

PUBLIC HEARING
before
ASSEMBLY COUNTY GOVERNMENT COMMITTEE
on
IMPACT OF THE PROPOSED FEDERAL BUDGET CUTS
ON COUNTY GOVERNMENT OPERATIONS

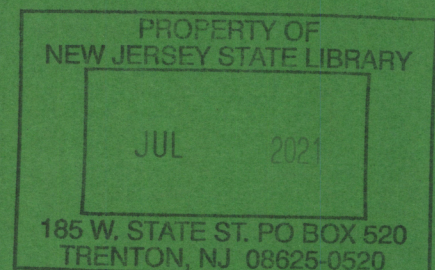
Held:
April 26, 1982
Assembly Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Michael J. Matthews (Chairman)
Assemblyman Thomas H. Paterniti
Assemblyman Harry A. McEnroe
Assemblyman Garabed "Chuck" Haytaian
Assemblyman Guy F. Muziani

ALSO:

Virginia DiBianca, Research Associate
Office of Legislative Services
Aide, Assembly County Government Committee



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Reverend Giles Townsend,
Executive Director,
Ballston Community Center on Agency

Dr. Barbara Bushy,
North Hudson County Action Committee

ALSO SUBMITTED:

Data on proposed project submitted by Patricia Murray,
representing the Morris County Board of Trustees



ASSEMBLYMAN MICHAEL J. MATTHEWS (Chairman): The Assembly County Government Committee has held a series of public hearings this Spring, culminating in the hearing being held today at the State House, in order to gather information on the effect that the Federal budget cuts have had on County government operations during the past year. The Committee also hoped to gain a perspective as to how the projected Federal budget cuts would impact the County government services for the Federal Fiscal year 1983. The response to the hearings has been good and the Committee has already gained much insight into some of the budgetary decisions that the counties have had to face with reduced Federal dollars. We are anxious to gain further insight this morning.

Through the course of the hearings, we have learned that New Jersey has lost approximately one hundred sixty-one million dollars in social services in 1982, primarily in entitlement programs such as AFDC and Food Stamps. There is a projected loss for Fiscal Year 1983 of one hundred and twelve million dollars in the forty-three categorical grants slated to go into the State Trust Fund in 1984. The Committee wants to know how counties have adjusted their services in these areas and how people have been affected in terms of numbers and dollars. Combined with the added loss of certain State funds and spending limitations on the municipal level, county budgets have been squeezed from all sides. On the other hand, it seems that the people are looking more and more for counties to fill the gap.

The County Government Committee recognizes its responsibilities to New Jersey counties to be informed of any difficulties they experience in their operations and to address remedies to these problems when possible. The public hearings have been held to help the Committee achieve this purpose. We welcome information that will be useful to the Committee in its continued deliberations on this most crucial fiscal matter affecting county budgets. The Committee discourages any testimony directed towards political ramifications of the issues, as it has in the previous hearings.

Do we have any witnesses?

MS. DiBIANCA: Reverend Townsend.

ASSEMBLYMAN MATTHEWS: Silas Townsend, Executive Director of Burlington County Community Action Agency.

REVEREND SILAS TOWNSEND: Good morning. My name is Silas Townsend. I am wearing two hats this morning: I am the Executive Director of the Burlington County Community Action program, and also the Energy Committee Chairman for the Community Action Program, Executive Directors' Association of New Jersey. I am concerned about the proposal to cut low income energy assistance. The twenty-three Community Action agencies of this State are advocates for one million poor and elderly persons who have been faced with continuing home energy prices quadrupling in the last ten years, while their incomes have been basically the same.

The Reagan Administration has proposed to cut low income energy assistance programs by one-third to 1.26 billion dollars for Fiscal Year 1983. During Fiscal Year 1982, this program was funded at 1.875 billion dollars, providing 72 million dollars for New Jersey. The Reagan Administration had proposed a much lower funding level for this current year, but Congress funded it at the same level as last year, which was 1.85 billion dollars.

The New Jersey Congressional Delegation, from both parties, opposed the cutting of Federal fuel assistance.

Actually, low income energy assistance was supposed to have reached 3 billion dollars, or more, by this year under the provisions of the Windfall Profits Tax legislation that accompanied the deregulation of oil prices. The

New Jersey Fuel Assistance program provides an average benefit per household of two hundred and seventy dollars to some two hundred thousand households. The actual benefit varies with factors such as family size, including type of fuel.

