

PUBLIC HEARING
before
ASSEMBLY INSTITUTIONS, HEALTH AND WELFARE COMMITTEE
on
"FIRE SAFETY IN LONG-TERM CARE FACILITIES"

Held:
January 21, 1981
Assembly Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman George J. Otlowski, Chairman
Assemblyman Raymond Lesniak
Assemblyman John W. Markert
Assemblyman Clifford W. Snedeker
Assemblyman Richard F. Visotcky

ALSO:

John D. Kohler, Research Associate
Office of Legislative Services
Aide, Assembly Institutions, Health and Welfare Committee

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ASSEMBLYMAN GEORGE J. OTLOWSKI (Chairman): Good morning. Seated with me here this morning on my left is Assemblyman Clifford Snedeker. On my right is John Kohler, the aide to the Committee. Other committee members will be coming in. Others will not, because they probably won't be able to get here from Washington. But, in any event, we are going to start this hearing and before we do, I would just like to make some general observations for everybody's information.

I have an understanding with Senator William Hamilton, who is my counterpart in the Senate, that the Senate Committee on Institutions, Health and Welfare will primarily be engaged in hearings on institutions, such as the alleged problems in Marlboro, Skillman, and those other institutions, while this Committee will continue to devote its time in developing the hearing and hopefully a record dealing with fires in nursing homes, sheltered homes, and so on. The Committees will be able to get more work done this way, and no particular committee member will be overburdened, and yet we have an understanding that interchangeably an Assemblyman can sit in on the Senate Committee, and a Senator may sit in on this Committee. I just wanted you to know that, so in the event you have particular problems in those areas, you will know what Committee Chairman or Committee Aide you want to talk to, so that you can get on a particular agenda.

In the meantime, this hearing is going to confine itself to the Keansburg fire, and we may get into other fires as the hearings develop. But, what we want to do here is develop a record for the legislature that is both for the Senate and for the Assembly, so that we can take a look at the whole legislative structure in the area of fire prevention to determine if there is any legislation needed as a result of these most recent tragic fires. It may be that a whole new concept may be needed. That remains to be seen. Whatever we do certainly has to be economically feasible as well as socially desirable. Unfortunately, we are brought together again by the tragedy of the Keansburg fire. The fires at facilities for the aged and disabled are responsible for the taking of 56 lives in six months. Fire and its resultant effects occur every day all over the world. What makes these fires so unique to merit the riveting of public attention upon them?

The fires are unique because the individuals involved are so special. They are special because they are the lonely, the forgotten, the aged and the disabled. These fires have forced us to look into ourselves while the public looks to us for answers. We have to live up to the faith and trust that the public and these special individuals place in us.

What this Committee would like to do today is to examine, attempt to understand, and hope to improve fire safety standards in the long-term care facilities, rooming houses and boarding houses. Hopefully, we can bring a small amount of order to the chaos of competing and overlapping laws and regulations on fire safety. By doing this, we can provide a consistent framework of regulations under which every owner will be held accountable for meeting realistic yet effective fire safety standards.

We have invited some fire safety experts, both on the national and state levels, to testify today in the hope that some new ideas concerning fire prevention might be discussed. Also, I would like to hear from representatives

of the Department of Human Services, Health and Community Affairs in a panel format. I will introduce all three departments and, as a matter of fact, we are going to start with the Health Department with Commissioner Finley and then we will go to the other departments and to the remaining witnesses.

Tragedies such as these fires raise a number of important questions about the role of government in protecting its citizens against the hazards of everyday living in an imperfect world, especially when the individuals involved are either aged or disabled. Perhaps today we can begin working on answers to some of these questions.

As a matter of fact, we know, too, from recent experiences, that fires can take place in a hotel, where there are very, very healthy individuals, in the course of the day, or a motel that is supposed to be modern in every respect, and loss of life results here with people who are young, vigorous, alert. And, this can happen in the course of the day.

We know, too, that fires occur in fire-proofed buildings. And, when they occur in fire-proofed buildings, in many instances the tragedy is worse than when it is in a wooden structure. The fire-proof building, of course, has the other hazard of toxic poisons that take place when fires occur in fire-proofed buildings.

As I said in my statement, fire presents unique and puzzling problems. Hopefully, we will be able to get at some of these causes, some of the answers. In any event, what we don't finish in the course of the day, if any witness is not going to be called in the course of the day, we will continue the hearings on another day. This distinguished gentleman who just walked in with the gray suit is Assemblyman Richard Visotsky.

I just want you to know that if you are listed and you are not called in the course of the day, you will be called at the next hearing. We are going to start now with the testimony of Commissioner Finley.

J O A N N E E. F I N L E Y: Thank you very much, Mr. Otlowski and members of the Committee. I am going to keep my prepared remarks very brief, because I know that you want to have time for questions and to engage in a dialogue, so that you can begin to formulate possible legislative remedies to further protect the aged and the disabled citizens.

The cause of the tragic fire in Keansburg that you referred to is exceedingly important, but there is, however, an even greater issue for all of us to think about, and a need for broader solutions. The issue, really, is how we care for that segment of our society which is growing in numbers so rapidly, and that is, the elderly citizens of our community. I won't overwhelm you with statistics because I know that you are aware that social scientists and specialists in geriatric medicine have been reminding us constantly that this is an increasingly aging society. The birthrate is going down. The number of people who are living past seventy is increasing. Not only is the number increasing, but fortunately, they are generally living healthier lives, and, as you say, may end up alone or with their immediate families having predeceased them often.

So, the issues that confront us are much greater than what we can do to shore up the fire and safety standards in older buildings which have been converted to some type of group residential use. As public officials

and legislators and citizens, we have to commit ourselves to the development of a total, rational, compassionate, cost effective system for all of the needs of these people which has to be built over time.

In the State Health Plan, which was created with the assistance of New Jersey's five Health Systems Agencies, and the Statewide Health Coordinating Council, we have called for such a system which provides varying levels of service to the elderly. The levels of service can range from the hospital to the nursing home to upgraded residential health care facilities which we used to call sheltered boarding homes, to congregate living arrangements and even something we believe in very much, assistance to elderly individuals in their own homes. In the last case, the home based services range from assistance with simple housekeeping chores to minimal medical or nursing services. We need more than a system of just health care, though. We need a system in which we attempt to assist our elderly citizens to function in the most appropriate setting rather than forcing them into a network of any kind of very large institution.

To achieve this goal requires very careful planning and communication between our citizens and our executive and legislative branches. We know that the solutions to these problems will require financial resources and that those resources must come from the people through their taxes. Therefore, we have to include everyone in defining the problems and creating the solution. There is not one of us who has an easy or overly simplistic answer or even a true estimate of the financial cost.

This state and this legislature has already done a great deal toward creating a better system. The Departments of Health, Human Services, Community Affairs, and the Public Advocate approached government a couple of years ago with proposed legislation which was geared toward reforming the entire boarding home system in New Jersey. The Legislature, your committee, deserves great credit for passing the Boarding Home Reform Act; though it did not include everything that we wish to see in the bill, it was a great step forward, and it really put New Jersey on the map. The Legislature at that time was rightly concerned about the costs of proposed legislation, particularly the section that had to do with the upgrading of sheltered boarding homes - now known as residential facilities. You instructed us to begin the collecting of financial information on residential health care facilities which would better enable all of us to understand the costs of upgrading programs and standards, and we have been gathering that information.

At the time we were discussing the bill, we provided you with a considerable amount of information on trends in relation to residential health care facilities, and I would like to update for you today to give you an overview. Many of the trends that we reported previously continue. I have attached to your testimony a one-page summary of the kinds of facilities we have, the numbers, the size, and a map by county showing you what each county does have in the way of these facilities. There has been a further decline in the number of residential health care facilities and the number of beds available since 1971. Three years ago, we reported to you that there were 276 such facilities in the State, and there are now only 264.

Since the passage of the Health Care Facilities Planning Act, we have approved 5,060 residential health care facility beds. But, only 1,538

have been built. Now, that is from '72 to early '80; 2,145 of these beds had to be voided - the certificates of need had to be voided by the Department, because the applicants could not find financing to build or they could not acquire the necessary zoning changes. Those facilities which came on line during the past ten years tend to be fairly large, usually exceeding 50 beds. Some 50, and there is a small correction in the testimony I have given you - it says 48 - of the total of 264 such facilities are now in the over 50 bed category. Slightly over 100 are in the 21 to 50 bed range, and 87 are in the 11 to 20 bed range.

The preliminary information that we are gathering on costs - and I do want to emphasize that it is preliminary because we have received complete and useful information from only 80 of the 264 facilities - tends to indicate that the larger facilities are showing a slight profit. It is very small. You could call it marginal. The smaller facilities are experiencing losses.

The experience of the Certificate of Need Program and the Economic Development Authority indicates that the money market does not show a great interest in financing the creation of residential health care facilities. I think that would be an underlying problem in financing to upgrade them. The lenders are concerned about what they perceive to be the absence of a policy of consistency on reimbursement.

The residents in sheltered boarding homes tend to be elderly and they do tend to be on SSI. A large number of individuals who reside in proprietary homes have had some contact - although it may be long ago - with the mental health or developmentally disabled system. In the non-profit homes there are far fewer former residents of state institutions. The likelihood here in the non-profits is that the individuals belong to a particular social or religious group and they often enter into these programs as part of a lifetime contract arrangement with that group.

Residential health care facilities today in New Jersey meet higher fire and safety standards than do ordinary boarding homes. But, they certainly do not meet the standards of nursing homes. Heat and smoke detectors are required; closed stairwells are required; facilities of greater than two stories are required to have sprinklers; fire drills are required; there are smoking regulations, housekeeping and staffing standards which are included all to attempt to control the possibility of fire and to protect people in that case.

Certainly there are more things that government and the community could do that will better protect these individuals, but no number of devices can ever supplant higher building standards, and even higher building requirements do not guarantee that lives will not be lost. And, you yourself just pointed to fires recently where healthy people were involved, and where standards were met in such places as Las Vegas, Tarrytown and Toronto, where Canadian standards are very high.

We think there are some interim steps that can be taken - although we would like to emphasize that no one should be lulled into a false sense of security by thinking that additional standards for converted homes of wood and frame construction would solve the larger problem of how we deal with our elderly and alone citizens.

And, further, as we look toward making improvements, we should also be mindful of the fact that we have to assist proprietors

of residential health care facilities and work together with them in finding the funds to implement these recommendations.

ASSEMBLYMAN OTLOWSKI: Commissioner, thank you very much. Could you at this time - even though you have said you are not completely prepared, because you don't have all the figures - give us any idea how large a facility has to be to be able to float economically? You have said that the larger facilities are operating at a marginal profit while the smaller ones, of course, are operating at a loss. Does a facility have to have 50 beds, 60 beds? How large does it have to be, in your opinion, or aren't you prepared to tell us at this time?

DR. FINLEY: I can sort of work around an answer. I don't think I can give an exact number, because it depends on a number of things. Our cost studies show, for example, I think this is not unexpected that where it is a combined facility, as was Beach View, where you have a sheltered boarding home, and you also have an intermediate care nursing home, and you have the two in combination - both of them, of course, having to live up to different standards - now the costs there we estimate at least \$17 per day per patient. If you have strictly a sheltered boarding home, the costs are probably at least \$13 a day per patient. These are minimum. So, it does depend on the kind of facility and it is just that as we get the financial information, we find that the smaller homes - and particularly the very smallest ones - are just not able to make enough to stay in business.

ASSEMBLYMAN OTLOWSKI: In your opinion, could a nursing home with 60 beds operate at what you call a margin of profit? Would you be able to survive?

DR. FINLEY: You do mean a sheltered boarding home?

ASSEMBLYMAN OTLOWSKI: No, I am saying a nursing home.

DR. FINLEY: Well, that is an interesting question, because one of the problems when you do cost analysis is to discover the difference especially in the combined facilities. Now, the general societal system through Medicaid or whatever is financing the nursing homes---

ASSEMBLYMAN OTLOWSKI: I am not going to pursue that further. If you would, for the benefit of the committee, I think it is important, because there are some things that some of us have been talking about. I think it is important for us to form judgements here---

Could you give me a breakdown figure of how many beds you would have to have to operate what you call a margin of profit, so that the nursing homes can stay open? Because, if they are not operating at a profit, they are going to have to close up. So, I think we would want to have some figures.

Let me tell you what I am driving at. For example, in Keansburg in talking to the owner, as you say, you have two types of facilities, the sheltered home and the nursing home. The nursing home was in the rear, one story, brick, everybody got out alive. That tells you a little story there. In the sheltered home, which was a two-story building, brick veneered, this is where the loss of lives took place. I think one of the things we would want to examine closely - if we are going to update nursing homes, and if we are going to update these facilities - is, how can they operate as you say at a marginally economic profit so they can keep their doors open? Would there be some mechanism we can find to induce them to build one-story buildings

that are brick so that people can get out quickly. That is a question of economics, of course. I would like to have some figures so that the Committee could look at these figures to see if we can go - as I said in my opening statement - in some new direction here. Because, I think that of anything in that Keansburg fire, that is the story that is most dramatic in my mind.

DR. FINLEY: Well, I am going to have to say that part of the problem lies in the fact that we do, through our various societal systems, including Medicaid, reimburse nursing home care at almost twice as much as the same systems reimburse care in a residential health care facility. I don't think the answer is to say that the Medicaid program will have to have another \$50 million to put everybody who may be basically healthy and just need a little bit of friendly assistance - which is the sheltered boarding home resident - to put them in a nursing home at \$719 versus the \$350. Size is not the issue.

ASSEMBLYMAN OTLOWSKI: There has to be the distinction in the classification. I am not saying that. But, there are many nursing homes at the present time who do not have the advantage, for example, that they had in Keansburg where they were located on one floor, a nursing home.

DR. FINLEY: A nursing home, generally - and I think Mr. Cunningham from the industry who is here would agree with this - would need at least 60 beds to---

ASSEMBLYMAN OTLOWSKI: At least 60 beds?

DR. FINLEY: It is more likely to generate profit enough to keep up to high standards at 120 beds. And basically for the sheltered boarding home resident, that is probably too big a place. It is not a friendly, homey place. I am not saying that nursing homes can't be nice places.

ASSEMBLYMAN OTLOWSKI: But, would you give us some figures on that, when you can, on the economic feasibility particularly of a nursing home, the minimum number that you can have to make it operational?

DR. FINLEY: The figures I just gave you are for nursing homes, now.

ASSEMBLYMAN OTLOWSKI: 60, but up to 120.

ASSEMBLYMAN VISOTCKY: Commissioner, how many of those residents would be medicaid patients? Because, we find out we can't take medicaid patients, we only want private patients. We can make more money. How much of that same 60 could be medicaid patients?

DR. FINLEY: Well, as you know, if there is a need for medicaid beds in New Jersey, we do have a court upheld regulation which says that the Health Department can say that such and such a nursing home must take a given number.

ASSEMBLYMAN VISOTCKY: The law says that, but they are not doing it.

DR. FINLEY: Yes--- The State Supreme Court finally ratified our authority to do that.

ASSEMBLYMAN VISOTCKY: Yes, but they are not doing it.

ASSEMBLYMAN OTLOWSKI: But the opinion just came down from the Supreme Court recently, didn't it?

DR. FINLEY: Yes.

ASSEMBLYMAN OTLOWSKI: And your agency now will be in a position to implement that opinion?

DR. FINLEY: Yes.

ASSEMBLYMAN OTLOWSKI: I think that what Assemblyman Vistocky is saying - and I know of his interest in that particular field - is that if anything he will be watching that to see how it works, and that is important to the Committee, also. If they are not going to take Medicaid patients, then the whole thing becomes ridiculous.

DR. FINLEY: All right, but I would want to continue to stress we must not leave out thinking about this sheltered boarding home.

ASSEMBLYMAN OTLOWSKI: On sheltered boarding homes, Assemblyman Snedeker just asked me a question. Would you like to ask that question of the Commissioner, Assemblyman?

ASSEMBLYMAN SNEDEKER: What responsibility, actually, does the Health Department now have in sheltered boarding homes, Commissioner? What is your responsibility as compared to the other departments?

DR. FINLEY: The Department of Health ever since 1971 when the Health Care Facilities Planning Act passed has had a responsibility for inspection and licensure of sheltered boarding homes, which you now call residential health care facilities, where, in other words, there have to be some personal services reminding people to take their medicine, helping with bathing, dressing, and helping people walk to the dining room and so forth. There are minimal personal services rendered. In other words, it is not just a place where you live and there is nobody to look after these basic needs.

With the passage of the Boarding Home Reform Act in New Jersey, you remember beginning in September just this past year, the legislature granted the authority and the wherewithal to the Department of Community Affairs to adopt regulations which they worked with the Health Department on, and to do more frequent than once every five year inspections of all boarding homes.

ASSEMBLYMAN SNEDEKER: How often does your department inspect them?

DR. FINLEY: At least once a year.

ASSEMBLYMAN SNEDEKER: Do you look at the same things that the Department of Community Affairs looks at, or do you look more at the personal things to see that the resident is getting---

DR. FINLEY: Well, our standards are higher, because there are minimum health care needs that these people have. So, our standards for staffing, safety, et cetera, are higher, but there is nothing inconsistent. It all has to do with the level of care that the person needs. So, there is no conflict between the standards of Community Affairs, but our standards are higher, because you are dealing with people that may have minimal disabilities or frailties, and therefore need some personal health services.

ASSEMBLYMAN SNEDEKER: They are not the same homes?

DR. FINLEY: Oh, no, these are different.

MR. REILLY: We inspect boarding houses and rooming houses. The Health Department inspects resident and health care facilities which have been commonly called sheltered care homes. So, they will be different homes. That is how the law divided the responsibility.

ASSEMBLYMAN SNEDEKER: Can you get us a definition some place that shows us a boarding home, a sheltered care home, patients and so on so we can have that available?

DR. FINLEY: Yes.

ASSEMBLYMAN SNEDEKER: Do you inspect, Commissioner, the facilities

for heat and smoke detectors? You do inspect for them through your department?

DR. FINLEY: Oh, yes, they are all required in the sheltered boarding homes.

ASSEMBLYMAN SNEDEKER: What does the department consider a heat and smoke detector, an alarm that I put in my house with a nine volt battery, or is it---

DR. FINLEY: I have the chief of my inspectors here, and I also have my building standards people here who can tell you exactly what they are.

ASSEMBLYMAN SNEDEKER: Are they going to testify later?

DR. FINLEY: They are here to answer questions. Would you like that question answered?

ASSEMBLYMAN SNEDEKER: Yes.

DR. FINLEY: Fred.

ASSEMBLYMAN SNEDEKER: The Commissioner indicated that they have heat and smoke detectors which are required. Is it a commercial type or the kind you buy---

MR. DUSHANE: It is a commercial type which includes smoke detection. It is required at the top of any shaft, stairway, elevator shaft, dumbwaiter, that sort of thing.

ASSEMBLYMAN SNEDEKER: That is a commercial type. It is not the little battery-operated type that is in the home. Do you require emergency lighting in case of a power failure? Do you know if this facility had both of those?

MR. DUSHANE: Yes, it did.

ASSEMBLYMAN VISOTCKY: Commissioner, I wondered if we in New Jersey are going the right way. Are you trying to institutionalize people or put them on the street, or put them in the homes? Yet, I never heard of a fire in an institution but I hear of fire in the private sector. Can you tell me of any we have had in our institutions?

DR. FINLEY: Actually, the Keansburg fire is the only tragedy we have had in a sheltered boarding home. There have been other kinds of tragedies in our institutions, such as the outbreaks of illness. Any place that you crowd or put a lot of people together in a large institution, you are going to have what you call nosocomial infection, the spread of infection, and so forth. I think also as you well know from your constituency of persons still going on strong, but can't take care of themselves, and the families are very concerned that they not be put in large institutions.

ASSEMBLYMAN OTLOWSKI: Commissioner, excuse me, I think the question that Assemblyman Visotcky asked was, there is no history, at least that is what I understand, of fires in public institutions, while we have this history, this rash of fires in non-public institutions. Why? That is the question that he is asking. What is your opinion?

DR. FINLEY: I don't have a simple answer. I am really going to stick to what I said before. I think that as we get more and more people who live to seventy, eighty, ninety - and we all may--- I just came from visiting my own late eighties parents in Florida who only recently gave up a home and went to a life-care community. But, they are affluent people.

I mean, I wish we could have life care communities for people of all ranges and stages. We just have to face the fact that we are an aging society; that people may even lose their sons and daughters before they die, those who would be here to look after them. I talked to a doctor recently whose mother is 92 and he has put her in a very fine sheltered boarding home in Bergen County. But, we need to plan a system---

ASSEMBLYMAN OTLOWSKI: In any event, you have said that you don't have the answer to the question that Assemblyman Visotcky asked. He asked a direct question. He said, in his opinion, or to his knowledge, there were no fires in public institutions, no history of fires with loss of life, while there is this loss of life in these private institutions. And, he wanted to know why. It seems to me that you have said for the record that you had no ready answer. Is that what you said?

DR. FINLEY: But I also said there is a loss of life in public institutions from other reasons.

ASSEMBLYMAN OTLOWSKI: All right.

DR. FINLEY: And, we are talking about different populations. The residents of Keansburg were predominantly people from right around in the community. You read in the paper that someone went looking for her aunt. Well, again, she had no sons or daughters, but there was a niece who was nearby. They were almost all Ocean and Monmouth County residents that had never been in public institutions.

I think we have to remember we are dealing with a much broader population with needs other than those that you think of as having been in public institutions.

ASSEMBLYMAN VISOTCKY: I have another statement. With regard to the woman who went to look for her aunt, maybe we didn't have enough employees around to take care of the people in the facility?

DR. FINLEY: No, in the sheltered boarding homes there are standards. There are required to be a certain number of employees with some training there twenty-four hours, around the clock. This facility in Keansburg met those standards. The employees were there, and the employees helped get the residents out.

ASSEMBLYMAN VISOTCKY: Commissioner, how can you tell me that someone took her aunt away, and no employee knew about it. How can you say you have enough people there? They were not even controlled, or something, because you just can't let people wonder off with you in charge. They probably didn't have enough people---

DR. FINLEY: That is not the kind of situation I am referring to.

ASSEMBLYMAN VISOTCKY: Well, we are talking about this situation. It is there. Did they have enough people? Did somebody panic? Did someone not do his or her job? That is what we are here to find out.

DR. FINLEY: The facility met the standards for staffing.

ASSEMBLYMAN OTLOWSKI: Commissioner, may I just interject this? I expected the Prosecutor here this morning. He is conducting an investigation. I think, Assemblyman, probably the better person to answer that question would be the Prosecutor who is conducting an investigation in depth. He at this moment has not completed his investigation. While he was going to be here today to make some preliminary observations, he wasn't going to make any statements in the area that Assemblyman Visotcky is getting into. That is a very, very

pertinent question. It is important, as a matter of fact, to this Committee, because if there was human failure there, that is something else again. But, I think, Commissioner, if I can ask Assemblyman Visotcky to hold that question, until when the Prosecutor comes before the Committee, is that agreeable to you?

DR. FINLEY: Surely.

ASSEMBLYMAN VISOTCKY: Commissioner, I have another question. Shouldn't we look at maybe something different in New Jersey like nursing home facilities with Medicaid patients, with people that really can't afford to pay, like sheltered boarding homes that have a bond issue - for every county to have one and to do it right, and to see if the people have the proper facilities--- Don't worry about going into some of these abandoned buildings and start really doing the thing right for a change, instead of saying, "Fine, go out in the public and live in these homes that really are not standard---

If I remember correctly, last year I understand they would inspect these buildings every three years, or maybe once in five. In five years, anybody who doesn't do any work in his home, his home is going to fall apart in five years. And, if you weren't doing the job--- All right, now we are starting to grow up a little bit. We are learning to do this job a little bit better. Don't you think we should do that, and keep it privately run with a bond issue. When they say they can't make money; that is a crock, for the simple reason that we have low end housing. They are all making money; they are paying taxes. People are living good; people have nice facilities. I am sick and tired of having people say, "Oh, give it to the private sector so they can rob us of the money." And, yet, they are not taking our medicaid patients. That has me turned off.

DR. FINLEY: I think that examining the possibility of some kind of a bond issue or a loan guarantee program of some sort, if you decide you want to further upgrade the standards for the sheltered boarding homes, which I do think have a place--- I think the sheltered boarding homes have a definite place. But, also to help build more imaginative--- Like I say, the idea of a life care community where there are individual apartments as well as ---

ASSEMBLYMAN VISOTCKY: Something similar to what we did up at Graystone; there are homes there.

DR. FINLEY: Cottages. Well, I am talking about something a little different for the elderly. I think your concept of examining, investigating, some kind of a bond issue or loan guarantee program is an excellent one.

ASSEMBLYMAN VISOTCKY: Thank you.

ASSEMBLYMAN OTLOWSKI: All right, Commissioner, you are going to stay with us, so that we have the benefit of your advice and answers to some questions which we may ask. Thank you very much, Commissioner.

May we have Mr. Reilly from the Department of Human Services, please. You are representing Commissioner Klein; is that so?

GERALD J. REILLY: Yes, that is right. Thank you very much for calling on me to give testimony today. I don't have a prepared statement today. I am essentially here as a resource person to the Committee. I want to explain for a moment some of the workings of the new Boarding Home Reform

Act that the Commissioner mentioned in her opening statement. The Boarding Home Reform Act required the cooperation and coordination of the Departments of Health, Community Affairs, and Human Services, and the Ombudsman. The Act named the Department of Human Services as essentially Chairman of the Board of that effort. As you know, having deliberated on this issue before, it cuts across all three of these departments.

I think New Jersey is somewhat unique in this particular kind of legislation that choirs into the law the kind of coordination that we now have.

ASSEMBLYMAN OTLOWSKI: Excuse me a minute, please.

MR. REILLY: I want to emphasize a couple of points that I think are very important. I want to emphasize that we do now have in place on the statute book a forward looking and adequate plan for the reform of boarding homes in New Jersey. We now have a way out of the dilemma of the overlapping laws and jurisdictions that you referred to earlier in your opening statement.

