical assistance programs and 17,200 active cases were reevaluated in terms of eligibility.

Four staff members were assigned the responsibility of certifying eligibility of prospective enrollees in the Newark Comprehensive Health Services Plan (Compre-Health).

Field Services Section

The primary objective of the Field Services Section is to monitor and provide guidance to the county and municipal welfare agencies, thereby ensuring that assistance is provided in an equitable and uniform fashion. Secondary objectives are the responsibility of assuring public assistance to Indo-Chinese and Cuban refugees, and to repatriated U.S. citizens; to refer matters of non-compliance with assistance regulations by local assistance agencies to the Attorney General's Office for rectification, and to provide prompt determinations in regard to state and intermunicipal settlement cases.

During fiscal year 1977, staff administered approximately 6,000 decisions involving policy and/or regulation interpretation which was an increase of approximately 10 percent over fiscal 1976. Surveillance of local assistance units was maintained through field visits, telephone contacts, and ongoing reviews such as the survey of Authorization to Purchase card security in county food stamp offices. Two matters of non-compliance with welfare regulations were referred to the Attorney General's office for corrective action. Field staff further rendered decisions regarding state and inter-municipal settlement in 156 individual cases. Reports to the federal agency regarding specific monthly caseload data regarding the Cuban refugee program remained current and, in total, 360 cases involving Cuban refugees, Indo-Chinese refugees, and repatriated U.S. citizens were supervised. Also, this section processed 567 status reports resulting in 436 municipalities being approved for State Aid.

Management Procedures and Liaison Responsibilities Section

The objective of this unit was to ensure coordination of the various segments of the bureau, division, and other state and federal agencies as a means of enabling provision of public assistance services, or income maintenance, to all needy individuals in the state. The unit maintained liaison responsibilities between the division and HEW's Bureau of Supplemental Security Income; and the N.J. Division of Medical Assistance and Health Services, the Division of Youth and Family Services, and the county agencies. Collation, analysis, and dissemination of reports and correspondence enabled unit identification of potential or actual problem areas and consequent formulation of corrective actions both within the scope of the bureau and as part of federally required corrective action plans for AFDC and Medicaid Only.

Additional achievements toward fulfilling the unit's objective involved assumption of state responsibility for the BENDEX, which shall encompass dissemination, correction, and instructions regarding use of the print-out; testing, evaluation, and monitoring of Monroe calculator programs for those counties utilizing that system; coordination of the program for the Income Maintenance Questionnaire Seminar and preparation of reports regarding findings, provision of SSI and Medicaid Only information to BLO staff and also to the Bureau of Administrative Review and Appeals to aid in responses to agency and client queries. Responses to other states' queries regarding N.J. public assistance programs and also individual

client eligibility were prepared. Despite expiration of the HEW-DPW enumeration contract, this section coordinated the state's continued receipt and dissemination of enumeration tapes which will facilitate verification of client social security account numbers.

Work Incentive (WIN) Program Unit

The primary objective of this unit was to coordinate county welfare agency income maintenance/WIN functions with those WIN activities performed by the other state agencies, i.e., N.J. Divisions of Employment Services and Youth and Family Services, involved in the administration of the subject program, and also to improve the administrative efficiency of the county welfare agencies with regard to WIN program operations.

Food Stamp Unit

State staff monitored county outreach efforts through visits to every county food stamp office at least twice to ensure that an outreach file is being kept, that state and federal pamphlets are being distributed, and that the county outreach coordinators are planning and implementing outreach activities that are designed to locate low-income persons in all target groups and inform them of the merits and availability of the Food Stamp Program.

State staff were instrumental in increasing the total number of sales outlets from 663 to 690, even though 12 locations were eliminated due to the bankruptcy of a chain of check cashing companies. In addition, the number of non-bank vendors increased from two to six and negotiations are in progress with a department store chain and an armored car company, which should significantly increase the number of locations.

All efficiency and effectiveness reviews scheduled for fiscal year 1977 were conducted with adequate problem analysis and realistic corrective action plans transmitted to the Federal Food and Nutrition Service. The corrective action plans were subsequently approved by FNS and forwarded to respective county food stamp offices for implementation.

During the first six months of fiscal 1977 the total number of participants in the food stamp program declined by 6,757. This decline was thought to be a result of a slightly improved economy in New Jersey.

The Claims Unit processed 7,200 claims which resulted in a recoupment of $84,000 in overissued bonus coupons. This unit also assumed the responsibility for the monitoring of the reconciliation of food stamp issuance irregularities and appropriate follow-up activities with the county agencies.

BUREAU OF QUALITY CONTROL

The Bureau of Quality Control is responsible for reviewing the accuracy of eligibility and payment determinations made by the local agencies and for coordinating and supervising, through its Assistance Investigations Unit, the activities of the fraud investigators in local agencies.

AFDC Section

The objective of this section was to comply with the mandate of the Department of Health, Education and Welfare to complete, for every six month review period, a review of approximately 1,200 cases. These reviews must not only be completed in the specified time frames as mandated by HEW, but must be of a quality sufficient to ensure the reliability of findings. Reviews for the period July 1, 1976, through December 31, 1976, were completed by staff within the specified time period, and the decisions on these cases were determined as a result of findings by either federal monitors or protests by county welfare agencies, to be incorrect in approximately 4 percent of the sample.

Food Stamp Section

All reviews assigned to this section were completed within the specified time in the review periods January through June, 1976 and July through December, 1976. In the latter period, for the first time reviews were completed of PA Food Stamp cases. This involved the training of staff members in some of the forms unique to the public assistance programs, as well as certain eligibility factors pertaining to public assistance, in order that reviews could be completed correctly.

General Assistance Section

After reviews were completed in 21 selected municipalities and error findings recorded, the sampling process was changed in order that some cases from each state-participating municipality would be subject to review. However, because of the inordinately large sample this would involve to ensure accuracy for each individual municipality, the plan was abandoned in favor of drawing a statistically valid sample of cases statewide.

As a result of the sampling decision, the review staff in this program was reduced to ten. These reviewers not only were engaged in conducting general assistance reviews, but also assisted the division in such projects as reconciliation of ATPs, special surveys designed to identify duplicate assistance receipt of both AFDC and foster case payments through the Division of Youth and Family Services on behalf of the same children, duplicate receipt of assistance from more than one county or from more than one case in the same county, etc. Because of the nature and extent of the surveys, they have been assigned to

a particular survey unit stationed in the Assistance Investigations Unit, thereby freeing general assistance reviewers to GA reviews only.

Medicaid Only Unit

Reviews were completed and statistical tables prepared on time for the review periods April 1, 1976, through September 30, 1976 and October 1, 1976, through March 31, 1977. The review findings were accurate enough that successful challenges by federal monitors or by local agencies were kept to a minimum.