We also found that the Federal Low Income Energy Assistance legislation designated that the State government should make the decisions about the delivery of Fuel Assistance funds. The New Jersey State Plan indicates the Division delegated the responsibility -- rather, to the Division of Public Welfare -- to manage the program. They use their computers to identify payments to welfare recipients and automatic payments to SSI and Food Stamp recipients. The remaining eligible persons must learn about the program locally, and then seek out the County Welfare Office to put in an application. These non-welfare poor are eligible for fuel assistance needs, but they need outreach to be assured that they receive the assistance.

From the Community Action Agency's perspective, we make many referrals to the Home Energy Assistance Program, and we help expedite the application process. Because people come to us for help and information, we feel that community-based organizations like Community Action Agencies, should be assigned an administrative role in the Home Energy Assistance Program. In other states such as Massachusetts, Rhode Island, and New Hampshire, that is the case.

Energy Crisis Assistance is another important part of the Community Action Agency programs. We have an Energy Crisis Intervention program that provides assistance in intervening quickly to get deliveries of oil and have utility services turned on for people with no heat, or by helping to relocate people who are in danger of freezing due to fires, broken equipment, and landlord neglect.

In the current fiscal year, the Supplemental Crisis Program, funded at three hundred thousand dollars for the whole State out of a transfer from the Home Energy Assistance Program to the Department of Community Affairs, is not big enough to do all of the crisis intervention that is needed. The State should make a new and larger transfer for Fiscal Year 1983 to the Community Action Agencies to do the energy crisis intervention -- energy conservation information, and outreach to low income person. The program should be in place before October 1st, so that aid will be available during the crucial, cold winter months.

The State and County officials of New Jersey should also send a clear message to Congress that the Home Energy Assistance should be funded fully for Fiscal Year 1983. The other very important Federal Low Income Energy Assistance program is funded under the Department of Energy, the Home Low Income Weatherization Program. Last year, the Reagan Administration tried to drop this program as a separate national program, but Congress, including the New Jersey Delegation, resisted. The same scenario is being played again for 1983.

I could talk for another half hour on weatherization because that is something that is very close to my heart, and I have been dealing with it because we find that it is a very cost-effective way of reducing the impact of the high energy cost on low income persons.

Now I am going to switch hats just for a minute to talk about the impact of the Federal cuts at the local level from the Community Services Block Grant. Until 1982, the Community Services Administration conducted a variety of Federal programs designated to combat poverty and to assist the low income citizens to alleviate many of the causes and effects of poverty. The Omnibus Reconciliation Act of 1981 eliminated CSA and shifted the responsibility to the Department of Health and Human Services. The program functions were carried out through the Community Services

Block Grant. The Administration has proposed a funding level for the Community Services Block Grant for Fiscal Year 1983 of one hundred and three million dollars. This represents a reduction of two hundred and sixty-three million dollars, or seventy-two percent from the FY '82 funding level, and four hundred and forty-five million dollars, which is eighty-two percent from the FY '81 funding level. The impact at the local level is significant. Last year we received three hundred and sixty-seven thousand dollars; this current year we expected to receive one hundred and fifty-thousand dollars from the Community Services Block Grant, and if the Reagan Administration's proposal is approved, we will receive less than sixty-four thousand dollars to assist thirty thousand low income citizens in Burlington County.

We have responded as a society to low income people by indicating to them that they should get a job, that through employment, they perhaps will be able to pull themselves up by the bootstraps. We are finding that a number of clients are coming to us with frustrations, not being able to find or locate a job. Of course we have cut, through the Federal budget cuts, the CETA program in terms of employment and job training. There is a great deal of frustration at the local level which agencies like Community Action Agencies cannot totally address because we do not have the resources available to us. The Community Action Agencies leverage a number of other private and public resources to identify causes, and eliminated some of the causes of poverty. We find that a number of our agencies will be eliminated if the funds are not available through the Federal government.

If there are any questions, I would be glad to answer them.

ASSEMBLYMAN MATTHEWS: Do we have copies of your testimony?

REVEREND TOWNSEND: I will provide the copies to you.

ASSEMBLYMAN MATTHEWS: Is there anyone here to testify that hasn't signed in?
(No response)

ASSEMBLYMAN MATTHEWS: This will be the second quickest public hearing I have ever gone to. Let me ask if any of the members of the Committee have a statement to make.

ASSEMBLYMAN MUZIANA: Let me ask a question. If their name appears on the agenda, have they confirmed their attendance?

MS. DiBIANCA: As of Friday, early afternoon. Yes.

ASSEMBLYMAN MUZIANA: So each one of these offices confirmed it?

MS. DiBIANCA: No. Commissioner Renna did, yes. But we heard from him later and he said there were too many things to do this morning, and he couldn't make it, but he was very interested and would like to work with the Committee.

