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PUBLIC HEARING

before

JOINT BUDGET OVERSIGHT COMMITTEE

To Hear Testimony on the Federal Block Grants
Administered by the Departments of
Community Affairs, Health, and Human Services

October 8, 1987
Room 424
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

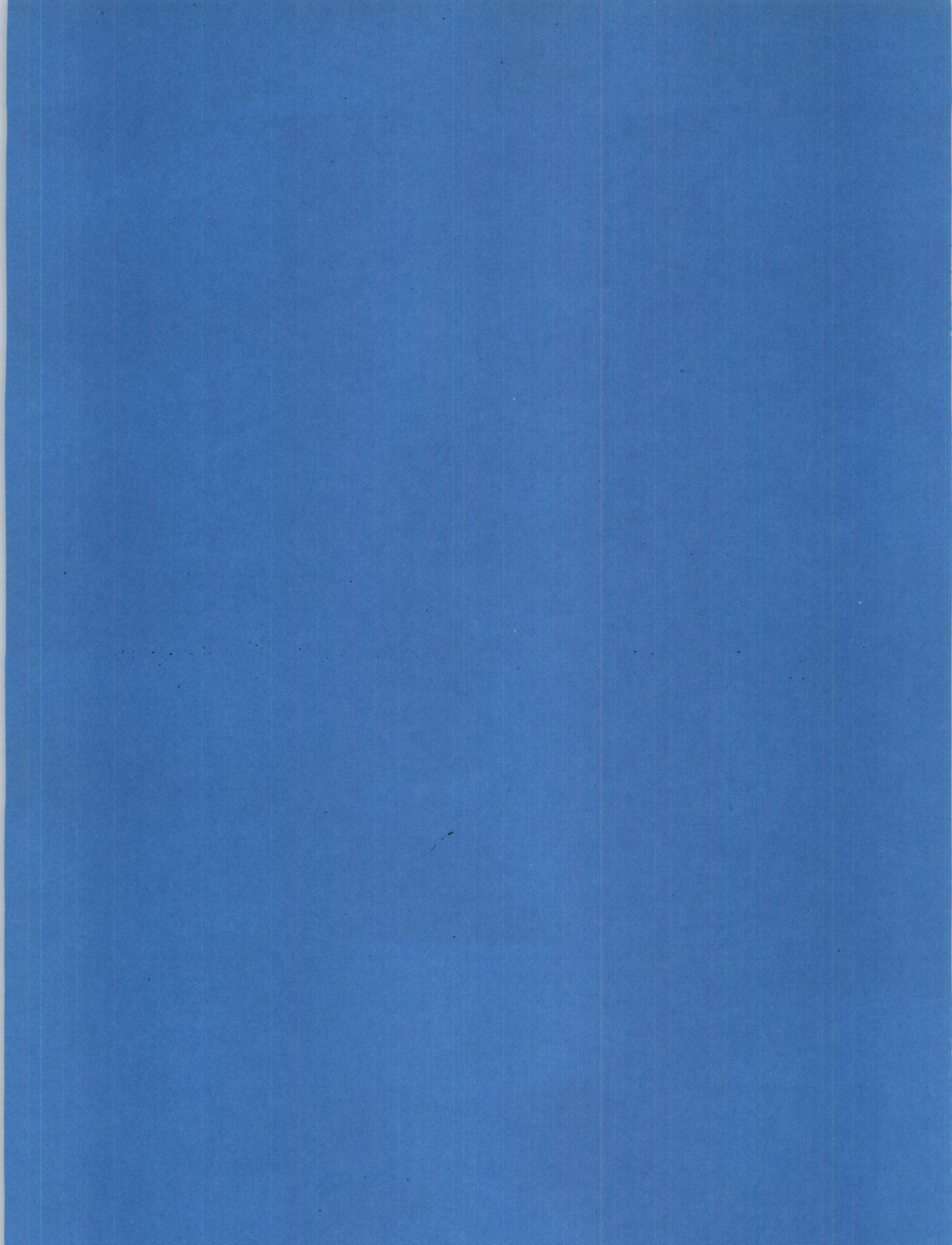
Senator Laurence S. Weiss, Cochairman
Assemblyman Anthony M. Villane, Jr., Cochairman
Senator William C. Haines
Senator Walter Rand
Assemblyman John S. Watson
Assemblyman Rodney P. Frelinghuysen

ALSO PRESENT:

Ernest T. Hagans
Office of Legislative Services
Aide, Joint Budget Oversight Committee

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Hearing Recorded and Transcribed by
Office of Legislative Services
Public Information Office
Hearing Unit
State House Annex
CN 068
Trenton, New Jersey 08625



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September 24, 1987

NOTICE OF PUBLIC HEARING

OCTOBER 8, 1987

The Joint Budget Oversight Committee will hold a public hearing Thursday, October 8, 1987, beginning at 10:00 a.m. in Room 424 in the State House Annex, Trenton, New Jersey

The purpose of the public hearing is to hear testimony on the Federal Block Grants administered by the Departments of Community Affairs, Health and Human Services.**

The following grant programs are:

- * Community Services Block Grant Program - Administered by the Department of Community Affairs.
- * Alcohol, Drug Abuse, and Mental Health - Administered by the Department of Health.
- * Maternal and Child Health Block Grant - Administered by the Department of Health.
- * Preventive Health and Health Services Block Grant - Administered by the Department of Health.
- * Low Income Home Energy Assistance Block Grant - Administered by the Department of Human Services.**

Anyone wishing to testify at the hearing should contact Ernest T. Hagans, at 609-292-8030.

**Added as of 10/1/87



STATE OF ALASKA
DEPARTMENT OF HEALTH
DIVISION OF COMMUNITY SERVICES
NOME, ALASKA

Section

NOTICE OF PUBLIC HEARING

The Department of Health, Division of Community Services, is holding a public hearing on the proposed changes to the Nome Health Department's Comprehensive Health Plan. The hearing will be held on Thursday, October 10, 1985, at 7:00 PM in the Nome Community Center. The purpose of the hearing is to provide an opportunity for the public to express their views on the proposed changes. The Department of Health is committed to the development of a health plan that meets the needs of the community and is responsive to the concerns of the public.

The proposed changes to the Comprehensive Health Plan include the following:

- 1. Expansion of the health plan to include a wider range of services, including mental health and substance abuse services.
- 2. Revision of the health plan's goals and objectives to reflect the current needs of the community.
- 3. Revision of the health plan's budget to reflect the current financial situation of the health department.

The Department of Health is seeking input from the public on these proposed changes. The public is encouraged to attend the hearing and provide their comments. Comments may also be submitted in writing to the Director of the Division of Community Services, Nome, Alaska.

The hearing is open to the public. No fee is required for attendance. For more information, please contact the Director of the Division of Community Services, Nome, Alaska, at (907) 554-1234. The hearing will be held in the Nome Community Center, located at 1000 1st Avenue, Nome, Alaska.

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Statement submitted by
Charles E. Schuman
Assistant Commissioner
Department of Community Affairs

Statement submitted by
John E. Schuman, M.D.
Assistant Commissioner
Department of Health

Statement submitted by
John Schuman
Assistant Commissioner
Department of Public Welfare
Division of Public Welfare
Department of Public Welfare

SENATOR LAURENCE S. WEISS (Cochairman): Good morning. First on today's agenda will be the Block Grant hearings.

ASSEMBLYMAN ANTHONY M. VILLANE, JR. (Cochairman): We'll start with the Community Services Block Grant Program.

SENATOR WEISS: Administered by--

ASSEMBLYMAN VILLANE: --the Department of Community Affairs. We do a duet.

SENATOR WEISS: We're going to do this as an act. Okay? Is there anyone here to testify on the Community Services Block Grant?

ASST. COMM. CHARLES A. RICHMAN: Mr. Chairman, I'm Charles Richman, Assistant Commissioner of the Department of Community Affairs to testify on the block grant.

SENATOR WEISS: And with you?

ASSISTANT COMMISSIONER RICHMAN: With me is Bernice Shephard, the Director of Division of Community Resources, and Richard Knight, who is the Program Manager of the CSBG Program.

Members of the Committee, thank you for this opportunity to report to you on our Community Services Block Grant plan for 1988 Federal Fiscal Year. I'm a conduct of the current program. The Community Services Block Grant was created by the Omnibus Budget Reconciliation Act of 1981. CSBG's stated purpose is to ameliorate the causes of poverty for the support of such services as employment, education, housing emergency assistance, and nutrition and through the encouragement and coordination of other resources in the community. The block grant is the second generation of the Economic Opportunity Programs. CSBG had its origin-- Yes, sir?

SENATOR WEISS: Excuse me. Would you be kind enough to use that microphone? It's the one further to your left. That's it. Pull it closer and push the button. But if you disarm it, we're all gone. (laughter) Okay. It operates like a tinker toy. Okay.

ASSISTANT COMMISSIONER RICHMAN: The programs which preceded the CSBG were funded by the Federal government directly to the community action agencies with little or no state government involvement outside of a matching fund requirement. The block grant channels nearly all funds through the states which now have the principal responsibility to distribute these funds to local service providers and oversee program operations.

The Department of Community Affairs has been the designated administering agency in the State since the block Grants inception in 1982. The Federal allotment in New Jersey for Fiscal Year 1988 is \$9,542,533. As the CSBG Act requires, 90% of the allocation will be passed through to local agencies which are primarily community action agencies. Consistent with the law, 5% will be reserved to defray the State's expenses to administer the program. The remaining 5% of the State's allocation will be dedicated to funding projects which address State priorities and special initiatives.

Together with the CSBG grantees, the Department has sought to improve the condition of those living in poverty. The booming economy of this State obviously has not availed all our residents of the opportunity to earn an adequate wage and thereby afford decent housing, transportation, medical attention, and other modest standards of living. It is our task to focus on stimulating an environment whereby all available resources are accessed and dedicated to enabling low income families and individuals to attain the motivation, skills, and opportunity to become self-sufficient and secure. This task has always been difficult and the needs have never been greater.

The formality of the job is such that it requires a fairly high level of programmatic and administrative sophistication. When the year end grant management report is compiled, we expect that our grantee agencies will have

leveraged against CSBG funds over \$50 million in local, State, Federal, and foundation monies. Without our grant, the Surplus Commodity to Food Distribution Program would have lacked administrative support. CSBG funding has also been used effectively to serve the homeless in Essex, Bergen, and Camden; in support of a food bank in Phillipsburg, a day-care center in Bridgeton, computer and automotive training in Newark; a health care clinic in Atlantic City, and for remedial education services for the low income throughout the State.

There has been a serious effort to develop a State plan which is meaningful. This past year, we reconstituted our advisory council. In doing so, we added as representatives people with substantial experience in the field, and providers both in the public and private sectors.

The function of this group has been expanded from its original role which was to alert the Department to emerging issues concerning the CSBG clientele and to make policy recommendations. We are now asking our advisory council to begin the process with us of making this program more efficient.

We've taken two major steps in that regard this year: One, beginning the process of moving the CSBG program toward a performance based program. In 1982 when the program and funding was first allocated, the funding was allocated based upon the number of people living below the poverty level in the different counties. Within the next two years, we will move this program to an adjusted formula, to not only use a formula based upon the number of people living below poverty, but also based upon a reward for performance of the CAP agencies. We believe that it is our responsibility that where there is superior performance, that it should be recognized and financially rewarded, particularly when we can make an evaluation that more people are aided through that program than otherwise would be.

This process is to be undertaken along with a substantial commitment by the Department for training and assistance to the CAP agencies. We have set aside \$100,000 of the discretionary funds to aid the agencies in developing a better performance base and to be able to better respond to the need of the community.

Mr. Chairman, I'd be happy to answer any of your questions.

SENATOR WEISS: Thank you very much, Mr. Richman. Are there any questions for Mr. Richman? Assemblyman Frelinghuysen?

ASSEMBLYMAN FRELINGHUYSEN: Yes. Senator, thank you. Is there a list of grantees and amounts of money they received, attached to some of the material that we received?

ASSISTANT COMMISSIONER RICHMAN: Yes. In the State plan of Fiscal Year '88 on page 15 you'll find that list.

ASSEMBLYMAN FRELINGHUYSEN: Okay thank you. A note in your comments, and I'll be brief, you said that, "We expect that it will take us a better part of this year to agree upon acceptable performance standards, conduct agency by agency evaluations, and then implement a training program." Now this is a result of the reactivation of this advisory group?

ASSISTANT COMMISSIONER RICHMAN: It's as a result of a commitment by the management of the Department of Community Affairs to move away from the traditional allocation formula and move toward performance standards, both in evaluation and in allocations of funds.

