

PUBLIC HEARING

before

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS COMMITTEE

on

ASSEMBLY CONCURRENT RESOLUTION NO. 139 OCR

(Use of casino gambling revenues to assist senior citizens and disabled)

Held:

June 30, 1980

Assembly Majority Conference Room

State House

Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Richard Van Wagner, Chairman

Assemblyman James J. Barry

Assemblywoman Jane Burgio

Assemblywoman Mildred Barry Garvin

Assemblywoman Barbara Faith Kalik

Assemblyman Walter Rand

Assemblyman Karl Weidel

ALSO:

William D. Zuzzio, Aide

Assembly Revenue, Finance and Appropriations Committee

Office of Legislative Services

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ASSEMBLY CONCURRENT RESOLUTION No. 139

STATE OF NEW JERSEY

INTRODUCED MAY 19, 1980

By Assemblymen PELLEUCHIA and GIRGENTI

Referred to Committee on Revenue, Finance and Appropriations

A CONCURRENT RESOLUTION proposing to amend Article IV, Section VII, paragraph 2 of the Constitution of the State of New Jersey.

1 BE IT RESOLVED *by the General Assembly of the State of New*
2 *Jersey (the Senate concurring):*

1 1. The following proposed amendment to the Constitution of the
2 State of New Jersey is hereby agreed to:

PROPOSED AMENDMENT

3 Amend Article IV, Section VII, paragraph 2, of the Constitution
4 to read as follows:

5 2. No gambling of any kind shall be authorized by the Legislature
6 unless the specific kind, restrictions and control thereof have been
7 heretofore submitted to, and authorized by a majority of the votes
8 cast by, the people at a special election or shall hereafter be sub-
9 mitted to, and authorized by a majority of the votes cast thereon by,
10 the legally qualified voters of the State voting at a general election,
11 except that, without any such submission or authorization;

12 A. It shall be lawful for bona fide veterans, charitable, educa-
13 tional, religious or fraternal organizations, civic and service clubs,
14 senior citizen associations or clubs, volunteer fire companies and
15 first-aid or rescue squads to conduct, under such restrictions and
16 control as shall from time to time be prescribed by the Legislature
17 by law, games of chance of, and restricted to, the selling of rights
18 to participate, the awarding of prizes, in the specific kind of game
19 of chance sometimes known as bingo or lotto, played with cards
20 bearing numbers or other designations, 5 or more in one line, the
21 holder covering numbers as objects, similarly numbered, are drawn
22 from a receptacle and the game being won by the person who first
23 covers a previously designated arrangement of numbers on such a
24 card, when the entire net proceeds of such games of chance are to
25 be devoted to educational, charitable, patriotic, religious or public-
26 spirited uses, and in the case of senior citizen associations or clubs

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

27 to the support of such organizations, in any municipality, in which
 28 a majority of the qualified voters, voting thereon, at a general or
 29 special election as the submission thereof shall be prescribed by the
 30 Legislature by law, shall authorize the conduct of such games of
 31 chance therein.

32 B. It shall be lawful for the Legislature to authorize, by law,
 33 bona fide veterans, charitable, educational, religious or fraternal
 34 organizations, civic and service clubs, volunteer fire companies and
 35 first-aid or rescue squads to conduct games of chance of, and
 36 restricted to, the selling of rights to participate, and the awarding
 37 of prizes, in the specific kinds of games of chance sometimes known
 38 as raffles, conducted by the drawing for prizes or by the allotment
 39 of prizes by chance, when the entire net proceeds of such games of
 40 chance are to be devoted to educational, charitable, patriotic,
 41 religious or public-spirited uses, in any municipality, in which such
 42 law shall be adopted by a majority of the qualified voters, voting
 43 thereon, at a general or special election as the submission thereof
 44 shall be prescribed by law and for the Legislature, from time to
 45 time, to restrict and control, by law, the conduct of such games of
 46 chance and

47 C. It shall be lawful for the Legislature to authorize the conduct
 48 of State lotteries restricted to the selling of rights to participate
 49 therein and the awarding of prizes by drawings when the entire net
 50 proceeds of any such lottery shall be for State institutions, State
 51 aid for education.

52 D. It shall be lawful for the Legislature to authorize by law the
 53 establishment and operation, under regulation and control by the
 54 State, of gambling houses or casinos within the boundaries, as
 55 heretofore established, of the city of Atlantic City, county of
 56 Atlantic, and to license and tax such operations and equipment
 57 used in connection therewith. Any law authorizing the establish-
 58 ment and operation of such gambling establishments shall provide
 59 for the State revenues derived therefrom to be applied solely for
 60 the purpose of providing *funding for* reductions in property taxes,
 61 ***[rentals]*** **rental**, telephone, gas, electric, and municipal utili-
 62 ties charges of, eligible senior citizens and disabled residents of the
 63 State, *and for additional or expanded* ***[State]*** **health* services*
 64 *or benefits *or transportation services or benefits* to eligible*
 65 *senior citizens and disabled residents* ***[beyond those services or**
 65A *benefits provided on January 1, 1981]**, in accordance with such
 66 formulae as the Legislature shall by law provide. The type and
 67 number of such casinos or gambling houses and of the gambling
 68 games which may be conducted in any such establishment shall be

69 determined by or pursuant to the terms of the law authorizing the
70 establishment and operation thereof.

1 2. When this proposed amendment to the Constitution is finally
2 agreed to, pursuant to Article IX, paragraph 1 of the Constitution,
3 it shall be submitted to the people at the next general election
4 occurring more than 3 months after such final agreement and shall
5 be published at least once in at least one newspaper of each county
6 designated by the President of the Senate and the Speaker of the
7 General Assembly and the Secretary of State, not less than 3
8 months prior to said general election.

1 3. This proposed amendment to the Constitution shall be sub-
2 mitted to the people at said election in the following manner and
3 form:

4 There shall be printed on each official ballot to be used at such
5 general election, the following:

6 a. In every municipality in which voting machines are not used,
7 a legend which shall immediately precede the question, as follows:

8 If you favor the proposition printed below make a cross (X),
9 plus (+) or check (✓) in the square opposite the word "Yes."
10 If you are opposed thereto make a cross (X), plus (+) or check
11 (✓) in the square opposite the word "No."

12 b. In every municipality the following question:

	Yes.	<p style="text-align: center;">CONSTITUTIONAL AMENDMENT</p> <p>The Use of State Gambling Revenues to Fund Additional or Expanded <i>*Health and Transportation*</i> Services or Benefits to Eligible Senior Citizens and Disabled Residents <i>*[Beyond Those Provided on January 1, 1981]*</i>.</p>
	No.	<p>Do you approve of the amendment of Article IV, Section VII, paragraph 2 of the Constitution of the State of New Jersey, agreed to by the Legislature, which authorizes the <i>*[application]*</i> <i>*expenditure*</i> of State revenues derived from the licensing and taxation of gambling in Atlantic City <i>*[to the funding of]*</i> <i>*for*</i> additional or expanded <i>*health and transportation*</i> services <i>*[and]*</i> <i>*or*</i> benefits to eligible senior citizens and disabled residents <i>*[beyond those provided on January 1, 1981]*</i>?</p>

ASSEMBLYMAN RICHARD VAN WAGNER (Chairman): I would like to call this hearing to order. I have had a few requests from people to be heard a little earlier. In fact, one case involved a babysitter. I think that is important. If that reflects the kind of commitment you have to come down on a bill, when you have to hire a babysitter, I think that is a good thing for the State when people take that kind of an interest.

First we have the Honorable Joseph Le Fante, Commissioner of Community Affairs, and the former Speaker of the House.

J O S E P H L E F A N T E: Thank you, Mr. Chairman, and distinguished members of the Committee. I appreciate the opportunity to be here this morning. I thank you for bringing me on early. My part-time job is babysitting. That is why I have to get out of here. (Laughter)

I, at the outset, Mr. Chairman, would like to compliment and congratulate the Committee that you have been heading up these last five years, or six years---

ASSEMBLYMAN VAN WAGNER: Almost six.

MR. LE FANTE: I just can't help but reminisce and go astray a bit, there have been many tough times that you have had as Chairman down here with your membership, and in case you don't realize it, there are many of us who are involved and have seen you operate from time to time and who appreciate it to no end. The very problem that exists here today, one of them, is that there are very few compliments paid when in order, but the complaints are numerous. I would like to compliment you on the way you conduct yourself and your Committee and the effective manner in which you have been able to produce legislation. I say without any doubt in my mind that your Committee perhaps will go down in history as the Committee that has done more in the State of New Jersey than any other Committee in its existence. I mean that sincerely. I congratulate you.

Getting back to ACR-139, on behalf of the Governor and the Administration, I would like to speak in favor of that resolution, and we consider this resolution a very important one. If approved by the public in November, it would enable us to provide new and expanded health and transportation services to our senior and disabled citizens.

We are certainly aware of the increased longevity of the American population. A child born in 1976 can expect to live 26 years longer than a child born in 1900. A person who is 65 years old today can look forward to being around for another 16 years. In 1977, 11% of New Jersey's population - slightly above the national average - was over 64. Combining the increase in life expectancy with the present low birth rates, we can expect New Jersey's 65 and over population to increase substantially during the next two decades at least. Therefore, we must take steps now to meet the additional needs and services required by New Jersey's older residents.

It is extremely important for us to review and evaluate our present programs and to make adjustments which will better serve the needs of our elderly both now and in the future. In this case, additional flexibility in the use of the casino revenue fund will be of significant benefit.

Back in November of 1976, we recognized the special needs of our senior and disabled citizens. We specifically dedicated the State casino revenue funds to the reduction of their property taxes, rentals,

telephone, gas and municipal utility charges. So far, this State has dedicated \$28 million of the casino revenue fund to additional property tax relief through the Homestead Tax Exemption Program and approximately \$20 million in gas and electric utility credits for approximately 200,000 senior and disabled through the Lifeline Utility Credit Program.

In addition to the programs specifically funded by casino revenues, the State of New Jersey has put together a coordinated effort to provide benefits and services for the elderly, the handicapped, funded by federal and state monies.

The Federal Older Americans Act appropriates \$22.5 million to New Jersey for our elderly. The Department of Community Affairs distributes the monies to our 21 county offices on aging for social services, congregate nutrition and home delivered meals. And, I know you will hear a lot more about that in the coming hours.

The Department of Human Services handles the innovative pharmaceutical assistance to the aged program.