SSI Unit

The objective of the SSI Unit is to complete a percentage of re-reviews of cases completed by the quality assurance specialists of the Social Security Administration in the SSI program, in order to ensure the integrity of SSA determinations. In 1976 re-reviews were completed for two separate review periods; January through June and July through December. In both review periods only six differences were noted by staff in findings from that of the quality assurance staff, indicating that federal staff is doing a creditable job in their reviews. Work has already commenced on the January through June 1977 review period findings. At this time, staff is looking at reviews completed by two different SSA offices, the Philadelphia office for South Jersey cases and the New York office for North Jersey cases.

Assistance Investigations Unit

During March and April of this year the AIU, in coordination with the Training Unit of this division, designed and conducted a three day training program at Trenton State College for county welfare agency investigators as well as representatives of the prosecutors' offices. Attendance was extremely good, with 20 welfare agencies and 19 prosecutors' offices represented.

The AIU has instituted the computerized fraud reporting system, effective in April of this year. This new system permits the AIU to rapidly extract statistics pertaining to fraudulent receipt of assistance, as well as generating the necessary figures for statistical reports to the federal government. As a result of statistics obtained from this system it is projected for fiscal 1977 that county welfare agencies will initiate approximately 6,800 investigations, of which 2,408 will be disposed of as facts insufficient to support a question of fraud, while in 4,392 cases there will be, in the county welfare agency's opinion, facts sufficient to support a question of fraud. If this projection proves to be accurate, there will be a reported increase of approximately 250 percent over fiscal 1976. In addition, there are presently 12,500 cases pending investigation statewide.

During fiscal year 1977 the AIU conducted 13 investigations into alleged criminal misconduct on the part of state, county or municipal welfare employees. A number of these investigations have led to termination of employment for the individuals involved and/or indictments by county prosecutors' offices.

BUREAU OF MEDICAL AFFAIRS

Medical eligibility determinations are the responsibility of the Bureau of Medical Affairs. This responsibility includes making medical-social determinations and redeterminations utilizing review teams of physician and medical-social worker as required by regulations in the programs of Aid to Families with Dependent Children (Incapacity) and "Medicaid Only" for Blind and Disabled adults. The bureau furnishes medical-social consultation services to county and municipal welfare agencies. The bureau also determines appropriate charges for health services authorized to general assistance clients by municipal welfare departments. The bureau participates in fair hearings based on denials of medical eligibility for "Medicaid Only" and "Incapacity" in the AFDC program.

During the fiscal year 1977, 120 medical review teams, consisting of a medical-social worker and physician, evaluated 4,532 cases. There were 3,677 "AFDC-Incapacity" and 855 "Medicaid Only" cases reviewed. This compared with 4,136 "AFDC-Incapacity" and 1,596 "Medicaid Only" cases during the previous fiscal year. The significant decrease in the number of "Medicaid Only" (blind and disabled) cases in fiscal year 1977 is attributed to the policy established in July, 1976, whereby persons adjudicated as permanently and totally disabled by the Social Security Administration are automatically determined medically eligible by the county welfare agency if otherwise eligible for the program.

One hundred and fifty-seven fair hearings based on the medical eligibility factor were held. There was an increase in fair hearings but a decrease in the number of medical eligibility determinations in the two programs.

Costing of 2,226 medical bills was accomplished within ten working days of receipt for the first half of fiscal year 1977. Subsequent to the January, 1977, publication of the new General Assistance Manual, a substantial increase in the number of claims received resulted in a six to eight week delay in processing the material. A total of 36,687 medical claims were received by the bureau in the months of January, 1977, through June, 1977. Pharmaceutical vouchers accounted for 29,758 of these claims.

The primary goal of the bureau continues to be the timely determinations of medical eligibility in the

"AFDC-Incapacity" and "Medicaid Only" programs within ten working days and five working days, respectively. This objective has been achieved.

The secondary goal is the costing of General Assistance health care claims on a timely basis. With the recent addition of authorized staff, progress in processing claims within 30 days of receipt will be accomplished within the next three months.

BUREAU OF ADMINISTRATIVE REVIEW AND APPEALS

Appeals and complaints are handled by the Bureau of Administrative Review and Appeals and encompasses those activities relating to formal requests for fair hearings and citizen complaints and information requests. The bureau is also responsible for reviewing certificates of incorporation for charitable and nonprofit corporations and making such determinations as required under Title 15 New Jersey Statutes.

The bureau's primary goals during fiscal year 1977 were completion of hearing assignments within a 60 day time frame and completion of responses to complaints and information requests within 5 days.

Fair Hearings

At the outset of the report period, backlogged fair hearing requests and the initiation of a law suit to compel timely disposition of fair hearings required primary and immediate attention to this area of activity. The acquisition of five additional positions for hearing assignments over a four month period, and diminution of problems attendant to clerical processing resulted in substantial compliance with the federally mandated 90 day fair hearing disposition requirement. At the beginning of FY 77, final administrative action was completed on less than half of all decisions within 90 days. At the end of FY 77, less than ten percent of all decisions required more than 90 days, and almost 20 percent of all decisions were prepared for signature within 60 days as compared with less than two percent at the beginning of the period.

The number of fair hearing requests increased but not as dramatically as during previous years. The 4,459 requests and 2,412 decisions represented less than a two percent increase in requests and a 15 percent increase in decisions. Fair hearing activity changed as the result of increased involvement in social service issues, emergency fair hearings and General Assistance hearings. The number of judicial appeals (63) from fair hearing decisions exceeded appeals taken during any previous year.

A major factor impacting on timely disposition of fair hearings is the capability of the Word Processing Center to maintain a one-day turnaround on material submitted for typing.

Information and Complaints

No serious problems occurred on handling complaints and information requests. Of 1,362 written responses, approximately half were prepared for the Governor, Commissioner or the director. The majority of correspondence consisted of complaints regarding benefit levels and/or denial of benefits including money payments, food stamps, and problems with payments through the Social Security Administration. Complaint adjustments through discussion with municipal, county and federal agencies accounted for a major portion of the time involved in administering this activity.

SYSTEMS ANALYSIS AND DEVELOPMENT UNIT

Systems Analysis and Development carries responsibility for reviewing current systems and developing updated systems (in conjunction with the Department's Bureau of Data Processing) not only for the state but for the county welfare agencies, to include a state-wide management information system.

During fiscal year 1977, five counties were converted to the Management Information Systems (CODES). Lack of computer power hampered the conversion of all 21 counties and food stamp offices to CODES.

In fiscal year '77, the unit's activities expanded to additional programs and stressed the refinement of existing programs.

Functional groups include:

- System Design
- System Analysis and Interpretation
- EDP/Management
- Preparation of major documents
- Selection of and participation in management studies
- Supervision of private consultants

PERSONNEL AND STAFF DEVELOPMENT

Personnel, Staff Development and Training assumed responsibility for divisional personnel policies and for those of county welfare agencies. Included within that responsibility are affirmative action implementation, salary administration, collective bargaining agreements, fringe benefits, reclassifications, evaluations of existing and new titles, divisional staff training, and consultation to the county welfare agencies' training staffs.