ASSEMBLYMAN PATERNITI: Mr. Chairman, may I speak please? I still feel that although this may be our last hearing, one way or another we should have some kind of input from the various departments. At least the young lady did extend herself. She will definitely have some kind of report to fill us in on some of the answers we are looking for. But I still think we should have some information forthcoming from all of the other departments. We have to have something to work with. That was the purpose of this hearing. We had the people at the County level give us input; they told us their needs and their frustrations. We were looking for answers. We were hoping that we would come here this morning and get some input from the people in Trenton. It didn't happen. I don't think it is too late. I still think we should get some kind of communication from them. We should have the secretary write a letter to the various departments telling them that we want some input

forthcoming on these cuts. Maybe they can open up our eyes. Maybe they can open up the eyes of all the people in the Legislature so we can find some answers and help these people. We have to look for answers. I mean, we are being hit with Medicare, Medicaid, child nutrition, student loans, Federal retirements, the veterans, food stamps, Aid to Dependent Children, even the postal service. I have had requests from various groups: March of Dimes, cancer, and heart. In the past, the Federal government would actually supplement some of the postage for non-profit organizations. I happen to run Central Jersey for the March of Dimes. It is going to cost us about two million dollars in extra postage. If we have to go out and spend this money, that's probably that many less braces some kids are going to have; maybe somebody has cancer and they are going to be getting less chemotherapy; if somebody has a kidney problem, maybe they won't be able to be transported for dialysis; if they have a heart problem, they might not be able to get a pacemaker. We are looking for some answers. We haven't gotten any yet. I still think we should have some input from the various departments. I think a memo should be sent out to all of them saying we would like some kind of a report from them so that we can add this to the rest of the testimony, and maybe we can come up with some answers or some kind of direction.

ASSEMBLYMAN MATTHEWS: Would you identify yourself for the record?
(Speaking to member of audience)

A R L E N E N A S H: My name is Arlene Nash. I am the Legislative Liaison for the Department of Human Services. I will just send you all a copy of this. I didn't think of this in terms of you Committee, because it is really the impact on the State budget of the Federal cuts. But, I am sure it might prove to be helpful. You can have that copy.

ASSEMBLYMAN MATTHEWS: What the copy says is, "Impact of the Fiscal Year, 1982 Federal Budget and Estimated Impact For the Present Fiscal Year, 1983 Budget", prepared by the Office of Federal Relations, Department of Human Services, dated April 1, 1982.

What I was going to suggest, in relation to what Tom said-- We do have findings. I would suggest that we send a letter containing our findings to the various departments and request a response from them.

ASSEMBLYMAN MUZIANA: The thought that I wanted to express is that, in all due respect to the new Commissioners of each one of these departments, do you think we are really being fair to them in asking them to come here today without having a full understanding of what it is they are involved with to begin with? They are just now starting out and beginning to grasp their responsibility. And to be able to come here and talk about this intelligently might be a bit premature at this particular juncture. Maybe at a little later time, after they have had an opportunity to digest what it is all about, they would be able to come here and talk about it with us. I don't know if they had enough time, really, to be able to fully understand the impact on County government? They are involved with the State, and they are trying to understand that one to begin with, let alone the impact on the County governments.

ASSEMBLYMAN MATTHEWS: That is true. But we are a new County Government Committee, and we have our responsibilities too. Newness is one answer, but we are all new on this County Government Committee. The thing is, there is a responsibility that we have as a Legislature. There is a responsibility that we have to address those problems in a timely fashion. I know getting acclimated to the job is a problem, but at the same time we have some pressing problems as you have heard

at these hearings, and we have to address these problems. Time is not always on everyone's side, but there are some people that are being hurt and we have to do the best we can, as expeditiously as we possibly can. I feel that if for no other reason, people should have been here to testify. I, as one individual, am disappointed with the lack of response to this hearing. People did not show up. I think it is a very important subject. We had a greater response with just as much publicity throughout the State than we have right here at the State Capitol. To have one person testify on a subject as important as this is really a disgrace. I don't buy newness as a reason for not being here, personally.

ASSEMBLYMAN PATERNITI: Mr. Chairman, we are ready to strike a budget in this State, and that is why I think we have to address ourselves to this problem. As far as newness, they have hired experts. They have experts. They have people doing research. That is what they are getting paid for. I think they should make this material available to the various Commissioners and then make it available to us. There are people out there that are hurting. Some people are fighting for life and fighting for survival. Time is of the essence and I think you really addressed yourself to that question when you just made your statement.