The State pays all but \$2 per prescription of the pharmaceutical costs of eligible senior citizens. The popularity of this program has only been exceeded by its cost. P. A. A. is currently a \$40 million a year proposition and is continually growing. The program is funded, as you know, totally from the State General Operating Funds.

Presently, the Department of Transportation provides a 1/2 fare rate during off peak hours on all bus and rail services to our seniors and the handicapped. The Department of the Treasury administers the property tax deduction program. Approximately 170,000 citizens over age 65 with an income of \$5,000 or less receive a \$160 property tax deduction on their homes.

Within the past few years, we have come to appreciate the fiscal stringencies which limit our ability to expand our programs. Many worthwhile endeavors which the administration and the legislature would like to see implemented have been barred by the lack of a funding source. Many disabled persons have written and called to ask why the pharmaceutical assistance program does not include disabled people. Many have stressed the need for a medically needy program to help those individuals who have enormous medical bills and limited incomes, primarily our senior and disabled citizens. Others have pressed Governor Byrne to keep his promise to institute a "Free fare program" to provide free off peak hour bus and rail service for senior and disabled citizens. Many have stressed to us their concerns about increasing property taxes, utility costs, rents, medical and pharmaceutical costs and transportation services.

The Administration and the Legislature recognize these concerns. Assembly Concurrent Resolution 29, currently moving through the Legislature, is our response to their need for greater property tax relief. The measure would gradually increase the eligibility limits over a three-year period to \$10,000 and gradually increase the tax reduction over a three-year period to \$250.00.

The rising cost of utility bills is recognized in the present lifeline credit program. Assembly Bill 1837, also moving through the legislative process, seeks to increase the utility bill credit from \$100 to \$125 and

to \$150 by October of 1981.

We also recognize the need for a rental assistance program for senior and disabled citizens. And my department is currently working with the public advocate, with the Governor's Office and with the legislative staff to develop a comprehensive proposal to address the needs of our seniors who reside in rented properties.

We are limited, however, in the extent to which we can provide for the increased needs and demands of the target population. The administration believes that Assembly Concurrent Resolution 139 is the vehicle by which we can ensure a broad spectrum of programs for the elderly and disabled. It addresses the increased needs of a growing population who must live on a fixed income or with handicapping conditions or, as in many instances, under both limitations.

The passage of Assembly Concurrent Resolution 139 would allow us to provide new and expanded health and transportation services. Such programs presently under discussion are: Extending the pharmaceutical assistance to the aged program to the disabled; free transportation services for the elderly and handicapped during off-peak hours; and the adoption of a medically needy program.

It is not our intention to attempt to balance the state budget by using casino revenues. It is our purpose to provide additional or expanded services through this legislation. This means that the casino revenues could not be used to supplant state funds already appropriated for existing services.

New Jersey has recognized that a serious present and future need exists and has accepted the responsibility to meet these needs. We believe we can fulfill our commitment by expanding the permitted uses of the casino revenues. Thank you very much.

ASSEMBLYMAN VAN WAGNER: I would like to thank you for your testimony. I would also like to thank you for the kind remarks you made at the outset, and I would also like to introduce the members of the Committee that are at the public hearing. On my left is Assemblywoman Mildred Garvin, to her right and on my left is Assemblyman Walter Rand; on my right is Assemblywoman Jane Burgio, and to her right is Assemblyman Karl Weidel.

There are quite a number of people in the room for this hearing, and I apologize that we scheduled it in here, but we had anticipated the possibility of a floor session, and if there are any people who are not specifically here for ACR-139, I must tell you that this will consume most of our morning, so if you are here for another purpose, other than ACR-139--- There will be a brief Committee meeting following this public hearing, so perhaps you might not want to stay for this public hearing. There are a lot of people who are here specifically for that hearing, and we have a limited amount of space in the room. Any of you who might be here for the Committee meeting later, rather than ACR-139, we will probably not meet until sometime in the afternoon, just as a matter of process.

I will first defer to any members of the Committee for questions of the Commissioner. Assemblyman Weidel.

ASSEMBLYMAN WEIDEL: Commissioner Le Fante, by your statement I know that you are concerned about pharmaceutical assistance for the disabled,

and I know this isn't doing it at this present time, and I know it is funded through the General Treasury, and I know how hard it has been to bring this forth through the legislative process, but on the question of your Department, could you in some way during the next year look into the possibility of devising a program that would include the disabled in the pharmaceutical assistance act?

COMMISSIONER LE FANTE: By all means, we are working on that right now with the Legislature and the Governor's Office.

ASSEMBLYMAN WEIDEL: I have had a resolution in to do it, but I am on the opposite side of the fence, and I will defer to the administration. But, seriously, if someone else has a resolution in to do it, I will do all in my power to help supplement that through the legislative process. We have had various costs, and no one has--- We can have low costs and we can have high costs through this program, and someone of your esteem with your department in the background could finally come to what the cost is and face this head on and see what we can do.

COMMISSIONER LE FANTE: Assemblyman Weidel, are you convinced that we should work the disabled into the pharmaceutical program out of the casino fund?

ASSEMBLYMAN WEIDEL: Any place, but I think that is a lack that we in the Legislature and those of us who are responsible for this haven't faced properly. And when we passed the referendum on the constitution it said disabled, and we have gotten them into most of the programs, but we still lack--- To me a disabled person is entitled to pharmaceutical assistance just as much as a senior citizen.

ASSEMBLYMAN VAN WAGNER: Thank you. I expect that we will get some type of prioritized outline from the Department before we get into the enabling legislation part of this.

COMMISSIONER LE FANTE: Yes.

ASSEMBLYMAN VAN WAGNER: Assuming ACR-139 passes.

COMMISSIONER LE FANTE: I think at this time, Mr. Chairman, it is a partnership right now between the Executive and the Legislative branch and the administration as well. They have been working on it together. The Legislative staff is responsible for the adoption of this and the initial package, and, yes, you will be getting this.

ASSEMBLYMAN VAN WAGNER: I would also like to see this, and I make this in the way of a recommendation, when we get to that point, assuming the resolution passes and it goes before the voters and they approve it, I would like to see involved in the process the various senior citizen groups in the State, because most of them have coalesced to a large extent around a number of these programs, and I think it is helpful if they are involved in the process of developing, you know, their goals and priorities and things like that. I think it helps to get people more involved in the process, and it gives them a better understanding of how these resolutions move throughout the Assembly. I am gratified that there are so many people here today, really, to hear how we move through this process and how difficult it is, and you pointed that out in your remarks, the complexities of it, but I would hope--- I am sure your Department has been very active. I have seen you in so many places throughout this State. I know that you will be doing that.

COMMISSIONER LE FANTE: Mr. Chairman, I happen to not only believe in this proposition so much that the Governor has asked me to personally Chair the bond issue campaign to get it through, and I in turn will be working with the Legislature attempting to do that. He has also volunteered to make himself available at any time and any place, if he can fit it into his schedule, to do the same. So, I think we are all in accord, but I think our major problem at this point is a public relations educational program, and you as Chairman of this Committee know how very vitally important that is, so that the people out there, the general public really understand what it is all about, what we are trying to do, and actually they were gracious enough to give us the original constitutional referendum, and now we have to go back for another referendum to make it work. We are available. I am just delighted that the Governor has flattered me by asking me to Chair that Committee. I am absolutely delighted to be able to say that I am available to the Legislature and to anyone in this State at any time and any place to discuss this subject.

ASSEMBLYMAN VAN WAGNER: Thank you. If you don't mind, I am going to move to a couple of people who have indicated they wanted to testify early and then I would like to move to some of the representatives from the senior groups we have here today, and then go back to some public officials again who are here to testify on behalf of this, and try to intersperse it like that, so that everybody feels they are being dealt with equally and fairly. It is very hard to run an agenda, believe me.

Mr. Arthur Penn, Assistant Commissioner of the Public Advocate's Office is here, and would like to testify on ACR-139. Mr. Penn.

A R T H U R P E N N: Mr. Chairman, members of the Committee, thank you very much. The Department of the Public Advocate appreciates this opportunity to publicly state our strong support of ACR-139. This proposed amendment to the Constitution is a logical extension of the Legislature's initial action to aid senior citizens and the disabled through casino monies. In these times of tight budget constraints, we are fortunate in New Jersey to have another avenue of relief to this group of citizens unduly burdened by inflationary pressures. The proposed amendment provides greater latitude for our social planners by expanding the types of services that can be funded through casino revenues.

The inflationary surge of the 1970's has had a disproportionate effect on the elderly - particularly the necessities of food, shelter, utilities and medical care. Prices in the marketplace have increased 4% faster for the aged over consumers generally.

It was estimated that at a 5% inflation rate over the next ten years, the real value of a pension check would be reduced by 39%. The inflation rate is presently 11%.

ACR-139 would allow government to ease the impact of inflation by extending the use of the casino revenue fund beyond property tax and utility relief to include expanded health and transportation services or benefits and rental relief to eligible senior citizens or disabled residents of the State. This legislation is well-considered and could provide support for programs such as extending the PAA program to the disabled, free transportation services, and the extension of the medicaid program to include the medically

needy, which we strongly support.

The expanded use of these funds for these specific purposes takes on an even greater significance in light of the information released last Wednesday by the Bureau of Labor Statistics on the consumer price index. The index reflected substantial increases in costs in those areas wherein the adoption of ACR-139 could provide needed relief.

Housing related costs are up 17.7% over last year. Health care costs are up 11.5%. Utility costs are up 11.4%, and transportation costs are up almost 20%. I should also point out that food prices have risen 7%, and overall consumer items are up 14%. In stark contrast, social security benefits have risen only 9%. The comparison of these increases are shocking and clearly demonstrates the severe impact experienced by persons on fixed incomes such as the elderly and disabled. This disparity creates hard choices, choices which I would not envy were I older; choices between paying utility bills or buying food, paying the rent or obtaining necessary health care. For the elderly and the disabled, it is fast becoming not a question of living with dignity but a battle for survival.

In regard to health care, the public advocate has for a number of years strongly supported the extension of medicaid to cover the medically needy. The medically needy program would make available comprehensive health care services - physician, drugs, hospitalization, medical supplies, eyeglasses, dental care, et cetera - to eligible elderly and disabled persons. Persons eligible would be those who don't qualify for medicaid, but who are too poor to afford third party coverage. Coverage under the medically needy program would include 45,000 to 60,000 elderly or disabled. Moreover, half the cost of this program would be paid by the Federal Government. Unfortunately, in the past, money has not been available. However, with the expansion of casino revenues this program could become a reality.