Under the new law there is a clear division of responsibility and a clear requirement for cooperation among the involved departments. In New Jersey there are about 230 nursing homes that accommodate about 30,000 people. These are medical care facilities that people are required to need nursing care in order to reside in such facilities. These facilities are reimbursed at relatively high levels - in the area of \$38 to \$44 per day. These facilities are very, very fire safe. To my knowledge, throughout my experience in New Jersey, there has never been a fatality in a New Jersey nursing home. I think that is an important distinction to make, because oftentimes when these issues get discussed in the media, a rooming house or a boarding house gets characterized as a nursing home. That causes a good deal of apprehension among people and families and residents of nursing homes who know they are in a very debilitated condition and not capable of aiding themselves in the event of a fire or tragedy.

I think it is very important to underline that point, that we have never had a fatality to my knowledge in a New Jersey nursing home. We had one fire a number of years ago, but there were no fatalities.

There are also in New Jersey 276 residential health care facilities, in that ballpark, in which 10,000 people reside. About half of those people are SSI recipients - that is supplemental security income. Up until this present tragedy, there had not been a fatality in a New Jersey residential health care facility.

In New Jersey we also have boarding houses and rooming houses in which we estimate 40,000 people reside. We think the number of such facilities may range from 1500 to 2500. It is these boarding houses and rooming houses that were the primary target of the enhanced inspection and enforcement effort contemplated in the Boarding House Reform Act that went into effect September of 1980, which the Department of Community Affairs can speak to you about, and in which they are now gearing up to carry out that law.

We have, as Assemblyman Visotcky indicated, an absolute shortage of long-term care beds in the State of New Jersey, in my opinion, particularly beds available for medicaid people. What this shortage at the highest level facility in the system does is tends to have people placed at facilities that are not appropriate to their needs. There are people in residential health

care facilities who probably ought not to be there; they probably should be in a nursing home. The Health Department does a good job of policing this, and inspecting the facilities requiring them to move people to a nursing home if necessary. But, it happens. The problem is more profound in the rooming houses and boarding houses. There are people in rooming houses and boarding houses who absolutely do not belong there because of their physical debilitation. They require a minimum residential health care facility. Some of them require nursing home care.

The difficulty in developing the nursing homes has to do with reimbursement, funding for capital, willingness of people to invest. The Legislature took an important step in that direction in authorizing us to move ahead with the bond question on the nursing home loan guarantee fund. Such facilities will require at least 70% to 75% - I don't recall which - of their residents to be medicaid. We still have a long way to go with regard to residential health care facilities, to make it financially feasible for such facilities to develop in the numbers we require.

Commissioner Finley pointed out that of over 5,000 certificates of need for beds in such facilities, under 1500 have actually come to fruition. That is because they essentially rely upon a payment of \$329 a month, after you take out the personal needs allowance from SSI, about \$11 a day. That is \$11 a day compared to \$40 a day in a long-term care facility. It is just not economically feasible without infusion of philanthropy and voluntary donations to make these facilities grow in a way that we need.

One of the parts of the Boarding Home Reform Act did require the Health Department to study the financial problems and report back. We are in the process of doing that and will be doing so. When we do, my hunch is that we will suggest that we do need a variable rate system for residential health care facilities similar to nursing homes. We are also going to need a way to assist them with capital finance along the lines of what Assemblyman Visotcky has suggested. In addition, with regard to the rooming houses and boarding houses under the review of the Department of Community Affairs, we are going to have to find a way to help them deal with the life safety issues that are discovered during this enhanced inspection that will be at least once a year up from an every three-year basis.

Now, the place where the tragedies have occurred in New Jersey for the most part have been in the boarding houses and rooming houses. The Brindley Inn was a boarding house. Mrs. Arthur's home in Camden two days ago was a rooming house. This is where the largest problem will continue to be, and this is where we are going to have to address our resources, and it is going to take resources.

I want to comment on Assemblyman Visotcky's question about the fact that no one has ever died in an institution, a public institution, in a fire. And, the implicit question there, I think, is "Is it really wise to pursue this policy of community care given the risk that entails?" We have had fires in New Jersey public institutions. We have never had a fatality. There have been, I am told, fires in public institutions in other states where there has been loss of life. I think one of the main factors in protecting us in an institutional fire is the 24-hour staffing at fairly significant levels, higher levels than are available in a residential health care facility, although

I point out that until this present tragedy we have never had a fatality in a residential health care facility. We don't have 24-hour supervision, awake supervision, in boarding houses and rooming houses. In some we do, but in the vast majority we don't.

This is the question of balancing the benefits of people living in a free and open environment against the risks that involves. I have thought a good deal about it. I have read the scholarly research on it that other people have done. I have talked to residents in boarding houses who had been residents of public institutions, and after a great deal of careful deliberation, having had many of the same concerns you expressed, I have come to the conclusion that it is the proper course of public policy to assist people, to live in the least restrictive environment that is appropriate to their condition. I would point out, too, that the majority of people who reside in rooming houses and boarding houses have never had a formal contact with the mental health agencies, or the mental retardation agencies, or the public agencies of this State. They are simply people who don't have a lot of income; they are old; they may be disabled in some way; they maybe should have had some contact with the service systems, but have not. A significant minority of people in these facilities have had contact with the mental health system in particular. Therefore, it is a great concern to us, and we agonize over the question of the risk involved in community care.

I think that the public policy is correct that says it is inappropriate to incarcerate people in large institutions unless they are dangerous to themselves or others. And, to incarcerate them merely because they are old, feeble, disabled, different, I think we have pursued the right path. I think, however, we have not done enough to prepare that community to provide a reasonably safe and secure environment for those people. I think we have an effective roadmap before us now. It is a combination of the Boarding Home Reform Act, the Community Mental Health Initiatives, the Community ICFMR initiatives, that we are catching up with the early years of deinstitutionalization that occurred without proper planning. This process has been going on for fifteen or twenty years. It is not a new phenomenon. But, it has only been in the last five or six years that we have really begun to address the problems of what resources are needed in the community to make sure these are reasonably safe environments as best we can.

My message, really, today is that I think we are on the right track in New Jersey. The Legislature has been very supportive and very wise in giving us a blueprint. I think that we have to, if anything, accelerate the pace with which we implement the plan for reform that we have already agreed is sensible and reasonable.

ASSEMBLYMAN VISOTCKY: Gerry, can I ask you a question. Since we went into boarding houses, I believe it was since September, how many of these facilities did we say should be closed by inspection?

If not, somebody is going to tell me that every facility we have right now has all the safety standards and everything else? I would like to know how many don't, and how many were inspected since September. How many we have said are no good, should be closed down and won't close down, and God forbid we have another tragedy? We don't have any of this information which I think is very important to us.

MR. REILLY: Well, that is the area that I think Bill Caton from Community Affairs and Bill Connolly will want to address. Do you want to respond to that right now?

ASSEMBLYMAN OTLOWSKI: Wait a minute, excuse me. Before we get into that, Assemblyman, can we just finish with Mr. Reilly here. Are you saying that Community Affairs is in a better position to answer that question?

MR. REILLY: Surely. I can answer in general and they will answer in specific terms. I know that the 1500 to 2500 facilities that we believe are out there, that many of them have serious, serious deficiencies and when we discover that, we are going to have a terrible dilemma, because they are providing shelter and housing for people. What do we do? If we close them down, do we put people into the street? If we don't have an alternative in assisting them to put in the life safety improvements that are required, what do we do? I think all along we understood that this reform effort was going to have to be a process of discovery and then response to what we discovered, because we don't know the state of that housing stock out there. Other than general terms, we know it is poor.

ASSEMBLYMAN VISOTCKY: Gerry, you don't want tragedy after tragedy. That is a big difference.

MR. REILLY: I think there are some things we can do that are not exorbitantly expensive, and we can do them very quickly if we all make up our collective minds to move. I think that these gentlemen can speak to some of those things.

ASSEMBLYMAN OTLOWSKI: Just one question that I think is linked to this. Are you pushing too hard to get people out of state institutions and getting them into an area that, as you say, there has to be discovery? Are we doing that too intensely? I think that is part of the question.

MR. REILLY: No, I don't think so. If you examine the history of deinstitutionalization, you will find that the bulk of it happened in the mid-late sixties or early seventies, as a function of judicial intervention, medication, just a growing national consensus that this wasn't the way you took care of sick people, or in many cases the people were not sick; they were simply old and homeless. A lot of people came out in that error.

If you look at the past four or five years, you will find a decline in the population of institutions has slowed significantly and that is because, number one, many of the people left in an earlier era, and number two because there has now been more careful planning as people do leave. This is particularly true in the intermediate care facilities mental retardation program, which New Jersey just got into a few years ago, where there has been very, very careful planning for each individual placement out of a mental retardation institution. What is now happening is a program of community care that means that people who would have come into the institution years ago don't get in. That is another kind of problem. At one time the hospitals which had 4,000 in population are now down to 700, 800, or 900.

People who were found wandering in the streets years ago may have come in to Marlboro or Trenton or Graystone and been accepted, and been retained, and sometimes for a long period of time when they really had no reason to be there. So, they are stopped at the door essentially. There is the community mental health program, and the attempt to develop programs in community hospitals. I don't think we are going too fast. I really don't. I think we did go too

fast in the sixties, definitely and some of the problems we are reaping today are from that. But, I don't think we are going too fast today. You know, we are not really engaged in large-scale deinstitutionalization any longer. We still have at least 400 people in our State psychiatric hospitals who we know don't belong there. All we know is they need nursing home beds, and we simply have not been able to get them out, because there are no beds.

So, we are probably going too slow with deinstitutionalization today, rather than too fast.

ASSEMBLYMAN OTLOWSKI: Are there any other questions on this particular subject before we get to the Department of Community Affairs?

ASSEMBLYMAN SNEDEKER: Commissioner, what phase does your Department do on the inspecting or looking at the homes, such as the one at Keansburg? What is your responsibility?

MR. REILLY: Well, under the law, we do not have the inspection responsibility for the home in Keansburg or Arthur's home in Camden. We have the service responsibility related to the residents there. If in fact we are going to place a person in a home such as in Keansburg where we did place four people in the Keansburg home - population 79, and in that unit, 4 were placed - in that case, that involves us going out and reviewing the facility from a programatic point of view, is the place appropriate for us? We would rely upon, in this case, the Health Department's certification of its basic capacity to have its license. Or in the case of a boarding house or rooming house, the Department of Community Affairs' certification of its basic capacity to have a license.

We have a deeper responsibility than that, however, with regard to all the residents there - whether we place them or not - that if they need help from our agency, social services, under the Boarding House Act, the owner of the facility has an obligation to inform us. For example, in a boarding house in Trenton, if an owner has a person who lives on the third floor or second floor and has not come out to eat in two days, before the Boarding Home Reform Act, he had no responsibility toward that resident. Under the law, he has an absolute responsibility now to call upon us for assistance with that person so that the county welfare agency, adult services unit, protective services unit, can respond, go to the facility, talk to the person, find out what the problem is, if they can, and try to render assistance.

They have responsibility under the law to reach out to us for help. We also have responsibility under the law through the county welfare agencies, again, for them to be reaching out to all the boarding homes, rooming houses, and residential health care facilities in their community and go in there and offer service. That means essentially going in and taking a look-see. It can't be a case by case thing. We don't have the resources. But, at least if there is some outside regular contact from an agency that has responsibility to provide help.

ASSEMBLYMAN OTLOWSKI: Thank you. May we have the Department of Community Affairs? Gerry, will you stay here, so we can refer questions to you if need be?

MR. REILLY: Surely.

P H I L I P B. C A T O N: My name is Philip Caton. I am Director

of the Division of Housing in the Department of Community Affairs, and accompanying me today is Bill Connolly who is Deputy Director of the Division of Housing.

I do not have a prepared statement, but I would like to provide some background on questions that have arisen this morning from a number of you Assemblymen. This, perhaps, can set a background for the implementation of the Rooming and Boarding House Act of 1980. In response to the question that Assemblyman Snedeker asked, we did promulgate regulations pursuant to the Boarding House Reform Act, which cover fire safety. They cover such areas as means of egress, provision of smoke detectors and alarm systems, the partitioning of stairwells, fire doors, emergency lighting, exit signs on a major means of egress, sprinklers in some instances, and not only physical facilities and improvements, but the kinds of drills that have to be undertaken by the operators of those homes on a regular basis and how those are to be recorded.

These standards vary according to the capability of the residents in these rooming and boarding houses, the number of people that reside, the type of construction and the size of the facilities. These regulations were developed pursuant to a public hearing format in cooperation with the Department of Health and Human Services and the office of the Ombudsman for the institutionalized elderly.

ASSEMBLYMAN OTLOWSKI: Excuse me, just to bring the thing in to focus, the question that Assemblyman Snedeker asked, the Department of Community Affairs has what kind of inspections, what kind of inspectors going into rooming houses, boarding houses into residential shelters, into nursing homes? Just in that category, direct answers.

MR. CATON: Okay, we inspect rooming and boarding houses. We do not inspect residential health care facilities or nursing homes.

ASSEMBLYMAN OTLOWSKI: You inspect rooming and boarding houses.

MR. CATON: Correct.

ASSEMBLYMAN OTLOWSKI: And your inspection includes what in those facilities?

MR. CATON: The inspection covers both physical standards, and we have inspectors that inspect pursuant to those standards, as well as social standards, that is, evaluating the types of services that are provided for the residents according to the type of facility. For instance, the meals that are provided for those residents, the quality of personal services, financial services, and---

ASSEMBLYMAN OTLOWSKI: The physical inspections include safety, fire?

MR. CATON: That's right. There are maintenance standards which include fire safety in all the categories that I just described.

ASSEMBLYMAN OTLOWSKI: The boarding homes that you mentioned, the large numbers that you mentioned, have inspections been made in all of these boarding homes? Are they made on a routine basis?

MR. CATON: The inspections will be made once annually as required---

ASSEMBLYMAN OTLOWSKI: No, I said, "Have they."

MR. CATON: No, they have not been made in all these facilities yet. The Act has been in effect since September, and as we described to a Joint Committee which followed up the Brindley Inn fire, we intended and did during the fall---

ASSEMBLYMAN OTLOWSKI: Are you saying that the element of time didn't permit the inspections, because of the time that the act became law, that you have not had time to get to that area?

MR. CATON: Well, that is true.

ASSEMBLYMAN OTLOWSKI: How long will it be before you can get to that?

MR. CATON: We are starting on the cyclical inspections, these once annual inspections, right now. We have been responding to complaint inspections---

ASSEMBLYMAN OTLOWSKI: How long will it be before you will be able to complete the cycle?

MR. CATON: One year from now I would estimate. And, this depends now on the number of facilities and this gets to your question, Assemblyman, and the number of rooming and boarding houses which are out there to be inspected. It was estimated at 1500 during the development of the bill. We solicited from local mayors offices, police and fire chiefs, construction officials, county welfare agencies, and state hospitals. Those addresses of facilities that they suspected would come under this rooming and boarding house act. As a result of that we have 4000 addresses to which we have now mailed license applications.

Each of the operators of those facilities is making an evaluation and returning the license applications to us now as to whether they feel they do or do not conform with the act. Well, we have given them some basic information about the kinds of facilities that are to be regulated by this rooming and boarding house act. In fact, we will inspect first those facilities whose operators reply to us, yes, they are operating a rooming or boarding house as defined in the act and as set forth in plain language in a cover letter which we send with a license application.

We don't have all the license applications back yet. In fact, we only have the first start of them. But, based on very preliminary returns, we estimate that there are going to be in excess of the 1500 facilities which were estimated back before anyone knew how many rooming and boarding houses were in the State.

ASSEMBLYMAN VISOTCKY: I don't understand, you are saying you are taking their word. You are not going to go out and follow it through---

MR. CATON: Yes, what I said or meant to say, Assemblyman, was that we are going to inspect first those facilities whose operators tell us, yes, they do fall under the act and the facilities whose operators say that they are not under the act will include some that really should be under it, and some that are seasonal facilities or, for one reason or another, are not covered by the act, we will get to those. But, our first priority in the encyclical inspections are going to be those facilities which do fall under the act.

ASSEMBLYMAN VISOTCKY: In other words, we didn't inspect any yet under your department.

MR. CATON: We have begun---

ASSEMBLYMAN VISOTCKY: You have not inspected any; is that right?

MR. CATON: No, we have been out and inspected for both social and physical deficiencies. The majority, I can say at this point, of facilities upon which we have received complaints--- In fact, we closed one three weeks ago.

ASSEMBLYMAN VISOTCKY: Any idea how many you have inspected?

MR. CATON: I can't tell you off the top of my head.

ASSEMBLYMAN VISOTCKY: More than five?

MR. CATON: No, it is many more than that. We have a staff which includes positions for sixteen inspectors for physical standards and twelve inspectors for the social standards.

ASSEMBLYMAN VISOTCKY: And you are going to tell me that if there is 4,000, with the limited amount of inspectors that you have, you will never make it in a year.

MR. CATON: That is correct. That staffing was based on an assumption which was the best that we all had at the time that there would be 1500.

ASSEMBLYMAN VISOTCKY: But there are more than you thought in your figures.

MR. CATON: That's correct. As soon as we have an indication better than we do now, based on the license application returns, of how many facilities are out there, we will be making recommendations to Treasury for our increased funding for our increased staff. Because in direct proportion to the number of facilities over 1500 that there are in this State, we are going to have to supplement our inspection staff and our enforcement staff proportionally.

ASSEMBLYMAN OTLOWSKI: Assemblyman, in that connection, what responsibility did you have to the facility in Keansburg - the two facilities? First of all, with the nursing home, you had none.

MR. CATON: That is correct.

ASSEMBLYMAN OTLOWSKI: How about the sheltered home, what responsibility do you have there?

MR. CATON: That was licensed by the Department of Health, so that was out of our Department.

ASSEMBLYMAN OTLOWSKI: So you have none, then.

MR. CATON: That is correct.

ASSEMBLYMAN OTLOWSKI: I just wanted to bring that into focus. The questions, of course, that are being pursued by Assemblyman Visotcky are the overall approach to the general problem. I just wanted to bring that into focus.

ASSEMBLYMAN VISOTCKY: What about the facility in Camden, can you tell me about that?

MR. CATON: That facility in Camden---

ASSEMBLYMAN OTLOWSKI: That was a boarding home, right?

MR. CATON: Yes, that was, and that facility was on our list. The operator of that facility had received and returned the license application. It had not yet been inspected under the cyclical inspections they have just started. But, that is an example of a facility of relatively small size that is going to be covered under the Act.

That facility had been inspected locally. The City of Camden has an ordinance which mandates smoke detectors and other fire protection standards for facilities such as that, and includes an annual inspection by City inspectors.

ASSEMBLYMAN VISOTCKY: I still don't buy the fact that we are not to worry because the municipality is doing it.

MR. CATON: Oh, absolutely. We will do the job once a year. I would like to mention in connection with the cost issues that Deputy Commissioner

Reilly brought up, it is clear from the inspections that we have done, and our experience to date in this field, that there are going to be many facilities which will not meet the physical standards, especially as they relate to fire safety during this year. I can't estimate today how many of the total universe will not measure up to standards, but it is clear that they are going to have to find financing from some avenue other than conventional financing to make these improvements.

We have a broad authority under this act to require compliance from a variety of methods, and we see our job as using our authority - whether it be through fines, or through limited receivership functions and directing the expenditure of funds that are brought into the facility to abate these violations - those are the avenues which we would like to pursue as opposed to closing the facilities. But, in some cases, it is going to be absolutely necessary to close.

ASSEMBLYMAN VISOTCKY: What good is a fine if you lose a life? I would rather see you close the facility and put the people some place else.

MR. CATON: In cases where the violations warrant that, Assemblyman, we certainly will do that.

ASSEMBLYMAN VISOTCKY: Well, you can give them thirty days to fix something, and if they don't do it, in sixty days we have a tragedy again. And they can pay \$250 in fines. Big deal.

MR. CATON: No, we won't be giving sixty days to abate a violation which should be abated in twenty-four hours. We have the authority - and have already required that violations that are threatening life safety to be corrected within twenty-four hours, and that is typically the time frame we would be dealing with on fire safety violations.

ASSEMBLYMAN VISOTCKY: Suppose they can't do it in twenty-four hours, they can't put in a fire detector system in twenty-four hours, or any multitude of things, all right, safety hazards, what are you going to do? Say I have a facility and you came and inspected my place, and if I can't do it in twenty-four hours, what are you going to do with the people that are living there?

MR. CATON: Well, first of all, the installation of an integrated, hard wire smoke detector system, you are right, it cannot be done in twenty-four hours. Depending upon the condition of the building, however, it might not be necessary. If the building is otherwise fire safe---

ASSEMBLYMAN VISOTCKY: Well, let's say I don't have a fire safe building.

MR. CATON: Then, in that case, if there is a violation that we feel should be corrected within twenty-four hours and it is not done, we will close the facility and relocate the residents.

ASSEMBLYMAN VISOTCKY: Do you have a plan to relocate the residents?

MR. CATON: Yes, we do. We work in concert with County Welfare Agencies, or the Department of Health or Human Services, if they should be involved. Yes, we do have a procedure for relocation.

ASSEMBLYMAN VISOTCKY: Suppose you find 50 of them in a month, and there is no doubt that you are going to find at least 50, what type of facilities and what type of care do we have? Are we prepared for something like this? If you are going to do it, do it right.

MR. CATON: We want to do it right.

ASSEMBLYMAN VISOTCKY: The question is, what plan do you have?
Can we see a plan?

MR. CATON: Well, we have a plan for or a procedure for relocation and placement. Clearly, if there are a number of homes that have to be closed within a short period of time, in a concentrated area, that is going to put a stress on the ability of that area to absorb relocated residents. And, we will deal with that situation when it arises. It relates, though, to the financing assistance for making these improvements so that we don't have to close half the boarding homes in this State, but we have to provide some means through which they can be brought up to compliance, rather than simply shut down.

ASSEMBLYMAN OTLOWSKI: Excuse me, Assemblyman, may I just break in for a moment. You may continue your questioning. I just want to make an announcement at this point.

The Committee will sit here until one o'clock. They will break at one o'clock for lunch and be back at two o'clock. In the meantime, I am going to ask the Vice Chairman, Assemblyman Ray Lesniak, to preside and continue the hearings. As I indicated at the outset, there is no question that these hearings will continue on other days and those days will be announced. When we come back at two o'clock, we will go until four-thirty today, so that we will give those who came a distance the ability to arrive home at a reasonable time.

In the meantime, I am going to ask Assemblyman Ray Lesniak, who is the Vice Chairman of the Committee, if he will continue with the hearings, and continue with Assemblyman Visotcky's questioning.

ASSEMBLYMAN LESNIAK: Thank you, George. Assemblyman Visotcky.

ASSEMBLYMAN VISOTCKY: No, that is all. Thank you.

ASSEMBLYMAN LESNIAK: I just have one question. I think we ought to have a general analysis of the inspections that you have done to date, including the number, the results of those inspections, and your attempts regarding compliance as far as any violations.

MR. CATON: I would be happy to provide that.

ASSEMBLYMAN LESNIAK: When can you anticipate the Committee receiving that information?

MR. CATON: I can have that for you by the middle of next week.

ASSEMBLYMAN LESNIAK: Thank you.

ASSEMBLYMAN SNEDEKER: There was a statement made earlier that there was coordination between your Department and the Health Department. I find that you don't inspect nursing homes, and intermediate care facilities. You only inspect boarding homes and rooming houses.

What coordination, then, is there as far as duplication that no one else inspects the facilities that you inspect? Is that correct?

MR. CATON: No other State agency; that is correct. I was referring to relocation of residents, if there are residents in rooming or boarding houses who are improperly placed, for one reason or another, and they require an evaluation by the Department of Health in terms of their relocation.

ASSEMBLYMAN SNEDEKER: But, your Department has the responsibility for fire safety, for the condition of the building, and the care of the building, and the number of people who have to be there in a boarding home to see that

the people are fed and taken care of? Is that your Department's responsibility at this point?

MR. CATON: That is correct.

ASSEMBLYMAN SNEDEKER: What do you think, if you wind up with 4,000 boarding homes or rooming homes throughout the State, that it is going to take in staffing to take care of complaints and/or inspections?

MR. CATON: The staffing that we have implemented for the program is almost entirely related to the size of the universe of rooming and boarding houses to be inspected. So, it is going to have to increase directly in proportion to that number over 1500 facilities which have to be inspected.

ASSEMBLYMAN SNEDEKER: Is there a number for every ten boarding houses, you need one person, or for every twenty? Is there a formula of any kind?

MR. CATON: Yes, well---

ASSEMBLYMAN SNEDEKER: For every 100, one inspector per 100. Now, does that include the complaints and/or violations?

MR. CATON: Yes, it does.

ASSEMBLYMAN SNEDEKER: So we are talking about 40 personnel in all, if we are talking about 4,000.

MR. CATON: Right.

ASSEMBLYMAN SNEDEKER: And you feel that the 40 will be able to take care of the complaints and complete the once a year inspection as required?

MR. CATON: That is right. There will be additional people needed for enforcement. But, the 1 per 100 ratio holds for licensing and inspections.

ASSEMBLYMAN SNEDEKER: Okay.

ASSEMBLYMAN VISOTCKY: Will the same person be there for the re-inspection?

MR. CATON: In some cases, yes.

ASSEMBLYMAN VISOTCKY: There is no doubt in my mind that when you have re-inspection within twenty-four hours---

MR. CATON: Oh, in those cases, certainly, yes. I thought you meant in the next cycle.

ASSEMBLYMAN VISOTCKY: No, re-inspection because of a violation.

MR. CATON: Absolutely. It has to be the same inspector, because they are the ones that know what the violations were.

Now, if I might, Bill Connolly has some information concerning fire safety in rooming and boarding houses that I think the Committee would find interesting.

ASSEMBLYMAN LESNIAK: I just have one other question. What time frame do the 4000 applications that you sent out have to be returned, completed?

MR. CATON: They have to be returned within 30 days. They went out at the end of the calendar year, so---

ASSEMBLYMAN LESNIAK: I am sure there will be a percentage that are not returned. Do you intend to put them on your list for inspections?

MR. CATON: Absolutely.