ASSEMBLYMAN McENROE: Mr. Chairman, I would like to recommend-- We are reviewing a terribly important subject. County Government is closely, as all of us know, tied to State government. We are very much, on the County level, a subdivision of State government. The subject being as important as it is and the response-- Let's not concern ourselves with whether the administration chooses not to be here or to somehow overlook this. I think the subject is so important that we should recess the hearing. If your schedule permits --and I know you have a very busy schedule these days-- and if other members of the Committee can join in again, within a reasonable time -- if, again, the time constraints permit insofar as the budget is concerned; there is no sense having it in August -- I certainly think without any real delay, we should reconvene the hearing, because the comments, the testimony, and the input from the various other hearings were important. Those thoughts have been developed in this preliminary report, indicating that there is genuine concern at the County level. I think the administration and other people have a responsibility. I am not sure they were fully advised of today's hearing and I just think the responsible thing to do is to recess today's hearing and to reconvene at an early date.

ASSEMBLYMAN MATTHEWS: We have someone here who has decided to testify. When is our next Committee meeting scheduled?

MS. DiBIANCA: The 17th of May.

ASSEMBLYMAN MATTHEWS: I would suggest that on the 17th of May -- that would give the departments adequate time, assuming that they are as interested as we are, to prepare themselves -- maybe we can take care of our regular business and instead of coming in at 10:00, we will come in 9:30 and do our regular Committee business from 9:30 to 11:00. Then maybe from 11:00 until 12:00, we will hear from those in government who would like to present themselves. We will now have this hearing recess until 11:00 on that date, if that is acceptable with the Committee members.

ASSEMBLYMAN HAYTAIAN: Mr. Chairman, if I may. I was a little upset this morning when I came in because I thought, quite frankly, that although we have had Committee hearings in most of the State -- it was broken up into three sections, as I remember -- I don't remember, quite honestly, on the day we discussed it, that the hearing in Trenton would take in the administration. If I missed that, then

I apologize, but I do not believe I missed that. I know we talked about it. County Government in the three sections, and it was broken up into three sections, but then I thought the hearing here was to be a wrap-up of those three meetings, with the findings. Again, if I am mistaken, I apologize. I don't believe I have mistaken that. If we are going to look at the administration and say there is no interest, I think that is wrong because I saw the list of witnesses for the first time this morning. I believe you have also. I didn't know that they had been invited, because if I had known they had been invited, I would have called a number of them, specifically to ask what their thoughts were, preliminarily before this meeting. I think it is important that we know what the administration feels. I don't think we should take off on them. But to recess until 11:00 on the 17th I think is a very good move.

ASSEMBLYMAN MATHEWS: Let me say that as a prerogative of the Chair, I directed Virginia to get in touch with the various groups. Number two, I know it was discussed. You may not have heard it. There were some discussions because I was aware, as Chairman, of what was going on, and maybe we didn't discuss it fully enough at that point in time, but that was my understanding. If you did not know, then there must have been a communication problem and we will make sure that doesn't happen again.

Doctor Phaire, would you like to come forward. Good morning.

DOCTOR BARBARA PHAIRE: Thank you. Through a variety of programs, the North Hudson Community Action Corporation has served twenty-four thousand one hundred and sixty individuals in seven municipalities. Fiscal '82 budget policies have limited service delivery levels. Two programs have ceased operation: one is Service with Able Youth, a low income youth employment program helping senior citizens and marriage counseling, leaving our area with no comparable services. In addition, our Energy Crisis Intervention Program terminated in March, and the Community Food and Nutrition will do so in September.

Moreover, WIC certification levels were reduced by one thousand seven hundred and thirteen, and the program faces further cutbacks for Fiscal '83.

These losses mean nine thousand two hundred and seventeen clients have lost necessary services in mental health, social adjustment, energy conservation and emergency heating, various nutritional assistance, and youth employment. Our Prenatal Clinic lacks money for a part-time physician in the Fall of '82, which will severely endanger its services and probably close the program.

The picture for Fiscal '83 is very bleak. The proposed cuts of over seventy percent in Community Service Block Grant monies would close our Agency, removing such services as housing and tenant/landlord assistance, job placement, social services, aid to Cuban entrance, and other related services. The lack of our Agency's sponsorship would also close immigration and naturalization assistance, alcohol rehabilitation, which lack the funding to assume the administrative and fiscal supports necessary to continue. Moreover, new regulations have made Community Action Agencies ineligible for Summer Feeding program sponsorship; therefore, the two thousand three hundred and ninety-five young people fed last year will likely go unfed.

Our Prenatal and Family Planning clinics and Head Start programs could probably survive budget policies, but only at reduced levels and only after disruption necessitated by reprogramming to replace the missing support components.

Thus, without a major change in budgetary policy, I would say that all of our over twenty-four thousand clients will be deprived of necessary services within the next year.