We also support the use of casino monies to help pay for extending the pharmaceutical assistance program to the disabled. As of September, 1979, this program helped 179,324 eligible individuals purchase needed medication. It can be expected that this program will be continually threatened by health care inflation. Indeed, the program's copayment feature has already increased.

Another new area covered by ACR-139 is transportation. We supported the present half fare program, which provided 14,350,139 one-way trips by rail and bus in 1979. This program helped provide needed transportation for seniors to obtain food, clothing, medical services and personal visits. However, we have also supported and would like to see this program become completely free during offpeak hours for senior citizens and disabled residents. The use of casino monies would further help seniors become more independent, and less isolated.

We also support the use of casino revenues for rent relief in regard to eligible low income elderly and disabled renters. As with health care costs, the hardest hit are the elderly poor.

We understand that legislation is being drafted to facilitate the rental assistance authorized under ACR-139. We hope this legislation will receive speedy consideration and commit ourselves to working toward that end.

The approval of ACR-139 by the legislature and by the voters in the fall will not resolve all of the problems affecting the elderly and disabled. How often we have heard about the glory of our golden years, the anxious anticipation of retirement while we are young enough to enjoy it, and the freedom that comes with age. Ironically, these notions of growing old in America today have taken on a different meaning; one of fear, resentment, and prospective poverty.

However, the monies which will be made available from casinos under ACR-139 will help to offset these inflationary pressures. Clearly, the quality of life for seniors and disabled persons will be greatly enhanced.

ASSEMBLYMAN VAN WAGNER: I ask this question informationally, because I sponsored a resolution, and Mrs. Garvin sponsored a resolution, and probably there were three or four resolutions to provide money for the medically needy program. Unfortunately, as you pointed out in your testimony, the general fund did not permit us to do that. There was a price tag of \$29 million put on that program, I believe. Your best estimates are that approximately \$15 million of that would be paid for by Federal reimbursement?

MR. PENN: The Federal Government would pay half the cost of the entire program. It would cost the State, according to my best estimate, \$16 million from the entire program, because a lot of State money is now going toward programs which we could get Federal reimbursement for if we had a medically needy program. So, a totally priced package for the entire medically needy program might be between \$16 million and \$20 million.

ASSEMBLYMAN VAN WAGNER: So, the possibility then exists of this program being provided for by the casino revenue monies, that in turn would probably reduce some of the expenditures that are going on in the general fund, which would then become reimburseable by some federal money that we were not previously eligible for.

MR. PENN: That is right. It would substantially reduce the amount of State monies.

ASSEMBLYMAN VAN WAGNER: That was basically what I was trying to get at. Thank you. By the way, we have been joined by Assemblywoman Barbara Kalik who is also a member of this Committee.

ASSEMBLYMAN WEIDEL: I would like to ask a question. In this resolution, what assurances do we have that some future administration might not use casino funds to replace general funds. It was my understanding that this resolution would not in any way change the appropriation as to the general funds, and then you just said---

ASSEMBLYMAN VAN WAGNER: What I said was Mr. Penn pointed out that by providing a medically needy assistance program we would receive certain federal monies for programs that we are paying for in medicaid out of our general fund, all right?

ASSEMBLYMAN WEIDEL: But you implied we could use the casino---

ASSEMBLYMAN VAN WAGNER: No, no, I implied that federal money would flow into that general fund that had not previously flowed into it, but the fact that we were providing from the casino revenue a medically needy assistance program.

ASSEMBLYMAN WEIDEL: Suppose we were providing it from the

general fund, we would still get federal money?

ASSEMBLYMAN VAN WAGNER: Yes, we attempted to provide it from the general funds, but I think the argument here is that it becomes obvious that each time we try to provide it from the general fund, we don't have it, and I think that it has become a point where it has become so crucial that perhaps it may be something that the Legislature would want to consider, and at least have the flexibility of using this fund to do it.

But, the resolution specifically states that the casino fund revenue may only be used for expanded services and benefits under the existing parameters, which is for elderly people, or if you proceed with the disabled, and those who would qualify by age and by definition under the previous constitutional amendment.

So, it only expands those services that they would have been receiving in the areas of rental assistance, of property tax utilities, and telephone and other types of utilities.

ASSEMBLYMAN WEIDEL: It may be early in the morning for me, but I would like a statement to go on the record that would say that this resolution would not in any way substitute funds that are already provided for in the general fund.

ASSEMBLYMAN VAN WAGNER: It says that.

ASSEMBLYMAN WEIDEL: All right.

ASSEMBLYMAN VAN WAGNER: Perhaps you misunderstood the point I was making. The point I was making was that programatically by having a program, there are some residual benefits that we are not looking at. I am not talking about any replacement or transfer of money, which, by the way, according to this resolution could not be done, because it could only be used for those programs. It is very specific.

ASSEMBLYMAN WEIDEL: Thank you.

MR. PENN: Perhaps I confused you by my answer. I apologize for that.

ASSEMBLYMAN RAND: Mr. Chairman, it is interesting to note that both Mr. Penn and Mr. Le Fante spoke about the completely free off peak hours, rather than the present half fare. That legislation is moving very rapidly through the Transportation Committee for free fare for off peak hours. We will probably have that reported out by the end of the month.

MR. PENN: I think it is a very important bill.

ASSEMBLYMAN VAN WAGNER: Mrs. Burgio.

ASSEMBLYWOMAN BURGIO: If this resolution does pass the Senate and the Assembly and it goes on the ballot, will your department be able to help in getting the public to vote for it?

MR. PENN: Well, we will help in any way we can. We have in the past represented many senior citizen groups. We are in constant contact with them working with them on areas of mutual concern, and we will certainly use our best efforts to assure that this matter is passed.

ASSEMBLYWOMAN BURGIO: Getting it on the ballot is only the beginning. Thank you.

ASSEMBLYMAN VAN WAGNER: Thank you, Mr. Penn. Jean Sanders.

J E A N S A N D E R S: First of all, I would like to thank you very much, Mr. Chairman, for calling me early. I am the one who has to get home for a couple of children who are under the care of a babysitter at the moment. I am speaking as an individual, but I do want to mention that Saturday I was at a meeting of the New Jersey Coalition of Citizens With Disabilities, which is a consumer group of consumer groups, on which I am a member of the board, and they at that time did endorse this amendment. I think that should be in the record.

From my own standpoint, I am here being quite optimistic that this is going to pass. I don't know whether I am right or wrong, and I am optimistic about it. When it is passed, there will be accompanying legislation. This legislation to the disabled has different meaning than to the senior citizens. The senior citizens already for the most part have raised their children. When you figure out your income limits for a couple, don't forget to add children. Many of us disabled do have children. We are on lower income than average, although many of us are working. We are the working poor, not those on welfare.

ASSEMBLYMAN VAN WAGNER: I understand.

MS. SANDERS: Many of us have mortgages. Most senior citizens are retired---

ASSEMBLYMAN VAN WAGNER: I know you work, and I know it is very difficult. Mr. Weidel was addressing himself to that earlier.

MS. SANDERS: Many of the disabled have much higher than average medical bills. And, yet, they have been pretty much left off the PAA group.

Also, many disabled - fortunately I am not among them - need twenty-four hour attendant care. This is never considered as a cost item, yet it is a big expense.

To get to my pet project, which is transportation, you are talking about funding free fare for senior citizens. But, most of the citizens in this State live in suburban or rural areas where there is absolutely no transportation. At one time, you could get a bus and go to the urban areas where you could shop. Today these shops have moved to malls which are no longer on bus lines, or we have to take several buses and change. Many people just geographically can't get the buses because of their disability. Many times inclement weather will keep them; often their distance from the bus line is prohibitive. Many disabled Americans and New Jersey residents are unable to work because they can't get transportation from where they live to where they work. I think if there is transportation funding in this legislation, we should definitely consider some form of dial-a-ride to make these people much more independent and able to be self-sufficient so they don't need to be on SSI and other government programs, and can rather be putting into the tax coffers instead of just taking.

I think that sort of ends what I want to say. I am succinct in my public speaking. I don't write speeches, but I do think it is important that citizens be heard. I want to thank you for your time.

ASSEMBLYMAN VAN WAGNER: Thank you for coming down. I think it is important that private citizens are heard, too. I think there are not enough private citizens who come and make their feelings known. I appreciate your coming today. Thank you.

Mr. John Tergis.

J O H N P. T E R G I S: My name is John P. Tergis, and, Mr. Chairman, my testimony, you might say, is devil's advocate type testimony, with one precaution, it is based on the wording used in the constitutional amendment we heard several months ago, and I hope this is taken in that context.

I am Legislative Consultant for the New Jersey Council of Senior Citizens, an organization which represents 250,000 senior citizens in New Jersey and which is affiliated with the National Council of Senior Citizens. I would like to reiterate the stand taken in our legislative conference on May, 14, 1980, that the New Jersey Council of Senior Citizens considers energy cost and additional real estate tax relief for senior citizens and disabled homeowners and renters to be of number one priority for the disbursement of casino revenue funds.

Ever since the Casino Revenue Fund was established, politicians have been bombarding the Legislature with requests for expanding the uses of these funds. Among these are requests to help fund pharmaceutical assistance to the aged, medicaid, medical assistance to the needy, transportation without cost and supervision of boarding homes.

The Legislature must use studied, mature judgement in this matter, because there is a danger that the funds will be spread so thin over so many projects, including those already funded under the general fund, that they will provide no meaningful relief in any major direction.

Please give me sufficient leeway to mention some of the principles discussed at our convention which might help you in your decision.

First, the funds in no way should be used to pay for "pre-existing" programs which are now in existence and which are obligations of the general fund or the property tax relief fund, such as medicaid, PAA or the present Homestead Tax Rebate Program.

Just a word about the PAA program, this program which started out with an estimated cost of \$4.5 million has blossomed into an actual cost of about \$37 million. The sponsor of ACR-139 has proposed an extension of the PAA program costing \$38 million additionally, bringing the cost of this program to perhaps \$75 million, and that is just the beginning. The exorbitant cost would far exceed the value of the program and would certainly curtail other programs which perhaps have a greater priority.

We would like you to know that we are very anxious to work with the proper Committee toward making the PAA program cost effective, without in any way reducing benefits where there is a need for the insurance.

We say this to you to demonstrate that tapping the casino fund, and adding layer upon layer on the present system isn't always the right answer. A careful review of programs would go a long way in helping the Department of Human Resources balance its medicaid budget. I am submitting a copy of our testimony before the Assembly Institutions, Health and Welfare Committee about the PAA program which I hope you will read.