ASSEMBLYMAN FRELINGHUYSEN: What has brought on this new burst of enthusiasm for oversight and the review of standards? One would have to assume that that's something that the Department would have demanded.

ASSISTANT COMMISSIONER RICHMAN: Yeah, and it's not -- and don't get me wrong, it's not that there hasn't been an ongoing program of oversight. There certainly has. We have field monitors who are regularly at the agencies. We certainly have a vigorous audit program to determine that the funds are

being spent properly. What this change reflects is a belief and a commitment by the Commissioner to create a greater atmosphere of competition to bring out quality. If some of the funds are going to be given out based upon performance, we believe we'll see a little bit more vigorous effort on the part of the agencies to be more creative in how they attempt to reach the clientele. That is what is meant by that language. I think it's a healthy atmosphere that we'll create and I believe that we'll be providing more to more people by doing it.

ASSEMBLYMAN FRELINGHUYSEN: I would agree. Thank you very much. Thank you, Senator.

SENATOR WEISS: Thank you very much, Mr. Frelinghuysen. Mr. Richman, the list that you referred to on page 15, that adds up to 8,588,000. That's short about a million dollars. Where is the other million going? Do you know?

ASSISTANT COMMISSIONER RICHMAN: Approximately \$500,000 is the administrative funds for the State. Approximately 500,000 is also in the discretionary funds.

SENATOR WEISS: And how is that disposed of and at whose discretion?

ASSISTANT COMMISSIONER RICHMAN: At the Commissioner's discretion. That is disposed of, generally by receiving requests for proposals or issuing requests for proposals to agencies that qualified for the grant to deal with a particular unique situation in their jurisdictional area. For instance, a number of agencies have come to us this year, needing additional funding to handle homeless situations where the burdens of operating homeless facilities have exceeded their budgetary ability to do so. We're made discretionary allocations to them. In that same area, we've also used CSBG homeless operating funds to go with some of our housing funds where we've made monies available to build our shelters and used the SCBG funds to operate the shelters.

SENATOR WEISS: That's for \$500,000. The other \$500,000 you said went to where?

ASSISTANT COMMISSIONER RICHMAN: To the 15% that the State is allowed to use to administer the program.

SENATOR WEISS: Administrative?

ASSISTANT COMMISSIONER RICHMAN: Yeah. I'm rounding that off. The administrative is 400 something -- 477.

SENATOR WEISS: I'm not being picky about the thing. I was just going through it. Now, is there a nexus between this program and, let's say, the REACH Program, which I incidentally supported? Is there anyway that they can use the dollars from one to another? And I'm talking specifically three counties, Bergen, Middlesex, and Union who are the exploratory counties?

ASSISTANT COMMISSIONER RICHMAN: Yeah. There's a nexus in that obviously many of the same people who are dealt with by the two programs are dealt with by both. To some extent, CAP agencies are used as referral agencies to make people aware of the other programs that exist in the State and send them to the right locations to participate. In some cases, we have used CSBG monies to help administer, where at the local level they'd need a coordinator to pull together these programs. Those funds would come out of CSBG.

SENATOR WEISS: So, even then if these counties are not on this list of \$8,588,000, they're still eligible to get something out of the program if they need it--

ASSISTANT COMMISSIONER RICHMAN: Yeah.

SENATOR WEISS: --and that would be discretionary because they're not on the list? That's why I keep asking the question.

ASSISTANT COMMISSIONER RICHMAN: Senator, the names on this list may be deceptive and I will send you a list of the locations. But every county is covered by this list.

SENATOR WEISS: Okay. Well, would you do that so that I can pass that list out to the Committee please?

ASSISTANT COMMISSIONER RICHMAN: Certainly. I'd be happy to be allowed to use to administer the program.

SENATOR WEISS: Thank you until I have Mr. Watson, Senator Rand, and Senator Haines.

ASSEMBLYMAN WATSON: Thank you, Mr. Chairman. Commissioner Richman, I notice here Mercer County, the Department of Human Services -- on page 15 of your print-out -- I noticed that Mercer County has \$131,648 and the monies are to be given to the Department of Human Services. Note that Mercer County has five CAP agencies which, of course, come under the county. That's true. Is this the complete funding for the five CAP agencies we're talking about -- the Hightstown, Hamilton, Ewing, and Lawrence? You mean to tell me that's \$131,000?

You know, I have a problem. I have a serious problem with the distribution with the CAP agency dollars. I happen to have been a freeholder for many years and I think that during the years that I had served, the CAP agencies were a part of my direction. During those years, I think Mercer County put more money -- Mercer County's money -- into the CAP agency than any state in the country. Any state; not a county. We put in more of our own dollars. But to get \$131,000 -- and then we tell all the other neighborhood centers that you have to raise "X" amount of dollars to continue your centers when there are people who can't raise \$5000. Now I have problems with that.

I think we won't be able to go into those problems today, but I intend, Mr. Chairman, as member of the Appropriations Committee-- If I return as a member of the Appropriations Committee, we're going to address that problem. I think a \$131,000 is horrendous for five joint centers that we have here in Mercer County.

ASSISTANT COMMISSIONER RICHMAN: Assemblyman, as I suggested in my testimony, I have problems with the formula also. I have been responsible for this program for about eight months now and we've launched this review and moved toward a performance standard. I believe when we come back to you next year, we'll be talking about something different.

ASSEMBLYMAN WATSON: Thank you.

SENATOR WEISS: Are you satisfied with that answer, Mr. Watson?

ASSEMBLYMAN WATSON: A temporary satisfaction until we're able to address the problem in-depth.

SENATOR WEISS: Senator Haines, Senator Rand.

SENATOR HAINES: Thank you, Mr. Chairman. I see you have on here Farmworkers through Test City Child Care. Could you tell me a little bit about that?

RICHARD W. KNIGHT: We're now in the process of negotiating the contract. That money will be going through Test City which is the new agency down in southern New Jersey, the replacement agency for SCOPE.

SENATOR HAINES: Test City doesn't do a whole lot for me. I just wonder where this is and what's being done and so forth? Do you have any information in regard of that? Where is Test City?

ASSISTANT COMMISSIONER RICHMAN: That's Cumberland, Salem, and Gloucester Counties. Test City is the replacement agency for SCOPE which filed for bankruptcy about a year ago, I guess and has undergone an investigation and at least one recent indictment involving the personnel of SCOPE. But it's those three county areas. Test City has presently undertaken most of the programs that SCOPE ran prior to that. Head Start programs are run under that, and their family day-care centers. There's a food distribution program that's up and operating. But, Test City has only been in operation as our CSBG replacement organization since July 1. It's a beginning process.

SENATOR HAINES: Test City Child Care, and of course farmworkers are included. But what does that mean? It means that it's a three county system, is it?

ASSISTANT COMMISSIONER RICHMAN: Yes, that's correct.

SENATOR HAINES: Why is it Test City? Why is it a three county system? Or is that just a name?

ASSISTANT COMMISSIONER RICHMAN: No. Test City is the name of the specific organization that is the community action agency for the three counties.

SENATOR HAINES: And this provides child care?

ASSISTANT COMMISSIONER RICHMAN: Among other things, food distribution and child care. The Head Start program is operated under that. There's a general referral service to other agencies that Test City is beginning to operate.

SENATOR HAINES: Are these children generally Puerto Rican, because there's no Puerto Rican children that I know of in the farm situation down there? Where do these farmworker children come from?

B E R N I C E S H E P H A R D: Senator, under the CSBG legislation, we are required to fund a farmworkers' organization within the State. There is no agency in the State that is an eligible entity for that tri-county area. Therefore, we fund an agency there and pass it on to a local agency to provide the services. We have to fund the farmworkers under the legislation.

SENATOR HAINES: The only reason I ask this is that we had some child care facilities that were developed in my area of Burlington County some time ago, and because there were no farmworker children available, the folks that were running the program went around and asked farmers themselves to volunteer their children and other people so that they could have some children for the program, because the Puerto Ricans come up as single men and there just weren't any farmworker children. I'm wondering if we're doing the same thing here or are they really farmworker children, you know?

MS. SHEPHARD: Yes. In that tri-county area, yes there are. There are a mix of Puerto Rican as well as blacks from up the coast. County system, is it?

SENATOR HAINES: ~~SS~~ ~~Some~~ there are some children that are coming up ~~Here~~. It's news to me. I'm just trying to find out what the information is. And then this is incorporated in a general child care program for the three-county area. Is that correct?

MS. SHEPHARD: That's correct.

SENATOR HAINES: Okay. That's one question. Secondly, you have \$132,000 going to Puerto Rican Congress. What's that do?

MR. KNIGHT: The Puerto Rican Congress is one of our designated agencies. They are a statewide organization serving local Hispanic organizations, principally Puerto Rican based. They provide training, technical assistance, research on problems confronting low income Hispanics in the State. They refer them to the right agencies. There are a number of language difficulties that they run into. So, they serve as an intermediary at the State level between local agencies and the populations that they serve -- the low income Hispanic populations.

SENATOR HAINES: And their location is right here in Trenton?

MR. KNIGHT: They're right here in Trenton.

SENATOR HAINES: Okay. I'd like to find out more about that agency if you have some information that you can give me. Thank you very much.

SENATOR WEISS: Thank you very much, Senator Haines. Senator Rand?

SENATOR RAND: Thank you very much, Mr. Chairman. Commissioner Richman, can you tell me how this money is distributed? Is it on the basis of necessity, on the basis of population, on the basis of unemployment figures, or is it just areas that apply and then you look them over?

ASSISTANT COMMISSIONER RICHMAN: It's primarily based on census data related to the number of people living below the poverty line.

SENATOR RANDES: Okay. Can you tell me, on page 15, Atlantic Human Resources, Inc., where that would be located, sir?

ASSISTANT COMMISSIONER RICHMAN: Which organization? I'm sorry.

SENATOR RAND: The second from the top.

ASSISTANT COMMISSIONER RICHMAN: Atlantic Human Resources is located in Atlantic City and then down the coast into Cape May.

SENATOR RAND: Atlantic City and then down the coast. Do you mean it goes into Cape May County?

ASSISTANT COMMISSIONER RICHMAN: Yes.

SENATOR RAND: And you're telling me that-- Pardon me, sir?

ASSISTANT COMMISSIONER RICHMAN: I'm sorry. It's in Atlantic County and Cape May County.

SENATOR RAND: Well, I would suppose the combined population of Atlantic and Cape May is about 285,000. Maybe I'm wrong by 5000 -- 290,000. They have \$592,000 and Camden County Council on Economic Opportunity got \$457,000. They approach a half a million people or a little under -- about 490,000 and I suppose Camden City has the highest unemployment rate probably in the State. Can you tell me the reasons for that, sir? It seems to me that there might be a small discrepancy? I can't quite correlate the amount of money given to Atlantic Human Resources on a combined population of that as compared to Camden on the combined-- And I will throw one more in. I don't see anything in Gloucester County which has more population than Atlantic County. I was wondering if you can give me some statistics and figures on that?

ASSISTANT COMMISSIONER RICHMAN: I can't address the specifics for you. I can tell you how the formula works and I'll send you the specifics. It's based upon the number of people living below the poverty line in those counties. page 15, Atlantic SENATOR RAND: Are you trying to tell me sir -- and I just asked you that question and I'm asking it because I don't know -- that there are more people in Atlantic County that are below the poverty line than in Camden County? If I can, Mr. Chairman, and he's not here for the moment, could I get those figures submitted through the Chair, sir?

ASSISTANT COMMISSIONER RICHMAN: Absolutely.

SENATOR RAND: And of course, I would like to know why Gloucester County--

ASSISTANT COMMISSIONER RICHMAN: Gloucester County is part of the Test City Child Care.

SENATOR RAND: Well, that would be-- You tell me. Is that for agricultural or is that--

ASSISTANT COMMISSIONER RICHMAN: No. Test City is not strictly for agricultural programs.

SENATOR RAND: Okay. That's for the general-- What does that encompass, three counties?

ASSISTANT COMMISSIONER RICHMAN: Yes. That's correct.

SENATOR RAND: Okay. That would be Cumberland County--

ASSISTANT COMMISSIONER RICHMAN: Cumberland, Salem, and Gloucester.

SENATOR RAND: --Salem and Gloucester.

ASSISTANT COMMISSIONER RICHMAN: But, I will be happy to supply you with the data of all the counties in the State and how the formula works.