Where is this happening? It is happening in a community of two hundred and eleven thousand seven hundred and sixty-nine people, 30.6 percent of whom or 67,710 live in poverty, according to the Federal Income Poverty Guidelines.

Unemployment overall is 15.6 percent, and some municipalities have 18 and 19 percent. Our vacancy rate is one-half of one percent, and 70.6 percent of all housing units were constructed before 1939. Many of these houses are energy inefficient and lack basic facilities such as private bathrooms and hot and cold running water. The value of employment assistance, a tenant-landlord program, and assistance with energy related problems can easily be seen.

Another area where the impact will be critical is that of health care, especially in regard to pregnant women and infants. Hudson County exceeds the state in maternal, fetal, and infant mortality. In addition, sixty-five thousand of our county residents are medically indigent, twenty-six thousand of whom reside in the North Hudson service area.

Should our Prenatal Clinic close or be forced to reduce services, where will the women of this population find quality care? These are some indications of what Fiscal '83 budget proposals will mean for our area. However, we must also consider those funding reductions which will impact on our community as a whole, and thereby increasing the number needing the services similar to those provided by Community Action.

Changes in eligibility formula for AFDC and Food Stamps will seriously reduce the number of recipients, forcing them to turn elsewhere for assistance. But, where will that be? For example, regulation changes will make three thousand five hundred and eighty-seven households ineligible for food stamps, and twenty thousand, three hundred and twenty-seven others will have reduced benefits in Hudson County. Thus, a demand for nutritional services will increase, but the Community Action Agencies will no longer be there to help.

Furthermore, elimination of minimal AFDC benefits deprive these people of Medicaid eligibility, resulting in an increasing demand for medical services and a rise in an already high medically indigent population.

The situation is serious, with reductions in one area impacting in many others. Without serious rethinking, the future can only mean poorer health, malnourishment, less educational success, thus less future employment success for our citizens. Thus, less income generated for our society means continued economic depression, higher unemployment, high health costs, and a greater demand for more long-term public assistance.

Thank you.

ASSEMBLYMAN MATTHEWS: Thank you, Doctor. I'm sorry you got lost.

DR. PHAIRE: I'm glad I found you.

ASSEMBLYMAN MATTHEWS: Is there anyone else? (No response)

I have some summary comments, but would anyone else from the Committee like to discuss this?

ASSEMBLYMAN PATERNITI: Mr. Chairman, I would just like to thank the people that addressed us today, and have addressed us in the various sections of this State. I think a lot of their input has been very helpful. I know when I chaired the Committee in Central New Jersey, at the Rutgers Labor Ed Center, we had a lot of people come forth to fill us in on what their problems and needs were. I thought it was very helpful. It opened up my eyes to a lot of problems that we are facing, and it showed me that this Committee has a lot of work ahead of it.

I think maybe if we put our forces together and we work together, then maybe we could come up with some answers. I know they are looking for answers, and I think this body is going to have to do that.

ASSEMBLYMAN MUZTANA: A thought has just occurred to me, will it be our purpose to finalize the facts as we have gotten them over the period of a few weeks, and then as a last resort make our pitch to the Joint Appropriations Committee? Are we going to them to ask for adjustments in the budget or to make recommendations to them as far as the budget is concerned? Is that our purpose?

ASSEMBLYMAN MATTHEWS: Our purpose is to first find out the problems and to work towards solutions. There may be administrative solutions and there may be legislative solutions. We are not going to be able to solve all of the problems. It could get to the point where a county is willing to spend the money and maybe need cap leeway to spend the money. There are several solutions we could suggest to attack the problems, but we are not going to be able to solve them all. I think the idea in having these hearings is to see what we can do to try to get the appropriations. We have approximately two months to get to the Appropriations Committee, before the budget is passed -- up to two months. It has to be passed by June 30th. There may be some recommendations we can make. That is why we want to get input from these various agencies, to see what we can do. The timing, of course, has hit us all at once, and with the Appropriations Committee winding up right now -- I guess within the next week or so, if they haven't already wound up -- then we will have to see what other kind of amendments we can make to the budget, if any.

ASSEMBLYMAN PATERNITI: Really, it might open up our eyes. For example, we might be able to come up with some ways of resolving some of the problems. For example, I am looking at the Guaranteed Student Loan. I know Senator Weiss presently has a bill that passed the Senate. It is coming up before the Assembly, where they want to put together some kind of bonding procedure where colleges will be able to float bonds and in turn be able to give student loans to students whose families make over thirty thousand dollars a year. These are some of the answers we are looking for. We may be able to do that with legislation in many of these other areas. Where Federal government can't help us, or the State can't help us, we may be able to come up with legislation that could put the mechanics in order so that we may still be able to help these people and fulfill whatever their needs are. I think these are some things that actually opened up my eyes.