As to transportation, far be it for us to argue against public transportation without cost for senior citizens and disabled persons. But, let me ask you a question, if you were having trouble paying your taxes or your rent, would you rather have free public transportation, or perhaps a \$200 credit on your tax bill or rent? Could you make up the deficit on your taxes by riding the bus a little bit more? The answer is obvious that it is a question of value and priority. I would be remiss if I did not tell you that it has been pointed out to us that free public transportation would be of no value to perhaps one-half of the seniors and disabled persons in New Jersey, because they live in Monmouth, Ocean and several other counties where there is no system of public transportation.

We believe the following principles should govern your decision. The casino revenue program should be a highly visible one benefitting most senior citizens and disabled persons in the eligible classes throughout the State. The program should be one which has been determined after careful study to be of the highest priority.

Energy cost relief and real estate tax relief for senior citizens and disabled homeowners and renters qualifies on both counts. These measures were determined by the Division on Aging to have the greatest priority.

Despite the State Income Tax, New Jersey is the third highest state in the nation in its dependence on real estate taxes for the support of state and local government. The weight falls heaviest on poor families.

About 60% of seniors and disabled families are homeowners. Of these, 53% have incomes less than \$5,000. Social Security for a single person averages \$3500 a year - for husband and wife, \$5,000. One-half of senior citizens have no means of support other than social security. Senior citizen renters are a poorer group; 65% have incomes less than \$5000. Of these about one-half pay more than 35% of their income and rent. The need for high priority of real estate tax relief for senior citizens and disabled homeowners and renters is evident.

We would prefer to see additional tax relief on the tax overload basis circuit breaker, because it would be less costly than the ACR-139 program, which gives the relief to everyone in the eligible classes, whether they have a tax overload or not. Our viewpoint is expressed in our written testimony on ACR-29.

A fairly good additional tax program for homeowners and renters we believe would cost about \$35 million. This, together with the \$40 million for energy cost relief, would just about use up the casino revenue money at this point.

The above are the reasons why we believe the Legislature was right in the first instance in dedicating the funds for energy relief and additional tax relief for senior citizens and disabled homeowners and renters, and we see no reason to change it, at least until these commitments are fulfilled.

Mr. Chairman, if I might say something additionally, I was very glad to hear that you promised to have all senior citizen groups included in the preliminary work in making decisions.

ASSEMBLYMAN VAN WAGNER: I suggested it.

MR. TERGIS: I think that is an excellent suggestion. I hope it is carried out. We don't have a permanent staff, and we are not in Trenton all the time. It is kind of hard for us to keep up.

My testimony was based on our legislative conference in May, and was based on wording which we had, proposed wording, for this amendment which was given to us several months ago. We notice that this present wording is very much an improvement over what we heard. The original wording had a whole litany of things that could be done with this money.

ASSEMBLYMAN VAN WAGNER: Between the time that you apparently met and the time that we finally structured this, there was a considerable discussion among the Committee, and the Committee at our two meetings that we held on this amended the bill. So, what happened was, your meeting was held on May 14, and we amended it afterwards.

MR. TERGIS: I am glad to see that it has two additions to it, health and transportation. And I am also glad to see that it left out the open end of the aspect, like all other services, and I am glad that it has wording in there which everyone agrees would preclude using the money to pay for a pre-existing program.

ASSEMBLYMAN VAN WAGNER: Only new or expanded.

MR. TERGIS: I am very happy to hear that. The medically needy is a necessary program, as has been pointed out to me. But it seems to me that the main thrust of the thing should be given to relief of renters which has been mentioned this morning.

ASSEMBLYMAN VAN WAGNER: That bill is under draft.

MR. TERGIS: What we are talking about is tax relief for renters, not relief for renters as such, which is part of our tax proposal, real estate tax relief for home owners and renters. I think that is the primary thing, and I don't think we should lose sight of this. I guess we are trying to point out that the casino fund just won't do everything. Considerable thought should be given to what really are the priorities.

ASSEMBLYMAN VAN WAGNER: Thank you, Mr. Tergis. Mr. Patrick Logue, Associate Director of Government Relations, New Jersey Hospital Association.

P A T R I C K L O G U E: Mr. Chairman, members of the Committee, I am Patrick Logue, Associate Director of Government Relations of the New Jersey Hospital Association. The Association, which represents hospitals of New Jersey, wishes to express its support for an amendment to the State Constitution to allow the use of State revenues from the Casino Revenue Fund to provide for additional or expanded health services or benefits to eligible senior citizens and disabled residents.

Assembly Concurrent Resolution 139 sponsored by Assemblymen Vincent Pellecchia and John Girgenti would accomplish this purpose and we wish to add our voice in strong support of this resolution. We also commend this committee for its timely release of this resolution and hope that it can be moved through the legislative process in time to be submitted to the voters at this year's November general election.

Our support for ACR-139 as amended by this Committee stems from the inadequacies we observe in present programs of payment for medical costs of those who cannot meet these costs themselves. We all recognize the high cost of medical care in these times and the burden it can place on many of our citizens, particularly our senior citizens. While the medicare program covers basic hospitalization and other medical costs of the elderly and disabled, it does not cover many other medical services such as eyeglasses, dental services, hearing aids and routine checkups. Medicare also contains specific limitations on coverage for post-hospital extended care and home health services.

On the other hand, the medicaid program provides payment for these types of medical services to persons of all ages if they are determined by the state to be "categorically needy." In order for an individual to be determined categorically needy for medicaid he must be receiving financial aid or be eligible for assistance under Aid to Families with Dependent Children or Supplemental Security Income for the Aged, Blind, or Disabled.

Thus we have a system, patchwork in design, which leaves many seniors without adequate medical coverage. I am referring to those citizens who have resources and income high enough to put them above eligibility level for medicaid but nevertheless are unable to afford medical expenses not covered by medicare.

These are the people, and unfortunately there are many of them, who "fall through the cracks" in our present government sponsored health insurance programs. They need as much medical care as any other group of citizens in our state but they represent a serious financial drain on the resources of those who provide their medical care. Such people are classified as part of the "medically indigent" population and represent an operating loss to the providers who treat them.

We see the adoption of ACR-139 as a means to provide additional resources to eligible persons to relieve some of this burden of out-of-pocket expenses for medical services and reduce losses caused by the inability of some individuals to pay for these services.

Let me emphasize also that we support the concept that such funds should be used only for "additional or expanded" programs and not simply to supplant general revenues for existing programs.

Forecasts of casino revenue funds available to the state over the next several years appear to provide an opportunity for expansion of existing uses of these funds to cover both health and transportation services. In addition to present property tax and utility charge adjustments, these added uses of casino funds for health care and transportation provide a more comprehensive package of assistance to our senior citizens and disabled citizens. Application of these additional revenues through specific legislation should have an immediate impact in providing further assistance to those eligible.

In closing, Mr. Chairman, we are pleased to see organizations representing seniors and other interested parties in support of ACR-139 and we are confident the voters of New Jersey, given the opportunity, will give their support to such an amendment to the state constitution.

I thank you for the opportunity to appear before this Committee and would be pleased to answer any questions you may have.

ASSEMBLYMAN VAN WAGNER: Thank you. Freeholder David Crabiel, Chairman Middlesex County Transportation Coordinating Committee.

D A V I D B. C R A B I E L: Gentlemen, members of the Committee, I am David B. Crabiel, a member of the Board of Chosen Freeholders of Middlesex County and Chairman of its Transportation Coordinating Committee. In view of the fact that you, Mr. Chairman, represent a substantial portion of our county, it was nice to hear the remarks of Commissioner Le Fante, and we certainly echo those remarks. Assemblyman Rand, we certainly appreciate your comments concerning the legislation before the Transportation Committee. I am accompanied today by Miss Sally Krause of the Transportation Section of the Middlesex County Planning Board staff.

I thank the Committee for giving me this opportunity to speak on Assembly Concurrent Resolution 139, which would put the question of using casino revenues for health and transportation benefits for the elderly and handicapped to the voters of this State in November.

The Middlesex County Transportation Coordinating Committee's Subcommittee on Elderly and Handicapped Transportation, which is chaired by Miss Nancy Yusko, supports free fares on public transit systems for the elderly and handicapped. Members of this subcommittee include providers of social services in Middlesex County, TCC members, and citizens. It is the opinion of this subcommittee that many senior citizens and handicapped individuals in the county are unable to drive and cannot afford transit fares to go as often as they should to medical appointments, recreation and therapy programs, and other activities that other citizens take for granted.

Statistics compiled by Middlesex County indicate that 40% of our residents over 60 years of age do not own cars, or cannot drive, and several major studies showed that affordability is a major barrier to mobility of both the elderly and handicapped. A large percentage of both of these groups are living on fixed incomes, so they cannot keep up with the high cost of living, including transportation. However, a large number of our senior and handicapped citizens live in the urban areas of the county, and many of them are in senior citizen complexes which are conveniently located near public transit. I might add that Middlesex County is a county of 620-some thousand citizens now, the third largest county in our State by population. These areas include New Brunswick, Highland Park, Perth Amboy and Woodbridge, which are well served by bus and train lines. Free fares would therefore greatly increase their mobility.

Furthermore, transportation services provided by county, municipal or private agencies are often available only to those enrolled in particular programs. For example, the elderly who go to nutrition sites, and the handicapped who go for treatment at such organizations as United Cerebral Palsy, or the county operated Roosevelt Hospital may not be taken anywhere else. So, despite the large number of programs providing door-to-door transportation, the elderly and handicapped must still use public transit and they should be encouraged to do so. While we would prefer that free fares be available twenty-four hours a day, we realize the space limitations on the bus and rail equipment currently in service during rush hour service make this impossible, and that New Jersey Transit has agreed to free service during off-peak hours only when space is available for the anticipated extra riders.

We think that financing the free fares with revenues from the casino operations in Atlantic City is an excellent way of raising the estimated \$5 million to \$7 million per year needed to provide the service. In 1980, \$20

million of the estimated \$63 million that will be received by the State of New Jersey from the casinos is allocated for Lifeline utility assistance program for the elderly and handicapped; \$17 million is allocated for the Homestead program. Thus, the approximately \$26 million surplus and the estimated \$61 million that will be collected in Fiscal Year 1981 are available to expand benefits for the elderly and handicapped. The \$5 million to \$7 million needed for free transit fares should come from this total of \$87 million that will be collected by the State. The Lifeline and Homestead programs will receive their increases of \$25 and \$50 per person respectively. No other program will be sacrificed and our elderly and handicapped citizens will receive a vitally needed service. I urge you to support this important resolution so that the issue can be decided by the voters of our State in November, hopefully in the affirmative. I will be pleased to answer any questions that you might have, or try to. I thank you very much.