W I L L I A M C O N N O L L Y: My name is Bill Connolly. I am Deputy Director of the Housing Division. I have been involved in most of this State's

technical efforts relative to the building safety, and the implementation of its Uniform Construction Code and a number of other activities. In my spare time I have been involved on the national level with the National Association of Building Inspectors, the BOCA organization that many are familiar with, and the National Association of State Building Code Officials. Because of our particular interest in New Jersey in this problem and the fact that we are out front in terms of trying to solve these problems, I also have had an opportunity to serve as Chairman of the Special Committee for the Association of Local Inspectors on Fire Safety and Residential Health Care Facilities and Chairman of the Special Ad Hoc Committee of the Association of State Building Officials on Fire Safety and Group Care Homes. So, I have been exposed to the problems in New Jersey and I have been exposed to them in other parts of the nation as well.

My presentation is basically a technical one. That is what I am qualified to address, and I don't plan to sugar-coat the facts. I will give them to you straight in terms of the technical considerations associated with fire safety.

I think it would be useful in going through this to, one, look at the experiences we have had in the two fires and what they have taught us and should have taught us, and second some general implications, because not all facilities are the same as the ones that had the fires, but these fires give us some lessons for all types of facilities. And some of the cost implications for the kind of corrective actions that are necessary, and, finally, just a moment on other buildings, because these are not the only places we can have tragedy, as the Chairman mentioned in the opening remarks.

In talking about a fire, we can distinguish between the cause of the fire and the cause of the tragedy. Obviously, you could have a fire in a building and not have a tragedy. I would like to talk about the Brindley Inn and to a much lesser extent, because a great deal less is known at this point about the fire that occurred at the Beach View. The Brindley Inn, the cause of the fire, as the Prosecutor announced earlier, was electrical. We have codes that are intended to prevent that sort of a problem by having what is called proper over-current protection, it shouldn't be possible for a circuit to overheat, and if it is over-current protection its circuit breakers or its fuses are of the proper size.

A fire can also be caused, simply because the wiring is aged, even though the over-current protection is proper and in the Brindley it is not possible to say which was the cause, whether the circuit was overloaded, or simply too old and could not deal with the load any more because of the age of the insulation on the wiring. The wiring had probably been there since shortly after the building was constructed, in the early years of this century.

The cause of the tragedy at the Brindley Inn is, in my judgement, primarily what might be characterized as a freak occurrence. What happened there was we had a long, smoldering fire in a concealed, enclosed area, basement recreation room, starting in the ceiling and then in the recreation room. The fire had burned that way for a long period without sufficient oxygen and it got very hot, and when it was provided oxygen, which happened when someone searching for the fire opened the door to the basement room in the case of

the Brindley Inn, there was very rapid combustion, a lot of heat, and the fire literally exploded out of the room, and that is what happened at the Brindley Inn. It exploded out of that room, up the stairs and down the corridors. That, basically, was the cause of the tragedy, the fact that the door was open. It was possible for the fire to spread up the stairs and down the corridors. The building itself, the fire safety of the construction of the building was not particularly relevant in this particular case. I am sure you have seen newspaper pictures of it. The structural damage to the building was quite minor, notwithstanding the very serious loss of life.

It also does not seem to relate it to the characters of the residents in this instance, because the fire did spread with explosive rapidity after it was left to burst out of the basement room. The fact that all of the resident's sleeping rooms were on the third and fourth floors was certainly also contributory to the size of the tragedy. There are implications in these facts for codes and code enforcement systems.

Relative to the extent of the tragedy, the Department's Boarding Home Regulations, which were being promulgated - they were not promulgated yet, because the law was not in effect yet. They had been submitted for public comment, and were in the process of being promulgated - do deal with all of the contributing factors that caused the fire to become a tragedy. We do require comprehensive, commercial type fire detection and alarm systems connected directly to the local fire department in a facility such as this. Had there been such a system in the basement room of that building, it obviously couldn't have smoldered for the length of time that it did, and gotten to the point where it could have caused damage.

Stairways are required to be enclosed, so the fire could not in such a facility spread up the stairs the way it did there. Fire resistant doors are required in all the dwelling units. Periodic fire drills are required. Non-ambulatory people may not be above the first floor in any facility, and the facilities over three-stories and over twenty occupants are required to have sprinkler systems in the common area of the building. It would have kept the fire down in the early stages, rather than allowing it to become the intense fire it did when it first entered the room.

Based on the facts at Brindley we don't see the need for any further corrective actions in terms of standards, other than were already in process at the time under the law as it passed only a few months before. In the Beach View Rest Home, so far as we know, the cause of the fire has not been established at this time, but we can tell a little bit about the cause and the extent of the tragedies. There it relates primarily, at least in my judgement, to the age of the building, the kind of construction that it was made out of, and the lack of many modern fire safety features that are built into newer buildings when they are constructed, or when they undergo extensive alterations, and I am not just talking about alarm systems or sprinkler systems which can be installed in existing buildings. But, the built-in fire protection of the construction itself that we find in a new or extensively altered building. Fire resistance ratings of walls and stairway enclosures. It makes sure that those structural elements will stand up in a fire for an extended period of time. Flame spread and smoke development ratings on all interior finish materials to make sure that they don't generate excessive smoke, and they don't assist

the spread of fire in a very rapid manner. Those are the sorts of things that are built into newer buildings, regulated by the building inspectors in the State's construction code, but which we simply don't have in older buildings because those sorts of requirements either didn't exist or to a much lesser level, or simply weren't enforced years ago.

I think there are some lessons from the Beach View fire in terms of fire safety and it essentially has to do with the installation of the fire suppression systems in larger, older buildings where we can't be assured that they meet the fire resistive construction and the flame spread rating requirements that are found in newer buildings to prevent fires from spreading in that manner so rapidly.

Just briefly in terms of newer buildings, the State since 1977 has had a Comprehensive State Code and a Comprehensive Enforcement System of that code at the local level under considerable state supervision. I don't think it is possible for buildings that are constructed or extensively altered in this day and age to not have the kind of built-in protection that I have prescribed. They definitely do lack them in some of our older buildings.

The cost implications of what we have required, I think, are very important. Taking a Boarding Home that has approximately twenty occupants, general improvements that we require in terms of stair enclosures, fire ratings, alarm systems in a building that does not have those is going to run something like \$4,000 to \$5,000. A fire suppression system in a larger building over twenty and two-stories which we feel in our judgement that must be required, to do that it would cost \$2 to \$2.50 per square foot, and the minimum cost of \$8,000 to \$10,000. There are certain costs associated with the installation of a sprinkler system that are there, no matter how small the system is - water surface, pumps, pressure tanks, and what have you, so there is a minimum cost, no matter how small the building is, and it starts around \$8,000 to \$10,000 and it runs up at a rate of \$2 to \$2.50 a square foot. That is based on commercial sprinkler systems, and what have you, which in our judgement are necessary. Residentially designed and sized sprinkler systems can be overwhelmed by the kind of fire that can get started in an older building that does not have modern fire resistant construction and flame spread protections that I mentioned. So, a commercial system in our judgement is necessary, and those kinds of numbers are involved.

What about the availability of finance? In a twenty-unit building, we are talking about something - if it can be financed - that is probably going to cost, over ten years at the prevailing rate, \$250 or \$300 a month. But, that kind of financing is not available, private or government, at this time, for these kinds of facilities.

With regard to private financing, the most recent information we have which is from 1978, which I am familiar with, a financing of improvements in all of our multi-family dwellings in this State - financing through commercial banks, savings and loan institutions, and that sort of commercial financing institution, \$800,000 in a year, or \$1 per apartment. You can't buy a package of cookies for \$1, much less make significant fire safety improvements in this day and age. We actually fined landlords during that same year more than \$800,000 for code violations. Private, financial communities simply not interested in loaning money for this kind of facility, or for that matter

apartment buildings. It is just not viewed as a sound investment any longer for most investors.

Government financing, while we have a host of public housing, subsidized housing, and rehabilitation programs, none of them are directed to provide financing for this type of facility - small multi-family dwelling or a rooming and boarding house at the present time, which means that the money is going to be found to make these improvements. The owners are going to have to find it out of capital they already have available to them, because they are not going to be able to borrow - \$5,000, \$15,000 available capital to homes of this size to the kinds of owners who own buildings of this type is going to be very difficult.

What we adopted, particularly our sprinkler requirements, we did that with the full knowledge that more facilities who were subject to them would close than would comply, but we have taken on a very difficult job and we are not prepared to preside over a series of disasters. It is up to all of us, the Legislature and the Executive Branch as well, because we will discharge our responsibility in terms of enforcing the Code. There is a great deal that remains to be done to determine whether these facilities will close or will remain open.

In closing, I would like to mention that we in the Department, because of our responsibility for all the new buildings, are deeply concerned about fire safety in all kinds of buildings. Commissioner Le Fante just before Christmas made some very serious proposals designed to lead towards an integrated and effective regulation and fire safety enforcement system for all types of buildings in the State. I think that is going to be necessary, although I understand that the interest of this particular Committee is limited to these types of care facilities. Thank you very much.

ASSEMBLYMAN LESNIAK: Assemblyman Visotcky.

ASSEMBLYMAN VISOTCKY: I have a question. I don't know if you will answer it or Mr. Caton. You gave us a report on August 7, 1980 and you submitted a letter to Mr. Caton, and I believe I heard you say before you had forty inspectors? How many do you have?

MR. CATON: Sixteen.

ASSEMBLYMAN VISOTCKY: Here you say you have twenty-nine.

MR. CATON: Twenty-nine staff, sixteen field inspectors. Some of the twenty-nine are clerical and some of them are enforcement staff. In a program such as this, enforcement staff is very important. It is not so hard to inspect. It is hard to get people to comply, and we are going to put a maximum effort into that.

ASSEMBLYMAN VISOTCKY: Well, your deadline was December 31st. You should have a real good idea now. That deadline of your report says December 31st all the people must return the license application, and it is January 21st and you still don't have any idea?

MR. CONNOLLY: That was our goal. It has to be understood---

ASSEMBLYMAN VISOTCKY: That means we are behind our goal.

MR. CONNOLLY: And it has to be understood why. As you may recall, this State has very difficult financial circumstances. The Legislature in its wisdom provided an appropriation for the Department to begin work from the date that the bill was signed into law last February. It was not possible,

because it passed from the Governor to approve that part of the legislation, and he did not. He would not fund it at all until the month of July. It was our hope that notwithstanding that very late start, we could meet a schedule that would have been set, assuming we could start last February. It did not prove possible, however, we did complete our survey where we discovered 3,500 possible rooming houses all across this State during the Fall, and we did mail out license applications and information booklets, copies of the regulations and requirements to all the owners of those homes during the month of December. They were mailed between the 15th and the 30th of December. Those applications are coming back in now.

ASSEMBLYMAN VISOTCKY: Why did you send this letter saying they had to be in by the 31st?

MR. CONNOLLY: Because that was what we were going to try to do. We didn't miss it by much. That number was based on an assumption that we could get the mailing out in the last two weeks of November, and we didn't mail it until the last two weeks of December, without any appropriation for the first six months of the program; I really don't think we did so bad.

ASSEMBLYMAN VISOTCKY: What is the deadline now?

MR. CONNOLLY: The end of this month.

ASSEMBLYMAN LESNIAK: The end of January.

ASSEMBLYMAN VISOTCKY: What took you so long? I can't understand that, from September to now the appropriation was there. What took you so long?

MR. CONNOLLY: It takes that long to---

ASSEMBLYMAN VISOTCKY: Don't get so excited. You have this information. You are mailing it to the people, so you know who they are---

MR. CONNOLLY: We know that now---

ASSEMBLYMAN LESNIAK: Just a second. Assemblyman, the answer was that they had to take an inventory of possible boarding home locations by surveying many different agencies who have addresses of suspected boarding home facilities and that necessarily took some time. I don't think that that one-month delay in this program is unusual.

ASSEMBLYMAN VISOTCKY: I think it is very important, for the simple reason that even the 1500 that were registered should have had licenses in before December 31st. And they are telling me now the deadline is January 31st, and next month it will be February 28th.

ASSEMBLYMAN LESNIAK: Are there any other questions?

ASSEMBLYMAN VISOTCKY: No.

ASSEMBLYMAN LESNIAK: Assemblyman Snedeker.

ASSEMBLYMAN SNEDEKER: Mr. Connolly, you indicate that one of the problems that you are going to have is to have those homes that are not fire safe, or built new in those conditions --- Older homes will have to install sprinkler systems, and they will be costly, and without the financing available, there is a possibility of some being lost. Do you have any idea what we are talking about? I know I am asking a very difficult question, but I think we have to be prepared for the answer to it, eventually, how many of 4,000 are we going to be talking about in losing rooms to find places for people to go? They are going to have to go someplace, and if the State is on one hand taking people out of some facility as they rehabilitate themselves and place them

in boarding homes, and we lose these homes, are we going to need that bond issue for you also to build new boarding homes to put people in, as Mr. Reilly said? It is not going to come along as quickly as you are.

My question really is, do you have any idea how many rooms we are going to lose?

MR. CONNOLLY: Let's assume, for a moment, that there are 1500. The proportions are going to remain the same, and most of our work is based on 1500. But, if there are 1500 it is entirely possible that we could lose a couple of hundred. Mostly the larger ones, because those are the ones that are going to have the most difficulty complying.

ASSEMBLYMAN SNEDEKER: So, you are going to talk about the larger ones, and now we are talking about the larger amount of rooms, rather than one or two smaller homes, or the 15 or 20. So, we are going to be in a bind in finding places to do.

When do you expect to take your figures that you have and make individuals comply or else? You say you will be done in another month or so with your preliminary report---

MR. CONNOLLY: We have done some of that already. We have shut several down that we found in the course of complaint inspections where they were too seriously deficient.

ASSEMBLYMAN SNEDEKER: How many rooms have we lost by shutting them down at this point? Do you have any idea?

MR. CONNOLLY: Eight or nine---

ASSEMBLYMAN SNEDEKER: Eight or nine rooms?

MR. REILLY: Mr. Chairman, in response to Assemblyman Snedeker's question, I would also point out that we are now under charge from the Senate Committee on Institutions, Health and Welfare to develop a proposal to establish with the Department of Community Affairs a life safety Grant and Loan Program for rooming and boarding houses. This purpose of this program would be to provide financing for the correction of the most serious licensing deficiencies identified through the Departments special program.

We have not done that yet, but we are in the process of developing that concept of a loan/grant program. So that as long as it is not an imminent life safety issue, you have already some assistance to get some help in this program. We are going to have to come back to the Senate Committee and your Committee to ask you for help and support with that concept.

ASSEMBLYMAN LESNIAK: I would like to follow up on Assemblyman Snedeker's line of questioning. Possibly you may lose 5,000 to 7,500 units because of your actions enforcing compliance. That is a guess. But, do we have at all the capacity to relocate these people?

MR. CONNOLLY: I don't think so.

ASSEMBLYMAN LESNIAK: Do you have any suggestions?

MR. CONNOLLY: The people in this State are protected by law from being put out in the street, but we will do our part, and we will order the place closed. People will not move if there is no place for them to go. That is a fact. We will do our part. You will have a list of where people are living in totally unsafe conditions because there is no place to put them.

ASSEMBLYMAN LESNIAK: Do you anticipate re-institutionalization?

DR. FINLEY: I don't think that the people in the boarding houses particularly from institutions any more and as I say at Keansburg with a

population of 111 people, there had only been four who had ever been in an institution. We have to think that of that as broader than just being put in a public institution.

ASSEMBLYMAN LESNIAK: I was suggesting that possibly as an alternative to people who may not have to be in institutions, but for the fact that there is no other place for them to be at this point in time.

DR. FINLEY: I think you would really have to get the mental health advocacies to deal with the issue of incarceration of the person who is not mentally ill, by any mental definition.

ASSEMBLYMAN LESNIAK: The only problem we have with that is the Supreme Court of the United States. I agree with you, but I am saying that we can't do that without their view of the due process clause of the Constitution being changed.

MR. REILLY: There is an intermediate alternative to that, and that would be the life safety loan assistance fund that would go directly to that issue of these 5000 potentially dislocated people that with such an effort could come into compliance and not have to relocate them. If we relocate them to institutions, just hypothetically, it is going to be at a rate of \$60, \$70 or \$80 per diem and they don't need to be there. If it is a nursing home, it is going to be \$44 per diem, and they don't need to be there either to begin with.

So, unless they are going to skip on their enforcement or they are going to put people on the street, it seems to me the most cost effective thing we can do is to assist those facilities to comply with the minimum life safety requirements and I don't think that is an enormous amount of money.

Taking Bill's figures earlier, he said that to do a pretty much full scale life safety rehab. on a facility of twenty people would be in the range of \$50,000. That is about \$750 per resident. If you have 5000 people, that is about \$4 million.

My hunch is that they are not going to come up with that 5000 in the first year of the program. It is conceivable that if you could set up a loan fund then you could move ahead with some idea of getting more reasonable financing in the facilities, and they could repay the loan fund or at least part of it and replenish it. So, it might take a one-time investment in this issue.

ASSEMBLYMAN LESNIAK: What is your time frame regarding the establishment of the loan program?

MR. CATON: We would hope to have a proposal developed on the loan fund shortly after we know the magnitude of the problem out there.

ASSEMBLYMAN LESNIAK: You know that the problem is of the magnitude of between \$2 and \$4 million, and if we are off \$1 million, let's get the program going before we wait.

MR. CATON: It could be more. I think that certainly within six weeks we could have the details of such a program and the way it could function available for you.

ASSEMBLYMAN LESNIAK: And on what do you anticipate the time would be to implemenent the program?

MR. CATON: That would depend on the source of the financing.

ASSEMBLYMAN LESNIAK: That was my next question. Do you have any idea in that regard? Are you thinking about bond money? Is there something that is going to have to be---

MR. CATON: There has recently been a Federal Act passed, the Mortgage Bond Subsidy Act of 1980 passed at the end of the calendar year, which may influence the ability of the state to issue bonds under general obligation bonds and revenue bonds for residential properties such as these. It might jeopardize the tax exempt status of those bonds. That is something that is very technical and is going to need an opinion of bond counsel for us to be definitive. At the time we held the last hearing, we were developing a proposal including rooming and boarding houses, and it seems clear now that the regular multiple dwellings will certainly be prohibited from assistance because of this Federal Act. So, if that holds true, it would probably have to be appropriated.

ASSEMBLYMAN LESNIAK: Realistically, do you anticipate that appropriation would be available? I guess that is a question for me to answer.
Dr. Finley.

DR. FINLEY: I have been sitting here listening and getting an idea for the Committee to look into which would involve calling another Department. I still believe that there does need to be a loan guarantee or a bond program as Mr. Visotcky suggested for expanding the good stock.

But, in listening to the boarding and rooming house issue, without knowing the dimensions of what I am going to suggest, I sat here wondering if the fire insurance and personal liability insurance for owners of boarding homes and rooming houses like this, if that insurance industry shouldn't, through the Insurance Commissioner, be gotten involved for a couple of reasons. One is that we do know - and I am sure Mr. Connolly can give chapter and verse - that their insurance rates do go down when they do add the improvements, so there is the recognition on the part of the insurance industry that these improvements make it less likely that they will have to pay off prior loss.

Secondly, I foresee when you talked about having to report and having to close out, unless there is a preventive approach on the part of the insurance company, the kind of thing that has happened in the South Bronx, or in some of our older cities, now there is no way that anyone can recognize a useful life for these housing units, if they get boarded up and pretty soon there is an arson or fire, or that kind of thing that goes on. Then you have a real problem for the insurance industry.

It is just a suggestion that we also look at the assistance, both technical and possibly in financing from the insurance industry.

ASSEMBLYMAN LESNIAK: I think that is a very good idea. It is complicated, but with vast potential as a deterrent effect, ultimately to arson. If you really stretch your imagination, I can envision a scenario where the insurance companies would want to get involved to deter that from happening. In many ways, our system now is actually encouraging it, as we know. I appreciate the testimony from the Department of Community Affairs. I would hope that you would be able to stay until one o'clock, so that we may ask you questions if they should come up.

At this time, I would like to call James Bell who is from the National Fire Protection Association. He is a Legislative Technical Specialist and I would like to thank him for coming from Washington, D. C. to lend us his expertise.

J A M E S B E L L: Good afternoon, ladies and gentlemen.

As a matter of introduction, my name is Jim Bell. I am a Legislative Technical Specialist with the National Fire Protection Association in the Washington, D. C., Office. Prior to my position in the Washington, D. C., Office, I was a Fire Analyst . Specialist with the Fire Investigations Department of the National Fire Protection Association. In that capacity as a Fire Analyst Specialist or a Fire Investigator, I have become familiar with the boarding home fire experience on a national scale.

Let me point out to you at the very onset of my remarks that it is a problem of major proportions on the national level.

My comments this afternoon will focus on those fires from the rather tight perspective of reviewing those factors which NFPA in its investigations have found to be the major contributing factors to fatalities in those fires.

I am not aware of all the implications, political, economic or technical, that might be present within this body today or within the State as you review the boarding home or the long-term care fire situations. So I will keep my remarks strictly to those investigations that we have done and bring out those technical points that we have uncovered.

After my remarks, which I will try to keep rather brief, I will ask you to focus any of your concerns on a broader scale than maybe I am going to cover.

First, let me put this into a type of perspective as far as the national boarding home experience is concerned as we see it from the statistics gathered by the National Fire Protection Association.

Going back to 1979, there were 8 major multi-fatality fires which occurred within the United States. Let me just define "major multi-fatality" for the National Fire Protection. It is a fire with over 10 fatalities in a particular fire. Seven of those major multi-fatality fires were structural in nature. And 4 out of those 7 major multi-fatality fires were in boarding home facilities or in adult care homes, that type of facility. Just to briefly list those, on April 1, 1979, in Connellsville, Pennsylvania, there were 10 fatalities; April 2, 1979, in Farmington, Missouri, 25 fatalities; April 11, 1979, Washington, D. C., 10 fatalities; and on November 11, 1979, in Pioneer, Ohio, 14 fatalities; for a total of 59 that year in boarding facilities as far as major multi-fatality fires.

In 1980, we did not have the total number of multi-fatality fires that we did in 1979. However, the fatality experience that we did have was even higher in multi-fatality fires. I think you are well aware of 2 of the largest, which was the MGM Grand Hotel fire with 84 fatalities in November; and on December 4th, the Stauffers Hotel fire in Westchester County with 26 fatalities. The third largest multi-fatality figure that we have for 1980 was the Bradley Beach fire with 24 fatalities.

In 1981, the first major multi-fatality fire we have within our statistical bank is the Keansburg, New Jersey, fire with 30 fatalities that you are well aware of.

I think from the standpoint of NFPA, this picture that I have j st presented is not exactly a true picture. We are talking about multi-fatality fires of 10 or above. There certainly is, I believe, a much higher frequency of loss in these type of facilities if we take fatalities of 2, 3, 4, 5 fatalities

in a fire situation. We have, of course, a much higher number of fires along those lines. But, statistically, the NFPA has not been able to clearly identify all of those fires which might be solely in those types of facilities.

We are talking about a problem that is national in scope, as I have said.

Let me next simply review those deficiencies or features which have contributed to these fatalities. I think some of them have already been identified by some of the speakers here this morning. So I won't really dwell on them.

The first and foremost problem that we have found throughout the study of these fires is the lack of protection on vertical openings. Whether we are talking about stairway enclosures or the actual separation of floors, the absence of that type enclosure or separation has allowed smoke and products of combustion to spread throughout the facilities.

As far as walls and corridors, the lack of self-closers or automatic closing devices on doors has also contributed to the lack of protection on these openings which contributed to the fatalities.

Our second key area is the lack of a second means of egress to allow escape. There are two or three different elements which may be involved in this particular area. One is the fact that there may be no second means of egress present at all, which has occurred. There simply is not from the upper floors a second way to get out except, if you had to, through a window area.

Another particular problem we have run into is the design or condition of the second means of egress that is provided which may, in fact, not be satisfactory for the mobility capacity or the agility of the particular occupants of that facility. It is either too steep, too narrow, or the occupants would be otherwise incapable of fully utilizing that as a second means of escape.

The third area which we found contributing is a lack of compartmentation between occupants' rooms and the means of egress. By this, I am simply talking about between the corridor areas which would lead to an exit way and the rooms themselves. We found openings in doors, transoms, panels, and lack of doors in some cases, all of which prevented the use of a room for any amount of time as a place of refuge for the occupants in case of a fire. It could not be used as a point of refuge.

The fourth area which has contributed greatly to the fatalities is the delayed alarm and evacuation of residents. This has been due not only to the absence of approved detection systems, but the absence or lack of use of those alarm systems which were in the building, i.e., the manual alarm systems which were not utilized by the staff at the time of the fire.

The fifth area, combustible interior finish, has been found to contribute to the speed of the fire or the toxicity of the fire products which are present. And, if anything, I think the preponderance that we have seen of plywood panelling within these facilities has been pointed out to contribute greatly to the speed and intensity of the fire. Other wall coverings, including old wallpaper which is almost like a newspaper, tends to peel away from the wall, also have led to flash-type fire situations in these facilities. Heavy fuel loading - in one particular case that I mentioned, a great deal of furniture was stored within a boarding facility. The women collected it and utilized it within the

facility, but it contributed to a heavy fuel load.

Lack of sprinkler protection - the Life Safety Code which the National Fire Protection Association promulgates and publishes on usually a three-year cycle, does not require sprinkler protection in all cases of either occupancies or type of construction. The Life Safety Code attempts to address reasonable levels of life safety in various structures by utilizing the various fire protection systems and means available to the fire protection official who might be looking at the building or regulatory officials which are looking at those buildings. But, without the sprinkler system, the requirements under the Life Safety Code are usually higher as far as the presence of fire protection systems other than the sprinkler protection, itself.

One of the benefits I will mention here, which is fairly new, is the presence of a new standard, NFPA Standard 13 (d), which is actually a revised standard that will allow the design of a functional and effective sprinkler system for residential type facilities. It is designed to be low cost. There is a great deal of engineering detail and testing that has gone into that standard. From the standpoint of the National Fire Protection Association, it is looked upon as being one of the things which will help us impact on the residential fire problem, not only the boarding facility type situation, but the regular home residential fire problem which we have across the United States.

Let me now address some non-construction or design features - other points that have contributed to fatalities.

First is the lack of training of the staff for fire emergency procedures and in the use of alarms, extinguishers, first-aid appliances which might be there, and in the evacuation of the residents. The lack of training of the staff has led to inappropriate actions or non-actions by the staff in getting the residents from the building. Lack of fire drills for residents in training the occupants of the building what to do if there is a fire emergency has also been a major factor in lack of exiting from the building in a timely manner, in order to protect themselves.