SENATOR RAND: Yeah. What I would like to do is if I could get that information as the comparative positions of Atlantic County-- It appears to me that Atlantic County -- certainly with Atlantic City, being the casino fringe -- doesn't compare to Camden County. In fact, I would almost say

that they don't compare to Camden City. Those figures seem to me to be quite questionable. I would like to be given those figures through the Chair. This is based upon the number of people. ASSISTANT COMMISSIONER RICHMAN: Senator, I always shake my head when I look at how much money we give to Bergen County, because I always think of Bergen County as a wealthy community and I see that we're giving \$300,000. They tell me that's what's supported by the allocation formula based upon the number of people who live below the poverty line.

SENATOR RAND: Well, you can understand my questioning sir, when I have a population figure and I know the unemployment percentage in the City of Camden and the figures in Camden itself. Then I look at Atlantic Human Resources at \$500,000 to almost \$600,000 and it-- Again, it's questionable in my mind.

ASSISTANT COMMISSIONER RICHMAN: I will submit that data to you.

SENATOR RAND: I thank you very much, sir.

SENATOR WEISS: Thank you, Senator Rand. Are there any other further questions? Senator Haines.

SENATOR HAINES: One of the reasons I got into this Test City thing was the predecessor to that organization went bottom up -- went bankrupt. Is Test City financially sound?

ASSISTANT COMMISSIONER RICHMAN: Yes, sir. We conducted an open process for selecting a replacement agency for SCOPE. We issued a request for applicants to apply to the Department, mailed letters to the various county governments as well as advertised in the newspapers, and approached the various groups and organizations that are involved in providing these services. A part of that application was a requirement that they submit their last certified audit to us, and an examination of the books was conducted as part of that process. Some of the applicants were rejected based upon our examination of what I would call very lenient economic controls

and instability in the agency. Test City had been in existence for quite some time. They had a substantially sound economic base.

SENATOR HAINES: What about the other agencies on this list? Have you done the same thing with the rest of them? Or are we going to have more bankruptcies on our hands?

ASSISTANT COMMISSIONER RICHMAN: I certainly hope we don't have any more bankruptcies. The problems that occurred at SCOPE were as a result of-- There haven't been convictions; it's difficult to say criminal activities. But at least the allegations have been made and at least one indictment brought having to do with the fiscal management, and the hiding of the fiscal integrity of that agency from us. Our audits and the audits we received from an independent auditor in that area was that SCOPE was sound.

The Division of Criminal Justice presently has an ongoing investigation into the whole financial existence of SCOPE and what took place there. If someone was to do something criminal, it's going to be very difficult for us to pick it up. I can tell you--

SENATOR HAINES: I suppose that's correct. But, you know, this is money that's been collected through taxation and we've taxed a lot of people that cannot hardly afford this money. It seems as though we ought to be very careful about how it's handled out. Now I've served as State Director of the Farmers Home Administration for five years, which is a Federal post. And my predecessor gave some money to some oyster people down in Port Morris -- an organization. They took the money, the president and the secretary, and went to France and we never heard from them again. You know, these things can happen. This was grant money. It's a shame. I just don't want to see anything happen with this money in a similar manner.

ASSISTANT COMMISSIONER RICHMAN: Senator, that's why, as I suggested in my testimony, we're looking to move this program from strictly an allocation of funds based on a formula to a much more performance based allocation and review process. We're going to better know the cost per clientele served and better know the cost for the different activities.

We've moved toward a process of a quarterly cost review which is just being instituted this year. We're putting in place a whole series of mechanisms that will catch not only bad performance, or good performance hopefully, but also, I think, will much better alert us to any potential down side on the financial side.

SENATOR HAINES: But have you had a financial audit of all of these organizations?

ASSISTANT COMMISSIONER RICHMAN: Yes, sir. Independent auditors must annually audit these organizations.

SENATOR HAINES: Because the way to kill a program like this is have few more bankruptcies on our hands and the whole thing will go down the drain, as you well know. I hope you understand that.

ASSISTANT COMMISSIONER RICHMAN: I couldn't agree with you more. That weighs as heavily as anything else, and our choice of Test City to replace SCOPE was that Test City had the financial integrity to take over the program.

SENATOR HAINES: Thank you very much.

ASSISTANT COMMISSIONER RICHMAN: Thank you, sir.

SENATOR HAINES: Thank you, Mr. Chairman.

SENATOR WEISS: Thank you, Senator Haines. Are there any further questions for Mr. Richman?

ASSEMBLYMAN WATSON: I just have one more. I was going to ask you, were you satisfied with the connection with REACH and this program? I would just like for you to restate that because I didn't get--

ASSISTANT COMMISSIONER RICHMAN: The CAP agencies won't necessarily administer any of the direct REACH activities. However, CAP agencies often administer day-care centers and the type of support facilities that people who are entering into the REACH program would naturally become a part of. So, to the extent that we already have in place in many of these communities a mechanism -- the day-care which will be part of REACH -- CAP agencies may already provide for that. They're a locally developed organization that can easily expand to provide for the demand, which is going to be great, that REACH is going to create. So, there's is a reasonably decent coordinated effort.

ASSEMBLYMAN WATSON: All right. I'm in support of REACH, but I'm not a supporter of REACH in toto as it is now, because I have some problems with the way it's set up. I have some of the funding problems because-- I really don't want to see this program fail, and the way it's set up now, I think it's almost a fail kind of a situation.

In case of a shortage of funds for the kind of day-care that we're talking about, latchkey programs and other kinds, do you have funds that would supplement in some way that you could put into this program?

ASSISTANT COMMISSIONER RICHMAN: Obviously, I'm not familiar with all of it, coming from Community Affairs, not from Human Services. I'm not familiar with--

ASSEMBLYMAN WATSON: I don't want to put you on the spot with that.

ASSISTANT COMMISSIONER RICHMAN: Yeah. I'm not that familiar with all the funding that they have reached. To the extent, we do have discretionary monies available -- and we have approximately \$550,000 a year -- where a demand is created in a local area, those local agencies -- any nonprofit -- can apply for funds from us to serve people living below the poverty line. And to the extent that \$550,000 can go, we'll

make it available. It's all spent each year. It's all spent to agencies on the outside. Can I promise you that we could meet all the demands created by REACH? I doubt it. I'm sure not for the type of support facilities that people who are entering ASSEMBLYMAN WATSON: That's fine. You do have a little over a-half a million dollars to expend if necessary. But, I would just like to ask one other question.

ASSISTANT COMMISSIONER RICHMAN: Could I just add a point, though?

ASSEMBLYMAN WATSON: Sure.

ASSISTANT COMMISSIONER RICHMAN: Where these funds become valuable in assisting a REACH type operation-- In many grants, many activities, the ability to administer the cost of administration is not provided for. The food distribution program is a good example. CSBG monies can be used for administration. So, we may administer and use these funds to help a local organization run a day-care center. And when somebody comes in with the funds to build it, and maybe provide the lunch meals, we provide that piece that allows for the operation. That's why I suggested in my testimony nearly \$50 million in services is provided with this \$9 million base.

ASSEMBLYMAN WATSON: I just have a couple of questions and if you can't give me the answer, I will understand. This is a question that I would like to have had Commissioner Altman sitting there. I'd like to know how was Bergen, Union, and Middlesex picked over the Essex Counties, the Camden Counties, and other counties? How did you make that choice?

ASSISTANT COMMISSIONER RICHMAN: I don't know how the choice was made.

ASSEMBLYMAN WATSON: Just one other thing. You have an outreach program in all the CAP agencies?

ASSISTANT COMMISSIONER RICHMAN: Yes, sir.

ASSEMBLYMAN WATSON: When I was asking about other dollars going into the agencies to supplement some of the

dollars that they have to raise for many, many things they have to do, which seems to be really a hardship on most of our centers— And they were producing some very, very fine things here. I know, in my community, and I know in Union and other communities in Bergen County and across the State; these people will probably be asked to go out to a door-to-door outreach kind of a thing along with the social workers from the Department of Human Services, to coordinate some of the efforts, Mr. Chairman, I think, on the REACH program. You know, whenever there's kind of a program that needs to be known throughout the community, it's the CAP agencies who are able to provide that kind of service for our communities.

That's why we're going to have to talk about a few more dollars for our CAP agencies in regard to the State. That's all I have to say.

SENATOR WEISS: Thank you, Mr. Watson. I have one other — and that's Senator Rand.

SENATOR RAND: Thank you, Mr. Chairman. Mr. Richman, if I could go back to Test City Child Care which replaced the old SCOPE, is that that correct?

ASSISTANT COMMISSIONER RICHMAN: That's correct, sir.

SENATOR RAND: Is this the first year that Test City Child Care is getting money?

ASSISTANT COMMISSIONER RICHMAN: Yes. It's the first year that they are getting funds through our program.

SENATOR RAND: Okay. Are you certainly going to be reviewing them as you reviewed SCOPE, I mean, to see that their performance is--

ASSISTANT COMMISSIONER RICHMAN: We will review them more vigorously than we reviewed SCOPE.

SENATOR RAND: And let me ask you just one more thing. What kind of services is Test City Child Care providing as opposed to what SCOPE provided?

ASSISTANT COMMISSIONER RICHMAN: They are in the process of picking up and in fact, broadening a little bit the programs--that SCOPE originally provided for. They are already providing Head Start. They are providing some family day-care centers. They do a food distribution program. They are doing that throughout the three county area. They will be serving as a primary focal point for dissemination of information and being able to direct people to the proper service organizations. I'm very comfortable that Test City will far better serve that community.

SENATOR RAND: I know that SCOPE did have a lot of problems. But let me ask you-- The representation on Test City Child Center, is it weighted as to the population of Gloucester, Cumberland, and Salem? How is the representation on that because I know it has moved from Gloucester to Cumberland County. Is that correct?

ASSISTANT COMMISSIONER RICHMAN: Where are they located?

MR. KNIGHT: They are located in Bridgeton.

ASSISTANT COMMISSIONER RICHMAN: They are located in Bridgeton. The board, by regulations, are required to be equally represented among the counties.

SENATOR RAND: In other words, just equal representation or based on population?

ASSISTANT COMMISSIONER RICHMAN: No, I think it's equal representation. It's equal representation.

SENATOR RAND: Does that work out okay?

ASSISTANT COMMISSIONER RICHMAN: I think so.

SENATOR RAND: You know, Salem County is only-- What is it, 90,000 or 85,000, Bill?

SENATOR HAINES: I don't know, Walter. I mean, you've got the figures better than I have.

MR. KNIGHT: Excuse me, Senator. If I might answer that, it would have to do with elect-- The board is divided

into three parts. It sounds like Rome. But the one part is the elected officials or their appointees. Now, they've got to be -- Every county has to be represented on that basis. The other parts are public interest groups and the low income population which also has to be represented. How they divided that up would basically be a local matter. We'd be concerned that they have that one-third, one-third, one-third. But if they had a few more people from one county than another based on population, that would be fine with us.

SENATOR RAND: Yeah. Well, that's what I asked because I don't know the competency of this new organization. I represent two towns in Gloucester County, Deptford and Woodbury Heights. I don't really get that involved, but I know that I had plenty of letters when this thing was taking place -- all kinds of calls, all kinds of letters, and so forth and so on. And I did not get directly involved, except I do want to know if the performance is certainly better than SCOPE, and if the representation is valid, and if the money is being distributed in the right manner and in the right proportion? That's all I'm interested in.

ASSISTANT COMMISSIONER RICHMAN: Senator, I'm convinced it will be and it is presently. I'll be delighted should your schedule give you the opportunity, to take you down to visit the folks at Test City. We can arrange that for you and I'll be happy to.

SENATOR RAND: I'll be delighted to visit it. Commissioner, thank you very much. Thank you, Mr. Chairman.

SENATOR WEISS: Thank you, Senator Rand. Commissioner, we'll make him available. Are there any further questions? We do have some other people from the Department. I think it's Ms. Petersen and Ms. Shephard, Director. Are they here to testify on the same matter?

MS. SHEPHARD: I'm Ms. Shephard.

SENATOR WEISS: Okay. Then I can take you off this list. How about Victoria Petersen?

ASSISTANT COMMISSIONER RICHMAN: Victoria Petersen is the legislative representative of the Department. So, she's here as part of the people who are represented. That's basic. The other Senator, WEISS: Is that what that is? I have an extended list here, and I thought we were going to be here till about midnight.

ASSISTANT COMMISSIONER RICHMAN: We can help whittle it down.

SENATOR WEISS: Okay, I'm going to take her off and Ms. Shephard, I can remove you from the list also. If there are no further questions, I thank you for your appearance here today.

ASSISTANT COMMISSIONER RICHMAN: Thank you, Senator, and I will supply the information you requested.