Personnel Unit

Although a comprehensive procedure has been established for processing county welfare agency per-

sonnel action requests, several procedures and formats were added in order to expedite processing. Despite this, the urgent need for automating the present record keeping system still exists. This goal is necessary to meet the objective of processing these actions within 15 days of receipt and it is also an essential aspect of the management information system.

The division was able to approve 14 labor agreements that were negotiated by various organizations with the county welfare agencies during this fiscal year.

Staff Development Unit

The Staff Development and Training Unit conducted program and skills training in AFDC, Food Stamps, Medicaid Only, SSI and General Assistance; training for state child support and paternity personnel; training for Systems Analysis and Development Staff; General Assistance training for municipal welfare directors; and training for Bureau of Local Operations staff assigned to the Comprehensive Health Plan Project.

It also provided training to county welfare agency trainers in trainer skills and methods, and corrective action training for program. Technical assistance and consultation on training has been provided to county welfare agency trainers on an "as requested" basis. Additionally, the state training unit has developed and coordinated a three-day seminar for county welfare agency fraud investigators. Direct training of county welfare agency staff in AFDC CODES has been conducted in Bergen, Monmouth, Burlington, Sussex, and Somerset Counties.

APPENDIX I

NEW JERSEY DEPARTMENT OF HUMAN SERVICES
DIVISION OF PUBLIC WELFARE

SELECTED STATISTICS, PUBLIC ASSISTANCE PROGRAMS, FISCAL YEARS 1975, 1976, 1977

PROGRAM	FISCAL YEAR 1977	FISCAL YEAR 1976	FISCAL YEAR 1975	% CHANGE 1977/1976	% CHANGE 1976/1975
ASSISTANCE TO SUPPLEMENTAL SECURITY INCOME RECIPIENTS (A)					
Gross Expenditures (B)	$ 21,694,554	$ 21,791,410	$ 25,999,611	– 0.4%	– 16.2%
Average Monthly Cases	58,400	58,300	56,000	+ 0.2	+ 4.1
Average Monthly Grant Per Case	$31	$31	$39	+ 0.0	– 20.5
Average Monthly Recipients	58,450	63,000	57,500	– 7.2	+ 9.6
Average Monthly Grant Per Recipient	$31	$29	$38	+ 6.9	– 23.7
EMERGENCY ASSISTANCE (C)					
Gross Expenditures (B)	1,814,503	N/A	N/A	N/A	N/A
Average Monthly Cases	718	N/A	N/A	N/A	N/A
Average Monthly Grant Per Case	$211	N/A	N/A	N/A	N/A
Average Monthly Recipients	2,717	N/A	N/A	N/A	N/A
Average Monthly Grant Per Recipient	$56	N/A	N/A	N/A	N/A
ASSISTANCE TO FAMILIES WITH DEPENDENT CHILDREN:					
Gross Expenditures (B)	$446,073,458	$442,725,038	$442,608,088	+ 0.8%	+ 4.8%
Average Monthly Cases	135,088	133,692	128,305	+ 1.0	+ 4.2
Average Monthly Grant Per Case	$275	$276	$274	$ 0.4	+ 0.7
Average Monthly Recipients	443,046	448,045	439,698	– 1.1	+ 1.9
Average Monthly Grant Per Recipient	$84	$82	$80	+ 2.4	+ 2.5
ASSISTANCE TO FAMILIES OF THE WORKING POOR:					
Gross Expenditures (B)	$ 19,782,689	$ 19,863,563	$ 18,797,333	– 0.4%	+ 5.7%
Average Monthly Cases	7,753	7,884	7,442	– 1.7	+ 5.9
Average Monthly Grant Per Case	$213	$210	$210	+ 1.4	– 0.0
Average Monthly Recipients	33,708	35,058	34,709	– 3.9	+ 1.0
Average Monthly Grant Per Recipient	$49	$47	$45	+ 4.3	+ 4.4
GENERAL ASSISTANCE:					
Gross Expenditures (D)	$ 45,579,392	$ 39,191,084	$ 33,124,669	+ 16.3%	+ 18.3%
Average Monthly Cases	23,902	20,333	17,039	+ 17.6	+ 19.3
Average Monthly Grant Per Case	$159	$161	$162	– 1.2	– 0.6
Average Monthly Recipients	25,135	21,565	18,294	+ 16.6	+ 17.9
Average Monthly Grant Per Recipient	$151	$151	$151	+ 0.0	+ 0.0
CUBAN REFUGEE:					
Gross Expenditures (D)	$ 6,735,355	$ 7,153,514	$ 7,310,529	– 5.8%	– 2.1%
Average Monthly Cases	1,244	1,292	1,339	– 3.7	– 3.5
Average Monthly Grant Per Case	$451	$461	$454	– 2.2	+ 1.5
Average Monthly Recipients	3,176	3,297	3,373	– 3.7	– 2.3
Average Monthly Grant Per Recipient	$177	$181	$181	– 2.2	+ 0.0
INDO-CHINESE: (E)					
Gross Expenditures (D)	$ 753,787	$ 496,255 (11 mo.)	–	N/A	N/A
Average Monthly Cases	154	123	–	N/A	N/A
Average Monthly Grant Per Case	$407	$367	–	N/A	N/A
Average Monthly Recipients	644	481	–	N/A	N/A
Average Monthly Grant Per Recipient	$98	$94	–	N/A	N/A

APPENDIX I (Continued)

NEW JERSEY DEPARTMENT OF HUMAN SERVICES
DIVISION OF PUBLIC WELFARE

SELECTED STATISTICS, PUBLIC ASSISTANCE PROGRAMS, FISCAL YEARS 1975, 1976, 1977

PROGRAM	FISCAL YEAR 1977	FISCAL YEAR 1976	FISCAL YEAR 1975	% CHANGE 1977/1976	% CHANGE 1976/1975
TOTAL OF ALL PROGRAMS:					
Gross Expenditures	$542,433,738	$531,220,864	$507,840,230	– 2.1%	+ 4.6%
Average Monthly Cases	227,259	221,614	210,125	+ 2.5	+ 5.5
Average Monthly Grant Per Case	$199	$200	$201	– 0.5	– 0.5
Average Monthly Recipients	566,876	571,406	553,574	– 0.8	+ 3.2
Average Monthly Grant Per Recipient	$80	$77	$76	+ 3.9	+ 1.3

(A) Assistance for SSI Recipients (ASSIR) is a state-financed program consisting of supplemental payments in cases where State standards exceed Federal SSI benefit payment levels. Amounts shown are payments under the ASSIR program. Federal SSI expenditures were as follows:

	FISCAL YEAR 1977	FISCAL YEAR 1976	FISCAL YEAR 1975
SSI PROGRAM			
Gross Expenditures	$ 96,091,420	$ 89,002,322	$ 77,720,525
Average Monthly Recipients	78,840	80,676	71,767
Average Monthly Grant Per Recipient	$102	$92	$90

The total of Federal SSI expenditures and State supplemental payments under ASSIR are:

	FISCAL YEAR 1977	FISCAL YEAR 1976	FISCAL YEAR 1975
COMBINED SSI AND ASSIR PROGRAMS			
Gross Expenditures	$117,785,974	$110,793,732	$103,720,136
Average Monthly Recipients	78,840	80,676	71,767
Average Monthly Grant Per Recipient	$125	$114	$120

(B) Maintenance assistance only. Medical assistance is excluded.