We have also had demonstrated a lack of response of the residents, - and I am especially talking about elderly residents - to the fire conditions within the building. In some cases, we have noted that no actions for self-preservation were taken; even though there was an awareness of the residents as to the fire conditions within the building, they did not on their own try to exit from the building. They had to be assisted by rescuers. Even though they identified that there was smoke in the building, they did not, on their own, begin to exit from it.

I think another area that has been a concern in reviewing fires in a great number of states along these lines is the question of enforcement of regulations. In many cases, it is not a matter of good or bad building codes or regulations, but there are definite problems with the enforcement mechanisms themselves. In some cases, there have been referrals to facilities of unknown life safety characteristics or unknown fire protection characteristics by the referral agency. They have not checked into the status of the facility prior to the referral process.

The second area is that reasonable regulations that have been promulgated are overlooked by the regulatory body or by the enforcement agencies.

The third area is that reasonable regulations which were in existence have actually been waived by the regulatory or enforcement agency as an expedient to having more beds available for placement.

All of these things in our reports which we have attempted to publicize and get before the public have been identified as contributing factors to these fatalities.

With that summation, I am open to any questions you might have.

ASSEMBLYMAN LESNIAK: Thank you, Mr. Bell.

Assemblyman Visotcky?

ASSEMBLYMAN VISOTCKY: No questions.

ASSEMBLYMAN LESNIAK: Assemblyman Snedeker?

ASSEMBLYMAN SNEDEKER: I have none.

ASSEMBLYMAN LESNIAK: I have just a couple of questions.

Have you reviewed the State's Multiple Dwelling and Boarding Home proposals for regulations regarding fire safety?

MR. BELL: No, I have not. I have not had the opportunity to do that.

ASSEMBLYMAN LESNIAK: Do you have an opinion regarding how the State of New Jersey stands in relation to this particular problem and the way it is addressing this particular problem with other states?

MR. BELL: This problem exists, as I have pointed out, in many other states throughout the nation. The exact level at which New Jersey is addressing it as compared to others, without actually, as you pointed out, looking at the regulations and studying the regulations, it would be difficult for me to answer.

MR. KOHLER: Mr. Bell, in the last five years, do you have any statistics indicating how many multiple-fatality fires there have been in fully-sprinklered buildings?

MR. BELL: In fully-sprinklered buildings?

MR. KOHLER: Yes.

MR. BELL: I have checked on that just recently and, from the standpoint of our statistician who keeps these records, there have been no multi-fatality fires - and he was specifically talking about health-care facilities - in sprinklered health-care facilities within the years that we were talking about, say, five years back. Within his recollection, there has been no multi-fatality fire situations in a sprinklered health-care facility.

There are some factors which come in if you talk about industrial fires. There have been multi-fatality fire situations where there have been some flash-fires with flammable liquids or something like that.

ASSEMBLYMAN LESNIAK: Thank you very much for your testimony. It has been very helpful.

Now, I would like to call the Ombudsman for the Institutionalized Elderly, Senator Fay. Senator, it is great to have you with us.

J O H N J. F A Y, J R.: Assemblymen, our office is in the process of preparing a comprehensive report for the Governor and the Commissioners, and it certainly will be available to the Assembly and Senate Committees. We are not just trying to meet the immediate problems of life safety, but obviously this is what is getting the major attention. The fact of the matter is our office and the departments you have heard from are dealing with these things every day: the tragedies at Bradley Beach, Keansburg, as recently as Monday in Camden, where

three died and one is on the critical list. There has been the recent report on the unlicensed boarding homes in East Orange where there are very serious questions being asked right now about the number of deaths, etc.

Fifty-seven people, at least, have died within seven months. It could very easily have been 157 or 257 when you realize the type of housing that is out there. In many cases, we are dealing with very old wooden buildings, in the Jersey Shore area and the rural areas. In the inner-cities, you are again dealing with very, very old wooden buildings, many of them old tenements.

After we talk about standards, we should be asking: Who is living there? Whether it is a residential health care facility or the new licensed C home, approximately 65 percent - and that rises or falls from home to home - are former mental patients. Their ages, as the tragedy in Keansburg showed us, range from the 30-year-old up to the 90-year old. The rest of the population of boarding homes, both residential and C, are housing very old, very frail people, usually very poor, many of them without a family or two hours away from their family and friends. So, when you put this population in unsafe or, at least, vulnerable housing to begin with and then you don't have the fire alarm hooked up to fire headquarters and you don't have smoke detectors and you don't have sprinklers, and you bring all those things together, you have the makings of a major tragedy.

That is the kind of housing that is out there and that is the kind of people that are out there. It is a national disgrace, besides being a national problem. New Jersey happens to be one of the few states in the Union in the last two to three years that have been making a serious commitment to these people.

The fact is that the 57 died and the incidences have come closely together. The fact is that there were so many who died in Keansburg and so many who died in the Brinley, two different types of housing. This is part of the problem. The Brinley Inn was a hotel. It had a hotel license. If another Brinley Inn ever opened again, it would have to be under a C License. The facility in Keansburg was a combination nursing home where, thank God, nobody died; and the other structure, was residential care, which is a misnomer, because there is no health care in a residential health care facility.

Some of the immediate recommendations that we are making to the Governor and to the Commissioners are: Every residential health care facility should be hooked up to the Fire Department and/or the Police Department. This is particularly needed when you are dealing with volunteers. I know of no reason why the Brinley Inn wasn't hooked up to the Fire Department. The Keansburg homes were not hooked up to the Fire Department. The fire experts with whom I and my staff have met say this is absolutely crucial in this kind of fire, especially in this kind of housing.

Since 1978, the Fire Marshall has had no authority or responsibility for this type of housing. We believe very strongly that this responsibility and authority should be returned to the Fire Marshall. There has to be some central head. There has to be some professional overseeing the fire safety aspects of this type of housing. The fact that we are dealing with two different departments, three in some cases, indicates the need for a central authority, a central person, and the person who is a professional is the Fire Marshall. I believe he should

be brought back into this role.

I believe that where there are waivers or extensions given by the Health Department or Community Affairs there should be a reappraisal of waivers dealing with life safety factors. While this is going on, I believe every mayor and every fire chief and every public health officer should know where life safety waivers exist.

I had doubts in the beginning, but I am now convinced that both the C licensed boarding homes and the residential health care boarding homes should be under one department, be it DCA or be it Health. I feel there is a built-in problem here. There is a very nebulous difference that is very hard to grasp between the C licensed boarding home and the residential health - sheltered - boarding home. We are almost talking about the very same population. It has been a rare occasion when my field representatives have been in a boarding home, whether it was residential health or the unlicensed or the newly C licensed, where some people who were in there did not need a higher level of care.

That brings me to the subject of nursing homes. The State of New Jersey right now has 3,000 people waiting for a Medicaid bed. I think after Community Affairs and Health have been called in, you are going to find that figure going to four or five thousand people in the State needing a Medicaid bed.

A family came to my house over the weekend. The mother has been in a nursing home for a year or a year and a half, at \$1900 a month. She is 90 years old. They ran out of money and they were told to get her out. The family had to sign a three-year contract for this aged woman. For valid reasons, the family can't take her home. This woman is going to end up in some kind of a home where they have to sneak her in some night. And this person who legitimately needs a nursing home bed is going to be in some kind of a boarding home bed until someone catches up with it.

What we talk about as a statewide problem, is also a city problem, and a problem in certain towns: Asbury Park, Long Branch, East Orange, some of the shore towns and the inner cities. You notice where the people die. That is where we have spent most of our time, not just on fire safety, mind you. The term I use in my report is death traps, not just fire traps. Some of them are literally death traps. The standards are not high enough for this kind of housing. In a nursing home, there is a ratio of Nurses, LPN's, and Nurses Aides to population. In a sheltered boarding home, if there are more than 23 people, one person is on duty. So, legally, in Keansburg, with 70 some people, one person was on duty. If there are less than 23 people, one person must be on duty, but they don't have to be awake.

So when we are talking about the housing and we are talking about the people who live there and we are talking about higher safety standards, we are also talking about a complete turn-around. We have brought two horrible examples of houses that we know about. One is in Asbury Park, a licensed home; and another, an unlicensed home in Elizabeth. Both of them are literally fire traps. The State Department of Health has been fighting with them for a year. I have been fighting with them for a year. In the case of the place in Elizabeth, the Elizabeth authorities, in addition to Health and in addition to us, have been fighting with them for a year. There are still 50 some people in that house in Elizabeth and there are still 40 some people in that house in Asbury. And from the fires that we have already seen, we are talking about a possible 40 or 50 percent death rate.

As to the effectiveness of sprinklers, we have contacted the fire experts, the insurance experts and the housing experts to come up with positive definite figures. Some of the housing we are talking about couldn't even handle sprinklers; they would fall apart or the price would be exorbitant. Some of these houses were never built to house 10 people, leastwise 30 or 50 or 80 or 100. That is the horrible world out there which we never recognize until there is a tragedy. There is no great priority coming from Washington with regard to this. We have been in contact with the federal authorities. Senator Williams, on Sunday, had a statement suggesting low-income loans and grants. Certainly, we immediately will follow this up with Senator Williams, Senator Bradley and Congressman Pepper, who is the Chairman of the House Select Committee on Aging. Senator Bradley is on the Senate Committee.

The people we are talking about have no great lobbyist, no great spokesman, and no real recognition until the tragedies. And the tragedies, as our report is going to point out, are not just fire safety. These are people who are threatened every day, live in terror in some cases, suffer physical and mental abuse, and who exist on a poor diet. That is the population out there. Yet, I repeat, we are one of the few states, through the new Boarding Home Law, that will at least enable us to know in a year exactly how many people are in those unlicensed homes and how poor some of those homes are. If after we find the numbers, we are just going to make cosmetic gestures, at least we are going to know with actual positive documented figures that this kind of a life, this kind of environment, is what we are leaving them to. Yes, it is going to take breakthroughs both from Washington and from the State. Yes, there has to be a recognition these people need a program.

Did you see some of those quotes after the Keansburg fire? They didn't know where they were. Some of them after they have been beaten and been told, "We are going to move you," don't want to be moved. Some of these people have been former mental patients. That could mean they have been in Marlboro for three months or in Greystone for 25 years. When they are told they will be moved, they are reluctant because they have no other roots and they feel they are lucky to be where they are. They feel if they don't like it where they are, they will be sent back to Marlboro or back on the street. That is literally true. There isn't enough housing out there. There aren't enough programs out there. There isn't this kind of personal recognition.

In the last few months I have been making approaches to some of the non-profit and some of the religious groups. I have already had meetings with the Salvation Army people and with Catholic Charities. And I am planning to meet with the Jewish Federation and the Protestant Council of Churches. I feel that the state and federal governments could try to motivate these kind of people with a social conscience to come into this field, at the very least to introduce a program of visiting these people.

I think the significant thing about the Bradley Beach fire and the Keansburg fire is that these were better than average. They were better than average by our guideline - by our standards - as inadequate as they were. They were better than average. The cases that I submitted to you from Asbury Park and from Elizabeth are below average - and haven't improved yet.

But it is not just life safety; it is the whole life style. The civil

rights of these people are violated every day. Actually, their human rights and their civil rights have been taken away from them and they find it hard to get them back. It is a heart-breaking world out there. It is one that is very complex and very difficult to deal with. If there was just one percent of the sense of injustice and compassion that was generated by the return of the 53 Americans directed toward the tragic deaths of the 57 who perished in these fires, it would greatly help and would enable us to make this kind of a turn-around.

Thank you.

ASSEMBLYMAN LESNIAK: Thank you, Senator.

Regarding the two memoranda having to do with Elizabeth and Asbury Park, is it your opinion that these two facilities ought to be closed down?

MR. FAY: Yes, for these reasons, Assemblyman, because I feel that the people who run and administer these buildings are incapable of being responsible for other human beings and the buildings these people are in are unsafe. The State Department of Health and the local authorities have documented that they are unsafe. For a combination of those two reasons, I believe those places should be closed down.

ASSEMBLYMAN LESNIAK: What is preventing that from occurring?

MR. FAY: The law. There is a long involved process. The administrative hearings are long and drawn out. Usually, they have lawyers and they appeal and appeal. Then there is this lack of housing. Commissioner Klein's office and my office have met on emergency housing. There is a State system coming out on emergency housing to which we can move people.

ASSEMBLYMAN LESNIAK: Is there provision in the law for temporary restraining orders, mandatory injunctions, for removal and immediate closure? Is that under Commissioner Finley's jurisdiction?

MR. WAGNER: In those two situations, the first one of them has been revoked and the other one is in the process of being revoked.

ASSEMBLYMAN LESNIAK: Which one has been revoked?

MR. WAGNER: The Elizabeth one has been revoked.

ASSEMBLYMAN LESNIAK: Their license has been revoked?

MR. WAGNER: Yes.

ASSEMBLYMAN LESNIAK: And what is the current status of that now?

MR. WAGNER: The problem is that once they have been revoked as a sheltered boarding home until we get our other program geared up and running, there is nothing to stop them from being boarding homes.

MR. FAY: See, that is exactly what happens, Assemblyman. They take the license away and you would move 55 people out of the sheltered boarding home.

ASSEMBLYMAN LESNIAK: Then they are under the jurisdiction of the Department of Community Affairs, right?

MR. FAY: As those 55 are moving out of the sheltered boarding home, 55 people are moving in that night ---

ASSEMBLYMAN LESNIAK: Have you notified the Department of Community Affairs?

COMM'R FINLEY: Of course.

ASSEMBLYMAN LESNIAK: Now, I address the Department of Community Affairs: What can be done regarding this now boarding home?

MR. FAY: They will not give them a C license.

MR. CATON: We license both the operator and the facility. Both have to meet our standards. As Mr. Fay indicated, the operators would not be licensed.

ASSEMBLYMAN LESNIAK: Are you aware of the Cherry Hill Rest Home situation in Elizabeth?

MR. CATON: I am not specifically.

ASSEMBLYMAN LESNIAK: Is anyone in your division aware of it?

MR. CONNOLLY: I am shocked to have to come to a legislative hearing to be told that.

ASSEMBLYMAN LESNIAK: You haven't been notified of this?

MR. FAY: That report has been sent to Community Affairs.

MR. CATON: My staff may well have it.

MR. CONNOLLY: If it is important enough to tell you, I think it is important enough for John Fay to tell me. We would do something quick.

ASSEMBLYMAN LESNIAK: I think we have a problem here.

MR. FAY: There should be no problem because that is a big file that Community Affairs has received. It doesn't have a C license, by the way. It hasn't been licensed.

MR. CONNOLLY: I might say ---

ASSEMBLYMAN LESNIAK: Just a minute. I am not used to being chairman of this committee. But we can't all talk at once.

Commissioner Fay, you were speaking.

MR. FAY: I am saying that the Cherry Hill does not have a C license as of yet. She is before the Elizabeth Zoning Board. I think she was trying to get either a C license or back into residential health care and both departments had turned her down.

ASSEMBLYMAN LESNIAK: Commissioner Finley, what happens in a case like this when we are being bounced around between agencies and commissioners?

MR. WAGNER: I can clarify it a little bit because when John mentioned Elizabeth, I immediately was thinking of a different facility than he was talking about. There was a facility which is under our jurisdiction which John was also involved in, which was a sheltered boarding home. It lost its license and Community Affairs was informed of that. The second facility, which is Cherry Hill, is not a residential health care facility; it is just a boarding home. Therefore, it was technically even then under the jurisdiction of Community Affairs. But Community Affairs, as was explained earlier, is just getting into this program.

COMM'R FINLEY: The third one that the Ombudsman mentioned is ---

MR. WAGNER: --- under our jurisdiction. It is in a hearing. And, we want to revoke their license, but under our legislation, they are entitled to a hearing. Under our legislation, they are required to have due process.

ASSEMBLYMAN LESNIAK: I understand that. But isn't there a provision in the law, in emergency situations, to remove the people if they are in imminent danger?

MR. WAGNER: Yes, there is. Through the Attorney General's Office, if there is imminent danger, through, again, a court process, not just our taking administrative action, you can remove individuals.

ASSEMBLYMAN LESNIAK: Are you familiar with this particular case in Asbury Park?

MR. WAGNER: I have people here who are more familiar than I am if you would like to ask them.

ASSEMBLYMAN LESNIAK: Senator, is it your opinion that these people are in imminent danger?

MR. FAY: Yes.

ASSEMBLYMAN LESNIAK: I think this is a worthwhile exercise, to see how the law is working as opposed to the way it is supposed to work. We have testimony from the Ombudsman that it is his opinion that the people in the Asbury Park facility are in imminent danger? What is the Department of Health's viewpoint, under whose jurisdiction this facility comes?

MR. WAGNER: There is a difference in one's opinion and in a legal determination. When we go to court, we have to have legal basis. We have to show that there is imminent danger. In this situation, it is my understanding that the Attorney General doesn't think we can prove imminent danger.

ASSEMBLYMAN LESNIAK: --- that you can sustain that burden?

MR. WAGNER: Yes, sustain that burden. Although there are enough things over time, both in terms of the quality of the facility and the quality of the program, that lead us to believe that the license should be revoked.

ASSEMBLYMAN LESNIAK: How long does the process usually take for revocation?

MR. WAGNER: Sometimes I have a feeling it takes forever because there are situations in which it has literally taken years. The reason for that, of course, is that once that revocation process is completed at the administrative hearing level, as you are well aware, these individuals have a right to appeal to court. But it takes a minimum of three months and sometimes longer.

ASSEMBLYMAN LESNIAK: I am not familiar with the specifics of the law. Is there a provision in there for summary proceedings in specific cases? Do we have a problem in waiting for a trial date? Is that a problem?

DR. GOLDBERG: I am Dr. Goldberg, Director of Licensing for the Department. I have been advised by our Attorney General that we would have to go to court in order to go through the summary proceedings you are referring to and she would have to be able to defend the action, based on documentation.

MR. FAY: Many of the weaknesses and the dangers I talked about existed within the Wentworth. The fire safety hazards, the lack of supervision, the attitude of the owner and the structure of the building, to me, all add up to a potential fire tragedy.

ASSEMBLYMAN LESNIAK: Senator, while you are here, I would like to direct a question to the Department of Community Affairs regarding the Cherry Hill Rest Home in Elizabeth. Are your regulations now in place?

MR. CATON: Yes.

ASSEMBLYMAN LESNIAK: So, therefore, you have authority to move in on any particular facility where there has been a complaint raised?

MR. CATON: That's right, and we have been.

ASSEMBLYMAN LESNIAK: Has the problem with Cherry Hill Rest Home been brought to your attention?

MR. CATON: It hasn't been brought to either of our personal attentions. It may well have been brought to the department's attention and may well have been acted upon by the staff.

ASSEMBLYMAN LESNIAK: Can I have something on that when we come back after one o'clock, to find out specifically what action has been taken and what action is contemplated in this regard?

MR. CATON: Yes.

ASSEMBLYMAN LESNIAK: Thank you.

MR. FAY: Just one more point for the record which I think is very crucial, this kind of housing, whether it is sheltered care or the C license,

is not found all over the State; and the cities and the towns that have the great majority of this kind of housing and these people living there, are taking a very unfair burden upon themselves. I do believe very strongly - and this is the third time I have put it in a report and said it for the record - that through the Safe and Clean Streets Act formula or the Urban Aid formula, or some other formula, some way should be found to recognize the strain on public health, the strain on fire safety, the strain on the social services, of these cities and towns that have the State burden. Most of the people in the homes in Asbury Park and Long Branch are not from Asbury Park or Long Branch. Many of them aren't from Monmouth County. When Community Affairs is finished, we will be able to pinpoint those cities and towns that have this burden of housing and programs for these people. I think the least the State can do is recognize this through the Urban Aid formula or through some formula to pay for the responsibilities that we have added to these local governments and to the citizens of these towns. You are not going to find these people in Millburn. You are not going to find them in Short Hills. You are not going to find them in Rumson. They are zoned out or it is just economically impossible to have this kind of housing in the suburbs.

So, I think where we find them grants can be earmarked for these particular services. I think that should have a high priority as well.

ASSEMBLYMAN LESNIAK: Thank you.

Assemblyman Visotcky.

ASSEMBLYMAN VISOTCKY: Dr. Goldberg, I want to ask you a question. I am hung up on this Wentworth situation. The department - I believe it is yours, the Department of Health - records go back to January 23, 1980. It was in violation of the Act and the Manual, right? You went there February 11th, March 7th, April 9th, May 16th, May 28th, July 3rd, July 14th, September 19th, and it is still in violation. It is about time we got these people out of there.

DR. GOLDBERG: It is in the revocation process. It has gone to the Attorney General.

ASSEMBLYMAN VISOTCKY: But in the meantime, if something happens and there is a tragedy, we'll say, "Well, we're working on it; don't worry about it," but it won't bring back the dead.

DR. GOLDBERG: The problem is not in terms of the physical plant. The place has been sprinklered in this case. The main problems tend to be in the area of care, primarily dietary and the allegation of lack of night coverage, which we are aware of but is very difficult to prove.

ASSEMBLYMAN VISOTCKY: But why do we keep making inspections? That is my problem with this whole program. We have inspection, after inspection, after inspection; and really nothing is being done. The guy owes \$42,000 in fines. You are never going to get that.

MR. FAY: The fines are up to \$56,000.

ASSEMBLYMAN VISOTCKY: Is it \$56,000 now?

DR. GOLDBERG: It is \$56,000. Under our regulations, based on the statute, we are required to give the operator a minimum of seven days to make minor corrections. It is not something we have any option over. It is covered directly in the statute.

ASSEMBLYMAN VISOTCKY: February 11th, you gave them 7 days. When you inspected again on March 17th, that is more than 7 days. April 9th is more than

7 days.

DR. GOLDBERG: We were developing the case for revocation and heavy fine.

ASSEMBLYMAN VISOTCKY: What are we doing with the people there? If we say it is bad, what do we do with the people - let them stay there? That is what has the people of this State turned off.

DR. GOLDBERG: We have one facility again where we revoked the license ---

ASSEMBLYMAN VISOTCKY: I am talking about this one though.

DR. GOLDBERG: The point I am trying to make is that it has taken us two months to try and relocate people within this facility. What I am saying is that I don't know where there are 44 available places at this point in time to move the people you are concerned about.

ASSEMBLYMAN VISOTCKY: How many people did you take out of here since last February?

DR. GOLDBERG: We haven't taken any out of there because we have to go through the process.

ASSEMBLYMAN VISOTCKY: The point is you did nothing.

MR. WAGNER: The point is we also tried to make a change in the law.

ASSEMBLYMAN VISOTCKY: The point is that nobody is being relocated from this facility and, God forbid, there is a tragedy.

MR. WAGNER: Due process is required of us under the law and we must follow the law. If the Legislature wants to change that law, that is another matter. We have recommended it in the past but it was not successful because many legislators are lawyers and feel you must provide to individuals who run homes certain due process, a reviewing process with certain specified dates and a hearing process.

ASSEMBLYMAN VISOTCKY: How many inspections are you going to make - another 40?

MR. WAGNER: We are in a revocation process right now.

ASSEMBLYMAN VISOTCKY: But what are we doing about relocation? I am very concerned about this. And I am going to keep harping on this until I get a good answer. You have done nothing on this in one year.

ASSEMBLYMAN LESNIAK: Assemblyman Visotcky, I think the answer was that they are pursuing the judicial remedies.

ASSEMBLYMAN VISOTCKY: They haven't tried to relocate one person in one year.

DR. GOLDBERG: We can't revoke their license unless it is proved that there is imminent danger to their health. It has to go through a hearing process or court process.

ASSEMBLYMAN LESNIAK: Commissioner, have the recommendations of your department regarding changes in the procedure been drafted in bill form and introduced?

MR. WAGNER: They were part of a revision of legislation known as Chapter 83.

ASSEMBLYMAN LESNIAK: I am sorry, but I can't hear you.

MR. WAGNER: I said they were part of recommendations made which is now known as Chapter 83, in which most of the attention was directed toward our rate-setting responsibilities. But as part of that legislation, there were also recommendations for changes in this area, some of which were approved and some were not.

ASSEMBLYMAN LESNIAK: When did that go through the Legislature?

COMM'R FINLEY: 1978. It was before both of these committees.

ASSEMBLYMAN LESNIAK: I don't recall this committee making any amendments to that law regarding the procedures. That was a Senate bill?

MR. WAGNER: It was primarily handled through the Senate.

ASSEMBLYMAN LESNIAK: It was a Senate bill.

MR. WAGNER: Yes.

ASSEMBLYMAN LESNIAK: It came to us virtually intact and I don't believe we made any changes.

I would request that you give us your recommendations for amending that law regarding the review of licensing procedures.

MR. WAGNER: We would be delighted.

COMM'R FINLEY: We will give you the draft that we had prepared at that time, which failed in the Legislature.

ASSEMBLYMAN LESNIAK: Is it your recollection that the Senate committee made the amendments?

MR. WAGNER: In this area?

ASSEMBLYMAN LESNIAK: Right.

MR. WAGNER: There were some changes made and I can't recall precisely what they were, but I can get back to you.

ASSEMBLYMAN LESNIAK: I would like those provisions so we can look over them with a view towards instituting them.

COMM'R FINLEY: As long as you are calling on us, may I make just one observation with regard to something that Senator Fay said. It is not possible to waive a life safety code requirement. There are other things that the federal process allows you to waive, providing there are equivalent or better protections. But, John, as you know, you cannot waive the Life Safety Code, per se.

MR. FAY: I was under the impression that there had been a waiver on sprinklers.

COMM'R FINLEY: Don't read the newspapers. They are inaccurate.

MR. FAY: Let me just refer to one case where we did send a letter about waivers.

ASSEMBLYMAN LESNIAK: Senator, may I interrupt you a moment?

MR. FAY: Yes.

ASSEMBLYMAN LESNIAK: I would just like to say that the Cherry Hill Rest Home is right around the corner from where I live. The inspection was dated February 29, 1980.

MR. FAY: Yes.

ASSEMBLYMAN LESNIAK: Has there been anything done since then?