SENATOR WEISS: Please do. Get it to me so that I can get it to the members and we can go on from there. I thank you. The next hearing (sic) will be on the Alcohol, Drug Abuse, and Mental Health. It's administered by the Department of Health. Is there someone here from the Department?

A S S T. C O M M. R I C H A R D J. R U S S O: My name is Richard Russo. I'm the Assistant Commissioner with the New Jersey State Department of Health. As you know, the State Department of Health is the applicant agency for the Alcohol, Drug Abuse, and Mental Health Block Grant. As you probably know, the last year Block Grant for the ADM amounted to about \$20,647,000. Nine million nine hundred sixty-four went to the Health Department for alcohol and drug activities. Ten million six hundred eighty three went to Mental Health in Human Services for the mental health activities.

Now the ADM block, this particular block, expired on September 30, 1987 -- this year. It was not reauthorized by Congress. We are currently operating under a continuing resolution for forty-five days which started on October 1. Therefore we do not have any instructions from the Federal

government to prepare an appropriate application, because there was no reauthorized legislation. So, we had not prepared an application. You do have in front of you an application that was prepared last year. And based on a continuing resolution, essentially everything that appears in last year's application in terms of the level of funding and where the funding would go, and so forth and so on, will still be in place until such time as the ADM block is reauthorized.

Now, Senator Kennedy and Senator (sic) Waxman are both preparing pieces of legislation to reauthorize the ADM block. There's discussion that the block may be split into a separate block for mental health and a separate block for alcohol and drugs. There's discussion of changing the formula with an equalization process throughout the country. If that happens, New Jersey will stand to lose at least \$5 million on the alcohol and drug side, and perhaps half of that amount or more on the mental health side. So that everything, really in terms of the ADM block for the current fiscal year is on hold except that we do have and we are operating under a continuing resolution.

A call through the management of the Alcohol, Drug Abuse, and Mental Administration a couple of days ago and again yesterday, we received an indication on the ADM block that we should apply for an old style application, which we will do in several weeks for an continuation.

But, it's very, very much up in the air. We don't know the level of funding, except under the continuing resolution which as I mentioned, at present is a 45-day continuing resolution. There's some thought that the continuing resolution may be even extended beyond that period of time.

So, ladies and gentlemen, what you have is last year's ADM block, because we do not have a current application and had not been requested to prepare a new application based on the uncertainty of what was happening in Washington.

SENATOR WEISS: Mr. Russo, this might have some horrendous impacts on the programs. How are you going to address those? You do have in front of you an application that was prepared by the ASSISTANT COMMISSIONER RUSSO: Well, under the continuing resolution, we understand that with a brief application, which we will be putting in very shortly, just based on last year with a very, very brief update, that we will not have a cash flow problem. Of course, as you know, the money flows on a quarterly basis. Even though the continuing resolution is only for 45-days. It could be very, very, problematic if the ADM block is not renewed. It will be very problematic if it's renewed under a new equalization formula, as I mentioned, because New Jersey will lose significant millions of dollars.

And the third unknown, which perhaps, you ladies and gentlemen know more about than I perhaps do is, the new Gramm-Rudman legislation. I'm not sure how that's going to impact on this funding. So, we're in a very precarious position, because that \$20 million is all out there in community resource activities.

If you look at last year's application on page 139, there's a listing of all the drug locations and activities and where the money goes. On page 152 is also a listing of all the individual agencies and the amount of money that goes for drug services. So, you can see that this is a major portion of our alcohol and drug funding and a significant portion of \$10 million for mental health services.

SENATOR WEISS: Let me ask you this. I think the Committee recognizes that they are looking at the block grant for Fiscal Year 1987, and you say that you're going to resubmit this. Have you changed any demographics in it?

ASSISTANT COMMISSIONER RUSSO: No. It will probably go exactly the--

SENATOR WEISS: Hasn't anything changed, Mr. Russo, in the last year? ~~2001~~ ~~2002~~ ~~2003~~ ~~2004~~ ~~2005~~ ~~2006~~ ~~2007~~ ~~2008~~ ~~2009~~ ~~2010~~ ~~2011~~ ~~2012~~ ~~2013~~ ~~2014~~ ~~2015~~ ~~2016~~ ~~2017~~ ~~2018~~ ~~2019~~ ~~2020~~ ~~2021~~ ~~2022~~ ~~2023~~ ~~2024~~ ~~2025~~ ~~2026~~ ~~2027~~ ~~2028~~ ~~2029~~ ~~2030~~ ~~2031~~ ~~2032~~ ~~2033~~ ~~2034~~ ~~2035~~ ~~2036~~ ~~2037~~ ~~2038~~ ~~2039~~ ~~2040~~ ~~2041~~ ~~2042~~ ~~2043~~ ~~2044~~ ~~2045~~ ~~2046~~ ~~2047~~ ~~2048~~ ~~2049~~ ~~2050~~ ~~2051~~ ~~2052~~ ~~2053~~ ~~2054~~ ~~2055~~ ~~2056~~ ~~2057~~ ~~2058~~ ~~2059~~ ~~2060~~ ~~2061~~ ~~2062~~ ~~2063~~ ~~2064~~ ~~2065~~ ~~2066~~ ~~2067~~ ~~2068~~ ~~2069~~ ~~2070~~ ~~2071~~ ~~2072~~ ~~2073~~ ~~2074~~ ~~2075~~ ~~2076~~ ~~2077~~ ~~2078~~ ~~2079~~ ~~2080~~ ~~2081~~ ~~2082~~ ~~2083~~ ~~2084~~ ~~2085~~ ~~2086~~ ~~2087~~ ~~2088~~ ~~2089~~ ~~2090~~ ~~2091~~ ~~2092~~ ~~2093~~ ~~2094~~ ~~2095~~ ~~2096~~ ~~2097~~ ~~2098~~ ~~2099~~ ~~2100~~ ~~2101~~ ~~2102~~ ~~2103~~ 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The equalization formula-- Probably if Waxman's bill, which has been drafted, becomes the law, the equalization formula would be a four- or five-year implementation. So, it would not be a \$5 million reduction immediately. But over a four- or five-year period, it would amount to that much. But I would surely assume and hope and expect that our State Legislature -- yourselves -- would back fill if we get that kind of a loss.

SENATOR RAND: Mr. Russo-- One more question, Mr. Chairman. Would the Committee be advised through the Chairman of the change in the status of the amount of money?

ASSISTANT COMMISSIONER RUSSO: Oh, certainly. As soon as we know. Yes.

SENATOR RAND: Thank you very much. Thank you, Mr. Chairman.

SENATOR WEISS: Thank you, Senator Rand. Doc, do you have any questions?

ASSEMBLYMAN VILLANE: No.

SENATOR WEISS: Mr. Regan?

R I L E Y W. R E G A N: My comments are essentially the same as Commissioner Russo. I just want to reemphasize if the Waxman equalization bill and the Gramm-Rudman issue becomes as prevalent as we believe it may become, is that the block grants have been the core of the funding, not only for a number of the division activities, but for a number of activities in the community. We believe that the programs would clearly be in jeopardy at each of the county levels. The most important issues would be issues around minorities and issues around women -- issues around prevention; the heart of the block grant network has been to connect a number of State and locally funded programs. And the block grant money has been essential. For us to be facing the loss of up to \$5 million because of a new formula imposed on us at this time would be a major disaster for our field.

SENATOR WEISS: I just have one question. If some disaster happens in Washington, where all this money originates, I think, or it originates with us, we'll just pass it down and send it back. How are you going to fund these programs? Now, that answer may be rhetorical, but I don't want to make it that way.

MR. REGAN: We will revert to some more ingenuity and some more trickery at the local level, unfortunately, Senator. What we would have to do is to build more in the private sector, to build more innovative funding measures at local levels, and to begin to tax clients in a much greater way through third party benefits. That, unfortunately, when you begin to look at the Medicaid and Medicare reimbursement pattern -- and we've been working with Secretary Bowen directly on this issue -- of beginning to provide increased Medicare and Medicaid funding for freestanding non-hospital programs which make up the bulk of the alcoholism treatment system, we need to revamp that entire payment structure. That, perhaps will be the only way. It falls back on the clients.

Unfortunately, it falls back on a number of clients who can't pay already. I don't think we have the expertise. And I hate to continue to use the word, "innovation." We've practically run out of innovations. It's time to put more money into this system and to make it much more stable. This is an example of how one Federal decision can begin to impact so significantly on our program. We have not benefited from the necessary appropriations to carry these programs through.

SENATOR RAND: That's why we hope we have a large surplus, Mr. Chairman -- both Mr. Chairmans. And I hope we don't give it away. Of course we're going to need it.

SENATOR WEISS: Thank you.

MR. REGAN: Thank you.

SENATOR WEISS: Are there any further questions? Is there anyone else here to testify on this subject matter? (no

response) Thank you very much, Mr. Russo and Mr. Regan. The next part of the public hearing will go to Maternal and Child Health Block Grant, Administered by the Department of Health. Good morning.

A S S T. C O M M. L E A H Z. Z I S K I N: Good morning, Senator Weiss. I'm Leah Ziskin, Assistant Commissioner for the Division of Community Health Services in the Department of Health. I'm going to jointly do the Maternal and Child Health and the Preventive and Health Services Block Grant. I've brought with me, Dr. Larry Meinert. Dr. Meinert is Service Director for the Chronic Disease, and he administers many of the programs--

SENATOR WEISS: Excuse me. Would you be kind enough to pull that microphone a little bit closer? Don't pull the wires, just the mike. (witness attempts to adjust microphone) Oh, I see. There's a problem. It's caught under the table. So, just leave it the way it is.

ASSISTANT COMMISSIONER ZISKIN: Dr. Meinert administers several of the programs in the Chronic Disease Service Unit under the Preventive Health and Health Services block.

I'll will briefly go though some of the information in these two blocks. Unlike the Drug, Alcohol, and Mental Health Block Grant-- (Assemblyman Villane adjusts Assistant Commissioner Ziskin's microphone) Thank you. That sounds better.

SENATOR WEISS: Yes. It sounds better. Dr. Villane, thank you very much. (laughter)

ASSEMBLYMAN VILLANE: I belong to the union.

SENATOR HAINES: Doctors' union?

ASSEMBLYMAN VILLANE: That's it.

ASSISTANT COMMISSIONER ZISKIN: Okay. Unlike the Drug, Alcohol, and Mental Services Block Grant, the Federal government has asked that we reapply. Our Federal legislative mandate has not run out even though we are being funded on continuing resolutions.

The programs in the Maternal and Child Health Services Block Grant are designed to address the health needs of mothers and children. For Fiscal Year '88, the Department of Health has applied for \$8.87 million with a supplemental carry-over from Federal Fiscal Year '87 of \$324,000. So the total of those two amounts are some what, over \$9 million. Our fiscal year block grant funds will be allocated to the following activities:

- 1) \$560,000 for family planning,
- 2) \$2,063,000 for maternal and infant health. That's pre-natal care, mostly,
- 3) \$760,000 for child health. That's preventive health services for children,
- 4) \$1,195,000 for childhood lead poisoning screening and prevention and treatment,
- 5) \$330,000 for dental health for children,
- 6) \$2,900,000 for special child health services. That's services for handicapped children,
- 7) \$75,000 for birth defects registry and monitoring.

The FY '88 application is highlighted by a continued commitment to our efforts to reduce infant mortality among the State's high risk groups; for example, the State funded Healthy Mothers/Healthy Babies infant mortality reduction initiative which began in July '85. Those State monies are an expansion to the block grant of its services in our ten cities of greatest need.

I'm pleased to report that the infant mortality rate in those ten cities has decreased from 17.9 deaths per 1000 live births in 1985 to 16 deaths per 1000 live births in 1986. This is the lowest rate in these cities since 1970. So, 32% of the MCH Block Grant funds are allocated to this preventive, very needed, public health service.

Now, I just want to say a little bit about the Preventive Health and Health Services block. The Preventive Health and Health Services Block Grant application indicate seven distinct but related projects for health services. Our application includes detailed descriptions of the projects, and I'll let you read those when you have more time.

The allocations for the \$2.7 million dollars are as follows:

- 1) \$424,135 for emergency medical services,
- 2) 719,000 for hypertension,
- 3) 175,000 for diabetes,
- 4) 95,000 for rape services and prevention,
- 5) 15,000 for dental cares prevention,
- 6) 323,000 for rodent control,
- 7) 222,000 for environmental hazard assessment and local training,
- 8) 488,000 for health promotion and risk reduction.

I'll be pleased to answer any specific questions you may have on either of these blocks.

SENATOR WEISS: I would, but I'm not sure where that document is that you're reading from.