(C) Prior to Fiscal Year 1977, appropriations and expenditures for Emergency Assistance were included under the programs of Assistance to Families with Dependent Children and Assistance to Families of the Working Poor. Commencing with Fiscal Year 1977, funds for these payments are separately appropriated and identified.

(D) Includes medical assistance.

(E) Authorized under Indo-Chinese Migration and Refugee Assistance Act, 1975 (P.L. 94-23), effective April 29, 1975. Payments under Indo-Chinese Refugee Program in N. J. began in August 1975. Therefore, reported statistics are for the 11-month period, August 1975 – June 1976 and fiscal year 1977.

APPENDIX II

PUBLIC ASSISTANCE NET EXPENDITURES AND EXPENDITURES

COUNTY	RESIDENT POPULATION JULY 1, 1976 (B)	ASSISTANCE FOR DEPENDENT CHILDREN		ASSISTANCE TO THE FAMILIES OF THE WORKING POOR		EMERGENCY ASSISTANCE	
		AMOUNT EXPENDED	AMOUNT EXPENDED PER RESIDENT	AMOUNT EXPENDED	AMOUNT EXP. PER RES.	AMOUNT EXPENDED	AMOUNT EXP. PER RES.
ATLANTIC	178,850	$ 20,053,791	$112.13	$ 990,496	$5.54	$ 123,934	$0.69
BERGEN	910,865	8,746,700	9.60	334,418	0.37	8,618	0.01
BURLINGTON	331,745	11,168,639	33.67	859,465	2.59	35,711	0.11
CAMDEN	484,305	42,782,150	88.34	2,327,581	4.81	327,101	0.68
CAPE MAY	63,590	3,122,532	49.10	248,460	3.91	21,398	0.34
CUMBERLAND	129,795	10,199,774	78.58	674,104	5.19	15,246	0.12
ESSEX	924,830	115,723,372	125.13	3,977,374	4.30	39,618	0.04
GLOUCESTER	185,300	7,036,939	37.98	540,688	2.92	2,478	0.01
HUDSON	606,190	51,171,130	84.41	1,404,951	2.32	149,614	0.25
HUNTERDON	74,525	920,710	12.35	52,933	0.71	2,311	0.03
MERCER	321,050	22,224,972	69.23	683,269	2.13	91,702	0.29
MIDDLESEX	612,370	22,808,222	37.25	1,259,084	2.06	447,834	0.73
MONMOUTH	482,190	24,229,505	50.25	1,248,345	2.59	105,505	0.22
MORRIS	406,665	5,266,223	12.95	427,469	1.05	11,412	0.03
OCEAN	261,750	13,386,634	51.14	1,500,496	5.73	84,452	0.32
PASSAIC	471,175	34,910,153	74.09	712,836	1.51	315,646	0.67
SALEM	63,815	2,966,133	46.48	175,110	2.74	6,374	0.10
SOMERSET	207,315	3,746,389	18.07	170,721	0.82	10,317	0.05
SUSSEX	87,390	2,114,758	24.20	285,900	3.27	6,233	0.07
UNION	550,515	17,961,913	32.63	524,079	0.95	6,246	0.01
WARREN	77,520	1,828,680	23.59	215,644	2.78	734	0.01
TOTAL	7,431,750	$422,369,319	$ 56.83	$18,613,423	$2.50	$1,812,484	$0.24
			% OF TOTAL		% OF TOT.		% OF TOT.
FEDERAL		$212,741,192	50.4%	–	–	$ 875,867	48.3%
STATE		157,221,168	37.2%	$13,959,768	75.0%	702,462	38.8%
COUNTY		52,406,959	12.4%	4,653,655	25.0%	234,155	12.9%
MUNICIPAL		–	–	–	–	–	–

(A) Net of refunds. Includes expenditures for burials. Excludes medical expenditures.
(B) N. J. Department of Labor and Industry, Office of Business Economics, Population Estimates for New Jersey, July 1, 1976.
(C) Based on reports received by State Agencies. Municipalities (principally small Municipalities) not receiving State Aid do not report their assistance expenditures to the State agency.
(D) Less than 1/2 cent.

PER RESIDENT BY COUNTY AND BY PROGRAM

CUBAN REFUGEE ASSISTANCE		INDO-CHINESE ASSISTANCE		GENERAL ASSISTANCE		TOTAL ALL PROGRAMS	
AMOUNT EXPENDED	AMOUNT EXP. PER RES.	AMOUNT EXPENDED	AMOUNT EXP. PER RES.	AMOUNT EXPENDED (C)	AMOUNT EXP. PER RES.	AMOUNT EXPENDED	AMOUNT EXPENDED PER RESIDENT
$ 1,482	$0.01	$ 11,279	$0.06	$ 920,863	$ 5.15	$ 22,101,845	$123.58
177,889	0.20	43,989	0.05	592,451	0.65	9,904,065	10.87
300	(D)	34,821	0.10	453,592	1.37	12,552,528	37.84
4,312	0.01	117,726	0.24	2,230,960	4.61	47,789,830	98.68
677	0.01	786	0.01	75,676	1.19	3,469,529	54.56
20,533	0.16	–	–	297,317	2.29	11,206,974	86.34
932,694	1.01	65,114	0.07	24,420,224	26.41	145,158,396	156.96
–	–	2,619	0.01	228,538	1.23	7,811,262	42.15
4,356,135	7.19	105,527	0.17	7,473,068	12.33	64,660,425	106.67
–	–	172	(D)	3,276	0.04	979,402	13.14
9,002	0.03	34,784	0.11	2,730,845	8.51	25,774,574	80.28
171,096	0.28	61,286	0.10	1,029,157	1.68	25,776,679	42.09
13,970	0.03	130,708	0.27	726,869	1.51	26,454,902	54.86
19,849	0.05	13,033	0.03	200,039	0.49	5,938,025	14.60
13,289	0.05	11,601	0.04	662,671	2.53	15,659,143	59.82
263,891	0.56	24,525	0.05	1,551,851	3.29	37,778,902	80.18
616	0.01	–	–	39,635	0.62	3,187,868	49.95
6,375	0.03	54,533	0.26	231,463	1.12	4,219,798	20.35
207	(D)	459	0.01	52,536	0.60	2,460,093	28.15
620,868	1.13	17,556	0.03	1,629,331	2.96	20,759,993	37.71
138	(D)	–	–	29,030	0.37	2,074,226	26.76
$6,613,323	$0.89	$730,518	$0.10	$45,579,392	$6.13	$495,718,459	$ 66.70
	% OF TOT.		% OF TOT.		% OF TOT.		% OF TOTAL
$6,613,323	100.0%	$730,518	100.0%	$ –	–	$220,960,900	44.6%
–	–	–	–	$31,485,000	69.1%	203,368,398	41.0%
–	–	–	–	–	–	57,294,769	11.6%
–	–	–	–	14,094,392	30.9%	14,094,392	2.8%