ASSEMBLYMAN VAN WAGNER: Thank you. Assemblyman Rand.

ASSEMBLYMAN RAND: Mr. Crabiel, thank you very much for your nice remarks, but we have just gotten the fiscal note on the cost and it is around \$14.6 million for the free fares at off-peak hours, and we are spending about \$5.8 million now.

MR. CRABIEL: That is correct, but the \$5 million to \$7 million, plus \$5 million to \$7 million equals the \$10 million to \$14 million.

ASSEMBLYMAN RAND: It will be about \$9 million. That is the closest estimate.

MR. CRABIEL: We obtained these from the Treasurer's Office last week, so he is more conservative.

ASSEMBLYMAN VAN WAGNER: Anyone else? I would like to acknowledge the fact that Mr. Crabiel has kept us abreast of the transportation issue, and his effort as Chairman of the Middlesex County Transportation Coordinating Committee, and I appreciate that, being the Legislator from Middlesex County. I know the other members of the Committee who have been advised of things that are happening in Middlesex County, in this area, are aware of Mr. Crabiel's efforts, and I appreciate that, and the other people in the State do.

ASSEMBLYMAN RAND: He writes great letters, too.

MR. CRABIEL: Thank you very much.

ASSEMBLYMAN VAN WAGNER: We have three gentlemen who basically represent the same organization, and that would be Mr. Eugene Zoppo, Mr. Clem Finklestein and Mr. George Hooper. One of you three gentlemen can now come forward, but each may give individual testimony.

EUGENE ZOPPO: Gentlemen, I have just attended a National Conference of senior citizens convention in Cincinnati, Ohio. I returned Saturday night to my home in Paterson, New Jersey, and I would like to say that the State of New Jersey has received recognition at that convention, as I read to you from the Health Care Resolution that was passed on prescription drugs, and it says, "The elderly spend \$2.2 billion out of pocket on prescription drugs. Currently New Jersey is the only state which has adopted a program of pharmaceutical assistance to the elderly. The National Council urges that states and Federal Government be encouraged to enact programs which aid the elderly." And I commend the

State of New Jersey for being the pioneer in the health care for the elderly citizens. That is a plus for the State of New Jersey, and we are the ambassadors when we go to other states. I wanted to point that out.

I also want to say that as the immediate past president of the New Jersey Federation of Senior Citizens we have in this room represented 11 counties. We have people representing 11 counties in this State. I don't want to poll our members around and say we represent a half a million - although I could make an argument and say that the Federation represents a half a million, because we represent 505 clubs. There is another organization that represents 245, and they say they represent a quarter of a million. I don't want to toss figures around. I just want to merely say that we represent about 100,000 active people in the State of New Jersey.

The State of New Jersey through its top representative, Governor Byrne, has repeatedly said since 1974 - not yesterday, not the day before - that New Jersey is committed to offer free bus and rail service to the elderly and the handicapped. Year after year, we try moving the bill with very little success in the State of New Jersey. Now, in 1980, there is just a painless way to finance this free transportation program, and that is, let the people of this State who are willing and can afford to gamble help the elderly and the handicapped with their contribution. What is wrong with that?

I for one am prepared to appear before senior citizen clubs and advocate passage of this amendment, because we have monies available to fund worthwhile programs that should be used to render a benefit in the near future. Many senior citizens are not poor, like some riders in some counties in the State of New Jersey. Many senior citizens are not poor and can afford to travel in any style they choose. These are the editorials in newspapers in our State. As a matter of fact, it said that 80% of the elderly live on one source of income. Do you know what that one source of income is? A social security check, that's all. Only 20% are more fortunate to live on a second check, and some live on a third check when they cut coupons. Many senior citizens are not in that category.

Now, the 80% that live on one source of income, the few dollars they may save by riding free will not be deposited in a bank, but will be used to buy other needed goods and services and thereby help the merchants in that community, because that is what they will do. You will release this kind of money, and they can use it for needed services.

I would now like to read to you the prepared statement of the New Jersey Federation of Senior Citizens. The New Jersey Federation of Senior Citizens, a coalition of over 500 senior citizen groups representing over 100,000 seniors from throughout the State, endorses ACR-139, a bill to amend the Constitution to allow the uses of casino revenue funds to be expanded to cover the costs of new and expanded health and transportation programs.

The Federation has long endorsed the principal that casino funds be utilized to start new programs for senior and disabled residents. Many people have argued that all programs for seniors and persons with disabilities should be funded from casinos but we disagree. Those programs presently funded from the general fund, such as the Pharmaceutical Assistance to the Aged, PAA, program should continue to be funded from general revenues. The legislature has made

a prior commitment for these programs to the seniors of this state and this commitment should be kept. The general revenue fund should never be viewed as off limits for senior and disabled programs.

Even with the support of this amendment, the Federation strongly believes there is plenty of money in the casino revenue fund to immediately begin programs under the present limited provisions of the Constitution. A first priority must be the development of a direct rental rebate program for tenants. The present landlord pass along just does not work and renters, who pay their fair share of property taxes, deserve a fairer shake. Secondly, property tax rebates must be increased. The low property tax deductions, as being discussed presently by the Legislature, is a step in the right direction, but additional programs based on ability to pay, such as the Circuit Breaker, should be adopted.

The Federation's support of this measure is a calculated risk. Very important programs, such as the expansion of PAA to the disabled, free fare bus transportation, and a medically needy program, are the cause for our support of ACR-139. We believe that this increase in the uses will be of benefit to the most senior and disabled citizens even while the legislature is made to live up to their commitment of funding programs for renters and homeowners.

Gentlemen, this is the position of the New Jersey Federation of Senior Citizens, and if it goes on the ballot, I can assure you that all our clubs and all our activists - and we have plenty of activists for senior citizen causes in the State of New Jersey. We will be actively campaigning for that kind of amendment to appear on the ballot. We hope by January, 1981, we can say success, we have this kind of program. Thank you.

ASSEMBLYMAN VAN WAGNER: Thank you. Don't go yet, because Mrs. Kalik has a question.

ASSEMBLYWOMAN KALIK: I just wanted to ask you a question, the gentleman who spoke before you, Mr. Tergis, he said that if in fact we would give more money to the utility lifeline credit, and more for a tax rebate, instead of going into other programs, that that would really give more spendable income to the senior citizen. I just want to hear what your comment is on that.

MR. ZOPPO: Well, even in my own family, sometimes we respectfully disagree. Sometimes I don't agree with my wife, and this is one issue on which we disagree, because I think that the question of tax rebates--- Long before we had casino gambling in the State of New Jersey, that problem was dealt with by the Legislature. I believe it ought to be continued to be dealt with by the Legislature. The income tax, for instance, was a provision for which the people of the State of New Jersey felt that they were voting for an income tax which would give them some kind of tax relief. That was completely ear-marked, and I think that is the kind of vehicle we ought to use in the future to continue to give tax relief. I don't think that--- Insofar as the utilities are concerned, I know that a commitment was made and I don't want to go into lifeline, because two and a half years we spent on the lifeline, and we came out with the lifeline utility credit which was passed in two weeks by the State Legislature, but we are satisfied with the lifeline credit. This October the commitment was made that it would go to \$125. I understand that Assemblyman Doyle has a bill now

to increase it to \$150---

ASSEMBLYMAN VAN WAGNER: It is already moved through.

MR. ZOPPO: Fine. I am glad to hear it. It seems to me that putting money in the pockets of senior citizens by saving money on what they can't afford anyway, it seems to me that that would put money in their pockets and they could use that for other needed services.

I think whether you take it from one here and put it here---

ASSEMBLYWOMAN KALIK: Do you think a greater number of senior citizens will benefit by the expanded and new health and transportation benefits, in numbers?

MR. ZOPPO: Now, statistics are a funny thing to deal with. You say the State issues a pass--- It issues a book and says you are entitled half fare. I dare say that there are many senior citizens that have the book. They want to use it when the occasion arises. Some of them don't use it, so you can't judge the fact that you have issued so many books. I made this point at your Transportation Committee hearing only last week, that if you observe a bus riding in the urban areas, you will find that on the average, from 9 to 4:30, they ride with between 15 to 20 passengers. Now, it doesn't increase the cost tremendously when that same bus rides with 40 and 45, and you don't have to put any more drivers on because you are using the same bus. I am not talking about para-transit, and how you bring people from the rural areas from their homes to the bus stop. I am just discussing A-181, the transportation bill, and it seems to me this is the way to go. I don't think that the increase would be tremendous. The figure which was quoted to me as the cost, the \$14 million, I think is inflated. I am a doubting Thomas. I don't even think it will cost that much. The additional monies will have a 10% or 15% increase in ridership if we go from half fare to free fare. This is my opinion.

ASSEMBLYWOMAN KALIK: It won't cost any additional money.

MR. ZOPPO: Not as much as they show it to be.

ASSEMBLYWOMAN KALIK: I asked you the question because you have given similar figures, and I wanted to see what you would say.

ASSEMBLYMAN VAN WAGNER: Mr. Zoppo, I want to thank you for coming here today. I just wanted to say in the face of politicians, your modesty is admirable.

Mr. Clem Finkelstein.

C L E M F I N K E L S T E I N: Mr. Chairman, members of the Committee, my name is Clem Finkelstein. I am the Executive Vice President of the New Jersey Federation of Senior Citizens. I want to thank you for the opportunity of letting me talk about this important matter. I support ACR-139 for several reasons:

1. The casino revenue fund will increase steadily over the years so that it will be able to finance many kinds of programs for those over 65 years of age and those totally or permanently disabled. In the nature of things, program priorities will change from year to year. By expanding the purposes for which the casino revenue fund may be used, the adoption of ACR-139 will make it possible for changed important priorities to be met without further constitutional amendments.
2. At present, the important priorities in the minds of our Federation members, and as I sense the feelings of the law making officers of

our state seem to be in the areas of health, specifically PAA, and transportation. This ACR-139 which provides the means for legislating for these priorities should be passed.