ASSEMBLYMAN HAYTAIAN: Mike, do these things relate to County government? I was just over at the New Jersey Association of Counties' meeting. They were meeting with the Legislative Committee. Dave Crabiel has been meeting since 9:30 this morning. They have gone over a number of areas; for instance, on the caps. They may recommend to this Committee -- and I have suggested that they come to this Committee with legislation that they are looking for -- specific legislation as well as an overall viewpoint. They may suggest that the cap not be changed. Leave it the way it is. That will be an earful for a lot of legislators as well as County officials because the caps have been a sore spot for counties. But with the exemptions that are presently in place, it may be that the counties can live with a five percent cap. So, we are going to have our eyes opened when they come in. In essence, this is what happened in the three areas of the three hearings. I don't really know, I guess I am piggy-backing on Guy to find out, but are we going to be in a situation, procedurally, to suggest legislation before the budget is enacted? I really don't know. This is your prerogative and are we going to do that as a group?

ASSEMBLYMAN MATTHEWS: Let me say this: Since we are still having hearings, it is hard to draw a lot of conclusions at this point in time. If legislation is drafted, it will only be drafted with everyone's approval, such as the Senate and the Governor's Office, because without the three, naturally we cannot get it passed. It will not be a political football, but a realistic solution to the problem. I don't know. We are still evaluating what we had here, and hopefully we will find out in three weeks from now what we can do. I know most of the problems now. Now we have to work toward solutions. It is every Committee person's prerogative, certainly, to evaluate what we have done. You will get copies of the transcripts as soon as they are available, at least from each hearing. I assume the first one should be done, if not very close to being done, on the first hearing we had. You will get all of this information to study, and any suggestions any Committee members might have, we will examine them and give them due consideration.

ASSEMBLYMAN PATERNITI: I have no other questions.

ASSEMBLYMAN MATTHEWS: What I would like to do, if there are no objections, is to go through a summary of the findings we have from the other hearings, prior to this one. This will be part of the record so that it will be something that we can look at.

The primary effect of Fiscal Year 1982 has been the loss of preventive and support services to lower income people - day care, home health care, and Medicaid Eligibility.

Block grants tend to pit recipient groups against each other - the elderly, working poor, and the medically needy.

Counties are beginning to have to choose among cutting employees, cutting services, or raising taxes.

Projected Federal Losses to New Jersey for Fiscal Year 1983:

AFDC, \$51 million reduction -- problems are compounded with loss of Medicaid coverage when AFDC is eliminated.

Medicaid, \$55 million reduction.

Food Stamps, \$76 million reduction -- this loss may discourage commercial investment such as food markets in urban areas.

Welfare, \$51 million reduction -- concern with rounding down welfare benefits to the lower dollar amount.

Older Americans Act cut by 25 percent in 1982 -- proposed termination of Senior Citizen Employment, 54,000 seniors in New Jersey are going to be affected.

CETA, \$44.6 million reduction or 46 percent of the participants -- proposed phase out by Fiscal Year 1984; affects county employment, support services, day care, home health aides, and public works.

Education -- \$12 million reduction in Fiscal Year 1982; \$10 million reduction in child nutrition funds for Fiscal Year 1982; primary impact on the disadvantaged, handicapped, vocational education.

Business tax cuts - encourage new construction, not rehabilitation -- reduced funds towards improvement of infrastructure such as roads, bridges, and sewers, are a deterrent to industrial activity.

Housing -- termination of Rehabilitation Loan program and Section 8 Rental Subsidy; for counties: deteriorating quality of housing units, loss of ratables, increased tax rates.

Transportation -- \$13 million reduction, 38 percent, will primarily affect urban systems.

"Spin-off effect" of these reductions is the greatest concern of counties, as they could mean higher costs in the long run. Example: reduced funds for home

health care - increased costs of institutionalization; reduced funds for alcohol and drug abuse treatment - increased law enforcement costs; reduced funds for day care - increased costs for public assistance, loss of work incentive for low-income working mothers.

What we will do is adjourn these hearings until May 17th at 11:00 a.m., and we will confine the hearing to those who we have contacted. We will make sure that all members of the Committee get carbon copies of letters, to whom we sent them, what we sent in those letters, and what the responses are from those we would like to have participate at the hearing, which will be at 11:00.

If the Chair finds that 11:00 is not a sufficient time, 11:00 to 12:00, then we will change the time accordingly. We will try to do our regular business from 9:30 to 11:00, and then have the testimony. We can suggest, as I have at other hearings, that they summarize their findings and not make lengthy speeches, just try to get to the nitty-gritty. That would be appreciated. If we find we are short on time, we will then alter the Committee's time for business and maybe we can do it at some other time during the day.