DIVISION OF VETERANS PROGRAMS AND SPECIAL SERVICES

JOSEPH L. GRODECK, *Director*

The Division of Veterans Programs and Special Services has been in existence since May 20, 1975 and was created to upgrade and coordinate the services for the State's 1,100,000 veterans and their dependents, along with the Veterans Service Council and the Veterans Facilities Council which act in an advisory capacity. The division consists of the director's staff, two Soldiers Homes located at Menlo Park and Vineland, Boonton Firemen's Home and the Bureau of Veterans Services which has 16 district offices throughout the state.

The division provides veterans of the State of New Jersey with the highest level of resident care for the chronically ill, aged and infirmed, in a health care environment which has many homelike features and is consistent with the acceptable professional standards for patients and residents as established by the U.S. Veterans Administration and the N.J. State Health Department.

Veterans are assisted through the Bureau of Veterans Services to secure state and federal benefits including pensions, insurance, civil service veterans preference, state property tax exemptions and financial aid.

A good portion of the director's time was spent traveling throughout the state and meeting with all of the veterans' organizations; the Veterans Service Council; the two Veterans Facilities Councils; federal officials from the Veterans Administration; visiting the 16 district offices of the bureau; and keeping the legislators and the public informed of the many problems involved with the 1,100,000 veterans of this State.

Toward the latter part of the fiscal year we were able to start occupying the 100-bed nursing unit at Menlo Park, and two of the three floors of the nursing unit at Vineland.

As of June 30, 1977 the waiting list for the veterans facilities totaled 379. Since the waiting list has been steadily increasing for the past several years, in spite of normal admissions due to deaths and discharges, the Veterans Service Council approved a resolution in February, 1977, endorsing the planning of a third veterans nursing facility.

Bureau of Veterans Services

Although the bureau has been reduced from 49 budgeted positions to 22 positions and several district offices are only open one day per week, the decrease in the work load reflects only minor changes.

STATISTICS

	1975	1976	1977
Total Walk-in Contacts	59,642	53,866	47,399
Power of Attorney on File	47,821	42,026	36,680
Telephone Calls Made	75,907	71,481	71,410
Home Visits	818	620	410
New Claims	8,919	7,173	7,514
Claims Reopened	3,784	3,720	4,807
Interviews:			
Blind	37	47	12
Paraplegic	30	31	18
Hemiplegic	13	10	12
Osteochondritic	2	13	2
Double Amputee	31	19	31
Multiple Sclerotic	51	73	22
War Orphan	1,138	1,543	1,302
Federal Monetary Recoveries	$24,399,920	30,668,839	26,701,481

Menlo Park Soldiers Home

	1975	1976	1977
Admissions	66	56	116
Discharges	25	26	41
Deaths	38	38	30
Population 6/30			
Male	272	273	309
Female	3	3	4
Total	275	276	313
Spanish American Veterans	2	1	1
World War I Veterans	113	113	106
World War II Veterans	154	155	161
Korean Conflict Veterans	3	2	6
Vietnam Era Veterans	1	3	1
Peacetime Veterans	2	2	2
Waiting List	N/A	259	295

Vineland Soldiers Home

Admissions	87	93	69
Discharges	19	22	19
Deaths	68	65	55
Population 6/30			
Male	268	268	270
Female	40	37	41
Total	308	305	311
World War I Veterans	124	112	108
World War II Veterans	128	137	144
Korean Conflict Veterans	7	9	9
Vietnam Era Veterans	2	2	2
Gold Star Mothers	1	1	2
Wives	2	1	3
Widows	37	35	36
Peacetime Veterans	7	8	7
Waiting List	N/A	79	84

DIVISION OF YOUTH AND FAMILY SERVICES

HAROLD ROSENTHAL, *Acting Director*

INTRODUCTION

The Division of Youth and Family Services serves as the state's comprehensive social service agency for children and families in New Jersey. Its primary goal is to preserve and strengthen the family unit by providing services to troubled families which are designed to encourage family stability and self-sufficiency. The division is also responsible for those children who either have no families of their own or whose families are unable to care for them.

The division provides services either directly or through a purchase mechanism by which it can make use of existing community resources. At the end of fiscal 1977 the division had 51,006 children under direct supervision and was providing contracted services to an estimated 150,000 children and adults.

Among the services provided directly to children and their families are protective services for abused, neglected and abandoned children, adoption services, foster and institutional placement, day care, casework and counseling. In addition, the division provides supervision for certain juveniles paroled from the state training schools and has primary responsibility for supervising and providing services for Juveniles in Need of Supervision (JINS).

It is also responsible for issuing certificates of approval to certain privately operated child care centers and all private and public adoption agencies, which must be licensed under state law.

OVERVIEW

During fiscal 1977 the division continued its efforts to make its services more readily available to clients by establishing new branch offices in Plainfield, Passaic, Clifton and Salem. In addition, the Cape May branch, which was established in 1975, became a separate district office.

In eight district offices, special response workers, who investigate reports of child abuse and neglect during non-working hours, were furnished with radio-operated beepers in order to ensure that they can be reached immediately. The eight offices are located in areas where such a system is available and where there is the greatest incidence of off-hours reports.

"A Handbook for Foster Parents," which provides practical advice on caring for foster children as well as specific information on DYFS procedures affecting foster parents and children, was developed, printed and distributed to all foster parents. The handbook is in a three-ring binder format in order to enable it to be updated as necessary.

A policy statement concerning the referral and investigation of child abuse cases was issued jointly by the Commissioner of Human Services and the Attorney General. The statement included a list of guidelines to enable DYFS workers to determine whether a case of suspected abuse or neglect should be reported to county prosecutors. It also instructed DYFS district offices and county prosecutors to maintain a line of communication in all such cases and set down procedures for doing so.

During fiscal 1977, the division continued to impose limitations on its services according to a list of priorities in order to ensure that those with the greatest need—severely abused and neglected children—would receive services. These service limitations were first instituted in fiscal 1976 and resulted in a five percent decrease in caseload. This lower caseload, however, included a much higher proportion of severe cases requiring intensive casework than had been the case in previous years.

Also during fiscal 1977, the division began an internal reorganization based on recommendations by the Governor's Task Force on DYFS, formed in December, 1975.