3. I also wish respectfully to stress several relevant matters in considering the passage of ACR-139:

- (a) The legislative body which this Committee represents should have in preparation acceptable legislation to implement the proposed new and the old uses of the casino revenue fund. One of the very weaknesses of the present constitutionally provided for purposes is that except for hastily prepared and passed legislation for utility charges and such relief, all other allowed purposes have languished as limited action verbiage for three years.
- (b) I wish to express my appreciation to this Committee for its recognition of the required action I mentioned in item "a" above. Certainly ACR-29 is a good example of forward motion so that property tax deductions may be extended to meet the needs of marginal, fixed, middle income seniors by raising the amounts of the deduction and the income limit for eligibility.
- (c) The introduction of A-1370 and A-1684 in the Committee on Institutions, Health and Welfare is another step of the required action I mentioned in item 3(a) above. These bills seek to raise the income eligibility levels and to include the disabled in the PAA program.
- (d) The introduction of A-181 in the Transportation and Communications Committee is another example of the required action I suggested in 3 (a). This bill deals with a matter of free transportation. The liberalization of off-peak hours should also be considered in this bill.
- (e) May we call upon this Committee to make effective representations where required to these and other relevant Committee Chairmen and members in relation to a pre-prepared and fully developed action program to effectuate the new purposes when, as and if ACR-139 is approved by the voters.

4. The New Jersey Federation of Senior Citizens has previously informed this Committee that the first priorities in the use of casino revenue funds under present Constitutional provisions is the reduction in rentals and property taxes under a circuit breaker program. It seems that the time has not yet come for the adoption of such a program. I mention it at this time so that this stated New Jersey Federation of Senior Citizens priority

will not be completely forgotten by you. In fact, it is my expectation that you will see the relationship of my reference to the delayed action I mentioned in item 3(a) above. I see much hope in your Committee's activities for a meaningful legislative development of this constitutional area.

5. Finally, it is our fervent wish that this and other legislative committees will make an even greater effort to include the New Jersey Federation of Senior Citizens in the initial stages of setting program priorities, developing legislative programs, and arriving at short and long term legislative strategy.

Thank you once again for this opportunity to talk to this Committee and endorse ACR-139.

ASSEMBLYMAN VAN WAGNER: Thank you, sir. I just want to address myself to some points that you raised relative to the preparation of legislation. That has been done. The proposed legislation which is still under draft is the rental portion. But you will have the opportunity during the period that everyone is lobbying for passage of both ACR-29 and ACR-139 to review the legislation which we are preparing to meet those programs, and I think that would be a somewhat new approach for you because you will be looking at the legislation before the actual amendment is passed. In fact, some of those bills you have mentioned are already prepared, and I would encourage anyone to get copies of those and look at them, so that we can provide that input.

I think that in all situations, whether there be some very fundamental areas of disagreement, generally as we come together we find there are more things we agree on than we disagree on, and I suspect that is what will happen in the legislative process here.

I don't think that we really have a situation where anybody is at cross-references. Certainly we as the legislature and your groups have to start and prioritize some of the things that we are doing. This time you will have an opportunity to look at legislation since it is already prepared. So, hopefully, that will be helpful in developing a coalition of support for this.

MR. FINKELSTEIN: Thank you, Mr. Chairman.

ASSEMBLYMAN VAN WAGNER: Mr. George Hooper.

G E O R G E H O O P E R: Mr. Chairman, and members of the Committee, my name is George Hooper. I am Chairman of the Northern Region and Tax Task Force of the New Jersey Federation of Senior Citizens. I think that it is laudable that you give us a chance to speak on this important matter, because there has been, frankly, much discussion and disagreement between seniors which I think is being resolved now. Everyone has a sincere opinion about the uses of these funds, and to the extent to which they are to be used, and I think a hearing like this is very good.

I will attempt to summarize the position of the Federation by not referring to all the details that have been presented so far, but try to give a little background data and a summary of our resolutions, and an explanation of the basis.

In reference to the background data, I am referring to the original constitutional provision which provides reductions in property taxes, rentals, and utilities as being eligible for these funds, and it also says, "In accordance with such formulae as the Legislature shall by law provide."

Other background material I was going to talk about has already been covered, such as A-1830 where the legislature was going to fund rate restructure bill called for funding from the casino revenues. The lifeline credit has been funded. The PAA crisis last year where there was a switch of \$11 million from general funds to casino funds with reference to the \$50 senior portion of the Homestead Rebate, which freed some monies for other uses, and the fact that the proposed free transportation was included in the casino revenue funds this year, and also ACR-29 has been mentioned as being a legitimate expanding program for such revenues.

Also, I would like to mention the fact that there are bills in the hopper such as ACR-112, which last year was ACR-149, which would create a Commission to recommend the use of these casino funds in accordance with the formula, that must be determined by the Legislature.

Now, the position of the New Jersey Federation is fairly long term in most of these matters. The 1979 convention resolution provides for the establishment of a Commission which should include a member of the Federation to make recommendations on expenditures of casino funds, and the review of the casino funds as a supplement to the funding of new senior and disabled programs with the bulk of funding coming from general revenues.

In 1980 we had a similar type of commitment with reference to the Commission, and our second thrust was that we petition the Legislature to use casino funds to begin new senior and disabled programs with the funding of existing programs coming out of general revenues, and further, the State Legislature should use the bulk of casino funding to immediately initiate programs under the present limitations of the Constitution.

On June 13, 1980, the Executive Board resolution on expanding uses of casino revenues provided that the Federation support a move the the Legislature to amend the constitution to allow casino revenue funds to be used for the cost of expanding PAA and it did not go further than that, because at that point in time the language of the bill was under amendment, and we stayed with just the PAA at that point in time.

With reference to an explanation of our basic position, we agree with other organizations as to the obvious danger of proliferation of casino funds if they are going to be used as a budget balancing device for every proposal needing funding for the elderly and disabled. The constant thrust of our resolutions is to fund existing programs from general and property tax relief funds. In addition, we would call for the return of that \$17 million to income tax funding and releasing more casino funds for the programs which will be specified as either changed, or under the present constitution. We felt that the original intent of that was---

ASSEMBLYMAN VAN WAGNER: Which \$17 million?

MR. HOOPER: The \$17 million that is funding the \$50 credit. In other words, that was previously funded out of income tax revenues, and is now under

the casino budget, so that \$17 million covers the \$50 senior rebate portion, the additional \$50.

ASSEMBLYMAN VAN WAGNER: I am not so sure about that.

MR. HOOPER: Well, in any case, we have as a federation a series of legislative proposals on taxes, utilities, transportation, health and welfare and housing, most of which are covered in our last issue which we furnished you with of Senior Power, and in most cases these will involve funding, and we would stress that we wish that the casino revenues be used for new programs and expanded programs, and not for programs which have already been historically funded through general or income tax revenues. However, we have found when particular legislation is being addressed such as A-181 which is free fare and public transportation, and A-1684 PAA, and various medically needy proposals, we get good support in principle with the proviso that the funding is the problem and it will have to come from casino funds. So, the federation has attempted to take a realistic and practical approach to moving legislation in light of budgetary and political process considerations with a view to getting the show on the road. The Free Transportation issue, as has been pointed out, has been hanging around for five years.

It should also be pointed out that projections call for increasing casino funds while new casinos open with the ultimate level yet to be determined. However, even the rosiest projections do increase the level beyond using such funds as a supplement to general revenue funding. Also, many of the Federation programs, such as property tax relief for renters and amending the Homestead Rebate with a circuit breaker alternative for homeowners, affect non-seniors and must be funded at least in part by general revenues since casino funding is for the elderly and disabled.

In light of these considerations the Executive Board's resolution was designed to support this with reference to new uses only and although PAA was the only thing in the resolution, I believe that legitimate health and possibly transportation measures would be supported.

On balance, we support the flexibility required to get funding for new programs in certain areas of obvious need under clearly defined definitions of new and expanded, such as PAA guideline increases. It is our position that such funding is in the nature of seed money for new programs besides property tax relief and reductions in utility charges during a period when casino funds are increasing toward a higher long term level.

The Constitution gives the responsibility for the determination of these uses to the Legislature and to date all we have seen is a piecemeal approach with a view to solving a particular budgetary crisis. We suggest that the enactment of a bill such as ACR-112 which set up a commission including the elderly and disabled representatives to advise the Legislature on long-term formulae for casino fund uses is long overdue and should be promptly enacted to get legislative recommendations on such long-term use. I recognize the progress that is being suggested as being made here as to senior input, but perhaps a formal commission is indicated by the constitution.

I would just like to quickly summarize the position of the Federation. The funding for existing programs covering basic senior needs should come from

general and property tax relief revenues with casino funding to be used as a supplement for new programs.

The State Legislature should use the bulk of casino funds to immediately initiate programs under the present limitations of the constitution - reduction of property taxes particularly for renters and reductions of utility charges.

The Federation supports amending the constitution to add new or expanded state services or benefits in the areas of health and possibly transportation.

The Federation supports a strict definition of such new programs with casino funds to be used as seed money to get new programs enacted.

The Federation opposes the use of casino funds for programs such as the \$50 senior homestead rebate previously funded from property tax relief funds.

The Federation supports the immediate establishment of a legislative advisory commission including representation of the elderly and disabled to make recommendations on the use of casino funds.

ASSEMBLYMAN VAN WAGNER: Thank you. Mr. Wallace Price.

W A L L A C E W. P R I C E: Honorable Chairman, and members of your Committee, I thank you for this opportunity for presenting the view of the United Cerebral Palsy Association of New Jersey. I am Wallace W. Price, the Executive Director of the United Cerebral Palsy Association of New Jersey, Inc., and I appreciate this opportunity to present my views and comments relative to ACR-139.

In general, United Cerebral Palsy Associations of New Jersey wholeheartedly support the proposed change to the constitution and appropriate legislation wherein the State of New Jersey is recognizing the need to take additional measures to provide adequate and proper support for the elderly and the mentally and physically handicapped of New Jersey. However, I believe there is a general delusion concerning all the good that we in the State have done. I think we feel that because legislation is passed that this represents the end result, and this is not so. I think if you will review the actual care and assistance I have provided, you may have a different view.

In transportation we are speaking about the beautiful systems of providing transportation in the urban communities for the elderly and for the handicapped, half fare, or things of that nature. But have we considered the fact that the handicapped cannot get to the bus; if they can't get to the bus, they cannot take advantage of the half fare. So, I think we have to have a different approach. I think we have to consider some additional means of transportation to get the physically handicapped person to and from the bus stop and to and from his place of employment.