MR. FAY: Yes, there have been updates. The last report was in August of '80. I will tell you that there has been a lot of pressure brought by the State Department of Health, by the Elizabeth Police Department, the Elizabeth Fire Department and the Elizabeth Building Department. There has been an awful lot of pressure applied there. My point is there are still 50 some people living there. She was trying legally for another sheltered care license, which she wasn't getting. She was trying for a C License, which she wasn't getting. And she was trying for a zoning change, which she wasn't getting. But the reality

is that there are still 50 some people housed in Cherry Hill and there has to be constant spot checking of the place by the locals and our office on who has been moved in there.

What I am saying is that Community Affairs, when it goes into the field, stumbles unto a place like this; or a fire occurs, and you suddenly find 10 or 20 people there. This is why you have to guess at the number that are out there.

If the new Boarding Home Law does nothing else, it documents accurately how many there are there and, more importantly, who is in there and who placed them in there. Somebody is responsible. I entered into a running debate with Union County Welfare that this woman was being harassed and she was a Florence Nightingale. I said she was more like an Ilsa Koch than a Florence Nightingale in the kind of an operation she was running.

Then you come to the dilemma of where are you going to move these people. Some of the people we found there needed nursing home care. Some of the people we found there needed residential health care. So, after you have taken the license away, there is that dilemma of placement.

ASSEMBLYMAN LESNIAK: In this case, there is no license to take away, is there?

MR. FAY: There is no license to take away. But she is still functioning with people in there, in spite of the city and in spite of the State.

ASSEMBLYMAN LESNIAK: Mr. Caton, could you give me such information as, has this facility been sent an application for a boarding home license?

MR. CATON: You asked for that information after the recess. I think there is some confusion about it from the various reports, including the fact that there hasn't been any inspection, at least not indicated in this information in front of you, since between February and January. I will be able to tell you after the recess. We are getting the file on it.

ASSEMBLYMAN LESNIAK: Thank you. One other question: When did the department's regulations regarding boarding homes go into effect under the new law?

MR. CATON: August 27.

ASSEMBLYMAN LESNIAK: 1980?

MR. CATON: Yes.

ASSEMBLYMAN LESNIAK: Assemblyman Snedeker.

ASSEMBLYMAN SNEDEKER: Back on the Wentworth Hotel again to someone over here - I guess Mr. Goldberg - why are we restricting or taking away their license? Is it for the three reasons on the first page or the twenty-three items listed on the next two pages?

DR. GOLDBERG: It is a combination of factors. They have, in fact, developed what is known as a patterned practice of noncompliance with regulations. It is the total picture and not a single problem that you see there.

ASSEMBLYMAN SNEDEKER: Well, you have sent to them, I assume, this letter of uncorrected deficiencies. You list only three on this sheet.

MR. FAY: No. You didn't get the full ---

ASSEMBLYMAN SNEDEKER: Did you list the back of them also, the other ones on here?

DR. GOLDBERG: They are all listed by the dates they were seen and reported.

ASSEMBLYMAN SNEDEKER: Because it doesn't seem to me that many of these

are very difficult to correct: the documentation of fire drills, a door was open ---

MR. FAY: Assemblyman, that is my fault for not giving you the complete report. That is the complete report. The violations go on and on and on for pages.

MR. WAGNER: The reason we go back is to establish a pattern and practice of noncompliance. If you are going to court, you have to be able to show that. That is why you see us inspecting so often, to establish a pattern and practice of noncompliance. Even though you may look at any one of those and say, "Well, gee, that doesn't seem like so much," when you put all of those together, it shows that you have somebody who is just not willing to work with a regulatory group and won't even correct some things which in certain cases are not difficult to correct.

ASSEMBLYMAN SNEDEKER: Closing a fire door is not a very difficult thing to correct in my opinion. But if you have cited them for all these items on here, I still don't understand. I believe in the due process of law. How many people here were placed by the State of New Jersey - any? Do we know?

DR. GOLDBERG: I don't know that.

ASSEMBLYMAN SNEDEKER: Can we find out? We can certainly move those patients if we are paying for them.

MR. FAY: Most of them are SSI. The great majority of people in boarding homes, both sheltered and C License, are SSI.

ASSEMBLYMAN SNEDEKER: If we can't remove their license, why can't somebody answer the question - perhaps, Mr. Reilly can - why can't we remove the people whose bills we are paying?

MR. REILLY: We are not paying for them; SSI is a federal payment.

ASSEMBLYMAN SNEDEKER: That's is me and that's you.

MR. REILLY: The State of New Jersey is not paying. We participate in SSI payments by handing the money over to the Social Security Administration which in turn writes the checks.

ASSEMBLYMAN SNEDEKER: Who sends the check to this Wentworth Hotel to pay their bill?

MR. REILLY: The federal government.

ASSEMBLYMAN SNEDEKER: Can we notify the federal government to stop sending checks? What is so hard about that?

MR. REILLY: They have not developed much expertise or involvement in trying to deal with boarding home problems in the country. We can find out in this hotel - I am sure people already know - how many of them are people who have a relationship to us. But, under the Boarding Home Reform Law, if we take the next step and go to the variable rate system, which the Health Department is going to report back to you, then we would be paying the bills directly. We would use the federal money plus the State supplement; then we would have absolute control. What is really working well in nursing homes is that, if a place is not in compliance, we say to them, "Get into compliance and don't take any more patients until you get into compliance." This works very well because it interrupts the cash flow and they respond. If we had the rate-setting part of the Boarding Home Reform Act, we could do the same thing with a facility such as this and say, "If you don't start shutting the fire doors and doing this thing and that, no more patients and we are not going to pay." Then we have real leverage. Right now, we don't

have that kind of leverage. It is a fact - it is a reality. But we could find out if some of those people are direct referrals.

ASSEMBLYMAN SNEDEKER: A year ago, as of this Friday, the Department of Health made inspections and revealed that this was in violation of their Act. Now, do you mean to tell me that even though the federal government is paying the bill and we placed the resident there, we cannot remove that resident?

MR. REILLY: If we placed the resident there, if a person was a referral from a State Hospital, for example, yes, we can remove that resident. We can't forcibly remove them, but we can counsel them that we would like them to move. We can stop placing other people there. But, as Mr. Caton said, I don't have at my fingerprints, our relationship with the Wentworth Hotel in Elizabeth ---

MR. WAGNER: No, no, Asbury Park.

MR. REILLY: --- Asbury Park. The SSI payment that comes from the federal government goes to the resident. It doesn't go to the facility. It goes to the resident who, in turn, pays his rent to the facility. So, we are not involved in that transaction. We do insist, because of the new law, that the resident gets at least \$40 for personal needs. We didn't have that authority prior to August. But this is a relationship between the resident and the facility. However, if we are placing people and if we find the place is in trouble with the Health Department or in trouble with DCA, in all likelihood we are certainly going to stop placing there. Also, we are going to try to counsel people to get them out. But we can't interrupt the payment, per se. With the second part of the rate setting that this law contemplates, we will be able to do that.

ASSEMBLYMAN SNEDEKER: I still don't understand why if there is anybody at all there that the State has recommended to be placed there, we can't immediately remove them.

MR. REILLY: We can't because they are free citizens.

ASSEMBLYMAN LESNIAK: Assemblyman, we can't. Then they are no longer under the jurisdiction of the department legally.

ASSEMBLYMAN SNEDEKER: I am not an attorney, but I will practice law with Mr. Lesniak, and I still would say that we are going to be liable because we recommended a place that is unsafe.

MR. FAY: The fire in Camden where the three people died Monday was on a banned list of the Division of Mental Health. The Division of Mental Health has said about certain boarding homes that they don't meet minimum requirements and they aren't the kind of places where we would want to place anyone. So they are literally banned. But after the State has taken a stand and banned them, you find these people being placed by general hospitals, you find them being placed by County Welfare and you find them being placed by their families. The Cherry Hill boarding home, after it was documented in the Elizabeth papers and the State papers, the few phone calls we got were from families saying, "Mind your own business. If I want my brother in a dirty, unsafe boarding house, who are you to butt in here?" They feel these people are liable to show up at home. The family put them there. The family doesn't want them back in many cases.

Fifty percent don't have a family. This is the only roof over their heads. As frightening and as dirty as it may be, that is the only roof over their heads. They don't know where to go. In many cases, there is nowhere to go. Some of them can't withstand the threat of going back to Marlboro. In some of

these homes, it is not a threat. They are ready to go back to Marlboro. It was safer and cleaner and the food was better. They were less terrorized in Marlboro.

ASSEMBLYMAN SNEDEKER: Senator Fay, I would like to ask you too to make recommendations to us so that we can act a little earlier in these cases. If there is due process in law and that due process is going to mean a year's delay, we have to have some oversight of the court, some way or another, so we can at least remove people or warn them that this building is a fire hazard and a death trap, as you put it.

MR. FAY: I have been working with the State Department of Health. I think they only have three Deputy Attorney Generals now; they could use ten. We have one case up in Sussex County where the nine old men were nailed in an attic. This was a licensed home. There were 62 people there legally, 9 people there illegally. There was no supervision when we went in there at ten o'clock at night. One Deputy Attorney General and two people from my staff have been concentrating on that Sussex horror. So what is badly needed by the State Department of Health - and I think Community Affairs is going to find it needs the same thing - is more Deputy Attorney Generals for the enormity and seriousness of these kinds of cases. The few they have are overwhelmed. For example, my office, with the mandate of overseeing 100,000 people approximately, has three attorneys. Here is the whole State Department of Health with only three attorneys. So that is badly needed for the kinds of cases we are talking about and the other cases that are out there. They do need more legal support to be able to cut down the time and move much more actively than they can with the few they have there now.

MR. HEBLER: Addressing what John Fay is saying, ---

ASSEMBLYMAN LESNIAK: Excuse me. There is no question before us now. Assemblyman Markert.

ASSEMBLYMAN MARKERT: Thank you, Mr. Vice Chairman. I realize that we are going to be breaking for lunch. I wanted to first apologize to you, Senator Fay, for interrupting you by coming in in the middle of your presentation ---

MR. FAY: That is quite all right.

ASSEMBLYMAN MARKERT: ---and also to the rest of the committee. I apologize. I was at another hearing with the Department of Transportation. I guess they have the same problem there as we have here: money.

I am only going to say a few words because I realize we are going to recess for lunch. I want you to know that I, personally, sat in my living room until 4:30 this morning, thinking about what has gone on in the past month or so, and also what took place yesterday. Yesterday, this country and the rest of the world who were justifiedly concerned about 52 hostages saw them finally come back to freedom and life. We have already held hostage 57 people who have given their lives because of the controls or lack of controls that we as a State have refused to address. I said once before at a hearing we held when we were addressing our nursing homes - and I see here the same faces from the same departments - that the great invention of the telephone is still around. I know that you were not cognizant of the problems that our Ombudsman has found, but, my God, can't we pick up a phone and have a total communication between the heads of the different committees and departments we have in the State? Why can't we

spend a little time talking to one another so that we can be on top of things? I am just making a comment because I know statements have been made that are in the record already that there has been a lack of communication.

I think it is up to this committee - and I would like to be a part of it - to sit down when we all done addressing these problems which we know exist and see whether or not we can spend the time, just a small amount of time, to back up and work from the inside out, if necessary, and enact the legislation to give you the departments, the absolute necessary clout to be able to close a place down in 72 hours, if we have to, to be able to save the life of one person. I think it falls upon our shoulders - yours as well as ours - to be concerned about what could have happened to those 57 people who might still have been alive to see what the other 52 saw yesterday.

ASSEMBLYMAN LESNIAK: Thank you, Assemblyman.

Before we recess, with the consent of the other members of the committee, I would like to direct the Committee Aide to address a letter to the Insurance Commissioner and to all the insurance companies in the State of New Jersey, requesting their input on how they can help solve the problems of financing that is going to develop, to insure compliance with the new regulations now in place and the inspections that are going to take place, in the light of the survey of financial institutions, such as banks, savings and loans, and savings banks, that only approximately \$800,000 a year is available for such loans. Is the committee in agreement with that?

Thank you, Commissioner, for your idea. I'll take credit for it.

Secondly, I have a question I would like to direct to both the Department of Health and the Department of Community Affairs. Is it your recollection - I don't believe it is --- but is it your recollection that imminent danger is defined in the statute or is it subject to judicial determination?

MR. WAGNER: It is not determined in our statute.

ASSEMBLYMAN LESNIAK: It is the same with the Department of Community Affairs. I would think if we had a specific definition of imminent danger, that would facilitate the proof requirement and give direction to the Judiciary in that regard. I would ask John to draw that up in legislation to be introduced.

Also, Commissioner, you will submit to us your recommendations to streamline the procedures, as far as revocation goes ---

COMM'R FINLEY: Yes.

ASSEMBLYMAN LESNIAK: --- which didn't get through in the rate-setting bill.

Are there any other questions before we recess? There being none, we will now recess until 2:15, at which time we will reconvene with Assemblyman Otkowski. Thank you very much.

(Recess for Lunch)

AFTER LUNCH

ASSEMBLYMAN LESNIAK: Before we call the Councilman from Keansburg, I would like to get the run down from the Department of Community Affairs regarding their actions concerning the Cherry Hill West Home, which Ombudsman Fay referred to during the morning session, and the multiple violations at that facility. Do you have the file, Mr. Caton? Can you give us a summary of the Department's actions regarding this facility?

MR. CATON: Yes, I can, Mr. Chairman. In fact, we have inspected the facility. On November 19th we inspected it and checked all the physical standards as they relate to the regulations we published. The facility passed muster on every score, with the exception of the fact that they were operating on three floors with a sufficient number of residents where they would have to have a sprinkler system installed. There are two ways to abate that: One is to install a sprinkler system, and the other is to close down the third floor. They chose the second.

We reinspected and found that, in fact, that had been done, so at this point in time, to the best of our knowledge before arriving here this morning, the facility was in full compliance with the fire safety standards.

ASSEMBLYMAN LESNIAK: Are there smoke detectors there?

MR. CATON: On November 19th there were. What I am going to suggest to Mr. Fay's staff is that tomorrow our physical evaluator return to the Cherry Hill Rest Home with the person that gave the report by memorandum on Monday, stating that there were alarms missing and detectors missing, and together they will reinspect the premises. I think what we may have here is an interpretation problem. We will see if that is, in fact, the case.

ASSEMBLYMAN LESNIAK: Can you get in touch with my office regarding the results of that inspection?

MR. CATON: Yes, I will.

ASSEMBLYMAN LESNIAK: Mr. Reilly, you had something regarding the Asbury Park facility?

MR. REILLY: Mr. Snedeker asked (inaudible) and we have had a ban on admissions in Wentworth for over a year, actually proceeding the time they went into license revocation at the Health Department. I am told that the owner at that time sued us to try to stop us from enforcing the ban. The State Deputy Attorney General was successful in persuading the owner's attorney that we, in fact, did have that authority. We have not been using that facility. We did provide assistance to people who had been previously in relocation.

ASSEMBLYMAN LESNIAK: Thank you.

At this time I would like to turn the chair over to Assemblyman Visotcky, and he will call the next witness. Thank you.

ASSEMBLYMAN VISOTCKY: Thomas Keelan.

T H O M A S K E E L A N: Good afternoon, and thank you for the invitation to speak before you today. I wish it were happier circumstances that had me come here. I would like to express my shock and grief at the tragedy that took place at the Beachview Nursing Home in the Borough of Keansburg on Friday, January 9, 1981.

How can we permit this situation to continue is one of the things that I asked myself, and in turn would like to direct to you. We have a situation in Keansburg where the Beachview Nursing Home was one of our better facilities

of that sort, and the question lies in my mind, if that is the case then what is the future for the people that are living in the other facilities, such as the Beachview Nursing Home?

When costs of sprinkler systems and other preventive fire measures have more importance than the value of helpless human lives, this is something that has been keeping me awake at night because it seems like to cost factor has been brought out - today and this morning - over and over again. I believe that the federal government and the State of New Jersey has to aid in offsetting the cost for the people that are running such a facility. I don't believe that the full cost should be on their shoulders either. I do not think that that should be a deterrent to thinking about sprinkler systems or a direct fire hookup system to a central location.

It is a sorry comment on our society when the aged, the infirm, the handicapped, and the mentally and physically disabled who are unable to take care of themselves look to us -- that's right, you and I personally -- for protection and receive in return no commitment. I believe time is of the essence. We have lost 57 lives in the past six months.

The people we are talking about can become a very heavy burden to their families. Some need constant attention. Others' bodies don't function as yours or mine. But, believe me, that doesn't make them less human. They do have rights. They deserve more. The least we can do is to assure them of a safe environment in which to live.

I further express my shock and indignation at the standards, or lack of standards, required of the operators of nursing homes, convalescent homes, boarding homes, hotels, taverns, or any facility where the public congregates. I therefore petition our representatives in the State Legislature, Congress, and other elected representatives in all branches of government who provide any financial assistance to any facility where the public congregates, to develop proper standards to prevent the events of January 9, 1981 from repeating themselves. To this end, I petition our leaders to establish a code requiring at least sprinkler systems throughout any facility where the aged or infirm congregate or reside in a group, as well as a fire alarm connection to a central facility in any place where the public congregates.

I also request an update of all codes applicable to the protection of the public. To this end, I pledge my support, and I am open to any questions if you would like at this time.

ASSEMBLYMAN VISOTCKY: Regarding your statement, we do have codes already, sir. They may not be strict enough, but there are codes.

MR. KEELAN: I think that--

ASSEMBLYMAN VISOTCKY: You stated that there were no codes.

MR. KEELAN: If I said there were no codes, I would correct that and say an update of our codes, because obviously the codes that we have aren't saving lives or we wouldn't be here today, I don't believe.

ASSEMBLYMAN VISOTCKY: We are here on the boarding homes, not on nursing homes. There are two different ways that--

MR. KEELAN: Well, I thought you were here on long-term facilities, and that type of thing -- boarding homes.

ASSEMBLYMAN VISOTCKY: Boarding homes, right.

MR. KEELAN: There are other areas also that have to be covered too.

I just felt that there was an urgency to cover everyone that we can possibly cover.

ASSEMBLYMAN VISOTCKY: Very good. Are there any other questions?

ASSEMBLYMAN SNEDEKER: Councilman, one of the problems that we have, frankly, in the legislature is, if something happens we try and find out what we can do as far as legislation is concerned and what is on the books. I think there are things now, laws that are available for boarding homes. We may have to tighten up some of them and require some stronger measures. I am sure you will find some bills going in requiring sprinkler systems and other things that will be introduced shortly.

But, the other argument we get, usually from Councilmen and township committee people is, "State, keep out of our town; don't tell us how to run our community." That is one of the other things. They don't want to be over-regulated. So, we try to make as few regulations as we can. I think in this case, since we do inspect nursing homes and boarding homes, I think we ought to. But, we really don't have anything to do with taverns and all the places that people congregate in -- to be able to make all those codes up. There are building codes that you, as a township committeeman, can enforce through the National Safety Building Code that would probably do just as well as the State making any more laws up that might tie your hands in any way at all.

ASSEMBLYMAN VISOTCKY: Are there any more questions? (no questions)
Thank you very much, Mr. Keelan.

Councilman George Kauffmann.

G E O R G E K A U F F M A N N : Good afternoon, gentlemen. I am Councilman George Kauffmann from Keansburg. I have been a resident of Keansburg for 47 years, and I do know something about the town. I come to you this afternoon speaking not as a Councilman, nor for the Borough, but as just a plain resident of Keansburg.

I take issue with some testimony that was given today; namely, the majority of people in that rest home were not from Keansburg. There was a list published in the Asbury Park Press and the Redbank Register indicating that most of them were scattered from throughout the State, for reasons that I do not know at this time.

In my view, if the Beachview Rest Home - according to all the preliminary reports - was one of the finest run and safest in the State, then the other 275 are in serious trouble.

It is interesting to note that money seems to be, at the present time, in the future, and in the past, an issue, especially regarding sprinkler systems. But, in my view, the alarm ringing in headquarters that was not required at the Beachview Rest Home is certainly not an issue. It is not an expensive item, and that was not required. I would like to have an answer from someone as to why.

ASSEMBLYMAN VISOTCKY: About the alarm?

MR. KAUFFMANN: The alarm ringing in headquarters was not a requirement there, and it certainly wasn't the cost factor. I would just like to know why.

MR. KAUFFMANN: I don't think it is a state requirement. It could be done by local ordinance. I think it should have been your job as a councilman of that town to make sure it was done.

MR. KAUFFMANN: I have been a councilman since July of this year.

ASSEMBLYMAN VISOTCKY: I'm sorry. It should have been done there.

MR. KAUFFMANN: We brought that up at the recent Planning Board meeting. It is interesting to note that my colleague, Thomas Keelan, sits in on the Planning Board. When the Beachview Rest Home came up, as recently as last week, for application for 22 or 24 more rooms, he was the only one that hammered away at sprinkler systems in that facility, and he was not supported on this issue. The opposition's answer was, "Beachview is regulated by the State; it is really none of our business." The only thing they did agree on - and it was something else that was supposedly covered by State statute - was the alarm ringing in headquarters. They did agree on that.

ASSEMBLYMAN VISOTCKY: That is not required by State statute, but if the local ordinance is doing something like that--

MR. KAUFFMANN: Than I would like to know why it wasn't required by State statute. I guess there is nobody here that can give me an answer. It is not an expensive item, so certainly money couldn't be an issue.

ASSEMBLYMAN VISOTCKY: Mr. Reilly, is there any reason why it wasn't included in the code? Mr. Connolly?

MR. CONNOLLY: I think the Health Department should answer. It is a Health Department facility. We do require it in boarding homes.

ASSEMBLYMAN VISOTCKY: You do require it in boarding homes?

MR. WAGNER: The answer is the regulation says it should be connected, if at all possible. In many areas, because of the volunteer nature of the police and fire operations, or whatever, it is just not possible. In many areas it is covered by local ordinance. Local ordinance says it must be done.

ASSEMBLYMAN VISOTCKY: I think that answers your question. It should be done by local ordinance.

MR. KAUFFMANN: We are just in the process of adopting that ordinance at the present time. That was the only thing that was approved by the Planning Board, and eventually the Mayor and Council, but not the sprinkler system.

Let me set the record straight. Some people either read the papers wrong or misinterpret what they read. For example, a lot of people who came to me at borough meetings said that 80 people got out of that facility, and that is not true. There were 110 people, total, in both facilities. In the facility where 38 people got out, there was no fire. There were 72 in the old building. Thirty of them perished and 42 got out of the fire. Somehow or another people misconstrue what they read in the paper.

I was in the facility that did not have a fire in it the next day. That is where the 38 people got out of, not the 80 as some people misinterpreted.

The new facility was a safe building by all standards, and in my view the old structure was not safe as a new facility. That is the reason for it, plus the fact there was no fire in the new facility.

If I am not mistaken, some of the testimony given here this morning was that the State does not have jurisdiction over some of these rooming and boarding houses, or rest and health care facilities, nor the 276 facilities and the 10,000 people residing there, or the 40,000 people residing in the other. If the State's track record is the best in the State, then possibly the State should take over the rooming and boarding houses and health care centers, if their standards are higher than ours.

I myself live in a hotel with my family. I get inspected every three years, by law, because I come under the Department of Community Affairs. But, my issue was that the last time the fire company inspected me was in 1965. I pleaded for a fire drill and fire inspection. We are about to get one now, but it took a tragedy like this to initiate this policy. That is all, gentlemen, do you have any questions?

ASSEMBLYMAN VISOTCKY: Are there any questions at this time?

ASSEMBLYMAN MARKERT: I would just like to mention, Councilman Kauffmann, that some of the suggestions that you have made have already crossed the minds of this Committee, and probably others in the State Legislature.

I just want you to know that I spoke with the Committee aide, Mr. Kohler, earlier this week, and I did address just that. I am having legislation drafted that is going to require sprinkler systems in boarding homes, residential health care facilities, and rooming houses. They are to have complete sprinkler systems with the smoke alarms in each and every room. Of course, I know this is an expense and what I am going to try and do is to set up low-cost, low-interest loans by the State of New Jersey to these homes for the purpose of doing just that. At least we are on our way. It is late for those 57 people, I know, but maybe we can stop the next 57 from dying.

MR. KAUFFMANN: One other note. We have two senior citizen buildings in Keansburg, and I believe - if I am not mistaken - they have smoke alarms in the hallways of the first facility. We lost a patient there because of that. They built a new senior citizens building, which was just dedicated recently, and, if I am not mistaken, they have sprinkler systems in the rooms. If not, they have a smoke detector in the hallway and not the rooms, contrary to some local ordinances that we are about to initiate. But, again, it is none of our business. It is on the state and federal level.

MR. KAUFFMANN: These alarms will have to be both visual and audible.

ASSEMBLYMAN VISOTCKY: Councilman, when you say it is not your business, it is state and federal, I don't think that is so. You know, I served as a Mayor of my community at one time. If we didn't like something when the feds were building a housing project, we went in there and we protested, and we got it done. We went to the Department of Community Affairs and we got it done. Now, if some people don't have the initiative and the drive, as you are displaying now - and you must be commended for it -- you know, what happened in the past can't be undone. Rather, we have to go forward, the way you are going, and I think that is the right way to go.

MR. KAUFFMANN: We approached the fire chief at the time for his input into it. I was on the Environmental Commission at the time, and we took issue with certain fire regulations that were not being met in the new senior citizen building that was going up. Naturally, we took some flack because it delayed the construction of the building. The building was put up without complying with all the recommended fire regulations from the fire chief. Again, it was something that was none of our business, and it was out of our hands.

ASSEMBLYMAN VISOTCKY: You know, you are the government, sir. It is always your business.

MR. KAUFFMANN: That is my approach, yes.

ASSEMBLYMAN VISOTCKY: Anybody who says it is none of my business, is shirking his duties also. I don't mean to be chastising you or saying you are doing something wrong. But, it is all our business. The people who say,

"Well, it is not my business; the hell with it. I am not going to do anything about it," will cause us to have chaos.

MR. KAUFFMANN: Right.

ASSEMBLYMAN VISOTCKY: So, let's just keep up the good work you are doing. Keep that drive. I think that is what we have to have more of.

MR. KAUFFMANN: Thank you, gentlemen.

ASSEMBLYMAN VISOTCKY: Mr. Robert Horner, President, Fire Marshals of North America.

ASSEMBLYMAN OTLOWSKI: Mr. Horner, do you want to give us your name, your title, and the nature of your organization, please, before you testify?