During fiscal 1977 the division had five major spheres of operation—field services, development operations, fiscal and management operations, contract development and administration, and regulatory and legislative services. Within these five areas various bureaus, offices and units provided intensive support and direct client services in an effort to solve the problems and meet the needs of the agency's growing number of clients in the most humane, efficient and economical way.

The field services operations wing of the division was responsible for the direct provision of social services to agency clients and monitored the activities of all of the division's service delivery units, including the district offices and their branches, the social service assistance units in the county welfare agencies, the regional foster home and adoption resource centers, the Office of Child Abuse Control and the residential centers and group homes operated by the division. It incorporated the Bureau of Family Services, the Bureau of Residential Services, the Case Audit and Review Unit and the Bureau of Resource Development.

Early in fiscal 1976, the Office of Child Abuse

Control was incorporated into the Bureau of Family Services.

The development operations wing of the division was responsible for the planning and development of effective, innovative agency policies, programs and resources needed by children and families under the Division's supervision. It included the Bureau of Research, Planning and Program Development, the Child Care Licensing Section and the Communications Unit.

The division's internal operations were administered by the Fiscal and Management Operations wing, which was responsible for the planning, development and evaluation of division policies and practices related to management, fiscal and budgeting functions, and personnel and employee development and training. This wing included the Office of Fiscal Operations, the Office of Contract Compliance, the Bureau of Management Services, the Bureau of Management Systems, the Office of Budget, the Office of Personnel Services, the Affirmative Action Office and the Office of Human Development Services.

The Contract Development and Administration wing, which included the Bureau of Day Care Services and the Office of Contract Administration, was responsible for negotiating contracts with public and private provider organizations for services to persons who are eligible under Title XX of the federal Social Security Act. In addition, this wing had responsibility for the operation of 22 day care centers operated directly by the division.

The Office of Regulatory and Legislative Affairs was established in April, 1975. Staffed by attorneys and one social policy analyst, it provided legal support to the division's central and field offices in operational matters, legislative affairs and contract development.

FIELD SERVICES OPERATIONS

Bureau of Family Services

The Bureau of Family Services delivers most of the direct social services offered by the division through its caseload and related support staffs in the division's 28 district offices and three branch offices throughout the state. These offices provide a variety of services to children and families in their homes, including protective services and counseling, as well as providing referral services to other agencies and institutions to meet the varied social service needs of clients. These include day care, medical and health services, therapy and professional counseling, drug programs, homemaker services and other forms of social service assistance. The bureau also supervises children placed in foster homes and residential placement settings, offers services to Juveniles in Need of Supervision (JINS), provides parole supervision for juveniles under 14 and provides day care resources for mothers enrolled in the Work Incentive (WIN) Program.

Major accomplishments of the bureau during fiscal 1977 are:

- An agreement was signed with the Division of Mental Retardation (DMR) which defines policy and procedures to coordinate the services of DYFS and DMR in providing for the needs of New Jersey's mentally retarded persons.
- The Suburban Essex District Office, the Atlantic District Office, the Union District Office and the Hudson District Office were relocated into more adequate facilities.
- A radio-operated paging system was provided to Special Response Unit staff, who investigate reports of child abuse and neglect during non-working hours, in eight of the district offices.
- The WIN operational manual was completed.
- Foster care board rates and clothing allowances for children in foster care were increased.
- A Handbook for Foster Parents was completed and distributed.
- Guidelines were developed concerning the reporting of child abuse cases to county prosecutors.
- A procedure for notifying county welfare agencies of maintenance expenditures was developed to prevent duplication of payment.
- A system of computerized case review of children in out-of-home placement was implemented.

Bureau of Residential Services

The Bureau of Residential Services is responsible for administering the division's system for purchasing residential treatment services for its clients, including evaluating and monitoring these services and developing additional residential treatment resources. The bureau has four operational units:

The Contract Administration Unit reviews the fiscal and programmatic annexes to the contract packages submitted by private residential facilities serving DYFS children, negotiates an equitable board rate and necessary contract stipulations and monitors the fiscal annex of the contract through the review of monthly expenditure reports submitted by each facility. During fiscal 1977, 67 contracts were signed, and 62 facilities submitted monthly expenditure reports to the unit.

The Evaluation Unit makes a comprehensive review and analysis of each residential program accepting DYFS children each year, and discusses the findings of this evaluation with staff from the facility to prepare a final report for distribution to DYFS staff. During fiscal 1977, the unit completed 45 evaluations.

The Program Review Unit ensures the compliance of residential treatment programs serving DYFS children with Division of Purchase of Service contracts, the Bureau's Manual of Standards, Youth Facility Incentive Aid contracts, recommendations of the Bureau's Evaluation Unit and building inspections by the Child Care Licensing Unit. The Program Review Unit also provides technical assistance and essential information to contract programs and district office staff. During fiscal 1977, the unit completed 472 facility visitations.

The Program Development Unit develops needed residential treatment resources by providing technical assistance to private groups wishing to open residential treatment centers or group homes and to existing facilities wishing to expand; develops day treatment programs as an alternative to institutionalization for DYFS children; and maintains liaison with federal, state and community agencies involved in planning and developing functions. During fiscal 1977, the unit developed 36 treatment center slots and 12 group home slots.

In addition to these units, the bureau is responsible for supervising the operation of four directly operated treatment centers and three group homes.

A continuing priority for the bureau is the provision of residential treatment services within the boundaries of the state or within a 50-mile radius of the state. The bureau has achieved a 21 percent reduction in the number of division clients placed in treatment programs located in other states. Between May 31, 1976 and May 31, 1977, the number of division clients placed out-of-state has been reduced from 752 to 595.

Bureau of Resource Development

The Bureau of Resource Development is responsible for recruiting and evaluating foster and adoptive homes. It processes children for adoption placement, selects adoptive homes for them and supervises the placement until finalization of the adoption occurs. The bureau also investigates, at the request of the court, independent adoption placements that have been made without the involvement of an approved adoption agency.

During fiscal 1977, the bureau serviced a total of 2,748 children. Of these, 571 children were placed in adoption homes. This represented 119 percent of our fiscal 1977 budget projection for adoption placement and a 15.4 percent increase over the number of children placed for adoption during the previous fiscal year. This was accomplished with the same level of staff in our field offices as in fiscal 1976 and less central office staff than in fiscal 1976.

During the fiscal year a revision of the division's Purchase of Adoption Service program was completed. This allows for the payment to private adoption agencies of actual costs up to $1800 for the placement and finalization of one of the divison's waiting children in a home recruited and studied by the private agency.

Case Audit and Review Unit

During fiscal 1977, the Case Audit and Review Unit implemented the case management system to identify and track case goals and case goal progress. Also, the unit performed administrative reviews requested by various elements of the division. Case management system activities proceeded in six district offices.

In addition, the unit assisted the Governor's Task Force to Reform Fiscal and Management Affairs.