ASSISTANT COMMISSIONER ZISKIN: What I was reading from was just a brief statement of the testimony which is a synopsis. I will get you some.

SENATOR WEISS: Okay, because I don't have a copy of it. So, would you be kind enough to get it to us so that we can follow-up on it?

ASSISTANT COMMISSIONER ZISKIN: Of course. Right.

SENATOR WEISS: Now, however, let me find out if there are any questions for you. Are there any questions on this particular block grant? Assemblyman Frelinghuysen?

ASSEMBLYMAN FRELINGHUYSEN: Dr. Ziskin, how are you today?

ASSISTANT COMMISSIONER ZISKIN: I'm fine, thanks.

ASSEMBLYMAN FRELINGHUYSEN: The Department is involved wholeheartedly in the whole issue of uncompensated care. And on page 52 of the report of the intended expenditures (on file with the Joint Budget Oversight Committee Aide) there is some reference made to payment source. Would you like to comment on the no coverage portion and whether you have any-- Do you have that document?

ASSISTANT COMMISSIONER ZISKIN: Yes.

ASSEMBLYMAN FRELINGHUYSEN: Would you comment on the no coverage portion and whether there is anything we could be doing in the Medicaid area to bring more people into having more children -- and for that matter -- for mothers to have better insurance coverage? I know you point out that there's inadequate coverage in some cases, but I think what's of most interest to us would be your thoughts relative to those who are not covered by any existing program at all.

ASSISTANT COMMISSIONER ZISKIN: I think that you are reading from the part of the-- I think the part of the block grant application that you are looking at is under the special child health services which is the services for handicapped children. But, I think your question is actually broader.

ASSEMBLYMAN FRELINGHUYSEN: It is. And maybe in that vein, you would give me your reaction. But selfishly, I'd be interested in some of your suggestions.

ASSISTANT COMMISSIONER ZISKIN: Fine. As you know, the Department has been working very closely with the Department of Human Services to bring an increase in maternal and child health services to this population of mothers and children who have no insurance coverage. We are hoping that the Head Start program, which indeed was State dollars, to bring prenatal care services, to make more women who fall below the Federal poverty level and up to the Federal poverty level -- to enable those to receive benefits through Medicaid coverage. This will greatly help pregnant women in this low income group and their children.

The time, as best I understand, that should go into effect---And we should be able to deliver services starting January or February of 1988. We're looking for about 2000 more pregnant woman being covered under that program and their children up to two years of age. Would you like to comment on

The SOBRA legislation, which will (inaudible) Medicaid to also expand their eligibility of those women and children will, as I understand it, increase-- Also the Medicaid availability, or through Medicaid, pay our providers for serving those women. I don't know the numbers of how many SOBAs -- through the Department of Human Services.

ASSEMBLYMAN FRELINGHUYSEN: Thank you, for your comments. Through you, Mr. Chairman, what about the whole idea of raising the age from two to five? Could you comment on that and if that's desirable, what would it cost, given some of the statistics to include those children? Because once they reach two, they sort of go off into a-- I don't know what happens to them.

ASSISTANT COMMISSIONER ZISKIN: Right. They drop over the precipice, so to speak.

ASSEMBLYMAN FRELINGHUYSEN: Yeah. What does the State of New Jersey need to do in that area?

ASSISTANT COMMISSIONER ZISKIN: I believe that SOBRA allows for a phase-in. The Federal legislation allows for a phase-in by ages. I don't now have the cost figures. However, from a public health point of view, I certainly would support the need for keeping those children tied into the health care system and allowing the payment barrier to be removed for access of care.

ASSEMBLYMAN FRELINGHUYSEN: All right. Thank you. Mr. Chairman, just one other short question here. Now, you say here on page 54, and I realize that that relates to just a portion of the report -- the needs of children with AIDS. Now, you say that it's expected to impact -- this is page 54 --

heavily on the network. I just wonder if you had some general comments that you'd like to share with the Committee about the seriousness of the problem? I know, I think some of us are aware of adult population, but what does it mean in terms of youngsters?

ASSISTANT COMMISSIONER ZISKIN: Because New Jersey's AIDS problem is linked to our drug abuse population, the women that use drugs are affected. I won't say equally, but when they inject themselves with AIDS infected needles, they get AIDS. And they transmit AIDS to their fetuses through the placental route in the uterus. At the current time we are looking at a child who is in an AIDS population of between 70 and 100 New Jersey children affected with AIDS. We are the second state in the nation in the number of children who have AIDS. What our programs are doing for them is helping the families manage those children -- making sure those children get into treatment, get managed as far as their schooling, etc., and that they get ongoing health care services. AIDS is draining or becoming a problem and impacting on all of our total health care delivery system, and the pediatric facilities are no exception.

ASSEMBLYMAN FRELINGHUYSEN: Thank you very much for your comment. Thank you, Mr. Chairman.

SENATOR WEISS: Thank you very much, Mr. Frelinghuysen. Are there any further questions for Dr. Ziskin? Senator Haines.

SENATOR HAINES: I see that the State's infant mortality rate has increased from .8% to 1.3%. Many of the target areas, such as Atlantic City, Camden, and Cumberland County, their percentage of births receiving no prenatal care increased between 1984 and 1985. So, it seems to me that the lack of prenatal care has directly contributed to this increase, and to birth defects. I mean, the lack of prenatal care is there, and why this increase? Why has this happened? Can you give an explanation for this?

ASSISTANT COMMISSIONER ZISKIN: I can tell you that we greatly need more prenatal care services. The number of children being born in this State has increased. We were about 100,000 births per year. We're looking at 105,000 or 106,000 in '86 and we're looking to be about 110,000 in '87. Our infant mortality, though, is not increasing, it's decreasing. But, I'm not sure which table you are looking to see the increase in infant mortality.

SENATOR HAINES: Well, maybe I'm looking at this thing wrong. But I basically am saying that the prenatal care has decreased and you're saying that births have increased.

ASSISTANT COMMISSIONER ZISKIN: The number of births has increased--

SENATOR HAINES: That's the reason you have less prenatal care. Well, I guess what I'm really concerned about is why we have a lower percentage of prenatal care? And you say it's because there are more births.

ASSISTANT COMMISSIONER ZISKIN: No, I'm saying--

SENATOR HAINES: But that doesn't necessarily follow.

ASSISTANT COMMISSIONER ZISKIN: No. You're correct. I feel we have a lower number of women going to prenatal care services, because we need to create more service availability. If we had more dollars, we would be out there getting more providers, being able to give more to the hospitals, free standing clinics, etc. and create the positions, or the slots or the availability of prenatal care. I feel we do need more services, especially for the higher risk and the poor of our State to have access.

SENATOR HAINES: And it has decreased in those areas -- the amount of prenatal care.

ASSISTANT COMMISSIONER ZISKIN: That's correct. We get that from birth certificate information.

SENATOR HAINES: I see. The other thing is fluoridation. I see a very small percentage of schools. I'm

surprised at this, that they don't use these programs. It seems to me that there's been a high success rate in preventing dental problems with this program. Only a few schools are using it. We're looking at 105,000 of 106,000. ASSISTANT COMMISSIONER ZISKIN: We're regaining all the time and we're doing much better in getting schools to accept the school (indiscernible) than we are in communities to accept community water fluoridation. But, we are bringing more and more schools on. I'm not sure, again, where you're finding that.

SENATOR HAINES: Well, you're talking about 261 participating schools out of a total of 1800. That's not very--

ASSISTANT COMMISSIONER ZISKIN: Again, that's a matter of dollars, staff, etc.

SENATOR HAINES: I thought maybe you were going to say that it's not necessary in some communities, because they are using fluoridated water. But, you're not saying that.

ASSISTANT COMMISSIONER ZISKIN: No, I wish I were, I which I could. No.

SENATOR HAINES: I was hoping that's what you were going to say.

ASSISTANT COMMISSIONER ZISKIN: I wish. Unfortunately, they're still unmet. We have unmet needs in all of these areas and fluoridation is one of them.

SENATOR HAINES: There is not an increase in towns that are using fluoridated water?

ASSISTANT COMMISSIONER ZISKIN: That's correct. We have had a plateau. In fact, we continue to do more to keep towns fluoridated. We've been successful in, for example, Atlantic City. Several months ago, there was an effort to defluoridate Atlantic City's water supply, and we had to work hard to help the city administration maintain the effort to keep that water supply fluoridated. We have not made any gains in getting new towns to accept community fluoridation.

SENATOR HAINES: It's interesting that in our wells in Mount Laurel Township the water is naturally fluoridated, which is kind of nice. Thank you very much. Only a few schools are using it. ASSISTANT COMMISSIONER ZISKIN: You're welcome.

SENATOR WEISS: Thank you very much, Senator Haines. Are there any further questions for the doctor? Senator Rand?

SENATOR RAND: No, thank you.

SENATOR WEISS: Okay. Thank you very much for coming down this morning.

ASSISTANT COMMISSIONER ZISKIN: Thank you.

SENATOR WEISS: And you are going to get a copy of that to us?

ASSISTANT COMMISSIONER ZISKIN: Yes. I'll get a copy of my testimony.

SENATOR WEISS: All right. If you want to leave it here, we'll have someone run it off. Okay?

ASSISTANT COMMISSIONER ZISKIN: Certainly.

SENATOR WEISS: Ernie, (speaking to Aide) would you be kind of enough to pick that up from that Dr. Ziskin?

The next part of the block grant program having to do with Preventive Health and Health Services administered also by the Department of Health. Is there anyone here to testify?

D R. L A W R E N C E A. M E I N E R T: I just want to clarify -- I'm Dr. Meinert of the Department of Health -- what Dr. Ziskin presented jointly was for both the parent and child.

SENATOR WEISS: That was for both?

DR. MEINERT: Yes.

ASSISTANT COMMISSIONER ZISKIN: Did you want to talk about the preventive law?

DR. MEINERT: Do you have any specific questions on that?

SENATOR WEISS: Do the members of the Committee have specific questions on the Preventive Health and Health Services Block Grant? I didn't realize, Dr. Ziskin, that you were here for both on the list that I have.

ASSISTANT COMMISSIONER ZISKIN: That's quite all right. Yeah, the testimony that I did-- Excuse me?
SENATOR WEISS: You said the list that I have is not that clear.

ASSISTANT COMMISSIONER ZISKIN: You're welcome.
ASSISTANT COMMISSIONER ZISKIN: No? I'm sorry. The Division that--

SENATOR WEISS: Senator Rand?

SENATOR RAND: I'm looking over my analysis sheet here, and I'd just like, through you Mr. Chairman and Commissioner, to talk about the rodent control program in the three cities -- in Camden, Jersey City, and Newark. Can you tell me about that program? Are you satisfied with the results? Can the problem be eliminated? We keep getting a cutback and a cutback and I keep trying to get a little extra money, and I must tell you that this Committee, both Senator Weiss and Assemblyman Villane, and the Governor has been kind enough to give us that little increase each year. What's the story about that, Commissioner?

ASSISTANT COMMISSIONER ZISKIN: The story, Senator Rand, is that I think we recognize that those cities have problems with rodents. Those are poor cities and environments where rodents exist. I think the problem from the Department's perspective is that the monies from the Federal government targeted for all the categories that we are to divide up into the Preventive Health and Health Services blocks cause us a problem in priority. We have to sort of compete rodents against hypertension, diabetes, risks of smoking, etc., emergency medical services. We do our best to give a fair share to rodents, but it's in a highly competitive environment among other health needs. So, it's not that we don't acknowledge that a problem exists in those cities; it's just how the dollars come out as far as competing with the other health needs.

SENATOR RAND: Well, it seems to me that the program met its 1986 objectives.

ASSISTANT COMMISSIONER ZISKIN: Yes. I have to say that--

SENATOR RAND: Would it be masking too much, Commissioner, if the Department came in-- And I understand that it's a highly competitive level for the dollar. I certainly understand that and I'm not being critical of the distribution of the dollars, but it is so important for those cities. If one child is bitten, you are going to have more problems and it'll cost more than maybe the total program. Is it possible for at least the Department -- unless they don't want to -- to come in and say to the Committee, "We don't have the money, but why don't you allocate \$100,000 or \$150,000 to the three cities?" It would be so much better than for us to compete on every level or with every -- pardon me, very frankly, and I've got to put it on this level -- with every zoo and with every arts group, and with every little road, and with every little highway. This is a matter of health. It's really so important.