ROBERT HORNER: Yes, sir. My name is Robert Horner. I am the President of the Fire Marshals of North America. The nature of that organization is it is an international association of state, local, and county fire marshals in the United States, Canada, and Mexico. We are also a section of the National Fire Protection Association, and we assist in the promulgation of the national standards.

Personally, I am the Chief Inspector in Plainfield, New Jersey, and the past President of the New Jersey State Fire Prevention Association, and the immediate past Commander of the Union County Arson Task Force. I do not have a formal presentation for you this afternoon. I sort of substituted this morning. I tried to listen, as best I could, to what has been said, and I will try to keep from repeating what has already been said.

If I may, I would like to give you can overview of what I think we are here for. Basically, we are here for fire safety, and what are we going to do to protect people from fire. We are talking about a particular style of home, building, or residence -- whichever way you want to classify it right now. But, you must understand what the concept behind fire safety is. I think there is a lot of misunderstanding, both from what has been said this morning and historically.

Historically, fire protection began with the cave man putting rocks around his fire so it wouldn't spread. We really didn't progress too much from that. What we have done is, we have made our rocks bigger. Today we make our buildings out of steel, glass, metals, etc., and all this does is to contain a fire. We have literally created furnaces, and we have done it by code. We have done it according to standards, because these are the standards we have written.

Basically, initially, the insurance companies had a lot of effect on our codes because their reasoning was to protect the structure. That is what they wanted to survive. That was the profit motivation, and it wasn't wrong, because these things did have a bearing on fire safety as far as the structure was concerned. If it protected life, that was fine too, but it wasn't too effective on life.

The other thing that I would like to emphasize is that there are two forms of fire protection: a passive form and an active form. The passive form consists of the things that I just alluded to and that the codes allude to, and that Bill Connolly alluded to this morning: the fire walls, the stairwell towers. All of these things that are structurally build do nothing to protect life, and they do nothing to stop the fire.

In the active form of fire protection, there are two ways of doing

it. One is with the fire department, which is the way we all go. If you have a fire, you call the fire department and they come and put it out. The other way is to put a supression system on it. The best documented one, and the one with the best record so far, historically, has been a sprinkler system. Certainly, you have heard about sprinkler systems, they have been thrown at you all day long.

The Fire Marshals of North America have a 12-year-old resolution on the books, speaking to the type of home you are discussing today, as well as nursing homes, homes for the aged, and any other classification you want to put on them -- that these should be sprinklered. The only way to save people from fire is to put the fire out. When you talk about expense, you cannot talk about putting a fireman, which is the other active way, every ten feet in a building. That is ridiculous. But, you can put a sprinkler head in every ten feet.

I have talked with a few of these other people, and I know they have other, more detailed, points to make. One thing I would like to add before I answer any questions you might have is, there was an illustion this morning that this is a very expensive situation. That depends on what you relate it to, whether you relate it to life, or to carpet, or to your car. There was a suggestion for funding. I would also like to make a suggestion for funding. If you need a pool to support the installation of sprinklers, you could perhaps put another penny on the cigarette tax. I think that would go along with Dr. Finley's objectives. It would also probably cut out some of the sources of fire to begin with, and it might make me quit, I am not sure.

But, there is a resource there if funding is a problem. My own thought is, if these things - and I am pretty sure they are not charitable organizations; they are profit-making organizations -- If there is a need, people will find the money, as far as operating the business is concerned.

Basically, those are my comments.

ASSEMBLYMAN OTLOWSKI: Thank you. Are there any questions? (no questions)

Thank you very, very much, Mr. Horner.

MR. HORNER: Thank you, sir.

ASSEMBLYMAN OTLOWSKI: Mr. James Cunningham, New Jersey Association of Health Care Facilities. Mr. Cunningham, do you want to give us a little description of your association, or organization, after you give us your name for the record?

J A M E S C U N N I N G H A M: Right. The name is James Cunningham. I am President of the New Jersey Association of Health Care Facilities, and I represent licensed nursing homes, intermediate care facilities, and residential health care facilities. We appreciate the opportunity to appear before the Committee.

As the professional trade association perhaps most concerned with the terrible fires that have devastated two residential facilities for older people in the last year, I want to commend this committee for your quick action in opening an official review that could bring changes that will avoid such catastrophies in the future.

All of us are sobered by the tragic loss of life January 9th at Beachview Rest Home in Keansburg, a member of our association, and last summer at the Brinley Inn, Bradley Beach, an unlicensed boarding home and, thus, not a member.

We only represent licensed facilities.

The New Jersey Association of Health Care facilities represents two types of care institutions: nursing homes, known under New Jersey law as skilled and intermediate care facilities, and licensed boarding homes for sheltered care, officially designated as residential health care facilities. All of our members are licensed and regulated by the State Department of Health. Our membership includes proprietary, nonprofit and governmental facilities, but the major part of them are proprietary.

Most residential facilities for the elderly consist of boarding homes, rest homes, residential hotels, which, under new legislation, are inspected by the Department of Community Affairs but are not required to meet the more stringent service and physical requirements placed on our members. Public assistance for the residents or patients of our facilities - a majority are recipients of such aid - is greater than that provided for boarding house residents; at the same time, their needs for care and services are substantially greater.

I am somewhat concerned by the title of this hearing as listed in your notice. "Long-term care facilities" under our law cover only skilled and intermediate care facilities -- in other words, nursing homes. Your interest obviously focuses on residential care facilities and boarding houses.

Of course, we still await definitive findings in the Beachview matter, and the results there could color the testimony you hear today. Nonetheless, the conflagrations at Bradley Beach and, at first glance, in Keansburg, indicate that sprinklers might have saved many lives.

Our association has a history of working with state government in effecting the installation of sprinklers. In the early 1970's, the Health Department imposed a requirement that all nursing homes install sprinklers unless they were constructed of fire resistive materials -- all masonry and steel - or were built of non-combustible materials and were no more than one-story in height. Both types of exempted structures were required to meet other requirements established by the National Fire Protection Association. Despite these exceptions, a strong majority of existing nursing homes was required to install sprinklers.

Since some two-thirds of nursing home patients in New Jersey are supported by the Medicaid program, the state was required to recognize in its reimbursement rate that the sprinklers must be paid for. At that time, the cost of new sprinklers in an existing facility averaged \$500 to \$600 per bed. The state financed this payment on the basis of an accelerated, ten-year depreciation. Normally, it would be over 20, but because of the urgency of this kind of matter, they allowed the pay-back to be over 10 years. The debt service was considered a part of the facilities's fixed expenses and factored into the Medicaid rate. The cost also was reflected in the rates for private-pay patients.

With this experience, we are not adverse to a similar requirement for residential care facilities. But, we reassert that the state must assume the same responsibility for reimbursement. And, we note that sprinkler costs will be much higher today. In fact, our "guesstimate" now is probably more like \$1200 a bed.

I do have several suggestions as to how the cost could be met. One, perhaps through bond issue funds, could involve the establishment of a revolving fund by the state from which lower interest loans could be made to facilities required to install sprinklers. Perhaps the fund could be used for other

necessary improvements. Thus, the state would be able to take advantage of its lower cost borrowing power in the face of today's high interest rates. As the borrowed funds were repaid, they could be recycled for other essential improvements. And, a little aside here -- S-3111, which was the new law established for boarding homes, boarding houses, residential health care facilities - the initial law - had this in it, and it was taken out. It was supposed to be put back in a separate bill at a later time, and to this date it hadn't been done. But, if 3111 had still contained this, we would have probably been in business today with the kinds of improvements you are looking for with the funding mechanism already in place.

Even more than nursing homes, proprietary residential health care facilities, which constitute the bulk of our non-nursing home membership, are populated by government supported patients. The largest group is those receiving Supplemental Security Income benefits, administered through the Department of Human Services. The other group is veterans, supported by the Veterans Administration. Since the VA negotiates rates with each home, the negotiators could comprehend the added cost of sprinklers. SSI costs are shared by the state and federal governments. For a number of years, the federal government annually has raised its portion of the benefits to keep pace with inflation; the state has not kept pace. I suggest that the cost of sprinklers could be picked up for many facilities by the state bringing its share into better balance with the federal contribution. They could increase that state side of the SSI rate over a 10-year payment period of time to pick up the cost of these sprinklers. I think then you might find that financially you are talking about a more feasible thing, even if you are talking about a forty or fifty million dollar expenditure. If you are writing that off through state payments over ten years, the number is much more feasible and much smaller.

It is gratifying to know that New Jersey has come together to meet this problem without anyone - government officials, legislators, or the press - seeking to sensationalize the tragedy by seizing on scapegoats. All of us would have been diminished by such an exercise.

We stand to work with you and with the administrative agencies to find the cause of these disasters, and to do our utmost to insure that they won't happen again.

One further comment: We would hope that generalized statements and comments, like those issued by the Ombudsman this morning, without supportive data or numbers would not continue. We would expect them to come forth with how many, what is the problem, etc. We would be glad to assist in problem areas like that. We were never asked by the Ombudsman. We were asked by some of the other agencies, and we would be glad to help. They talked about three facilities. There are quite a number more facilities than three. So, I hope that generalized sensationalisms - like didn't happen in this case - would not happen on behalf of other people, such as those comments this morning. I think we are all sincerely concerned about the problem. We are willing to cooperate and help. I think if you check with the state agencies, our record of assistance given to them is there.

We think that through these mechanisms of repaying, if the state wants sprinklers, it is feasible. We would all be better off with sprinklers. You know, there is no kidding about it. But, if the state wants the sprinklers,

they are going to have to pay for them. Thank you.

ASSEMBLYMAN OTLOWSKI: Thank you very much. Did you say that your estimated cost for sprinklers would be about fifty million dollars?

MR. CUNNINGHAM: No. I heard that figure thrown around this morning. I did a rough calculation, but my "guesstimate" per bed-- The sprinkler people don't price their jobs per bed; however, when we had to do it for the nursing homes, we did.

ASSEMBLYMAN OTLOWSKI: Your operation is based on your per bed income?

MR. CUNNINGHAM: Right. So, we took a lot of the sprinkler jobs and broke that down into a per bed category in the varying facilities, and at that time it cost five to six hundred dollars a bed for a finished job.

ASSEMBLYMAN OTLOWSKI: How long ago was that?

MR. CUNNINGHAM: About 1973. I would guess that it is probably double, even though people are telling me that that is probably too high.

ASSEMBLYMAN OTLOWSKI: You don't have to guess about it, it has doubled.

MR. CUNNINGHAM: I did a rough calculation at \$1200 a bed and figure that your price tag is going to be probably thirty some million. But, if you depreciate that over a ten year pay-back, you are talking about several million a year.

ASSEMBLYMAN OTLOWSKI: Did you suggest a mechanism for financing that?

MR. CUNNINGHAM: Yes, two-pronged: one, that the state increase their share of the SSI payment.

ASSEMBLYMAN OTLOWSKI: Where would the state get the money?

MR. CUNNINGHAM: It would get the money in this bond issue fashion.

ASSEMBLYMAN OTLOWSKI: How would the state get the money from a bond issue for that?

MR. CUNNINGHAM: The state could float a bond issue for modernizations and renovations of these kinds of facilities on the ballot, with the state making the loans at low interest to the facilities, with the money being paid back to the state, to have a revolving fund that never deteriorates.

ASSEMBLYMAN OTLOWSKI: Not only would you have to have a bond issue, you would have to have special legislation creating that mechanism.

MR. CUNNINGHAM: True. That part of legislation was a part of S-3111.

ASSEMBLYMAN OTLOWSKI: Then it would be repaid over a period of how many years?

MR. CUNNINGHAM: Ten years. Then it should be financially feasible.

ASSEMBLYMAN OTLOWSKI: That would increase the cost per bed.

MR. CUNNINGHAM: Sure it would, by the cost of the sprinkler system.

ASSEMBLYMAN OTLOWSKI: Well, we are already getting complaints from people who cannot pay that, and there are many people who do not want Medicare and Medicaid; they want to carry their own freight, and yet--

MR. CUNNINGHAM: Medicare and Medicaid does not pay for this level of care, this is an SSI payment.

ASSEMBLYMAN OTLOWSKI: Oh, you are talking about thee--

MR. CUNNINGHAM: Right. And, the private pay patient is paying more anyway. This is an SSI payment, which is about two-thirds federal money, one-third state. The state side has been pretty stagnant for quite a number of years. That state side could be increased over a ten-year period of time,

with that money then being paid back to the state, into its revolving fund, where the money is going to come from in the first place. You will never find these facilities in that kind of shape if you establish that kind of fund that is always paid back, and is a revolving fund, and it always there for the upgrading of these facilities to be sure they never get into disarray.

ASSEMBLYMAN OTLOWSKI: Assemblyman Markert.

ASSEMBLYMAN MARKERT: Thank you, Mr. Chairman.

Mr. Cunningham, excluding nursing homes and getting into the residential health care rooming houses, how many are members of your association? Do you have that figure?

MR. CUNNINGHAM: We don't represent any of the boarding houses, rooming houses, guest houses, etc., that now come under Community Affairs. Our by-laws require only licensed health care facilities, and the only thing that comes under that definition other than the hospitals are the nursing homes, intermediate care facilities, and residential health care facilities, but not the boarding houses or boarding homes. So, we represent none of those.

ASSEMBLYMAN MARKERT: What about the residential health care facilities?

MR. CUNNINGHAM: In the residential area we probably have about 70 of those at this point.

ASSEMBLYMAN MARKERT: Do you know by chance how many might be sprinklered?

MR. CUNNINGHAM: I would say in that category, probably none.

ASSEMBLYMAN MARKERT: Out of the 70?

MR. CUNNINGHAM: Probably none. It is not required. Well, I can't say none because there might be a handfull of more than two-story there which would be sprinklered, with the smoke barriers, and the like.

ASSEMBLYMAN OTLOWSKI: Excuse me. Mr. Wagner, can you be of help here?

MR. WAGNER: Yes. In sheltered boarding homes of more than fifty beds, which are R-50's, twenty-five of them are already sprinklered.

ASSEMBLYMAN MARKERT: So, more than fifty bed, which there are fifty of--?

MR. WAGNER: Yes.

ASSEMBLYMAN MARKERT: (continuing) Twenty five of those are sprinklered?

MR. WAGNER: Yes, half of them are already sprinklered.

ASSEMBLYMAN MARKERT: So, we are talking about only twenty-five in the fifty bed category?

MR. WAGNER: Yes.

ASSEMBLYMAN MARKERT: Which would then be what -- two or three story?

MR. WAGNER: If they are not sprinklered, it would mean that they are two stories or less. The others are more than two stories. Now, of course, we have many, many more which are smaller than that; there are a total of about seventy in round figures that are under us.

MR. CUNNINGHAM: You talk about this type of housing, and a lot of the people that testified today talked about this type of housing. We have done peer review in every one that is a member of ours. We checked the record with the state and we sent our own peer review team in there to make sure they "muster" as far as we are concerned, or we deny membership in this area. But, with the reimbursement system that is in under SSI, no one can build a new facility for this type of use and survive with the construction costs that you have today. It is just not in the cards. It is just not possible. So, anything in this

area that you see is normally a converted type of thing, other than a percentage of the non-profits who build homes for the aged, for that purpose, from the beginning, and who through philanthropic funds are subsidizing that to pretty hefty tunes. But, you can't build new in this kind of category and survive financially.

ASSEMBLYMAN MARKERT: I am sure of that. Also, through you, Mr. Chairman, Mr. Cunningham, let's stick with the residential health care facilities, since that is the only other member of the association -- the only other one that is under your association. Being president of this association, I am sure that you have addressed, somewhere along the line, the cost of insurance to operate such facilities, haven't you -- or have you?

MR. CUNNINGHAM: Not statistic and datawise, no.

ASSEMBLYMAN MARKERT: Could you possibly, just conjecture-wise, come up with what might be your indication as to whether or not there would be a savings to any great degree of insurance policies if a facility had a sprinkler system?

MR. CUNNINGHAM: Sure, it would definitely be a savings. Any fire insurance, even on your own home, falls into varying categories in the insurance, according to how far you are from the fire house, how far you are from the hydrant, as the crow flies, and whatever. It definitely would be a savings, but to what degree, I don't know.

ASSEMBLYMAN MARKERT: All right. That's what I was looking for, to what degree.

MR. CUNNINGHAM: I would doubt that their insurance premiums anywhere approaches a sprinkler kind of saving.

ASSEMBLYMAN MARKERT: That depends on how many years you amortize the total cost.

MR. CUNNINGHAM: That's right.

ASSEMBLYMAN OTLOWSKI: Excuse me, in that connection, how many non-profit homes are being built at the present time, do you know?

MR. CUNNINGHAM: No. You will have testimony, probably next, from the president of that organization who probably could tell you. But, my knowledge of the industry, including the nursing home industry, is that that is practically nil -- practically none.

ASSEMBLYMAN OTLOWSKI: Nobody is doing it?

MR. CUNNINGHAM: No, not anyone in their right mind.

ASSEMBLYMAN MARKERT: I have no further questions. Thank you, Mr. Chairman.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much.

MR. CUNNINGHAM: Thank you.

ASSEMBLYMAN OTLOWSKI: Mr. Samuel Maglione, New Jersey Fire Prevention Association. Do you want to give us your title, the organization, and the nature of the organization -- you know, its function?

SAMUEL MAGLIONE: Certainly. My name is Samuel Maglione. I am a Deputy Fire Chief for the City of Orange, and I am the Fire Vice President of the New Jersey State Fire Prevention Association. The purpose of our association is to provide a higher level of fire protection within each and every community within our state. Our association membership is composed of fire protection sub code officials and fire prevention officers from every municipality in New Jersey.

Gentlemen, today I would have had a prepared statement; however, because of a very heavy workload and a cut back of staff on my own job, I was not able to have the time to be able to prepare such a report. Therefore, I would like to address my remarks impromptu.

I think that one of the major problems we have in our state is a lack of a central focal point fire responsibility. This problem keeps on cropping up from time to time and legislation is put forth and it keeps on being knocked down for one reason or another.

While we do have the office of a State Fire Marshal, that office has with it no statutory authority. Therefore, it becomes a very weak administrative tool to dissuade the feelings of those who feel they want to do something. We in the fire service recognize this as a major weakness.

With regard to the recent events in both Bradley Beach and Keanburg, one of the problems that we might address ourselves to was addressed by one of the Assemblymen prior to asking questions of one of the Councilmen from Keanburg. The Councilman brought up the fact that there had not been a fire inspection within his facility since 1965. The Federal government, in 1973, formed the National Fire Prevention and Control Commission, and their report to the President was entitled, "America Burning." At that time, that commission recommended to the President the establishment, first, of a United States Fire Administration; and secondly, the recommendation that all fire prevention bureau staffs be increased to one-half the size of the on-duty fire force. This problem was very significant in the cities.

In the City of Orange, where I am employed, we have seen a reduction in our overall work force of twenty-five percent in three years because of monetary problems. Our fire force went from 108 men, down to 87.

The State FMBA, Firemen's Mutual Benevolent Association, has likewise indicated that the overall fire force in our state has been reduced in size from 8,008 members to 6,000, which is a twenty-five percent reduction.

If we are to be effective, in order to enforce the laws that naturally will probably come out of this meeting, we need the people to do it. We can supplement the inspection forces of the various state departments with a local inspection force. We can be their eyes and ears in the community. But, someone has to make the commitment.

There seems to be a very big problem as far as we are concerned between the various departments. It seems like there is a lot of fingerprinting going on, and we feel that Health and Human Services are dumping the biggest problems on Community Affairs.

We look at the problem in an overall perspective. We see standards that are outlined for the protection of people in these facilities, but, yet, we still have major fire losses. We had the same standards being advanced once again, just jazzed up. In other words, they put a different wrapping on the package, but it is essentially the same package.

We understand that the installation of fire protection equipment is expensive, and from a business standpoint, the dollars for safety always come hard. It seems like people who are in a position to do something are certainly more willing to take a calculated risk, especially if it is at the expense of someone else than they are to invest substantial sums of money in protective equipment which can do the job.

We are saying that the technology is there. Technology has been developed; it has been perfected. It is shown to be cost-effective over a long period, but developers, who were entrepreneurs, who are in these businesses are refusing to recognize them as a viable means to provide life safety to the people in these facilities.

We need to examine the cost of sprinkler systems and we, likewise, must examine the cost of the water through standby charge, which has not been addressed here at all this morning. A sprinkler standby charge is an impediment to the installation of sprinkler systems, because whatever insurance premium savings that would be gained by the property owner would be eaten up almost to the tune of \$2,000 per year, in some cases, by the sprinkler standby charge. This is nothing more than a windfall for the water companies, and it should be addressed through the Public Utilities Commission, which allows it.

We need to actively examine the comparative cost of sprinkler system installations to various decorative, non-essential materials within the building, such as floor covering. If we examine the overall cost of the sprinkler system, I heard Mr. Connolly refer before to a cost of \$2.00 per foot -- per square foot. Most quality carpeting, gentlemen, goes in the vicinity of \$18.00 a square yard. What is more important, carpeting on the floor or protection for the people in the buildings?

When we talk about money, I can only address myself to the fact that as a fire inspector, I feel as though I am a Jesuit who has taken something like the vow of poverty by comparison to some of the operators of these homes. I drive a Volkswagon; they drive a Mercedes. Somebody is making money somewhere.

We need to develop an overall cost factor for the typical building. What is the cost of the installation of sprinkler systems, which is a one-time cost for the developer, as opposed to the cost of keeping full time fire forces on duty twenty-four hours a day for the rest of time? Is it a viable alternative? Who should pick up the cost for the fire forces, the municipality or the developer? Because they are creating the problem.

We need to compare that cost with the number of occupants over the entire life of the structure. How long are they intending to be there? Obviously, they have been there for quite some time, and obviously they are quite happy, and obviously they are making money, otherwise they would be in some other business.

We need to take a very careful and close look at the State's deinstitutionalization program, where we are getting the dumping of these people into the community -- and that is what I say it is, "dumping."

At this point, my information is that the cost of keeping a person in an institution in the State of New Jersey runs in the vicinity of between \$70 and \$90 a day, as opposed to the cost of carrying a boarding home, which is only \$10 per day. If the state is saving \$60, or \$70, or \$80 per person, then does it not behoove the State to have the wherewithal to provide the funding to allow for the proper installation of systems?

Deputy Chief Horner, who is the President of the Fire Marshals of North America, alluded to the fact -- I am not sure what it was that he said, therefore, I will just eliminate that from my remarks.

We need to look at the possibility of State grants for the installation of sprinkler systems -- out-and-out grants. We need to look at the possibility of providing property tax reductions by the municipalities in order to encourage their installation. We need to take a look at floating bond issues, and we

also must look toward the recovery of the money by the State of New Jersey on whatever insurance premiums are saved. So, the State, who provides the money in the first place for the system installations, will be the beneficiary in the long run.

One problem that is not going away is that we have certain behavioral characteristics on the part of these people who occupy these facilities. We can't take an institutionalized person, who is still an institutionalized person, and put them into a residential occupancy which has a lesser standard, and call them a residential type person, because they are still an institutional type. They do not have the ability to be able to function as well as normal, ordinary people, who also have trouble getting out of buildings that are on fire, as has recently been demonstrated in both MGM and Stoffer's Inn.

We have to consider the important human characteristics that need to be considered in building design for fire safety. Number one, the physical and mental characteristics of the people. These people are not capable of performing in the same fashion as you and I. Their age inhibits--

ASSEMBLYMAN VISOTCKY: You are going on, and I think you are off base. For you to say now that these people aren't capable of handling themselves, I don't know by what authority you say this. Some of these people on SSI are just as good as anybody else in this room. There are a lot of people living in the streets in the cities right now that shouldn't be living there too. They belong in institutions, maybe. But, for you to say that in a broad sense -- twice, the first time I didn't stop you -- I think you are off base, sir.

MR. MAGLIONE: Well, Assemblyman, you certainly have your--

ASSEMBLYMAN VISOTCKY: That's your opinion. I don't think it is -- show me where some doctors agree with your opinion.

MR. MAGLIONE: Assemblyman, I have a fire record in the City of Orange in which we lost two people that I could have predicted, with a fair amount of certainty; which I already did because I had the place closed down in 1976 and it was reopened because of change in classification.

ASSEMBLYMAN VISOTCKY: If you have certain particular places, mention them, but don't say that on a broad basis. You are classifying everybody as not being able to take care of themselves, and you are wrong.

MR. MAGLIONE: Assemblyman--

ASSEMBLYMAN OTLOWSKI: Excuse me. I think that what Assemblyman Visotcky is saying is, he thinks you are making an error to get into an area that is probably medical or psychiatric. If you would just say in the area where you are best suited and competent to testify to, you will be helpful to us. But, if you go skirting into a medical or a psychiatric area, you--

MR. MAGLIONE: Mr. Chairman, I have no intention of going into a medical or psychiatric area, but the condition of these people is outlined in the National Fire Protection Association's handbook. We had one person here this morning testifying who was from that organization. They do have an effect on the fire casualties, because these people cannot respond appropriately, and I am addressing myself strictly to that.

ASSEMBLYMAN OTLOWSKI: Excuse me, I don't want to belabor this point, because I think we said this morning too that a fire is a very tricky thing. You know, very young people can be in a hotel in broad daylight and not get out alive. They can be in a fire-proof hotel, and not get out alive. We have

seen this happen here just recently in a number of places. So, when you are talking about fire, you are talking about something that is very, very tricky. The people who probably are slowed down by age or people who are slowed down by mental retardation may have a bigger problem with the trickiness of fire, but I think it would be a mistake to get into that area from your point of view. I think if you just stay in your area of expertise, you might be of help to the committee.

MR. MAGLIONE: Perhaps I can address myself to agility -- their ability to be able to get out of the building. Have you ever seen a 90-year-old person with a walker trying to exit a building in two to three minutes? If they can't get out, then they have to be protected in place.

I also have an unconfirmed report with regard to the Beachview Inn. It is about people who were getting fully dressed before they exited the building. That's pretty much what I am talking about.

ASSEMBLYMAN OTLOWSKI: Excuse me, don't you think you are making a mistake when you are going to testify to an unconfirmed report? We are going to get into that when we hear from the prosecutor of Monmouth County, where we will have more direct evidence. Again, I think you would be going astray there.