DEVELOPMENT OPERATIONS

Bureau of Research, Planning and Program Development

The Bureau of Research, Planning and Program Development undertakes the study and analysis of social service needs and strategies to strengthen the development and delivery of services by the division. The regular activities of the bureau include examining social service issues and needs in reference to existing division policy; providing information for the formulation of policy through research and literature surveys; developing, modifying and reevaluating DYFS programs; surveying both new and existing programs in New Jersey and in other states; and attracting federal funds by developing competitive proposals for research and demonstration projects.

Among the grants awarded in fiscal 1977 as a result of proposals submitted by the bureau are:

- *Child Abuse Prevention Proposal.* A grant proposal was submitted to obtain a $72,416 supplemental grant under Sections 4 (b) (1) and (2) of the Child Abuse Prevention and Treatment Act. The proposal stated that the funds would be used for the development of minimal child welfare standards, decision-making guidelines, a guide for worker-client contracting procedures and an informational booklet for parents.
- *Utilization of the Elderly in Child Welfare Services.* $99,975 was granted by the Administration on Aging of the U.S. Department of Health, Education and Welfare (HEW) for a one-year research project surveying the views of the elderly, child welfare agency personnel (including DYFS) and children on the use of the elderly in child welfare services.
- *Hudson County Preventive Services Demonstration Project.* A grant proposal was submitted to HEW requesting $449,977 to establish a program of intensive preventive services and supports addressing factors which are identified as precipitating family crisis and the need for placement.
- *Models for Battered Spouses.* A grant proposal was submitted to HEW requesting $50,000 to develop

a program sourcebook, a needs assessment model and a service delivery network model for battered spouses.

• *Services for Abused and Neglected Adolescents and Their Families.* A grant proposal was submitted to HEW requesting $170,000 to identify adolescent victims of abuse and neglect, remedy abusive and neglectful behavior and resolve other problems contributing to the abuse and neglect so that adolescents can remain in their homes whenever possible, and provide alternate systems of support for adolescents who cannot remain in their homes, with the eventual goal of independent living.

• *Family Variables and Day Care Utilization.* A grant proposal was submitted to HEW requesting $100,000 to examine the effect of day care utilization on family economic status, child rearing practices and the quality of family life, and to study the needs and experiences of families which influence utilization of day care and the choice made among alternative day care methods.

• *New Jersey Regional Program for Abused Women and Their Families.* A grant proposal was submitted to HEW requesting $100,000 in federal funds to establish four regional programs of purchased support services and time-limited housing to provide victims of spouse assault and their children the opportunity to consider alternatives to the abusive situation in a safe and supportive environment.

Communications Unit

The Communications Unit was responsible in fiscal 1977 for the dissemination of public information about the division to the public, to the division's clients and to the division's employees, as well as to the constituent agencies and individuals in the child care field. The press-related functions (issuing press releases and answering queries from the media) were under the supervision of the State Office of Public Communications, with a public information officer outposted to DYFS.

The unit had the responsibility for informing clients, potential clients and the agency's child care constituency—foster parents, day care center staff, as well as social service agencies that provide services to DYFS clients under Title II contracts—of division programs and policies directly affecting them. The division's monthly newspaper, FAMILY, which has a circulation of 10,000 is prepared by the Communications Unit.

FISCAL AND MANAGEMENT OPERATIONS

Fiscal Operations

During fiscal 1977, three bureaus and one office became operational under Fiscal Operations, as a result of the Task Force's recommendations.

• The Bureau of Payments is responsible for payment/disbursement operations within the division.

• The Bureau of Collections and Receivables is responsible for collecting all money owed to the State of New Jersey through the Division of Youth and Family Services.

• The Bureau of Accounting and Financial Reporting is responsible for developing and implementing division accounting procedures, as well as maintaining the appropriate records to support payments and receipts. In addition, the new bureau is to prepare reports to the federal government, identifying disbursements by program.

• The Office of Field Services consists of two units. The Input/Output Control Unit regulates and monitors the flow of fiscal documents from DYFS field offices through various central office processing units. The Field Office Assistance Unit is staffed by fiscal coordinators who provide fiscal related training and technical assistance to DYFS field office staff.

Office of Contract Compliance

Early in the fiscal year, the Contract Payment and Technical Assistance Unit was organizationally separated into the Contract Payment Unit and the Internal Audit/Technical Assistance Unit, also known as the Internal Audit Unit. This separation was in accordance with recommendations made by the Governor's Task Force, resulting in a complete reorganization of the unit.

The Internal Audit Unit is charged with the monitoring of provider agency records for compliance with provisions of the contract, statutes and regulations.

During the fiscal year 1977 the Internal Audit Unit conducted eligibility compliance audits of approximately 240 day care contracts on a test basis, to determine that the service recipients were eligible in accordance with federal and state regulations. Technical assistance to agencies was also provided on a request basis.

In addition, the Internal Audit Unit has been reviewing and implementing recommendations and sanctions made by the Audit Review Council which resulted from financial audits of seven day care centers contracted for by the department.

The Internal Audit Unit was reorganized as of June 1, 1977, into the Office of Contract Compliance as recommended by the Governor's Task Force. This office will be responsible for all auditing functions in the division.

Bureau of Management Services

The Bureau of Management Services oversees the utilization of space, telephones and telecommunications, vehicles, equipment and supplies by all DYFS employees in central office and field loca-

tions, with the goal of effectively providing necessary support services. The bureau is also responsible for upgrading the quality, speed and efficiency of all administrative and service delivery operations such as mail and courier service and records management.

The bureau's monitoring of the division's telecommunications systems resulted in a savings against budgeted costs of approximately $56,000 during fiscal 1977. Average nonrecurring costs dropped from about $5,000 to about $1,500 per month. In addition, the bureau made substantial improvements in the division's telecommunications systems during fiscal 1977.

Through cooperation with the Department of Treasury and Central Motor Pool administration, the bureau made improvements in overall vehicle maintenance and added approximately 50 vehicles to the DYFS fleet.

The bureau also complied with the Task Force recommendation of implementing a business insurance reimbursement pilot program whereby appropriate use of personal cars can supplement the regular fleet of state vehicles.

Employee Relations Unit

During fiscal 1977, the Employee Relations Unit, formerly part of the placement unit section of the Office of Personnel Services, became a separate unit. The employee relations section now reports directly to the administrator of Management Services.

During the fiscal year, the unit processed 132 grievances and 85 disciplines. The first draft on the Internal Training Manual has been completed and is now being compiled. In addition, in accordance with Task Force recommendations, the Administrative Procedures Manual for this section has been written and submitted for editing.

Bureau of Management Systems

The Bureau of Management Systems was created from the former Management Planning/Standard and Procedures Unit. The coordinator of the new bureau was appointed in February, 1977.

The bureau continues the function of its predecessor: to design, develop, implement and maintain an efficient computerized informational system. Data processing equipment, both within and outside the division, is currently used by the bureau to provide the division with both fiscal and programmatic reporting data, as well as day care vendor checks.