ASSISTANT COMMISSIONER ZISKIN: The only answer that I can give you is that the Commissioner does look at the amount that the Treasury gives the Department at her discretion as far as which things to ask for. And again, it competes again in that larger piece. I think too, that the Department looks at it as more of an environmental health issue than a purely health issue, and we may look to some other Departments thinking it may well belong-- Or we may get help from other than the monies coming to the Department of Health.

SENATOR RAND: Let me ask you this, and through you, Mr. Chairman, is it an important program?

ASSISTANT COMMISSIONER ZISKIN: Are you saying does it accomplish-- Or is it necessary? Yes.

SENATOR RAND: Would it be asking too much if at least you came in -- and you didn't have the dollars-- You know, I can't force you to put the dollars somewhere when you don't have it. But at least say that to the Committee, "We have underfunded it, maybe \$100,000, \$150,000, or \$175,000 and we don't have the money." It would be very helpful, as far as I'm concerned, and I'm sure it will be helpful for those people who represent Newark and Jersey City, at least, for us to make an attempt to get that money. It becomes difficult when the Department doesn't at least say it.

ASSISTANT COMMISSIONER ZISKIN: I understand. I will take that message back to Dr. Coye.

SENATOR RAND: I would be very appreciative, Commissioner, most appreciative.

ASSISTANT COMMISSIONER ZISKIN: Okay.

SENATOR RAND: Thank you very much, Mr. Chairman.

SENATOR WEISS: Thank you, Senator Rand. Mr. Frelinghuysen?

ASSEMBLYMAN FRELINGHUYSEN: Thank you, Mr. Chairman. Dr. Ziskin, in part two of the Comprehensive Public Health Services, In that area, I think it's page 96, section C, you make reference to development and provision of training sessions for State, county, and local public health officials. I think you know there's a myriad of these officials and many of them handle more and more in the way of responsibilities either that are passed on legislatively or are passed on by the Department of Health.

It came to my attention some time ago, that there was -- and I've passed this on to the Commissioner's office -- that there was some concern about the training of public health officers and local law enforcement, first aid, and firefighters who were concerned about dealing with people who are potential AIDS victims. I don't mean to be on this particular theme today, but it's not mentioned in terms of the courses you are

suggesting as a part of this application. Does it appear somewhere else -- some of your plans?

ASSISTANT COMMISSIONER ZISKIN: Yes, I was just looking-- Excuse me-- (witness examines materials)

ASSEMBLYMAN FRELINGHUYSEN: I know that the Commissioner has put out a new far-reaching edict with all sorts of important things in terms of confidentiality and things of that nature. But what about just the basic training of some of the people who are in the trenches in positions or responsibilities locally?

ASSISTANT COMMISSIONER ZISKIN: I was looking behind me to see if Mr. Russo was still here because he administers the AIDS program. We are doing courses for community workers. The emergency medical personnel-- I do administer that program and we are getting posters and other information out on how to protect health care workers from AIDS. I think that--

ASSEMBLYMAN FRELINGHUYSEN: Well, I think, through the Chair -- and we won't take the Committee's time -- it might be, I think, of interest to the Committee members exactly what your overall game plan is.

ASSISTANT COMMISSIONER ZISKIN: Okay.

ASSEMBLYMAN FRELINGHUYSEN: I understand, and I think everybody knows, that it's difficult enough to get volunteers sometimes to man or serve on these squads. I think it would be valuable to know how comprehensive a program you're running because I can tell you that obviously you have sort of a speakers' bureau that has been active, and some hospitals have been more active than others in working with the community. But I think there are parts of the State which are totally uncovered.

I'd like to know how comprehensive a program you have relative to the training of public health officers and those volunteers as well as those on the public payroll that deal with first aid and other such services? Police, I know, are

very concerned about their own health as to whether to wear gloves and things of this nature. Thank you.

SENATOR WEISS: Yes, that's true. And I went to the dentist yesterday, and (guess what? mines materials)

ASSISTANT COMMISSIONER ZISKIN: He had a mask and gloves.

SENATOR WEISS: He wore rubber gloves; and he had a separate pair for each patient. He left the operating room I was in, left the gloves there, went on to the next one, put another pair on, and so on.

ASSISTANT COMMISSIONER ZISKIN: That's very good.

SENATOR WEISS: I don't know if he's trying to keep me from getting AIDS or him.

ASSISTANT COMMISSIONER ZISKIN: Well, both.

SENATOR WEISS: Doctor, I just have one question. I'd like to know if there's a connection between two programs here. Senator Haines alluded to one earlier having to do with, I believe, 68,000 children who were participating in the Fluoride Mouth Rinse program. That was in the Maternal and Child Health Services Block Grant. Now, we're talking about the preventive one; and I do notice that there's a block grant for \$15,000 for education and promotion of activities in the very same area. Is there a connection between these two?

ASSISTANT COMMISSIONER ZISKIN: Yes there is. The Maternal and Child Health Block Grant program basically funds the school rinse programs that we were talking about; whereas the money through the Preventive block, we use mainly for communities -- trying to get communities interested in fluoridating, giving out education on the benefits of general fluoridation. Excuse me?

SENATOR WEISS: The \$15,000 is purely educational?

ASSISTANT COMMISSIONER ZISKIN: Yes.

SENATOR WEISS: Thank you, Doctor. Are there any other questions? (negative response) Dr. Ziskin, thank you

very much for coming down. I'm sorry we had to hold you up, but we did learn some things about you.

ASSISTANT COMMISSIONER ZISKIN: You're quite welcome. Thank you for having us press what?

SENATOR WEISS: The final block grant hearing for this morning is the Low Income Home Energy Assistance Block Grants administered by the Department of Human Services. Is there anyone here for this?

J O H N S I M Z A K: Good morning, Mr. Chairman. My name is John Simzak. I'm the Administrator for the Home Energy Assistance Program in the Division of Public Welfare, Department of Human Services. As the last entry onto this schedule of block grant hearings, I appreciate the opportunity to speak with you this morning.

SENATOR WEISS: I thought at least you would say, "important events."

MR. SIMZAK: It is the most important event for us.

SENATOR WEISS: Okay.

MR. SIMZAK: What I had just passed out to you is the summary or in essence, a fact sheet of the Home Energy Assistance Program. The Home Energy Assistance Program is administered by the Division of Public Welfare and is funded by the Low Income Energy Assistance Block Grant. The Energy Assistance Program is designed to assist low income families and individuals to meet home heating and medically necessary cooling costs. The program is State administered with entitlement checks produced at the Department of Treasury, Office of Telecommunications and Information Systems. The county welfare agencies are the local point of access for clients to the program.

The heating payments vary by income, household size, fuel type, and heating region. It's a requirement of the Federal legislation that states establish their benefits such that the highest benefits are issued to those households with the lowest income and the highest energy costs.

There are four types of payments in the Home Energy Assistance Program. Automatic payments are issued to Aid to Families with Dependent Children as public assistance welfare clients, and food stamps recipients. Special energy assistance are issued to those eligible households who apply for assistance at the local county welfare agencies. Emergency energy assistance is also provided to those households who are in an emergent need. Medically necessary cooling assistance is provided to primarily seniors and disabled households during the summer months.

To be eligible for Home Energy Assistance, the household must be a resident of New Jersey, pay for its own heating and/or cooling costs directly to a fuel supplier, pay its landlord according to usage, or pay a rental charge which includes such costs. And the household must meet income eligibility requirements. Those income eligibility guidelines are currently established at 150% of poverty.

Home Energy Assistance payments are made directly to the client. All payments are issued directly to the client. Eligible applicant households who are directly responsible to a fuel supplier for the payment of home heating costs receive a two-party check in the name of the applicant and the fuel or utility supplier named on the application, provided that that supplier has signed a contract to participate in the program with the State. Categorically eligible households that are directly responsible to a public utility for their source of heat receive two-party checks issued in the name of the applicant and their heating utility.

Applications will be available by November 1, 1987, at the local county welfare agencies. Persons 60 years of age or over and the disabled may receive and return their applications by mail. The last sentence on your sheet, we're liberalizing this year. We are encouraging all households that wish to, to apply by mail.

Persons who live in public housing and/or receive rental assistance are not eligible unless they pay for their own heating or cooling cost directly to the fuel supplier. Clients, Mr. Chairman, I would be happy to respond to any questions the Committee may have about the Home Energy Assistance Program.

SENATOR WEISS: We do have some questions for you, sir. Senator Rand?

SENATOR RAND: Thank you very much, Mr. Chairman. On the bottom of your fact sheet. "Persons 60 years of age or over, and disabled individuals may receive and return their applications by mail; all others must apply in person at the local county welfare agency." How about those who don't have cars, or who have difficulty getting there, that have children, that work, and especially now, I mean, when the Department of Labor has now instituted the unemployment checks by mail? Isn't there a way that somebody with a hardship can--

MR. SIMZAK: Yes, Senator, there is. On the reverse side of that fact sheet is the phone number of the Home Energy Assistance units in each of the 21 counties. An applicant or an interested party may contact each of those 21 counties, and if they are aged or disabled or in any other way are unable to come into the county welfare agency, they may request that a staff person from the agency, will come out and, if necessary, take the application -- or an average worker -- and take the application; or they, again, may receive the application through the mail and return it by mail. So, there is currently--

SENATOR RAND: I'm not talking about the disabled or the handicapped. I'm talking about those people who have a small child at home, or doesn't have access to public transportation. They are legitimate reasons.

MR. SIMZAK: Yes, sir.

SENATOR RAND: And they will be considered?

MR. SIMZAK: Yes, sir. In fact, they have been. The statement at the bottom of the page is perhaps more strongly appearing on the paper than has actually been in practice.

SENATOR RAND: I'm just thinking why that's necessary at all, to apply in person? Is there a reason why you wanted to apply in person? I mean, forget the hardship. Tell me the reason why you would want them to-- Is it to check anything or is it a scrutinizing method, or what is it?

MR. SIMZAK: What it essentially is, Senator, is the Home Energy Assistance Program is basically, piggybacked onto the AFDC process and food stamp process, whereby the applicant would come into the county welfare agency. Over the years, since the inception of the Home Energy Assistance Program, county welfare agencies have been utilizing social service agencies within the county and other outreach groups to facilitate access to the program. The staff has found it easier and frankly, more beneficial to the client if at one point or at one stop they can obtain all the necessary information to establish eligibility rather than going back and forth with the client.

SENATOR RAND: I'm not going to get 150 to 200 calls in the office that these people can't reach somebody to fill out an application?

MR. SIMZAK: No, sir. You should not. If you have not receive those inquiries since 1981--

SENATOR RAND: We've gotten a lot of calls on this. But as long as the process is available to people without too much hardship, it makes it easier on us.

MR. SIMZAK: Yes, Senator. I understand.

SENATOR RAND: Thank you very much. Mr. Chairman, thank you.

SENATOR WEISS: Thank you, Senator Rand. Mr. Frelinghuysen?

ASSEMBLYMAN FRELINGHUYSEN: Thank you, Mr. Chairman. How does this program relate to life line assistance dollars that come under the Casino Revenue Fund? Seen in practice.

MR. SIMZAK: They are actually two separate programs. The life line program is administered in the Department of Human Services by the Division of Medical Assistance and Health Services. And that program is funded entirely by State dollars. The Casino Revenue Fund is essentially the source of funding for that program. The Home Energy Assistance Program, my program, is funded entirely by the Low Income Energy Assistance Block grant.

In terms of cooperation of those two programs, the population served by the life line program is exclusively aged and disabled. Additionally, in terms of eligibility for the life line program, that program looks at only the income of the senior or disabled member or the senior or disabled couple. They totally disregard income of any other household members. The Home Energy Assistance Program does take into account all available income in the household.

What we have done over the years is to try to use the life line program as a source of outreach for Home Energy Assistance in terms of their providing flyers or other informational material to the applicants and recipients of the life line benefits. What we are interested in doing this January, in fact is to perhaps push that a step further, which is to say that we will provide the life line program with the income guidelines for a two person household. And they will provide us with the names and addresses of those recipients. What we hope to do is to actually send informational material to each of those households that are potentially eligible for this program.

ASSEMBLYMAN FRELINGHUYSEN: Thank you for your comment. Senator Rand raised the point of county welfare boards having responsibility for establishing separate home

energy assistance units. Quite honestly, I know from personal experience that that is a desirable thing. I think that, at least in my neck of the woods, it's been far better in terms of coordination and accountability than it might have been if other parties had been responsible. What I'm wondering is whether there is any tie-in in terms of dissemination of information for the program or whether there's a working relationship between life line assistance and those county welfare boards?

MR. SIMZAK: The problem with that is--

ASSEMBLYMAN FRELINGHUYSEN: I know that there are different eligibility standards. But the term, one stop shopping or one stop service-- Are the people who work for the county welfare agencies aware of the--

MR. SIMZAK: Of the life line program?