I think we have been under the delusion that we have beautiful adult programs which exist and everyone can participate in them. But we have some adults who are physically handicapped who are prisoners in their homes. They cannot get out to these programs. They have no transportation. The family has no transportation. They have no means of getting there. So, in essence we have a beautiful program and the person remains a prisoner in his home. So, I think we have to modify our programs so we would have adult programs and transportation to get the people from their homes to places where they can socialize and give their families some type of relief.

I think we are under a delusion that we have now started a physical therapy program at Kean College and that this is the end result, but this is the only institution in the State where you get trained physical therapists

and the output is so low that those physical activities that are involved with physical therapy, we have to go outside the State and try to get people in, and we have no means and funds of increasing the number of physical therapists in the community. Therefore, our physical therapy support that we provide the physically handicapped is practically at a low ebb.

I think we are under a delusion that since we have CETA and these other statewide agencies that will provide funds personnel but the actuality is that when you go to a county and when you present a program that is outside that county, they then come up with the question, I can only support you in this county; I cannot support you if you are provided something else somewhere else, regardless of the fact of where you are located. I think these are some of the things we have to review.

In housing, we have beautiful programs in housing except that we have no housing facilities in this state where a person---

ASSEMBLYMAN VAN WAGNER: Mr. Price, I just want to point out that this constitutional amendment has rather narrow parameters on it as it is proposed, and although I agree with everything you are saying, when you talk about the necessity of providing therapy, you are talking about those eligible senior citizens and disabled people; is that right?

MR. PRICE: Yes.

ASSEMBLYMAN VAN WAGNER: I just wanted to be clear on that point, because this has rather narrow parameters.

MR. PRICE: The only thing I want to do is make sure that not only the parameters be narrow, but they will also be some mechanism established to make sure that these are being used to satisfy the requirements. I think that sometimes we have a mechanism that is establishing parameters, but we don't have the follow-up to insure and to insist that the purpose of the legislative body is carried out.

I think there ought to be some funds set aside, and if this can make available funds so that we can get some of these specific programs for the people who are physically disabled, it would be worthwhile.

I think with regard to recreation the State does a good job in providing recreational programs for the citizens. But when you go to the parks system, and when you review the program that is actually established, determine how many of these systems actually provide the assistance for the physically handicapped. I know that it is difficult for the legislative body to establish and take care of all of the needs of the citizen that is requesting assistance, and the only thing I am trying to request is that in your wisdom when you establish the various rules not only should you remember the handicapped, but there are different groups of handicapped. You have those who are mentally and physically handicapped, and the physically handicapped has more of a difficulty and more of a transportation and cost requirement to take care of normal activities.

I thank you for this opportunity.

ASSEMBLYWOMAN KALIK: I just wanted to say I think what you are trying to say is that the original constitutional amendment stated that there would be some provision to help the disabled and we have not met that commitment.

MR. PRICE: That is right.

ASSEMBLYWOMAN KALIK: I think that is what we are attempting to do here.

ASSEMBLYMAN VAN WAGNER: But I don't think housing is a part of that.

ASSEMBLYWOMAN KALIK: I don't know that he wants 100% of what he said, but just wants input.

ASSEMBLYMAN VAN WAGNER: We do have legislation prepared on transportation and that is A-181, and A-1370, and A-1686. I think you might want to get a copy of those for your own information, too. That will give you some idea as to what we are trying to accomplish.

Mr. Malanga, I apologize, sir. I didn't realize you were with the Federation. Please come forward now. He is an Executive Board Member, N. J. Federation.

S A L V A T O R E M A L A N G A: In reference to calling your attention to Assembly Resolution 139, according to the money that was distributed by the Federation program 20 from Washington to the State of \$145 million, in case the State always spoke about never having money for all the programs, but that bill just passed, and everything was working under the poverty level. Cavassing throughout more than nine counties in this State I get in the field from my senior citizens throughout the northern counties, and the appeal is that everything they concentrate on strips the senior citizens into three or four different ways, that is the function of the Assembly and the Senate, and thereby they appeal that they have been discriminated against for the simple reason that you tell them that the PAA program is restricted to maybe 11,000 to 14,000 and they feel discriminated against because they feel they are entitled to it, because they pay the same amount of taxes, and they are under the same constitution. Why are they eliminated, whether it is middle or upper class eliminated from all these programs? That is the comment that I have gotten from all the northern counties. That is why they want to split the state in half, and some of them want to split in half Essex County, and I hear these rumors going around. That is why I call this to your attention. They told me to address the Committee on this, that every time the Assembly and State Senate votes on different programs, they don't want you to eliminate the middle or upper class. You should just make it available to all senior citizens. They should all have the same rights. Thank you.

ASSEMBLYMAN VAN WAGNER: Thank you. Ms. Jackie Scimeca and Jo-Anne Chasnow.

J A C Q U E L I N E S C I M E C A: Mr. Chaiman, members of the Committee, my name is Jacqueline Scimeca. I am here to testify on behalf of the families in Monmouth County by the name of Herbert and Lucy Scott and their daughters. I can make available to you a statement giving me permission to testify on their behalf. I am also here to testify on behalf of the Medically Needy Coalition. We of the Coalition thank this Committee, offer our support and commendations for this move.

Have you ever seen someone have a stroke? Have you ever seen someone struggle or gasp for breath and almost die in front of you? Well, this is what happened to Mr. Scott. Mr. Scott had gone down to the Social Security Office and had just been informed that his SSI had been discontinued. Mr. Scott had

this stroke, because he is unable to afford any medical care or attention. He can't afford his prescriptions. His wife, Lucy, also suffers from congestive heart failure. She cannot afford medical care or her prescriptions. Their twelve year old daughter is brain damaged. There is no medical care for her, either. This is because Mr. Scott gets the huge sum of \$325 a month from Social Security Disability. His wife and child also get \$74 a month. This puts them exactly \$6 a month over the limit for SSI, and therefore they cannot get medicaid. Mr. Scott will be eligible for medicare benefits, but there is a statutory 25-month waiting period for those who earn disability benefits to apply for medicare.

ASSEMBLYMAN VAN WAGNER: How old is Mr. Scott?

MS. SCIMECA: Mr. Scott is in his late fifties. So is Mrs. Scott. This is just one of many families I have had contact with over a period of years that cannot afford medical treatment. I know of a woman who works three jobs around the clock to try and pay for her son's treatment. He has cerebral palsy. He is fourteen. She regularly calls the office saying he is going to die if he doesn't get this test and we have to run around trying to get this money to get this test for him.

I also had a gentleman who was about 67. He was a diabetic in the hospital and his leg had just been amputated. On the same day he got a notice saying he was 50¢ over the monthly limit and his medical care was being discontinued. I cannot say how strongly I support this amendment. I also urge that the Committee release this as soon as possible, get it before the Senate and put it on the ballot in November. I am sure the voters of New Jersey will show enough compassion to pass this bill.

Jo-Anne Chasnow who is from the Medically Needy Coalition will follow this up with facts and figures. Do you have any questions?

ASSEMBLYMAN VAN WAGNER: I have just a statement, and it is triggered by your last remark, so that everybody knows the process. The amendment has already been released by the Committee. The process that is followed in the constitutional amendment is that, one, the Committee acts on the amendment, and it has done so over a period of two meetings, including adding some amendatory language, and when it is released, it then goes to public hearing. During that time and during the time that it is publicly heard as it is now, a period of twenty days must elapse, wherein the amendment is laid on the desks of the Assembly and the Senate. I would suspect that we will then be acting on this in late July in both houses. So that everyone knows what the time schedule is, and the deadline for ballot submission for passage in both houses--- By the way, it does not have to be approved by the Governor. He supports it anyway. But, an ACR does not have to be signed. It goes then directly to the ballot. The deadline for ballot questions is August 3rd, which is ninety days prior to the general election, upon which that amendment will be voted. So, that is the process. I just wanted everyone to know that, so that you knew how it worked.

Ms. Jo-Anne Chasnow.

J O A N N E C H A S N O W: Good morning, thank you for taking this opportunity to accept comments from the proposed New Jersey Constitutional Amendment, ACR-139.

My name is Jo-Anne Chasnow, and I am Chairperson of the Medically Needy Coalition. I am speaking today to let you know the position of the Medically Needy Coalition is one of wholehearted support. We believe that the health services and benefits available in our State are inadequate in meeting the overwhelming demands and that two of the most severely hit populations are the senior citizens and the disabled.

The Coalition's most updated figures for eligibility under a medically needy program shown in number one of the medically needy program benefit sheet in front of you show that over half of those eligible - 46,000 people - are senior citizens and disabled residents. Our Coalition has been heard by the Senate Revenue, Finance and Appropriations Committee, as well as the Joint Appropriation Committee. Both Committees have been supportive of the concept and have recognized the need for a medically needy program, although monies from this State to cover the State's share have not been readily available.

Over half of the State's share of this program would be picked up by the casino money, since over half of those eligible are - as I previously stated - senior citizens and disabled residents. This constitutional referendum would open up a large surplus of funds to expand present programs and initiate new programs in health and transportation for two segments of the population who must have top priority. Our Coalition will be available to offer additional information and assistance, and I will be glad to answer any questions.

ASSEMBLYMAN VAN WAGNER: Did your numbers pretty much jibe with the Public Advocate's?

MS. CHASNOW: More or less. I don't know if I could clarify any of that information.

ASSEMBLYMAN VAN WAGNER: Just the total number.

MS. CHASNOW: Yes, \$29.6 million is the total state share that we are talking about with the offsets of up to \$12.7 million. So that we are talking about \$16.9 million if all of the offsets are met.

ASSEMBLYMAN VAN WAGNER: That is what everybody says, so apparently they expect that all the offsets will be met, because the groups that have testified and done any research on that come up with those same figures. So, that is basically in agreement.

Are there any other questions from the Committee? (No response) Thank you very much for testifying.

I would like to call now Mr. Dale Finch from the Cumberland County Office on Aging.

D A L E F I N C H: My name is Dale Finch. I am the Executive Director of the Cumberland County Office on Aging which is located in Bridgeton, New Jersey in Cumberland County. I am sure you are aware that this is in Southern New Jersey, and I am here today to express some concerns in regard to ACR-139 for those people in Southern New Jersey including the counties of Cape May, Atlantic, Salem, Gloucester, Camden and Burlington as well as Cumberland.