MR. MAGLIONE: Okay. Another area I think I need to cover is, one of the things that we in the fire service recognize is that the people who are writing the codes, or who are writing the regulations, by and large have one thing in common. Most of them have never really come up against an angry fire. To us, we have a pretty good solution. If a sprinkler system doesn't completely put out a fire, at least it keeps it in check until such time as more forces can be brought to bear. It also protects the egress of the occupants. For years we have been asking for water and we have been getting nothing but words. I would certainly like to beseech this committee to investigate for the purpose of requiring that sprinkler protection be required.

In closing, I would also like to say that on Monday I testified before a Senate Committee on Law and Public Safety regarding the sponsorship of a joint resolution, 21, to form a fire commission. I and my association fully support that resolution, and we believe that this type of commission is long overdue. Thank you.

ASSEMBLYMAN OTLOWSKI: Thank you very much. Assemblyman Visotcky.

ASSEMBLYMAN VISOTCKY: I am not an enemy of the fire service, let me tell you.

MR. MAGLIONE: I didn't think you were, sir.

ASSEMBLYMAN VISOTCKY: I think the point we talked about was, paid firemen in New Jersey and volunteer firemen in New Jersey. When we talk about the legislation pending before this House and the other House there seems to be a problem with 40,000 volunteers and 13,00 or 15,000 paid firemen. I think that is something we have to clear up. You have to clean out your own house and get that thing resolved. That has been bandied about these rooms many, many days.

MR. MAGLIONE: I know that. We are not responsible for the makeup of the fire service, sir.

ASSEMBLYMAN VISOTCKY: I know, but you were talking about the Marshals.

MR. MAGLIONE: I think an interesting point to bring up here is that New Jersey is only one of two states - Colorado is the other - that do not have a State Fire Marshal.

ASSEMBLYMAN OTLOWSKI: Are you saying that a state that has a Fire Marshal does not have fires?

MR. MAGLIONE: No, sir. Absolutely not. I didn't say that.

ASSEMBLYMAN OTLOWSKI: Okay.

ASSEMBLYMAN VISOTCKY: I just want to clarify a point. What I want to hear, and I haven't heard it today, is, we are all talking about water, and we know the situation we have in New Jersey right now. By this summer I don't think we are going to have enough water. I think we are going to be on rationing. I am serious about this. I have yet to hear someone tell me who is in the field of firefighting what we can use instead of water in a sprinkler system. Maybe we could use some kind of chemical.

MR. MAGLIONE: No, sir. If you are talking about cost, to install a dry chemical, or a foam system would be much more costly. What we have today is, we have a situation where people are trying to trap the fire. They are trying to channel it out of the building. They are trying to alert the occupants. They are doing everything but putting the fire out. None of it has worked. That is the reason why we are here today.

We have fire drills where it seems as though the people who are being trained to do just the things we want them to in a fire situation do not respond in that fashion. There is no solution. Bob Horner said it before: The only other thing is the local fire department. They come up with a fire engine, and they are going to put water on it. Somebody eventually is going to put water on it, because that is the only way to put out a fire. I learned that the first 15 minutes that I was in the fire department. My initial training was: here is a hydrant; this is how we turn it on; and the reason why we are turning it on is to get water; and the only reason why we are getting water is because water is used to put the fire out. We have to take the water to the seat of the fire before we can put it out. If you wait for the fire to come to you, there will be a lot of destruction.

ASSEMBLYMAN VISOTCKY: I realize that. I am saying God forbid -- you know the situation three or four states are in right now. We have a drought, where you don't have pressure. If we don't have pressure--

MR. MAGLIONE: It is not so much a question of having pressure as much as it is a question of volume. The two are associated.

ASSEMBLYMAN VISOTCKY: Right.

MR. MAGLIONE: You can't have one without the other. But, you can have a lot of pressure without the volume. You need the volume in order to be able to put the fire out.

ASSEMBLYMAN VISOTCKY: That's right. That's a very serious problem.

MR. MAGLIONE: I agree with you there.

ASSEMBLYMAN MARKERT: Is there any way we can just not allow more than one fire to take place at the time?

MR. MAGLIONE: We do have an inspector here who doesn't allow fires in his town.

ASSEMBLYMAN OTLOWSKI: Thank you very much, Mr. Maglione.

MR. MAGLIONE: Thank you.

ASSEMBLYMAN OTLOWSKI: Mr. Joseph DePalma. Mr. DePalma, you are Director of Fire Safety, Research and Development, Porta-Matic Corporation of Closter, New Jersey. Will you just describe the nature of your association?

J O S E P H D E P A L M A: I don't mind and I think it is a pleasure, Mr. Chairman.

ASSEMBLYMAN OTLOWSKI: Don't make it too much of a pleasure because we are getting limited in time here. First of all, the reason I am asking you that is because I want to know from what part of the ballfield you are going to come into home base.

MR. DePALMA: I thought I originally came here with only one hat on my head, but since listening to the information and the input, I now find I have three hats on my head. It was my intention to introduce myself accordingly, least anyone in this audience think I am totally commercial. I would not continue unless I was able to introduce myself.

One, I am Director of Fire Safety, Research, and Development, for the Porta-Matic Systems Corporation. I have designed and ignited more fires than any man in the United States of America. That is a fact that has been attested to because I was appointed to the Underwriters Laboratory Industrial Advisory Committee, and also the Special Fire Hazards Committee because of my knowledge and background in fire safety.

I design a fire before it happens.

ASSEMBLYMAN OTLOWSKI: Mr. DePalma, excuse me, please.

MR. DePALMA: Excuse me. I am so accustomed to speaking to a large audience, forgive me.

ASSEMBLYMAN OTLOWSKI: The only audience that you have to impress here is right before you -- five people, I think.

MR. DePALMA: Okay.

ASSEMBLYMAN OTLOWSKI: Let's just stick to the facts, okay?

MR. DePALMA: Okay. First of all, I have to pick a starting point, so I will pick a civilized starting point -- the Civil War. During the Civil War the government wanted a reliable system that could automatically extinguish fires. They designed a system using gun powder. An over-zealous serviceman would put more gun powder into the capsule and cause more damage than the actual fire.

We then progressed to a hand portable system, and from the Civil War until today, there has been very little development, other than what we have achieved at the Porta-Matic Systems Corporation.

ASSEMBLYMAN OTLOWSKI: And, what is what Mr. DePalma?

MR. DePALMA: We felt, based on our actual research, that water is unreliable in many, many, many instances. I will give you just a few. Geographically you can only use it in certain temperate zones where there is no freezing. You can use a dry system versus a wet system. You can have a central alarm system versus a plain alarm system. These are options.

ASSEMBLYMAN OTLOWSKI: Are you saying a dry system is better than a water sprinkler system?

MR. DePALMA: No, these are the limitations. A dry system uses water; however, water has strict limitations. It can only extinguish a class A fire. What is a class A fire? Every fireman in this room knows about it, but nobody spoke about it. Class A fires are wood, paper, rages, excelsior, or carbonaceous

types of materials that water will not extinguish. But, the environment today contains a class B and a class C exposure. Class B is flammable liquids: grease, oil, paints, etc. There are many plastics today that water not only cannot extinguish, but it spreads the fire. I can attest to locations in the State of New Jersey that we have taken care of.

ASSEMBLYMAN OTLOWSKI: Excuse me, Mr. DePalma, in the context of what this Committee is interested in, where we were told that sprinkler systems were important, it was my impression that you were going to testify to show us that a dry system is cheaper than a sprinkler system. Can you stay with that area?

MR. DePALMA: Yes, I can skip and do that immediately. Take a demonstration that was sponsored by Fire Chief Don Barrington, of Wilton, Connecticut. Without any prior preparation or ability to see the premises or the environment, they obtained a one-family home and they asked us to design a fire that they would select, which we agree to. They also requested that we tell them how long it will take to extinguish this fire once the design was set and ignited. We said we would do that also.

Then they added the condition that we were not permitted to see the environment until the day of the fire. This is a handicap to most people. We accepted.

On the morning of July 6th, with approximately 90 invited guests from industry and 15 fire department personnel, chiefs, captains, fire marshals, etc., we ignited a fire in 3200 square feet of this home, using 8 systems that we have. We extinguished this fire, fully involved, in 32 seconds. Why, the United States Government, 10 years ago, was looking for a break in the seven and one-half minute extinguishment factor. They have gotten down to three and one-half now.

ASSEMBLYMAN OTLOWSKI: Mr. DePalma, how would this relate to the subject at hand that we are talking about, the boarding homes, etc.?

MR. DePALMA: The fire departments who sponsored this event said terrific, but you have never done that and it has never been done in the world. So, we said, what are you getting at? Using dry chemical is the way to go because you are putting in that environment an A-B hazard.

ASSEMBLYMAN OTLOWSKI: How would you use the dry chemical in a boarding home or in a shelter?

MR. DePALMA: You must recognize that there are specific areas that are more vulnerable than other areas. You can't protect every square inch of every environment. It is not necessary. It becomes financially impractical. For the same reason it becomes impractical to legislate the use and installation of sprinkler systems. You cannot do it.

ASSEMBLYMAN OTLOWSKI: May I suggest this, please, for the purpose of saving time? May I suggest to you that you submit whatever written material you have on the system you are advocating to be used in this instance to the committee so that the committee can make an appraisal of it?

MR. DePALMA: I have something I brought. But, let me point one thing out: it takes a professional person to evaluate a fire hazard or a fire environment. In the fire service you don't have enough capable, educated, qualified people to go out and make the inspections; that's your problem. If it weren't so, the fact that most hand portable fire extinguishers you have today, including those you have in this room, are unsafe, yet you have them. Yet, the fire department

knows about them but they close their eyes. I have seen myself, with my own eyes, that you have carbon monoxide in here, in other rooms.

ASSEMBLYMAN OTLOWSKI: I think it was put here by our enemies.

MR. DePALMA: Right. Touche. They are toxic indoors. You have pressurized water over here. That is equally as dangerous because it will explode much the same as a hand grenade because they do not have a safety relief device. We have more hazards in the fire protection hardware, including the sprinkler system -- it has all been documented by various peer groups, not just the Underwriters Laboratory. You cannot use water on B or C environments. That's it.

You can use dry chemical, which is abundant. It is a fertilizer that has been siliconized, and so forth. It is in abundance. There is no shortage of fertilizer. That's what you use.

ASSEMBLYMAN OTLOWSKI: Mr. DePalma, may I again suggest that you give us written material on what you are advocating, as it relates to the boarding homes and to the sheltered homes.

MR. DePALMA: Let me get down to the boarding homes. I spent 17 years with the leading insurance companies, at one time or another supervising as many as three states. I have personally inspected thousands of single and multiple family environments, high-rise environments, and the industrial environment. That is my background for 17 years with insurance companies. I am now in research.

Now, the boarding homes that you speak of have a three-fold situation: the structure, the occupancy, and the contents. You have two variables that from day to day you are not sure of -- who the occupant is or what they bring into the place. Why don't you utilize sources that are available to you now? You don't have to go out and hire 40 more inspectors and train them and hope that you have trained them right. You use the facilities of the insurance companies in this area, the same as you use the facilities of the insurance companies for the boilers, pressure vessels, machinery, and air conditioning systems that must be reported to the State of New Jersey, along with the fees that go along with it. You set up a computer system to take this input, and using a coded group description, you knock out all your violations, one, two, three, and you can get them corrected if the approach is changed.

We find across the country that in seminars we present called "Advanced Fire Loss Control Technology and How it Applies to Your Insurance Premium" that the private sector will respond. It depends on how you approach them. First of all, and I wish Commissioner Finely was here, there isn't any insurance company that is going to give you a nickle's worth of reduction voluntarily; it has to be legislated. Do you want the proof of that pudding? Try, on the state level, to take over the fire insurance and see what happens. See what happens. They wouldn't permit you to do it, because the profit ratio per dollar premium is fantastic, absolutely fantastic, and they are not going to allow you to do it.

ASSEMBLYMAN SNEDEKER: Mr. DePalma, could I interrupt you?

MR. DePALMA: Yes, sir.

ASSEMBLYMAN SNEDEKER: I have to disagree with you. Probably 80% of the boarding homes in the State, or 75% - Commissioner Sheeran was here earlier - are probably in the fair risk plan, which is an assigned risk pool for fire insurance, because nobody wants to write them. They are older homes that are being reused for boarding homes and so on. That is run by the State of New

Jersey, by the way; it is not run by a private insurance company. You are not going to get that unit to go out and inspect those nursing homes because, again, you are still talking about hiring state employees to go out and look at buildings, and it is not going to do anything for the State one way or another. I think Mr. Connolly here can state that most of them are older buildings -- boarding homes and that type of thing -- and that system won't work.

I have a question about something that you mentioned earlier relating to your dry system. A dry system, to my knowledge, works on the philosophy of taking the oxygen out of the air. Now we are talking not only about kitchens and grease fires, but we are also talking about older people in a room. Would you propose to put the system in a hallway or in an area where there are people who would be smothered by a dry chemical of some kind that takes the oxygen out of the air?

MR. DePALMA: First--

ASSEMBLYMAN OTLOWSKI: Excuse me. Mr. DePalma, frankly I don't want to get into a very technical discussion of the nature that you are leading us into because it would be lengthy, and it would be questionable as to how it would serve our immediate needs -- some of the things that we are looking for.

I would like to just suggest this to you, and I am sorry, I am going to have to cut you off. I would just like to suggest this to you: You have something to propose to us, something that is feasible, something that is acceptable, something that has some merit. I suggest that you submit it to us in writing so that we can review.

Now, I have other people here today and I have to hear them. I am going to ask you to do that and I am going to have to cut you off at this point.

MR. DePALMA: Short of cutting me off, can I answer the gentlemen's question, very briefly? I won't go into a dissertation. First of all, it does not replace the oxygen. It isn't eliminated. Let me give you a simple analogy. I can move this cup from here to there. Dry chemical is a solid substance. I simply displace the atmosphere. I do not remove it. Now, if you understand the characteristics of fire, it is simple. That is as simple as I can make that.

On your question, I did want to give some input concerning that. You had a nursing home, or a boarding home, where it has been condemned and you want to take all the occupants out because of fire violations. What I wanted also to get into in chronological order is that we have the only technology of a portable fire protection system in the world. You take that portable system and put it in a home in an hour's notice. They said it couldn't be done in twenty-four hours. In less than an hour, the people are protected.

ASSEMBLYMAN OTLOWSKI: Mr. DePalma, if you have such a system that can be used in boarding homes or sheltered homes, submit that to us in writing so that we can review it.

MR. DePALMA: I have it right here, Mr. Chairman.

ASSEMBLYMAN OTLOWSKI: You have it in writing?

MR. DePALMA: Sure I do.

ASSEMBLYMAN OTLOWSKI: May I have it?

MR. DePALMA: You see, we spent nine years in research, and no matter where we go, unless we hold our own seminars, we are always given a time limit. So, you talk about the value of life -- in other words, the value of life isn't

worth another ten minutes to you. That's what it comes down to, right? And, this is the way it is across the country.

ASSEMBLYMAN OTLOWSKI: I put the value in writing. Thank you very much.

MR. DePALMA: It was my pleasure. One last remark and then I will run: Our technology has been utilized from the Near East To Canada and in damn near every state across the Union by the private sector. I happen to be a person who came here on his own. I am not representing anybody. People are very important.

ASSEMBLYMAN OTLOWSKI: Mr. DePalma, excuse me. Don't justify your appearance here. We are glad that you are here. Now, please, you have given us your material. Thank you very much.

Mr. Gerard Richelo, please. Mr. Richelo, do you want to give us some kind of description of your association and your position?

GERARD RICHELO: Yes, sir. My name is Gerard Richelo. I am Chief of the Fire Prevention Bureau in Springfield, New Jersey. I am licensed by the DCA as a subcode official, a fire protection subcode official. I have a degree in fire science technology.

I do plan review and construction inspection on a daily basis. I have daily contact with people in the field. One of the problems with--

ASSEMBLYMAN OTLOWSKI: In what capacity do you have daily contacts with people?

MR. RICHELO: As a fire protection construction inspector.

ASSEMBLYMAN OTLOWSKI: In a particular town?

MR. RICHELO: Yes, sir.

ASSEMBLYMAN OTLOWSKI: And what town is that?

MR. RICHELO: Springfield.

ASSEMBLYMAN OTLOWSKI: Oh, Springfield.

MR. RICHELO: Many of the points that I wanted to discuss were already mentioned and some of them have been belabored. But, I would like to respond to some of the comments that were made today. In deference to the gentleman who proceeded me, those of us in the fire service that enter an atmosphere protected by dry systems are trained to wear Scott Packs.

In discussing the Beachview facility, it was indicated that the structure was protected in accordance with code. Yet, we lot 30 people in the building. I think from the tenor of your remarks, that you gentlemen recognize that perhaps the standards are inadequate.

We in the fire service would like to see - many of us - everything sprinklered, and though we would never claim that it is the answer to the fire problem, we do feel that it is the best solution. There are other considerations, but dollar for dollar we do feel that for fire protection, a complete, automatic, wet, sprinkler system, in operative condition, is the best solution.

In many of the structures that you are discussing today, previous testimony has indicated that they might be relatively small structures with anywhere from 10 to 40 people in them. If this is the case, I would care to indicate to you that the sprinkler system that would provide adequate protection would not be as costly as some of the figures that were mentioned today. I think that in a nursing home - as one gentlemen representing nursing homes indicated - that type of a system may be \$1200 per bed, but there is technology today employing copper tubing, side wall sprinklers, and I think that perhaps you could give

consideration to the smaller structures.

ASSEMBLYMAN OTLOWSKI: How would you make it more economical? How would you make it cheaper?

MR. RICHELO: By hydraulically calculating the sprinkler system. There are two types - primarily two designs - of sprinkler systems. One is a pipe schedule, which, due to friction loss, the supply piping is large up to, in many structures, eight inches, and then as it progresses down toward the heads the pipe becomes smaller. That is a system where it has a straight line feed from the water. A hydraulically calculated system is a loop system, so that it has feed from several directions, or at least two directions. And, this type of a system is cheaper to install.

It can be done with copper tubing. There has been development of this system and it has been found to be effective in a residential situation.

ASSEMBLYMAN OTLOWSKI: Excuse me. Are you saying that the cheaper system would have to bring about a change in the code, and that the cheaper system would be acceptable and just as workable as the present more expensive system provided for under the existing code?

MR. RICHELO: The standard sprinkler code would have to be added to include the hydraulically calculated system if it is using copper tubing. There are hydraulically calculated systems now employing steel pipe - schedule 40 pipe. That is code today.

If it is a choice between no protection, and somewhere near adequate protection, of course we will take what we can get.

I would like to address the comment on the situation of the lack of water in this State. If we can, in some way, provide some sprinkler systems in some of these buildings and the sprinkler system goes off and perhaps two heads fuse, or four heads fuse, and we use 'x' amount of water, compared to the amount of water that would be required to extinguish that fire, there would be a substantial savings in water.

ASSEMBLYMAN OTLOWSKI: Yes, but I think what the Assemblyman was saying was there will not be any water. That is what he is saying.

MR. RICHELO: We wouldn't be worrying about fires; we would be worrying about drinking in about three days.

I would like to suggest that perhaps - I have heard comments on financing - in view of the fact that some of the casino tax revenues are supposed to be set aside for senior citizens, perhaps that might be a source.

One of the gentlemen who proceeded me spoke briefly about the standby water charge. I would like to elaborate on that. In my own case, in my own municipality, on several occasions, I have had owners of buildings convinced that the thing to do to further protect their building, even beyond code requirements, was to sprinkle the building. I even had one gentleman who went as far as to draw plans. Of course, we like to sell sprinkler systems to people, and in the course of our conversation, I indicated to him that it would be wise for him to check on his insurance savings. He came back to me some time later and indicated to me that the standby water charge was not only going to eat up his savings in insurance, but it would cost him additionally and he did not provide himself with the additional protection.

I have another request to make concerning the attachment of alarm systems to fire headquarters. It has been indicated here that perhaps it should be a local requirement. In many local areas there are not the proper facilities

to enforce local fire codes, and I would strongly recommend that if you promulgate some new regulations here that you do require your alarm systems to be tied in on a state level. Make it a state requirement.

ASSEMBLYMAN OTLOWSKI: Excuse me, I don't understand the point you are making.

MR. RICHELO: In some localities where boarding homes may be located, there may not be fire inspectors, there may not be ordinances, there may not be the people to enforce a local ordinance requiring the tie-in, and the recommendation would be that you require it on the state level so that when your people from the state go out and make those inspections, they see that they are tied in. I don't think that is unreasonable.

I appreciated your comment concerning single-story buildings, but I would like to indicate that NFPA fire records show that there have been multiple losses in single-story buildings, and the reason for that in some cases is that they still have to come out into the contaminated corridors, or the fire spreads down a corridor and enters their room. If this legislation coming out of these hearings does not in fact incorporate sprinkler systems, and you do consider single-story buildings, it is recommended that in that case there be an exit door from each room directly to the exterior so that the people do not have to go into corridors, and I know all the arguments against that -- about security and so forth.

In closing, I would like to comment that I do not have any boarding homes in Springfield. They are presently prohibited by the zoning ordinance. I have many warehouses in Springfield for storage of various types of materials. I have a warehouse with sneakers in it that has much better protection than the buildings we are discussing today, that have up to 100 or perhaps 200 people in them. Thank you.

ASSEMBLYMAN OTLOWSKI: Thank you very much. Are there any questions?

ASSEMBLYMAN MARKERT: Just one question relating to the hydraulically calculated system. Is this approved or accepted by the insurance companies, by the fire underwriters, and so forth, as a workable and efficient type of sprinkler system?

MR. RICHELO: The steel pipe is, yes.

ASSEMBLYMAN MARKERT: The steel, but not the copper?

MR. RICHELO: I don't believe at this time it is.

ASSEMBLYMAN MARKERT: What is the difference between steel and copper as far as the determination that one would be preferable over the other is concerned?

MR. RICHELO: Rather than material, I think it has to do mostly with-- If a fire burns far enough into a wall where it is going to melt copper tubing, you have already got a serious problem. I think the problem is mostly in the connection. The copper tubing naturally would be sweated together with solder and there is a great deal of contention of what type of solder should be used. I believe, if I remember correctly - it has been some years since I read it - what is recommended is 90-5-5 solder, which is tin.

ASSEMBLYMAN MARKERT: Yes. Thank you.

ASSEMBLYMAN OTLOWSKI: Thank you very much, Mr. Richelo.

Mr. Jack Taylor.

J A C K L. T A Y L O R: Good afternoon, Mr. Chairman. I am Jack Taylor, President of the New Jersey Association of Non-Profit Homes for the Aging. This association is made up of 79 facilities serving approximately 8500 people in New Jersey. Almost 100% of them are over 65. Included in the Association's membership is The United Methodist Homes of New Jersey, of which I am the Executive Director. Our agency operates seven facilities in New Jersey, with a normal operating census of 640 ambulatory well residents and 200 nursing patients. I have been involved in the field of service to the elderly since 1965, and have lived and worked in New Jersey since October of 1973.

As a result of the recent, tragic fire in Keansburg, in what I understand was a licensed Residential Health Care Facility, many questions have been raised regarding fire safety regulations in state licensed facilities. I believe that it is appropriate to raise such questions at this time.

Since the fire, numerous newspaper articles concerning fire safety have been published. The conclusion of many of these articles seems to be that:

1. There is an ultimate solution to protecting the lives of people living in long-term care facilities, such as nursing and retirement and boarding homes.
2. The ultimate solution is the application of sprinkler systems in all such facilities, regardless of the type of constructions, the presence of fire detection systems or staffing.
3. The implementing of this ultimate solution is a simple matter of legislation, without regard to the economic and social impact such legislation might have on existing and potential residents of our facilities.

I'd like to discuss briefly each of these three points.

Is there an ultimate solution? I'm sure that there is an ultimate solution to any problem that we might face. However, I'm not so sure that at any given time we, as individuals or as a society, can ever be positive that an ultimate solution has been discovered. History is replete with ultimate solutions that have not worked and have been replaced with further ultimate solutions.

In my opinion, this also applies to the matter of institutional fire safety. At this moment, I don't believe that we have the knowledge, technology or resources that will absolutely eliminate the possibility of injury or death by fire in an institutional facility and I don't believe that anybody here has espoused such a claim.

Then, what should we do? Nothing? Of course not. What we should and must do is seek and implement the best possible solution within the limits of the existing knowledge, technology and resources. We should and must continue to work toward an ultimate solution, tempered with the knowledge that we will never really know when such has been discovered.

Are sprinkler solutions the solution now? Sprinkler systems are recognized as an effective means of fire protection. Both the American Association of Homes for the the Aging, which has over 1700 members--and I happen to be a member of that Board of Trustees--and the American Health Care Associations, with over 7200 members, encourage the installation of sprinkler systems in health care facilities.

However, neither of these associations, nor I, feel that it is wise to mandate the installation of sprinkler systems in every such facility. Instead, we are concerned with total fire safety systems, of which sprinkler systems are only a part.

We believe that other elements of fire safety must be considered. For example, the type of the construction of the building, is it fire resistant or is it wood framed? Are there other fire detection systems functioning, such as smoke detectors and direct tie-ins with local fire departments? Is the staff of the facility large enough and sufficiently trained to effectively deal with an emergency? These are all components of the total fire system of a facility. Fire resistant buildings, effective detection systems and adequate staff increase the value of the effectiveness of sprinkler systems in protecting lives.

The agencies that I have mentioned support compliance with the Life Safety Code, a set of standards adopted by the National Fire Protection Association. This code is recognized and accepted by the health care industry and the federal government and, I think, this state government.

The current code, to be revised in 1981, does not mandate sprinkler systems in all health care facilities. However, the code includes a Fire Safety Evaluation System, which is used to determine the appropriate fire safety systems to be employed in any given facility. This determination is based on an evaluation of various factors relating to fire safety.

Any facility which is regulated by the code is required to provide the best possible total fire safety system within the limits of knowledge, technology and resources. For some facilities, this calls for the implementation of sprinkler systems, no question. In other cases, where, based on the Fire Safety Evaluation System, sprinkler systems are of questionable value and effectiveness, they are not required. The Fire Safety Evaluation System concept has been accepted by the federal Department of Health and Human Services for Medicare and Medicaid approved facilities. Additionally, the U.S. Congress, by mandating compliance with the Life Safety Code has accepted the Fire Safety Evaluation System concept.