ASSEMBLYMAN FRELINGHUYSEN: Yes.

MR. SIMZAK: I'm sure that they are. The degree to which they are aware and the degree to which they publicize that program, I not totally aware of. I think an issue about that is the primary client population of the county welfare agency, is not seniors or disableds. They are primarily dealing with families and children, and a younger population; which is not to say that a part of that household may not be a senior or disabled member, but I don't think there's a great emphasis on the life line program in the county welfare agencies.

ASSEMBLYMAN FRELINGHUYSEN: Well, all I'm concerned about is when one party is talking to the other that there's a sharing of information.

MR. SIMZAK: Yes.

ASSEMBLYMAN FRELINGHUYSEN: I have one other question -- an old chestnut. What about weatherization? It's all fine to come up with these dollars, but can you just make some very brief comments about weatherization programs and whether, in

fact, the money we're spending, in fact, isn't going out underneath the door jam and out through open windows -- for fuel?

MR. SIMZAK: Assemblyman, I can't personally tell you exactly what is being done in weatherization since that program is administered by the Department of Community Affairs.

ASSEMBLYMAN FRELINGHUYSEN: Well, I know that. But, I would think you would have somewhat a feeling of concern that there's a tie-in between your operation which has a responsibility for \$60 million; and a small unit over in DCA which has a responsibility for weatherization. It would be nice to know that as we approve these block grants, even if we're somewhat going through the motions here today, that one department is talking to another.

MR. SIMZAK: I can assure you most absolutely that we are communicating with that department. A part of our responsibility, as we see it, is to send the names and addresses of those homeowners and senior citizens and low income families that may potentially be eligible for life line-- In fact, on our applications, those who have expressed an interest in weatherization, those lists are sent essentially on a monthly basis to the Department of Community Affairs. The Department of Community Affairs in turn sends us a list of the households that have received weatherization services.

So, there is that communication. And during this past Federal fiscal year, they have provided us information that they have used the block grant transfer. We transferred about \$4.3 million from the low income energy assistance program to the Department of Community Affairs and they have informed us that they have assisted 3116 households with that funding.

So to respond to your question, there has been communication, and hopefully it will be continued and improved communication.

ASSEMBLYMAN FRELINGHUYSEN: Okay. Thank you very much. Thank you, Mr. Chairman.

SENATOR WEISS: Thank you, Mr. Frelinghuysen. Mr. Simzak, I do have a question for you. It has to do with some problems that may create, in fact, homelessness that would in this instance come about by people who are unable to pay utility deposits, or who are in arrears on utility bills. Now, I'll give you the question, or I'll give you both questions at once, because I think they run together: To what extent should the block grant fund, or can they be funded for the use of utility deposits or to pay the arrears which is in their payments?

MR. SIMZAK: Yes, Senator. We have been doing just that. As you know there is a utility moratorium during the winter months. The positive aspect of that utility moratorium is that it protects households from freezing. The negative aspect of that utility moratorium is that it does not encourage households to pay the bills, which results in arrearages. What we have done with the Home Energy Assistance benefit, is that we have worked with the utilities on this over the years, and that we have made that Home Energy Assistance a two-party check to the client and to the utility company. And we have also notified banking institutions throughout the State that that home energy benefit can only be deposited by a field supplier and cannot be cashed by a client. That's an effort to make sure that the benefits are going for the purpose for which they were intended.

Additionally, we have an emergency assistance component of the program, which attempts to address the arrearage issue where a household has fallen, even with the Home Energy Assistance benefit that may have reached the utility. If that household is still in emergent need or faces a problem of shutoff, we can provide them with additional financial assistance.

SENATOR WEISS: Okay then, you do have a system in place to handle those.

MR. SIMZAK: Yes, we do.

SENATOR WEISS: Now, how about some of that \$30 million we got from the oil company overcharges. Can that be used for this purpose?

MR. SIMZAK: Yes, Mr. Chairman. It can. Our intended use of that \$30 million in the Oil Overcharge Fund is to ideally expand the current Home Energy Assistance Program in terms of increasing the benefit amounts and increasing our eligible population by raising income guidelines.

A problem that we are seeing right now is that the U.S. Senate is entertaining the possibility of reducing the national allocation of this program by 30%. If such a reduction actually comes to pass, New Jersey would have to use a great deal of that \$30 million of the Oil Overcharge Fund just to bring us back that where we were last year.

To give you a specific example, last year New Jersey received \$70.8 million in low income energy assistance funding. This proposal, this Senate subcommittee proposal, would reduce New Jersey's allocation to \$48 million. I would point out that my understanding is that Senator Lowell Weicker, of Connecticut, who is the Chairman of that appropriations committee, has favored full funding for the block grant, and Senator Lautenberg, who is also on that committee, is also in favor of full funding.

SENATOR WEISS: But there is a chance that you may lose \$22 million out of that program?

MR. SIMZAK: Yes, there is.

SENATOR WEISS: Let me get back to the question. You say that we could use some part of that \$30 million. Could we use it all for this program? If not, what is the percentage?

MR. SIMZAK: The entire \$30 million is intended for use in this Home Energy Assistance Program over the next three

years. Our plan was to use \$10 million of that fund for each of the next three program years to increase income guidelines and eligibility, for our targeted population.

SENATOR WEISS: How far in advance of the program do you receive the money? So, you know what I'm driving at?

MR. SIMZAK: Yes, I do. Last year, our program started November 1, and we received Federal funding, the day before Thanksgiving.

SENATOR WEISS: That's about par for the course.

MR. SIMZAK: That was an extreme -- unbelievable and unreasonable -- an extreme example. But the problem, as I understand it was the problem within OMB and the release of the funds to the Department of Human Services and thereby to the states. But, across the country some states begin their programs October 1; most begin November 1. But in any case, no state received Low Income Energy Assistance Block Grant funding from the Federal government until the end of November last year.

SENATOR WEISS: So then, we were wondering why these programs didn't start, let's say, in April, so that by the time the heating season came around, your treasury at least had the money in it and could dispense it from there? So, you're apparently working six or seven months behind.

MR. SIMZAK: We're working in a crisis situation in this program. Our planning of the program is preliminary to November 1 when the winter normally starts. But any cooperation with the Federal government in terms of available funding, is purely coincidental to that date.

SENATOR WEISS: I don't know what that does for your clients, but I know it has to keep you on your toes. Mr. Frelinghuysen or Senator Haines?

SENATOR HAINES: Yeah. One of the things that I've seen happen oftentimes, is that people, because of the fact that they can't turn off their services, will keep their houses

pretty warm in the wintertime and run up a tremendous debt and not be able to pay it off. One of the things that causes that is the fact that the houses are old houses. I live in a very old house, and we've had to insulate one room after the other. But, an old house that's not well insulated, you can burn up heating dollars so fast that it's just ridiculous, and yet for a house that is well insulated, you can use heating costs over a long period of time very efficiently. It seems as though we're almost contributing to this problem with your program, even though it's a life line program and very much needed; that maybe what we should be doing is using the dollars, in fact, to ensure that more insulation is done. I just wonder, is there a way that we could, in a sense, force some insulation effort with the dollar money that we're using? Is there a lever that we could use here that would force the people to make some changes for their benefit?

MR. SIMZAK: Senator, are you speaking of the clients, or are you speaking of the State as a whole?

SENATOR HAINES: I'm speaking of people. What I see -- I'm a farmer, and some of the folks working for me, we've had to really bail them out in the spring, because they run up such a tremendous debt. And, you know, they'll have electric heaters, and all kinds of things running all winter, and they just run up a tremendous utility bill.

MR. SIMZAK: I think that conservation education and conservation information is necessary. I think that it's probably incumbent upon us, the Department of Human Services to work in concert with the Department of Community Affairs to inform our eligible client population of what they should be doing and how they should be doing it. In terms of actual weatherization dollars, there's a limit in the Federal legislation of the amount of weatherization funds out of the Low Income Energy Assistance Block Grant in how much of that block grant can be used for weatherization dollars. I think

though that the Legislature has considered this specific issue in its development of a plan to use the oil overcharge funds. I know that that great part of that funding is going for weatherization. We've had to include one room for the owner.

But I think to address your question, it's necessary for us to inform the eligible client population of what they themselves can do in terms of turning back the thermostat and making sure those resources that are available to them are used, which include the weatherization packages that are made available by the utility companies.

SENATOR HAINES: So there is some effort on your part to conserve?

MR. SIMZAK: To conserve and to educate the client population to conserve.

SENATOR HAINES: Well, education is a little difficult when it's cold outside. You can put your hand up against the light fixture and feel the air blowing through; which I found was the case in my house, so we did a little bit of work. But, you know, it seems to me that we're pouring good money after bad and we should work for a long-term solution to some of these problems. I remember when my grandfather used to heat two rooms in the house. That was during the Depression years and that's all that he could afford to do. And yet, you know, people were healthy and lived well and survived and lived for a long time. We've got a problem and I just wonder if we're going about it the right way?

MR. SIMZAK: I think the staff from the Department of Community Affairs could probably contribute to an answer to your question in view of the fact that their funding has been reduced from the Federal Department of Energy -- the weatherization funds have been reduced.

SENATOR HAINES: Thank you.

SENATOR WEISS: Are there any questions for Mr. Simzak? (no response) If not, thank you very much, sir, for appearing here this morning.

MR. SIMZAK: Thank you, sir.

SENATOR WEISS: Is there anyone else to testify on the block grant programs? Any one of them? (negative response) If not, the Chair declares that the block grant hearings are closed.

(HEARING CONCLUDED)

APPENDIX

ASSISTANT COMMISSIONER RICHMAN'S TESTIMONY
BEFORE THE JOINT BUDGET OVERSIGHT COMMITTEE ON FY'88
COMMUNITY SERVICES BLOCK GRANT STATE PLAN

TO: MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to report to you on our Community Services Block Grant State Plan for the 1988 federal fiscal year, and on the conduct of our current program.

The Community Service Block Grant was created by the Omnibus Budget Reconciliation Act of 1981. CSBG's stated purpose is to ameliorate the causes of poverty through the support of such services as employment, education, housing emergency assistance, and nutrition and through the encouragement and coordination of other resources in the community. The Block Grant is the second generation of economic opportunity programs. The CSBG had its origin in the Economic Opportunity Act of 1964. The Act mandated the formation of Community Action Agencies, Head Start and Legal Services.

The programs which preceded the CSBG were funded by the federal government directly to Community Action Agencies with little or no state government involvement outside of a matching fund requirement. The Block Grant channels nearly all funds through the states, which now have the principal responsibility to distribute these funds to local service providers and oversee program operations.

The Department of Community Affairs has been the designated administering agency in the State since the Block Grant's inception in 1982.

In this role the Department is accountable to the Governor, the Legislature and the U.S. Department of Health and Human Services for all aspects of grant management and program operation. The 1988 State Plan was prepared to comply with all statutory requirements for receiving a CSBG allotment from the Federal Department of Health and Human Services. It also sets forth the State's policy goals and objectives, the requirements necessary to qualify for grant funds, along with the administrative procedures under which the program functions.

The federal allotment to New Jersey for fiscal year 1988 is \$9,542,533. As the CSBG Act requires, 90% of the allocation will be passed through to local eligible agencies, which are primarily Community Action Agencies. Consistent with the law, 5% will be reserved to defray the State's expenses to administer the program. The remaining 5% of the State's allocation will be dedicated to funding projects which address State priorities and special initiatives.

Together with the CSBG grantees, DCA has sought to improve the condition of those living in poverty. The booming economy of this State obviously has not availed all our residents of the opportunity to earn an adequate wage and thereby afford decent housing,

transportation, medical attention and other modest standards of living. It is our task to focus on stimulating an environment whereby all available resources are accessed and dedicated to enabling low income families and individuals to attain the motivation, skills, and opportunity to become self-sufficient and secure. This task has always been difficult and the needs have never been greater.

The formidability of the job is such that it requires a fairly high level of programmatic and administrative sophistication. When the year end grant management report is compiled, we expect that our grantee agencies will have leveraged against CSBG funds, over \$50 million in other local, State, Federal and foundation monies. Without our grant, the Surplus Commodity Food Distribution Program would have lacked administrative support. CSBG funding has also been used effectively to serve to the homeless in Essex, Bergen, and Camden; in support of a food bank in Phillipsburg, a day care center in Bridgeton, computer and auto machine training in Newark; a health care clinic in Atlantic City, and for remedial education services for the low income throughout the State.