ASSEMBLYMAN MUZIANI: Mr. Chairman, I just want to ask Virginia a question. Regarding housing, the termination of the Rehabilitation Loan and Section 8 Rental Subsidy, would you find out if that is immediate what the time table on that would be? Would you find that out for me?

MS. DiBIANCA: Sure.

ASSEMBLYMAN HAYTAIAN: I have a procedural question on the time. I thought the Committee hearing times prior to these sessions were 10:00 to 1:00. Is it 10:00 to 12:00? I just want this procedurally. I thought it was 10:00 to 1:00.

ASSEMBLYMAN PATERNITI: Are you talking about elderly and handicapped housing? Does it have to do with the elderly and handicapped housing?

ASSEMBLYMAN MATTHEWS: Wait. Please, let's have some decorum and order-- through the Chair. This is not a Committee meeting, it is a hearing. Is it 1:00?

MS. DiBIANCA: Yes. We are given 10:00 o 1:00, if you need it.

ASSEMBLYMAN MATTHEWS: Okay, fine. That will give us two hours. We may need more time. I want to start at 9:30 that day. I think we should have sufficient business that day, assuming we have our agenda. I'm sure a lot of people had a lot to think about in the last six weeks; they will bombard us with legislation.

Is there anything else? Tom, do you have anything else?

ASSEMBLYMAN PATERNITI: No.

ASSEMBLYMAN MATTHEWS: With that, we will recess until 11:00 on the 17th of May. Thank you very much.

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ON COUNTY GOVERNMENT OPERATIONS

AREA OF COUNTY GOVERNMENT

EXPECTED/PROPOSED CUTS

ANTICIPATED/PROJECTED IMPACT

Department on Aging

\$105,155. in Title III-B
(supportive services) and
Title III-C (nutrition) of
Older Americans Act funding

\$8,373. (or 9.85%) reduction
in USDA reimbursements

\$41,808. cut in the senior
community service employment
program

-Lessening the impact of programs and services and reducing the number of individuals that can be served, specifically, the low income and minority aged for whom services are most vital.

-Curtailling the following services:

-Homemaker-Home Health Aide service and chore services which are being provided only to the client with no other in-home support (spouse, family, etc.)

-Chore service which is being provided only to clients with no other means for this support.

-Adult protective service both the remedial aspects of the service and the preventative.

-Emergency support services which is temporary but often a life protective nature.

-Outreach including telephone reassurance to the isolated and lonely.

-Legal assistance which is primarily provided to persons with social security or SSI problems.

-Home repairs service which affects better health and safety standards in the home.

-Counseling of the elderly which is both of a mental health nature, intervention, prevention, and client networking.

-Reduction of the number of meals served in the nutrition sites and delivered to homes.

It should be noted that while the county aging population is growing, the Department has not and cannot build in any increases in services. Also, cuts in other programs have resulted in more of the 60+ age group falling into the definition of low income, thereby qualifying for services.

In Morris County, the high per capita income makes being poor here even more stressful than elsewhere in the State and Country.

AREA OF COUNTY GOVERNMENT	EXPECTED/PROPOSED CUTS	ANTICIPATED/PROJECTED IMPACT
Department of Community Development	Actual 15% cut in program budget (from fiscal 1981 level) with an additional 5% cut anticipated for 1983	<p>-Cuts in the program budget have resulted in the following:</p> <ul style="list-style-type: none">-reduction in department staff-reduction in the number of projects to be funded (while the number of applicants has increased due to budget reductions in other programs)-reduction in the amount approved for each project (from requested amount)-decline in the number of dwelling units to be rehabilitated-inability of the County to meet the goals set in the Housing Assistance Plan because of the lack of funds for new construction of assisted housing
Probation Department	Potential reduction in Title IV-D (child support) reimbursement system.	-Less revenues to the county for offsetting the administrative costs of this program.
Board of Public Transportation	<p>Elimination of funds for the Rural Transportation Program (USDOT - UMTA Section 18) which was funded 50% USDOT, 25% New Jersey Transit and 25% County. (The 25% New Jersey Transit contribution may also be terminated due to the reduction in USDOT - UMTA Section 5 operating assistance funds) The annual cost of this program is approximately \$140,000.</p> <p>Reduction in FY 1983 federal Section 5 funds to New Jersey Transit who pays the full 50% local match for our Urban Transit Assistance Program.</p>	-Potential that the Morris County Metro bus system will be substantially reduced in the number of routes and frequency of service.