During fiscal 1977, the bureau began a major project—to install an on-line Social Services Information System by August 1, 1978. This system will incorporate the Oklahoma Social Services System. It will enable the division to have complete and up-to-date information on all clients and adequate controls to avoid any overpayments. It will be a complete client and fiscal information system that will replace over eight separate systems.

Budget Office

The goals and objectives of the Budget Office are to establish effective monitoring and control procedures, and to implement sound budget planning and evaluation techniques.

During fiscal 1977 the office:

- Devised the first monitoring system for the purchase of service components of the budget;
- Identified excess employees as a source of budgetary problem and recommended abolishment of vacant authorized and temporary positions;
- Outlined several alternatives to correct the structural defects in the fiscal '78 budget and compiled a balanced spending plan based on several of these alternatives;
- Reassigned staff throughout the division to the proper organizational units for budgetary control purposes;
- Initiated cost center unit codes for reorganized structure of the division;
- Established a monthly monitoring system and the Budget Advisory Committee for the county welfare agencies.

Office of Personnel Services

The Office of Personnel Services consists of five units. During fiscal 1977, the Placement Unit handled the disposition of 203 open competitive certifications, processed fingerprints for over 80 employees and initiated a control procedure for Employee Action Requests and Personnel Action Requests.

The classification unit revised 100 job specifications, created 110 job specifications, completed 100 desk audits, took action on 165 reclassification requests, approved 140 joint reclassification requests; acted upon 70 salary adjustment requests, evaluated 20 provisional appointment requests; created 120 positions; and downgraded 100 positions.

The Employee Services Unit distributed 12 issues of *Personnel Alert,* a newsletter for DYFS employees, completed the first draft of the Personnel Manual, distributed five Personnel Circulars, and served as technical advisor in approximately 12 grievance hearings.

The Records Unit processed 39,000 pieces of mail, including 700 appointments, 650 terminations, 420 promotions, 60 demotions, 240 leave of absence requests, 3,600 civil service forms, 2,800 Employee Peformance Evaluation and Improvement System requests, 1,800 letters on personnel actions and 3,300 promotional announcements.

The Payroll and Timekeeping Unit processed the

backlog which had existed in posting the central time records, as well as supervised the special response function, special services, the Health Maintenance Organization (HMO) and the prescription drug program.

Office of Affirmative Action

The Office of Affirmative Action concerns the full and effective utilization of individuals regardless of race, religion, color, ethnic or national origin, age, sex, handicap or marital status. The office encourages hiring and developing appropriate individuals, based on their job related qualifications.

During fiscal 1977, the office developed an Affirmative Action Training Program, subject to approval, to be implemented effective September 1977, as well as Affirmative Action training sessions to be conducted upon request from units within the division. In addition, the office formed, subject to approval, an Affirmative Action Ad Hoc Committee to address the particular concerns of the division.

Office of Human Development Services

The Office of Human Services (OHDS) is responsible for training programs within the division, as well as for an ongoing tuition reimbursement program.

During fiscal 1977, a total of 5,284 DYFS staff took part in a total of 29 division training programs, for a total of 113,341 people hours of training. These training programs included orientation programs, social work skills workshops, civil service courses, day care training, management training, Spanish courses, Title XX claims training, audio-visual training, crisis training and tuition reimbursement programs.

CONTRACT DEVELOPMENT AND ADMINISTRATION

Office of Contract Administration

The Office of Contract Administration is responsible for negotiating contracts with public and private provider organizations for services to persons who are eligible under Title XX of the federal Social Security Act.

During fiscal 1977, the office provided technical assistance to DYFS field staff in areas of allowable costs for federal financial participation in Title XX contracts. It reviewed and approved current cash expenditure proposals submitted by donors for matching purposes. Also, it coordinated activities of DYFS Renovations Committee, including technical assistance to provider agencies and DYFS field staff and liaison with Department of Human Services' Capital Planning Unit.

The office monitored eligibility determination procedures of all Title XX provider agencies under contract, including inter/intra department contracts. This included reviewing eligibility forms, logging and maintaining files and preparing statistical data for DYFS cost allocation purposes.

Bureau of Day Care Services

The bureau continued during this fiscal year to directly operate 22 day care centers and to contract with 215 community groups to provide day care services to 17,838 children eligible to receive funds under Title XX.

During fiscal 1977, the department continued its audit of a number of service agencies with Title XX child day care contracts. Through these audits it has become evident to bureau staff that the governing bodies of some agencies are not sufficiently aware of the regulations and requirements of the Title XX contract. In order to correct this situation, staff took the following steps:

- Conducted training sessions with members of the governing bodies on the regulations and requirements of Title XX;
- Developed a contract package which outlines the regulations;
- Reviewed the field coordinator's annual evaluation of the agency's Title XX program with members of the governing body as well as members of the staff of each agency.

As a result of audits and program evaluations, several contracts were terminated and the spaces were divided among a number of agencies in the areas concerned. The bureau started the year with 225 day care service agency contracts and ended with 215 serving 361 infants, 8,080 preschool age children, 588 children in need of care during nonkindergarten hours, 6,935 school-age children receiving after-school care and an additional 1,874 receiving summer-only care.

The bureau worked with the department and the Division of Mental Retardation during the last half of the fiscal year to arrange the transfer of 12 service agencies serving primarily mentally retarded and developmentally disabled children to the Division of Youth and Family Services.

During the past year the 22 state-operated day care centers, located in 13 cities with an approved capacity of 1,326 children, operated at 98 per cent of capacity. An increasing number of children needing day care are under division supervision for protective services. At the end of the fiscal year, 30 per cent of our total population was classified as protective service.

Office of Regulatory and Legislative Affairs

The Office of Regulatory and Legislative Affairs (ORLA) provides assistance to units within the division on a wide variety of issues having legal

implications. In addition, the administrator of ORLA represents the director in various meetings with state and federal officals and interested and concerned citizens. The activities of the office fall into three principal categories:

- Legislation—In coordination with DYFS staff, concerned voluntary social agencies and other state and local governmental units, ORLA prepares new legislation and amendments to existing legislation and accompanying regulations in a number of areas affecting DYFS operations. ORLA also prepares and coordinates the division's review and comment on state and federal legislation, regulations and court decisions significantly affecting DYFS operations.
- Operational matters—ORLA assists in developing agency policy statements on issues with significant legal implications and provides day-to-day assistance on operational issues having legal ramifications. As part of its functions, the office identifies issues, confers and consults with the Office of the Attorney General or seeks advisory opinions and statements.
- Contract development—ORLA assists in review of the Title XX contract program in light of changes in federal regulations or interpretations or both, assists in redrafting DYFS contracts with Title XX social services providers and seeks approval of contracts by the Attorney General.

A number of significant legislative and case law developments at the state and federal level have occurred during fiscal 1977. These developments included a comprehensive revision of the Title XX regulations, the new federal regulations on the handicapped, the state "thorough and efficient" law, introduction of a comprehensive foster care review bill and state and federal court decisions concerning minors.