There has been a serious effort to develop a State Plan which is meaningful. This past year we reconstituted our advisory council. In so doing, we added representatives with substantial experience in the public and private sectors and particular expertise in social service delivery, education, job training and employment and housing.

The function of this group has been expanded from its original role which was to alert the Department to emerging issues of concern to the CSBG clientele and to make policy recommendations. We are now asking our advisory task force members and the organizations they represent to directly assist in resolving the short range problems that arise during the course of the grant year. they are very enthusiastic about providing that level of cooperation.

In addition, we are working diligently with the task force and the grantees to improve our collective performance. We have determined that the public would be most benefitted by effectuating more rigorous performance standards.

There is also the concurrent commitment to substantially increase program training for our designated agencies in the next grant year.

We expect that it will take us the better part of this year to agree upon acceptable performance standards, conduct agency by agency evaluations and to implement a training program. Once this is accomplished, we will be better able to objectify state assessments of each agency and thereby make more appropriate allocations of funds. Superior performance will be recognized and financially rewarded. Performance below the standard will trigger an intensification of oversight and the identification and satisfaction of training needs.

These actions represent greater intervention on the part of the state in local programs than has been the practice in the past. These efforts are designed to ensure that CSBG resources are most effectively used.

Thank you for your time. I would welcome any questions you might have on the 1988 CSBG State Plan.

NEW JERSEY STATE DEPARTMENT OF HEALTH

TESTIMONY

PERTAINING TO THE FISCAL YEAR 88 BLOCK GRANT APPLICATIONS FOR
MATERNAL AND CHILD HEALTH and PREVENTIVE HEALTH AND HEALTH SERVICES

GOOD MORNING, MY NAME IS DR. LEAH Z. ZISKIN, AND I AM THE ASSISTANT COMMISSIONER FOR THE DIVISION OF COMMUNITY HEALTH SERVICES IN THE NEW JERSEY STATE DEPARTMENT OF HEALTH. MY TESTIMONY THIS MORNING WILL COVER BOTH THE MCH BLOCK GRANT AND PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT APPLICATIONS FOR FY 88. BOTH OF THESE GRANTS ARE ADMINISTERED BY THE DIVISION OF COMMUNITY HEALTH SERVICES EVENTHOUGH SOME PORTIONS OF THE PREVENTIVE BLOCK HAVE THEIR PROGRAM LOCUS IN OTHER DIVISIONS OF THE DEPARTMENT.

I DO APPRECIATE AND THANK THE MEMBERS OF THE BUDGET OVERSIGHT COMMITTEE FOR THIS CHANCE TO PRESENT THESE TWO BLOCK GRANT APPLICATIONS. I WILL BE BRIEF AND TO-THE-POINT, AND I WILL BE HAPPY TO ANSWER YOUR QUESTIONS AFTER MY REMARKS.

MATERNAL AND CHILD HEALTH SERVICES APPLICATION

THE FIRST APPLICATION I WOULD LIKE TO SPEAK ABOUT IS THE MATERNAL AND CHILD HEALTH SERVICES GRANT. THE DEPARTMENT OF HEALTH HAS AS ITS MAJOR RESPONSIBILITY THE PUBLIC HEALTH NEEDS OF THE RESIDENTS OF THE STATE. BECAUSE OF THE HEALTH RISK INVOLVED IN PREGNANCY, INFANCY AND EARLY CHILDHOOD, IT HAS HISTORICALLY PAID PARTICULAR ATTENTION TO THOSE ISSUES WHICH REPRESENT SPECIAL HEALTH PROBLEMS FOR MOTHERS AND CHILDREN. SINCE 1936 THE DEPARTMENT HAS MANAGED FOR THE STATE THOSE FEDERAL PROGRAMS WHICH ARE DESIGNED TO ADDRESS THE HEALTH NEEDS OF MOTHERS AND CHILDREN.

FOR FISCAL YEAR 88 THE DEPARTMENT OF HEALTH HAS APPLIED FOR \$8.87 MILLION. WITH A SUPPLEMENT CARRY OVER FROM FY 87 OF \$324.000, THE TOTAL IS OVER \$9 MILLION. OUR FY 88 GRANT FUNDS WILL BE ALLOCATED TO THE FOLLOWING ACTIVITIES:

\$560,000 FOR FAMILY PLANNING
\$2,063,000 FOR MATERNAL AND INFANT HEALTH } MCH
\$760,000 FOR CHILD HEALTH }
\$1,195,000 FOR ACCIDENT PREVENTION AND POISON CONTROL
(Childhood Lead Poisoning Screening)
\$330,000 FOR DENTAL HEALTH
\$2,900,000 FOR SPECIAL CHILD HEALTH SERVICES
\$75,000 FOR BIRTH DEFECTS MONITORING

THE FY 88 MCH APPLICATION IS HIGHLIGHTED BY A CONTINUED COMMITMENT TO OUR EFFORTS TO REDUCE INFANT MORTALITY AMONG THE STATE'S HIGH RISK GROUPS. FOR EXAMPLE, THE STATE FUNDED HEALTHY MOTHERS/HEALTHY BABIES INFANT MORTALITY REDUCTION INITIATIVE, WHICH BEGAN IN JULY 1985 AS AN EXPANSION OF THE MCH BLOCK GRANT FUNDED SERVICES IN OUR TEN GREATEST NEED CITIES, IS BEGINNING TO HAVE AN IMPACT. THE INFANT MORTALITY RATE IN THOSE TEN CITIES HAS DECREASED FROM 17.9 DEATHS PER 1000 BIRTHS IN 1985 TO 16.0 DEATHS PER 1000 BIRTHS IN 1986. THIS IS THE LOWEST RATE IN THESE CITIES SINCE 1970. THIRTY TWO PERCENT (32%) OF MCH BLOCK GRANT FUNDS ARE ALLOCATED TO MCH ACTIVITIES.

ANOTHER MAJOR COMMITMENT UNDER THE BLOCK GRANT HAS BEEN TO THE DEVELOPMENT OF A COMMUNITY BASED NETWORK OF SERVICES FOR CHILDREN WITH CHRONIC ILLNESS AND HANDICAPPING CONDITIONS. WE WANT TO ASSURE THAT CHILDREN WITH SPECIAL HEALTH NEEDS HAVE ACCESS TO COORDINATED QUALITY CARE SERVICES. OUR SUPPORT FOR A FAMILY CENTERED APPROACH IN THIS REGARD IS EVIDENCED IN FY 88 WITH THIRTY THREE (33%) OF THE MCH BLOCK GRANT FUNDS ALLOCATED TO SPECIAL CHILD HEALTH SERVICES.

PREVENTIVE HEALTH AND HEALTH SERVICES

THE PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT APPLICATION REPRESENTS SEVEN DISTINCT BUT RELATED PROJECTS FOR HEALTH SERVICES. OUR APPLICATION INCLUDES DETAILED DESCRIPTIONS OF THE PROJECTS TO BE FUNDED IN FEDERAL FISCAL YEAR 88. THESE DESCRIPTIONS SPECIFY THE GOALS AND

OBJECTIVES OF EACH PROJECT AREA; THE IDENTIFICATION OF POPULATIONS, AREAS AND LOCALITIES OF NEED; THE METHODS FOR ACHIEVING THE GOALS AND OBJECTIVES; AND THE CRITERIA TO EVALUATE EFFECTIVE PERFORMANCE. A STATUS REPORT OF FY 87 FUNDED ACTIVITIES IS ALSO INCLUDED IN THE FY 88 APPLICATION.

IN FY 88 THE DEPARTMENT HAS APPLIED FOR \$2.7 MILLION. THESE FUNDS WILL BE ALLOCATED TO THE FOLLOWING ACTIVITIES.

- \$424,135 FOR EMERGENCY MEDICAL SERVICES
- \$719,558 FOR HYPERTENSION
- \$175,000 FOR DIABETES
- \$95,445 FOR RAPE SERVICES AND PREVENTION
- \$15,000 FOR DENTAL CARIES PREVENTION
- \$323,420 FOR RODENT CONTROL
- \$222,131 FOR COMPREHENSIVE HEALTH SERVICES which includes \$133,640 for Environmental Hazard Assessment and \$88,491 for Local Health Training AND
- \$488,840 FOR HEALTH PROMOTION AND RISK REDUCTION SERVICES

HIGHLIGHTS OF THE PREVENTIVE BLOCK APPLICATION FOR FY 88 , WHEREIN NEARLY HALF OF THE FUNDS (44%) IS ALLOCATED TO HYPERTENSION, DIABETES AND RISK REDUCTION, INCLUDE THE FOLLOWING:

- WE HAVE INTEGRATED MULTIPLE FUNDING SOURCES FOR DIABETES AND HYPERTENSION (STATE \$, CDC \$, BLOCK \$) TO ENSURE A MORE COORDINATED APPROACH TOWARD PREVENTION AND CONTROL OF CHRONIC ILLNESS;

- WE HAVE INCORPORATED CHOLESTEROL CONTROL ACTIVITIES INTO A BROADER SCOPE WHICH UTILIZES A HEALTH RISK ASSESSMENT APPROACH;

- WE HAVE INITIATED CANCER CONTROL ACTIVITIES DIRECTED SPECIFICALLY AT EARLY BREAST CANCER DETECTION THROUGH THE USE OF MAMOGRAPHY.

I WISH TO AGAIN, THANK YOU FOR THE OPPORTUNITY TO PRESENT THIS INFORMATION TO YOU. THIS CONCLUDES MY TESTIMONY AND I WOULD BE MORE THAN HAPPY TO RESPOND TO ANY OF YOUR QUESTIONS AT THIS TIME.



State of New Jersey
DEPARTMENT OF HUMAN SERVICES
DIVISION OF PUBLIC WELFARE

Address Reply to:
CN 716
Trenton, New Jersey 08625

RION E. REITZ
Acting Director

HOME ENERGY ASSISTANCE

FY 1988 PROGRAM BEGINS NOVEMBER 1, 1987

The New Jersey Home Energy Assistance (HEA) program is funded by the Low Income Home Energy Assistance Program Block Grant. Thus, the assistance costs and administrative costs are 100% federally funded.

The Home Energy Assistance program is designed to help low income families and individuals meet home heating and medically necessary cooling costs.

The HEA program is state administered with entitlement checks produced at the Department of the Treasury, Office of Telecommunications and Information Systems.

HEA winter payments vary by income, household size, fuel type and heating region.

There are four types of HEA payments: (1) Automatic payments to eligible Aid to Families with Dependent Children and Food Stamps recipients; (2) Special Energy Assistance to all other eligible households who apply for assistance; (3) Emergency Energy Assistance; and (4) Medically Necessary Cooling Assistance.*

To be eligible the household must be a resident of New Jersey; pay for its own heating and/or cooling costs directly to the fuel supplier, pay its landlord according to usage, or pay a rental charge which includes such costs; and must meet income eligibility requirements.

HEA Payments are made directly to the client with two exceptions: Eligible applicant households who are directly responsible to a fuel supplier for the payment of home heating costs receive a two-party check in the name of the applicant and the fuel/utility supplier named on the application, provided the supplier has signed a contract to participate in the program. Categorically eligible households that are directly responsible to a public utility for their primary source of heat receive two-party checks issued in the name of the applicant and "Your Heating Utility".

Applications will be available by November 1, 1987 at the local county welfare agencies.

Persons 60 years of age or over and disabled individuals may receive and return their applications by mail. All others must apply in person at the local county welfare agency.

Persons who live in public housing and/or receive rental assistance are not eligible unless they pay for their own heating or cooling costs directly to the fuel supplier.

For application and further eligibility information please call the local county welfare agencies at:

ATLANTIC	(609) 348-3001	MERCER	(609) 989-4540
BERGEN	(201) 368-4321	MIDDLESEX	(201) 745-3500
BURLINGTON	(609) 261-1000	MONMOUTH	(800) 662-3114
CAMDEN	(609) 757-8257	MORRIS	(201) 829-8223
CAPE MAY	(609) 729-9200	OCEAN	(201) 349-1500
CUMBERLAND	(609) 691-4600	PASSAIC	(201) 881-0100
ESSEX	(201) 733-3079	SALEM	(609) 935-0131
GLOUCESTER	(609) 582-9200 (800) 232-6555	SOMERSET	(201) 526-8800
HUDSON	(201) 420-3100	SUSSEX	(201) 383-3600
HUNTERDON	(201) 788-1330	UNION	(201) 351-1112
		WARREN	(201) 475-5361

Or call the Home Energy Assistance Toll-Free Telephone 1-800-257-6249.

*The HEA Cooling Assistance benefit is a onetime payment per cooling season of \$125 paid during the summer months.