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EXPECTED/PROPOSED CUTS

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Board of Social Services

Direct reduction in Federal dollars for specific programs, i.e.,

	<u>1982</u>	<u>1981</u>
Title 20	\$ 335,215.	\$ 411,000.
AFDC	4,541,000.	4,894,000.
SSI	518,250.	516,000.
CS&P	142,906.	135,650.
Total Budget:	\$6,816,660.	\$7,119,398.

- Discontinuation of the Home Economics program*
- Termination of the Board Home Unit*
- *In-house assignments were readjusted to attempt to cover these services.
- 97 AFDC cases were closed (only 32 of which remained eligible for NPA food stamps
- (See attached case situation description)
- \$329,944. loss in federal income for Morris County

Projected \$100 million dollar cut in Title IV-D expenditures nationally.

The following departments indicated that the proposed federal budget cuts would have little or no impact on their operations:

County Adjuster

Clerk of the Board of Chosen Freeholders

Courts

Office of Emergency Management: (will be receiving an increase in their budget)

County Engineer/Superintendent of Public Works

Fire Fighters & Police Training Academy

Medical Examiner: (not applicable)

Morris View Nursing Home

Park Commission: (no impact with the exception of loss of CETA staff)

Personnel: (no impact with the exception of accomodating any lay off which might result from cuts in other areas)

Planning Board

Office of the Prosecutor

Board of Taxation

Office of the Treasurer: (no impact with the exception of increased workload to close-out programs and locating sources of funds to replace lost revenues)

Case Situations

Ten clients have quit their jobs. Seven of these clients were not employed full time and most of them had children under six. Major problems.

1. Cost of child care availability of child care cost of transportation (car upkeep, insurance, ect.)

Twelve complaints about the disregard being discontinued. Parents losing the AFDC grant complained about losing Medicaid. Others said every little bit helps. Again mentioning housing cost, and utility costs continue to rise.

Fifteen - twenty complaints about the changes in resource limits. Clients are extremely upset about insurance policy and burial plot. They are upset about information being reviewed again.

At least fifteen complaints about change in stepparent regulation. These are low income families and there are often other problems. Cutting off welfare and Medicaid for the dependent children is a real concern. One marriage has broken up. We worry about child abuse.

Example:

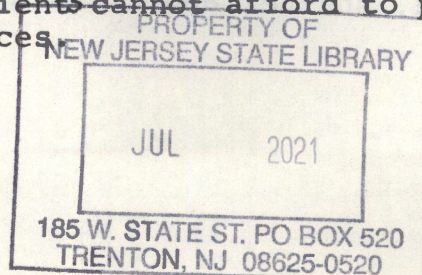
AFDC mother lost eligibility because of stepparent regulation. She receives no support from father of her children. They have no medical coverage and are not covered on stepfathers medical/hospital plan.

Example:

A stepfather is sending his own children to college and is determined to do this. New regulation puts a great strain on second marriage. He may leave.

One client recently told the worker she was going to marry just to survive. She can't make it on welfare with increase in housing costs. She doesn't really care for this man but it will get her off welfare.

Other clients have reported cutting back in child care costs by leaving children alone. We have had one complaint where three children were being left alone at night with the oldest child only nine years old. The clients cannot afford to pay for child care and are taking chances.



Major areas of concern continue to be in the areas of:

1. Housing/related costs i.e. utilities.
2. Medical needs.
3. Day care services.
4. Allowance standards are unrealistic.

Regulations which require a second look

Example: Value of car making new applicants ineligible. Intake worker tells me this regulation locks applicant out from temporary assistance until she gets a job for which she would need her car. This regulation should be looked at by legislators.

Another regulation that is putting applicants in limbo is when father quits a job. No food stamps for 60 days, no ADC for 90 days if N (no federal matching) segment, for 30 days if F (federal matching) segment. We have a mother, father and three children ages 8, 9, and 10 who are now in this trap. He was netting about \$400/mo driving a truck. He was getting long-haul assignments. Wife has been in and out of hospital with GYN problems and doctor orders bed rest. Children all sickly. They are three months behind in rent (\$250/Mo. for two bedroom place) and the electric is due to be shut off. They have clinic cards. We have given emergency food and referred to DYFS For Medicaid coverage for the children. Technically the children don't qualify, they are neither abused nor neglected.

Another regulation that we've had clients call about is ADC mother and children move in with grandparents. Total household income is looked at for food stamps. Many found ineligible. Creates tensions especially when grandparents are on fixed income themselves and ADC mother finds it more difficult to work her way out of the situation.

Clients who have lost ADC have called to complain because they have to pay day care fees thus reducing their income to pay for food, shelter and clothing.