Before I address a particular concern that I have in this regard, I would like to commend the State and the Administration and the Legislature for their endeavors in the program of the lifeline utility credit, and also

the PAA program. I personally feel these two programs have been of significant benefit to the senior citizens of New Jersey, and I would urge that these programs be continued, both in the area of additional credits for utilities and to include handicapped individuals in the PAA program.

Also, I would urge that through ACR-139 any existing program that is in the health benefit or transportation benefit continue, and that no budgetary appropriations be diminished because of this casino revenue funding. I would like to see programs expanded to include a broader segment of the population rather than to decrease any budgetary appropriations.

ASSEMBLYMAN VAN WAGNER: It says "New or expanded." It does not allow for any other inclusion.

MR. FINCH: One area that I find in southern New Jersey that should be addressed is the area of transportation for the elderly and disabled. It is my understanding that much talk is being made concerning the expansion of the existing half fare program to make that a fare free program. This is well and good, but being from southern New Jersey - and you may not be aware - there is a very limited source of public transportation. So, this issue would not really benefit those from southern New Jersey. We find it most difficult in my county of Cumberland for seniors to take advantage of the half fare program. This could be done only if they are going to Philadelphia, Newark, or New York City. So, I feel that the casino revenues should be used to expand existing fare free transportation programs for the elderly and for the handicapped individuals. I know that in South Jersey the counties of Cape May, Atlantic, Gloucester, Salem, Burlington and my county, Cumberland, all have existing senior citizen transportation programs.

Now, for example, in Cumberland County we have a program called Cumberland Senior Bus that provided over 120,000 rides in 1979. This year, through May, we are well above our particular level of service. I am sure that other systems in southern New Jersey are also experiencing an increase in ridership. The reasons are obvious. The difficulty in maintaining and operating a vehicle is very prohibitive these days, and also the convenience, availability and mobility factors of seniors and handicapped individuals is a reason for successes and increases in ridership.

What is the need? In Cumberland County there are over 20,000 persons of age 60 and over. In the county there is approximately 521 square miles of what we consider three major cities, one being Bridgeton, one being Millville, and one being Vineland. We provide a demand responsive system in the three cities with approximately one-half hour waiting period for persons desiring transportation, and also we provide a daily reservation service for those living in the outlying areas of the county. Now, to provide this service in the county, we find it most difficult due to the high cost of fuel, maintaining vehicles, et cetera, and these same problems again exist throughout southern New Jersey and that being a very large area to which we must service our clientele.

To provide this type of transportation, you need to have good, dependable vehicles, skilled and trained drivers and dispatchers and operating phones for fuel and maintenance. The problem as I see it is this: An example would be during 1979, the Cumberland County Senior Bus Transportation System had a

budget of approximately \$214,000. Of these monies, \$112,000 was provided through Title 20, and \$30,000 in county cash, and \$12,000 through Title 3, plus approximately \$60,000 through the CETA program. Our budget for 1980 is such that it has increased \$47,000. That includes Title 20, \$120,000, and the county has increased their share substantially to \$77,000 and Title 3 allocation from the Older Americans Act in approximately \$10,000 and CETA is providing some \$54,000 for salaries. Now, this increase in the budgets over the two years is mainly due to the cost of gasoline and fuel and also to salary increases for the employees. Luckily this year the county had the funds available to provide us with additional funding. However, in the future, I do not see this coming about because of the budgetary caps and so forth.

What this will probably mean is a reduction in service. Now, the problem is simple and that is finances. Let me go through each funding source, and give you a history of it. For Title 20, we receive \$120,000 in 1980. We have already received instructions from the Department of Youth and Family Services that transportation is no longer a priority in their program. We have been guaranteed our 1981 level the same as 1980, however, 1982 will be cut in half to \$60,000 and 1983 a phase-out period. The county again has agreed to provide the additional monies needed to balance the budget in 1980, however, again due to the caps I do not foresee the county being so generous in 1981.

Title 3, the Older Americans Act, again the programs are funded through the Older Americans Act, but there has been no substantial increase in the allocation available to each county.

CETA funding, the public service employment program is currently on a freeze and no new slots have been filled during the past several months. Also, income in the county, I see approximately a \$1 million reduction in the CETA funding for our area. These reductions will be facing similar counties as well.

Now, in this testimony here today we have not discussed at all the area of capital improvements, the purchase of buses and so forth for the system. We have been fortunate in this area to apply for various vehicles through 16B2 and through some UMTA monies available. So, Cumberland County has no particular concern there, but I am sure the other counties may. Based on what I have mentioned, I am recommending monies from the expanded casino revenues become available specifically and appropriated for transportation services for the handicapped and elderly for fare free systems. With that, I will close my remarks.

ASSEMBLYMAN VAN WAGNER: Thank you. Dr. Robert Misurell.

D R. R O B E R T M I S U R E L L: Good morning, I am Dr. Robert Misurell, Director for the Essex County Division on Aging. The needs in Essex County for services to senior citizens and handicapped are perhaps the greatest than any other county in the State of New Jersey. We have the highest proportion of older people who are below poverty level, and one of the highest proportions of handicapped people who are also below poverty level. The Division on Aging currently services in Essex County some 45,000 older people and a large number of handicapped per year, however, despite our best efforts in coordinating a variety of funding, namely Title 20, CETA, Community Development Act Funds, as well as Older Americans Act Funds, our best efforts cannot reach the needs

especially in the areas of health and transportation. I commend the Committee in endorsing this legislation, especially in these two areas, health services as well as transportation.

The medically needy program should not be underestimated as a tremendous plus for the State of New Jersey. Currently, in Essex County alone we have some 800 nursing home beds which are necessary. We in the County Division on Aging have some 250 people waiting to get into nursing homes and now also waiting to get home health care. The medically needy program can impact to some real extent on both of these populations. And the agonies which these people are going under currently are really sinful in our kind of society which has experienced some great wealth and some great poverty.

Under the medically needy program there are some additional benefits which the Committee might not be aware of, and that is, if the State does in fact have a medically needy program the Federal Government will allow a variety of waivers on the medicare and medicaid programs. These waivers currently are inaccessible to us, because of the lack of this program. Essentially what can happen with a waiver is that the actual service delivery system can be refined and better coordinated at the local level. As a result of this, we will be able to save dollars, in addition to those dollars which will be put into the system.

As far as transportation needs in Essex County and a lot of the other northern counties, it is tremendous. What we would advocate very strongly is the utilization of these dollars for para-transit systems, as well as the half fare, and free fare. But especially so far as inter-local services go, we have numbers of towns in Essex County and in fact throughout the State which have their own individual mini bus systems. In Essex County we have an entire program where we are coordinating the route systems amongst various municipalities in order to better service all the people as well as the handicapped.

Inter-local transportation on a coordinated basis, I think, can push New Jersey into the 1980's and 1990's in terms of the model pilot systems which can be developed. In Essex County we are talking about developing a consortium of transportation agencies as well as putting together the inter-local route systems. I would urge consideration later after the bill was passed, that the entire para-transit system be looked upon at the county level. We see very, very clearly in Essex County under the leadership of County Executive Shapiro, that there are indeed a number of funding sources presently which have not been tapped for para-transit needs. The existence of some dollars which can help to stimulate a coordinated system at the county level can go very, very far in really making a permanent and comprehensive system for older folks and handicapped throughout the State. This is a kind of model program which can be tested out in one county and worked out for other counties as well. Some of these rural counties have to develop similar systems.

Overall, I would like to State that Essex County's Division on Aging does wholeheartedly support ACR-139 and we again would just like to reiterate our concern about the orderly integration into existing programs. If these dollars are well targeted, especially in the medically needy program and para-transit program we feel very, very strongly that a lot of other federal dollars

could be leveraged, and in fact in many cases some foundation dollars could be leveraged to advance the state of the art of para-transit as well as the delivery of various medically needy services.

Just to reinforce what everyone else has said, I would like to mention that we do feel very strongly about the use of ACR-139 to supplement general revenues, and it has been repeated time and again that they will not be used to supplement general revenues. I just wanted to reinforce that.

Generally, we feel this is a very strong bill. We believe that a lot can be done, and we do feel strongly that there should be some input at the county level as to development of systems under the medically needy and para-transit program. Thank you very much.

ASSEMBLYMAN VAN WAGNER: Thank you. James Murray.

J A M E S M U R R A Y: Good morning, Mr. Chairman, and members of the Committee, my name is Jim Murray, Senior Planner for the Bergen County Office on Aging. I am pleased to testify before the Assembly Committee. We of the Bergen County Office on Aging have reviewed Assembly Concurrent Resolution 139 and we believe that the bill is essentially good and should be passed. Yet, we would like to note that the bill is lacking in one aspect, it does not really define health services for the elderly nor set parameters for such health related services. If it were to be included in the resolution, it would more adequately provide for the elderly in New Jersey. Thank you.

ASSEMBLYMAN VAN WAGNER: Thank you, Mr. Murray. Ms. Mc Namara

K A T H L E E N M C N A M A R A: Thank you, Mr. Chairman. My name is Kathleen Mc Namara and I am the staff person with the New Jersey Developmental Disabilities Council which is that planning agency which represents developmentally disabled consumers and those state officials who are responsible for providing services to our developmentally disabled citizens. This effort to provide some utilization of casino gambling revenues for health and transportation services for disabled citizens as well as the elderly is extremely needed. The primary intent of this bill this time seems to be to use casino revenues to permit expansion of the pharmaceutical assistance program to the non-elderly disabled and to provide for a free fare program on public transportation for both the disabled and the elderly.

The Developmental Disability Council has long been on record as wholeheartedly endorsing expanding the PAA program to those under 65 with disabilities, since their need for such help is often greater than that of senior citizens. The free fare program may also be desirable, however, many of our disabled citizens do not have access to public transportation in terms of its proximity to their home or unable due to the severity of their disability to make use of public transportation if it is available to them. For such individuals it is necessary to provide a variety of specialized transportation services such as the mini-bus system and the like.

It is the Developmental Disabilities Council's hope, therefore, that utilization of casino revenues to provide for such other transportation services, in addition to instead of a free fare can and will be considered by the legislature - assuming passage of ACR-139 and acceptance of the ballot question in November.

Please be assured of our support for ACR-139 and our firm hope that it is enacted. Thank you.

ASSEMBLYMAN VAN WAGNER: Thank you. At this point, is there anyone else who would like to testify for the record on ACR-139? If there is no one else, this public hearing is adjourned. ACR-139 is now appropriately before the house for consideration sometime in July. Thank you for your patience.

(HEARING CONCLUDED)

[illegible]