The point that I am making is not that we don't need improved fire safety systems. Rather, I am suggesting that no single system is appropriate in all cases. Each facility must be separately and objectively evaluated and systems implemented to meet its conditions. The Fire Safety Evaluation System concept provides for this evaluation, and must be enforced by the appropriate regulatory bodies.

Is safety the only concern? That seems to be one of the questions that has been raised today. One of the dangers of legislation or executive action growing out of tragedies, such as the Keansburg fire, is that it will concentrate on the obvious problem without considering the impact on other aspects of people's lives. With regard to our present concern, fire safety, I observe a desire on the part of many people for a quick and simple solution, mandated by legislation.

My concern is that we may proceed without considering the economic and social impact of such legislation on the very people whose lives we want to protect. I feel that many people are failing to recognize that our financial resources are limited. Even if sprinkler systems were the ultimate solution, we cannot avoid the question of what do they cost and who will pay that cost.

The Health Care Financing Administration, an agency of the federal government, estimates the cost of installing sprinkler systems in new facilities to be \$1.50 per square foot. Both the American Association of Homes for the Aging and the American Health Care Association feel that a more realistic estimate would be \$2.50 to \$3.50 per square foot, based on surveys by independent fire safety engineers. In existing buildings, the figure would probably be even higher.

Legislation mandating sprinkler systems in every facility would be very costly. Assuming that every facility did comply with such a mandate, who would pay the cost? It would be borne by the residents of the facilities through substantial rate increases, by support from family or friends or by government spending, which ultimately means a higher tax bill.

There is now a growing inability of elderly people to pay even present rates at many facilities. In our facilities, in the non-profit sector, we find many people who are not on Medicaid and are paying privately. There are people--and you spoke to this, Mr. Chairman--who pride themselves on their independence and often who feel shame in having to accept the financial support from whatever source. The result will increasingly be that elderly people, unable to pay their own way, will remain in their own homes and apartments, and, in most cases, the fire safety systems there will be non-existent or sub-standard, at best. Through the Life Safety Code, the vast majority of long-term care facilities are infinitely safer than private homes and apartments.

I also observe a growing reluctance on the part of the general public to have their tax bills further increased. The cry now is to reduce taxes. Consider the matter of automobile safety. The automobile industry has been faced with regulations making safety features mandatory. However, the driving public has indicated that they are not willing to pay for and use such safety features. There has been this tragic loss of life in fires recently in New Jersey, but in that same time, there have been many deaths on the highways and no one has suggested that we increase the safety to try to decrease the deaths on the highways.

While there may be an emotional outcry for sprinkler systems today, I'm not so sure that the public will support this when the cost is made known. However, I do believe that the public will be willing to support the cost of a system based on an objective method of determining the need, such as the Fire Safety Evaluation System.

To summarize my presentation, I believe:

1. It is appropriate to raise questions regarding fire safety at this time. There is no ultimate solution to the problem, but we must search for and implement the best possible solution within the limits of our knowledge, technology and resources.
2. Sprinkler systems are only one component of a total fire safety system. Their value and effectiveness must be objectively evaluated along with other components in each facility. The Fire Safety Evaluation System concept, included in the Life Safety Code, provides the means for an objective evaluation.
3. Along with the immediate problem of fire safety, the economic and social impact of legislation must be considered. Otherwise, we could end up with the safest buildings in the state, but in which few people could afford to live. A blanket mandate for sprinkler systems in all facilities could prove to be a waste of limited resources.

I urge this body to give this matter careful and objective attention. I ask you to weigh all possible consequences, both immediate and long-term.

The members of the New Jersey Association of Non-Profit Homes for the Aging are committed to providing the best possible care to residents of their facilities. Accordingly, you can be assured of our support as you search for realistic solutions. Thank you, Mr. Chairman.

ASSEMBLYMAN OTLOWSKI: Thank you very much, Mr. Taylor. As a result of your vantage point, how many homes or facilities are being built by non-profit associations, now, in this area?

MR. TAYLOR: There are several, what is called, 202 HUD, Housing and Urban Development, sponsored facilities that are being built and I cannot, Mr. Chairman, give you the exact number.

ASSEMBLYMAN OTLOWSKI: Several?

MR. TAYLOR: Five, six or seven, something like that.

ASSEMBLYMAN OTLOWSKI: Five or six would be tops?

MR. TAYLOR: I would say, maybe, seven.

ASSEMBLYMAN OTLOWSKI: How large are they?

MR. TAYLOR: I cannot give you that exactly.

ASSEMBLYMAN OTLOWSKI: Could you get that information for us?

MR. TAYLOR: Yes. HUD generally doesn't like to have anything built less than 100 units. I will say that.

ASSEMBLYMAN OTLOWSKI: Well, would you get that information and tell us where they are being built?

MR. TAYLOR: Certainly.

ASSEMBLYMAN OTLOWSKI: And, give us some idea of who is building them, what non-profit agency?

MR. TAYLOR: Our own agency is one that is trying to build, has an application in.

ASSEMBLYMAN OTLOWSKI: But, you represent many non-profit associations.

MR. TAYLOR: Yes, 79.

ASSEMBLYMAN OTLOWSKI: Could you get that information for us?

MR. TAYLOR: Yes, sir. Absolutely.

ASSEMBLYMAN OTLOWSKI: What difficulties are non-profit organizations having getting into this field? Are they financial, money, the fact that you can't get people to get into this kind of business on a non-profit basis?

MR. TAYLOR: It is basically a money factor. If money were no object, I still would say that we need to take a look at the Fire Safety Evaluation system.

ASSEMBLYMAN OTLOWSKI: Forget the fire. How can we induce non-profit organizations to come into this field?

MR. TAYLOR: We're trying to do it. I don't know. You have to get churches, fraternal organizations, people that have a sense of commitment and dedication to get into the field and charitable dollars are extremely difficult to come by.

ASSEMBLYMAN SNEDEKER: I think you have to have more federal funding available or funding in some way or another because there was one just built in Lawrence and there were about 160 apartments and there were 750 applications for it. I received numerous phone calls and the gentleman that I talked to said, "As fast as we can get the money, we can put them up."

MR. TAYLOR: We have 2600 people on our waiting list and we can accommodate 840 at any one time. That, Assemblyman Snedeker, is hitting the nail on the head. It is a question of funding.

ASSEMBLYMAN OTLOWSKI: Can I conclude, from what you are saying here, that some kind of a device, some kind of mechanism, has to be devised by the federal government and the several states to make it possible to finance this so that they are self-liquidating and so that they pay for their own operation?

MR. TAYLOR: This is basically it. Now, in a charitable organization, you are never going to have everybody paying their own way. We subsidize--we have an operating loss of about \$.5 million every year.

ASSEMBLYMAN OTLOWSKI: Where do you get the \$.5 million?

MR. TAYLOR: We get it from charitable contributions, people leaving us wills, gifts, the auxilliary people selling at bazaars and this type of thing.

ASSEMBLYMAN SNEDEKER: Plus, there is federal funding which will pick up the difference in the cost of an apartment.

MR. TAYLOR: No, sir. We lose money on Medicaid. The State does not provide all of the money that we need to operate and there have been a lot of people talking about--

ASSEMBLYMAN OTLOWSKI: What you are saying, unless a non-profit organization has angels standing by, you're in trouble.

MR. TAYLOR: That is basically it, yes, sir. The only reason that we are able to expand and the homes are able to expand right now is that they have a base of operations. They have the seed money. They have the knowledge of management skills and so forth to go to banks and try to borrow money. We are hoping to build a facility in North Jersey. I'm going to be attending a board of adjustment meeting. The cost will be, for 370 people, about \$13 million, we estimate, to build that facility with 180 nursing beds and 192 congregate well people who play golf, bowl and so forth, even though our average age is 84. By the way, we had one gentleman who was bowling twice a week six months before he died at 106, almost.

ASSEMBLYMAN SNEDEKER: I think, Mr. Taylor, it depends on when you get the money, as to what your cost is going to be too.

MR. TAYLOR: That's right. There's no question about that. It keeps going up.

ASSEMBLYMAN MARKERT: Mr. Chairman, may I ask, in these six or seven new facilities that are being built, are any of them being built with a sprinkler system?

MR. TAYLOR: I would assume that all of the 202 apartments are being built without sprinkler systems, every one of them, because they do meet a very, very rigid code set up by HUD and FHA regarding separation and so forth. Sprinkler systems would be desirable, but again, your cost containment that the federal government puts on you just won't allow that extra amount of money to go in there.

ASSEMBLYMAN MARKERT: The reason I asked that is because we just recently had in Westwood, New Jersey, a senior citizen type of residence where the average age was, as you said, about 80. In fact, there is a 101-year-old man I just introduced to a 100-year-old woman with the hope that there would be some joining of the minds. But, that was a HUD funded building and rent subsidized and so forth and I know, by sitting in on the planning meetings, and seeing the requirements of HUD, a sprinkler system in this six story building is required.

MR. TAYLOR: It is?

ASSEMBLYMAN MARKERT: Absolutely. This is also, supposedly, a fire proof building, fire resistant. There is no such thing as fire proof. So, I am very, very surprised when you say, to your knowledge, none of these new buildings are being built with sprinkler systems. In fact, I would probably assume that even the building codes of the municipalities are probably requiring that in any new construction. I know in many areas they are requiring that. Of course, now we're going under the new BOCA code, which I don't know exactly how that is affected.

You know, you were talking about the Fire Safety Evaluation System. We're talking about, in the residential health care facilities, the rooming houses and the boarding homes in the State of New Jersey today; we're talking about aged structures, without question. If there is one that is ten years old, we're lucky. Most of them are in the 40, 50 and 60 year bracket. In the summarization of your statement, where you mentioned a blanket mandate for sprinkler systems, as you well know, I am calling for it in the areas that I just addressed to you. You say that a blanket mandate for sprinkler systems in all facilities could prove to be a waste of limited financial resources. I really wish, also, that you would address the fact that maybe, without the sprinkler systems, it may be a waste of human life because in these types of structures that we have in this state, that's exactly what we're going to have without some type of retardation of these types of flash fires that take place. That is not a question. It is just a statement to you in regard to the statement that you made.

MR. TAYLOR: May I just merely respond to this by saying, again, it is a question of cost. Cost is very high and many people do have a sense of pride and they would rather live in a mobile home or some other situation where, as an older person, they might very easily spill something and put out a fire and then have an explosion, whether it is a mobile home--and I don't mean to point fingers there--or an apartment or whatever and there could be many more fires in individual situations and people dying there because they can't afford and won't come into a facility. I even know of a case in our situation where we had a United Methodist minister who felt our prices were too high, even though we were willing to subsidize him, but his pride would not allow him to enter the facility because he was not going to be able to pay the full cost of care. He died in the place that he was in and we ended up having to take his wife into one of our nursing facilities later on. These are the things that bother me. Sure, if the money is there, there's no problem, but it isn't always there.

ASSEMBLYMAN OTLOWSKI: Excuse me. In that connection, I just want to say this, if I may. You are so right about that and people have to understand that. The legislators have to understand that. There are many, many people today, older people, who are sitting in darkness and only have the lights on when they are eating and only have television on on Sundays because of the high cost of electricity, the high cost of fuel, the high cost of their taxes and, as a matter of fact, these people have the kind of pride that you are talking about. They will not take welfare. They will not take stamps. They will not take anything from anybody. They've always been independent, self-reliant and there are many of these people. As a matter of fact, this Legislature and society owes them a great deal and we have to be very careful how we treat them, that we don't push them any further than we've already pushed them.

ASSEMBLYMAN MARKERT: Mr. Chairman, I think, though, really, in the conversation and dialogue that just took place, there is one thing that we have to agree with. They would rather live.

ASSEMBLYMAN OTLOWSKI: Well, I think the point that we are making here is that there are many people who will not accept any kind of subsidy, any kind of dole, any kind of handout; and no matter what you do about it, you can't force these people to do it because of the fact that they are self-reliant and independent and, as a matter of fact, that poses, as Mr. Taylor has pointed out, many risks.

I think what Mr. Taylor has been saying - and I think he said it with some amount of eloquence - is that there isn't any ultimate solution to this kind of a problem. What we have to do is see if we can't reduce the risks; and, at the same time, do what is socially desirable and what is economically feasible. You have to combine the two. Otherwise, you are just kidding yourself and you are asking that the printing presses work faster printing money, making money cheaper and making money worthless. You get into that whole cycle.

Assemblyman Visotcky.

ASSEMBLYMAN VISOTCKY: Mr. Taylor, you came here with a prepared statement, right?

MR. TAYLOR: Yes, sir.

ASSEMBLYMAN VISOTCKY: After listening to the people who have testified before you, would you have said the same thing?

MR. TAYLOR: I read this over as I heard everybody testify and I felt that it was still apropos.

ASSEMBLYMAN VISOTCKY: I am just thinking here of all our Firemen and the experts in the field who say the sprinkler system is the best thing and probably the greatest preventive thing in connection with fires. You don't pay that much heed to it. You say, "Well, we can do without it because this Code says we can build without it."

MR. TAYLOR: During the break I had a discussion with, not Mr. DePalma, but the gentleman who preceded me, the Fire Inspector from Springfield, about this. I do not "deeter." I say that sprinklers are necessary, yes; but they need to be considered along with the construction of the building and the other factors that are involved.

ASSEMBLYMAN VISOTCKY: What are the 202 buildings that you say are being built now?

MR. TAYLOR: That is a form of subsidy.

ASSEMBLYMAN VISOTCKY: One-story? Two-story?

MR. TAYLOR: No, it can be a 10-story building or it could be a 2-story or 1-story. It is a housing project. It is low-cost housing.

ASSEMBLYMAN VISOTCKY: In your closing remarks, you said, "Otherwise, we could end up with the safest buildings in the state, but in which few people could afford to live." Well, what price is a life? I'm amazed. What price is a life?

MR. TAYLOR: You tell me, sir, because ---

ASSEMBLYMAN VISOTCKY: We in the Legislature or Firemen or people in the State of New Jersey are looking out for the safety of people, but you are saying, "We don't care about safety," to the point that you don't think it is necessary to have sprinklers or this thing or that because of this concern over money. Everybody is saying, not you necessarily, "Give us more money for Medicaid; give us more money for something else." Where do we get this money? We are looking at fire safety. We are looking at safety for the people. Otherwise, I am wasting my whole day here if I am not concerned about this. All I have been hearing is, "Give me money. I'll do it." What in the heck have all these people been doing? For years and years they have existed; as someone mentioned, he is riding around in a Volkswagen and somebody else who owns this facility is riding around in a Mercedes. He has been making all these years. Hasn't he put anything into his building

for safety? I am not talking about you in particular. We look at the same buildings for 40 years. They have made a great amount of money. They can buy all kinds of cars and take all kinds of vacations - the same owners. Now, they come crying to the State and say, "We are not getting enough money on Medicaid. We are not getting enough money here. We are not getting this. We are not getting that." What are they doing themselves to upgrade their own facilities? They are waiting for the Godfather, the State of New Jersey, to give them the money and then they will do it. I am tired of hearing that. I want to hear someone say, "Here we want to upgrade things." Fine. If the cost doesn't rise we will tackle that problem then. What is the person doing today? Do you know what he is doing? Nothing, in plain English.

MR. TAYLOR: I would just like to say that if you check with the Health Department, the 79 nonprofit, church-related, eleemosynary homes are basically fire-safe and good homes. I will not say that everyone is sprinkled because not every one of ours is sprinkled.

ASSEMBLYMAN VISOTCKY: I am not talking just about yours. I am talking about rooming houses and everything.

MR. TAYLOR: I can only speak for the Association I represent.

ASSEMBLYMAN OTLOWSKI: You are talking from the point of view of the nonprofit organizations?

MR. TAYLOR: Yes, sir - right. I quite agree that we need fire-safe places. But I think regardless of whether you are talking about boarding homes for sheltered care, or right on down to skilled nursing facilities, it still comes down to dollars and cents, and that older people or people going into homes --- everyone of us takes a risk. Every day we go outside, we may get hit by a car. We may have an accident in a car. We may get burned up also. I think if you compare the other risks that come along with the fire risk in a good facility, there isn't much of a comparison - there isn't much of a risk.

ASSEMBLYMAN VISOTCKY: You made reference to a person living at home. I can have a fire in my house too, but I am not renting any rooms out for profit.

MR. TAYLOR: We aren't either.

ASSEMBLYMAN VISOTCKY: These people are. They are renting out for profit, not to break even.

ASSEMBLYMAN SNEDEKER: Mr. Taylor, in your group, don't you have some persons on duty 24 hours a day as night watchmen or as nurses?

MR. TAYLOR: In every facility, yes, sir.

ASSEMBLYMAN SNEDEKER: And aren't there other facilities which may not be sprinklered but have a direct line to the local Fire Department, if it is a paid department, or the local Police Department for an alarm system?

MR. TAYLOR: I can speak for my seven facilities. Every one of them is connected to the Fire Department. I would assume most of our homes are connected.

ASSEMBLYMAN SNEDEKER: So there are some types of systems that you have that are life-saving, in the sense that there are people on duty; you pick up the phone and are directly connected to them, or ADT or SOS or Alarm Data or Wells-Fargo or some system?

MR. TAYLOR: Oh, yes, absolutely.

ASSEMBLYMAN SNEDEKER: There are all kinds of systems besides sprinklers that are available.

MR. TAYLOR: Yes, sir.

ASSEMBLYMAN OTLOWSKI: I was particularly interested in your testimony from the point of view of operating the nonprofit facilities because I had always hoped that we would be able to enlarge and develop that whole area. As a matter of fact, if anything, the development of the nonprofit area has been very, very slow. I can imagine the problems that exist in encouraging and inducing people to get into the nonprofit field.

One of the things too I think that you mentioned in your facilities --- Of course, the sprinkler system, you know, is not of d vine design. You can still have the fire. You can still have the losses with the sprinkler system.

One of the things that was whispered to me here a moment ago - and you enlarged upon it when you were answering questions - is the fact that in some of these nonprofit facilities you have watchmen who punch a clock and go through the building. Do I understand that correctly?

MR. TAYLOR: Some go through with a key punch. Others are on duty and making rounds. We assume they are.

ASSEMBLYMAN OTLOWSKI: You can check that by looking at the clock.

MR. TAYLOR: Well, we don't have a clock in all instances in some of the smaller homes. But they are there and we do check to make sure they are not sleeping and so forth.

ASSEMBLYMAN OTLOWSKI: Mr. Taylor, thank you very much. You have been very helpful.

MR. TAYLOR: Thank you, sir, for the opportunity of addressing you.

ASSEMBLYMAN OTLOWSKI: Mr. Jeffrey Berman is next. Mr. Berman, there are three people here who have travelled a considerable distance. You are one of the three people. I am going to have to limit the remaining three people to about five minutes because I promised a number of people that I would adjourn this at 4:30. It is already 4:30. I want to finish this by ten minutes to five if I can.

J E F F R E Y B E R M A N: I am Jeff Berman from the Residential Care Facility Association in Asbury Park. I am also proprietor of Abjo Villa.

I would like to give some prices on what hospitals get and what boarding homes get.

Marlboro gets \$75 to \$80 a day.

ASSEMBLYMAN VISOTCKY: Excuse me. I thought this was on fire safety, not price.

MR. BERMAN: This has to do with fire safety because I am showing what the costs are if the boarding homes are going to have to pay for fire safety or if it is going to be appropriated.

ASSEMBLYMAN VISOTCKY: A boarding home is not like a hospital.

MR. BERMAN: Well, the price at a boarding home is \$7.40 a day. A sheltered care facility gets \$369 a month, less \$40 spend money, which comes out to \$329 a month. It is a little less than \$11 a day. Now, there are a lot of costs in a boarding home. There are food costs. We have to have one hour of supervision per guest in a home. We have very high insurance rates, as you know. Some of us also have to deal with unions. All these costs on \$11 a day or \$7 a day cannot be met and make a profit. They cannot be met.

Under the new Manual for the unlicensed facilities that are now licensed by Community Affairs that get \$7.40 a day, they have to have sprinkler systems in

rooms that are used for any type of socialization: activity rooms, TV rooms, and dining rooms. They do need money - they do need money.

We are trying to improve our image in the boarding home industry. We have gotten a group of homes together in the Asbury Park area and are trying to show that we are concerned about quality care. We are interested in sprinkler systems, but we need some type appropriation, either from the casino money, the bond issue, or something. We are concerned about safety.

ASSEMBLYMAN OTLOWSKI: What you are saying is that you can't do it on \$7 a day.

MR. BERMAN: We cannot do it on \$7 a day.

ASSEMBLYMAN VISOTCKY: How many boarding homes went out of business in the last five years because of only getting \$7 a day?

MR. BERMAN: You will see boarding homes going out of business.

ASSEMBLYMAN VISOTCKY: How many went out of business?

MR. BERMAN: Probably ten boarding homes.

ASSEMBLYMAN OTLOWSKI: In Asbury Park?

MR. BERMAN: In Asbury Park, you will see more go out of business.

ASSEMBLYMAN VISOTCKY: How many have gone out of business in your Association?

MR. BERMAN: In the Association, none so far. But they will go out under these new current regulations as of the end of the year. They will go out. They will be forced to go out.

ASSEMBLYMAN OTLOWSKI: Just make your point. What you are saying is that at \$7 a day you can't make it. What you are saying further is that no nursing homes have closed at this point, but it is only a question of time --- not nursing homes, boarding homes.

MR. BERMAN: Boarding homes.

ASSEMBLYMAN OTLOWSKI: It is only a question of time before they will go out. You have made that point.

MR. BERMAN: That is my point.

ASSEMBLYMAN SNEDEKER: Do you have someone on duty 24 hours a day?

MR. BERMAN: Yes.

ASSEMBLYMAN SNEDEKER: Do you think a system that would be connected with the Fire or Police Department by telephone for an alarm would be that expensive to install?

MR. BERMAN: I think it would be very helpful. The cost would run around \$120 a hook-up by Wells-Fargo. Then it would run about \$60 per month or less.

ASSEMBLYMAN SNEDEKER: Probably less.

MR. BERMAN: --- with a service contract.

ASSEMBLYMAN SNEDEKER: But those are the kinds of things that really wouldn't put that much burden on you as compared to sprinklers. If we are talking sprinklers in a new construction, it is one thing. If we are talking sprinklers in an older-construction facility which is plastered, it may be a problem.

In a boarding home, do you have emergency lighting?

MR. BERMAN: Yes, double emergency lighting.

ASSEMBLYMAN SNEDEKER: That is in there because, if the power goes off, people are going to get panicky. Do you have any type of alarm system in there, a commercial type?

MR. BERMAN: Yes, commercial type.

ASSEMBLYMAN SNEDEKER: So you have done that. Do you think that you could hook up to the Police Department or have some sort of time clock operation we talked about?

MR. BERMAN: I think we could hook up to Police Headquarters.

ASSEMBLYMAN SNEDEKER: With a time clock and maybe six spots - by the heater and at the ends of the hallways - I don't think that that would be that expensive. In fact, then you know that person is on duty and what time he or she checked that time to see where your hazards may be.

MR. BERMAN: It is a good possibility.

ASSEMBLYMAN OTLOWSKI: In that connection, what kind of population would a boarding home have to have to do what the Assemblyman is asking, to make it economically feasible to do what he is asking?

MR. BERMAN: Just these requirements?

ASSEMBLYMAN OTLOWSKI: Yes.

MR. BERMAN: I would say over 35 or 40 beds.

ASSEMBLYMAN OTLOWSKI: You would have to have about 40 people to make it economically feasible.

What is the population of the average boarding home, say, in Asbury Park, just for the purpose of giving us some idea?

MR. BERMAN: I would say around 40 beds.

ASSEMBLYMAN OTLOWSKI: About 40 beds?

MR. BERMAN: Forty beds.

ASSEMBLYMAN OTLOWSKI: To do what Assemblyman Snedeker is talking about, having someone punch a clock to show that they are going through the place, is that economically feasible?

MR. BERMAN: I would say that would be economically feasible.

ASSEMBLYMAN OTLOWSKI: Is that economically feasible?

MR. BERMAN: Yes.

ASSEMBLYMAN OTLOWSKI: At not too much of an increase in the rate?

MR. BERMAN: Not too much an increase, providing there are no sprinklers involved.

ASSEMBLYMAN SNEDEKER: The person is there anyway to do the clock punching.

MR. BERMAN: Right.

ASSEMBLYMAN SNEDEKER: After the clock and the system are once installed, it is part of the building.

MR. BERMAN: But what about the sprinkler systems that are required now in the other rooms under the Manual?

ASSEMBLYMAN SNEDEKER: Maybe there is a possibility of talking about an "either - and/or," I don't know. I don't know how the department feels about that.

ASSEMBLYMAN OTLOWSKI: I think that too is a matter of legislative analysis when the committee is looking at the whole business and looking for the best approach. As I said before, what is economically feasible and socially desirable? That will probably be the criteria for the committee when they go into this. Cut out all the dramatics. You are going to have to focus in that way. But you say that is possible?

MR. BERMAN: That is possible, without the sprinkler system.

ASSEMBLYMAN OTLOWSKI: When Assemblyman Visotcky asked whether there were any nursing homes that went out of business, you emphatically answered, "There will be."

Why did you say that?

MR. BERMAN: Under the new manual, with the new requirements, these hotels, boarding homes, and rooming houses will not be able to keep up with the clients under the regulations, and under that rate of seven forty a day.

ASSEMBLYMAN OTLOWSKI: What do you see that rate increasing to under the new manual?

MR. BERMAN: To stay under that new manual, I would say it would have to go to around at least eleven or twelve a day.

ASSEMBLYMAN OTLOWSKI: Okay. Are there any further questions?

ASSEMBLYMAN MARKERT: I have one further question, if I may, Mr. Chairman. You say you have somebody on duty at night?

MR. BERMAN: Yes.

ASSEMBLYMAN MARKERT: What is the job of that person that is on duty?

MR. BERMAN: They make several bed checks a night. They go into all the rooms -- every room. They make sure that everyone is in the building. They must also do any cleaning that is necessary at night that hasn't been done during the day to pick up extra work and take off the load.

ASSEMBLYMAN MARKERT: Could I ask what the hours of that person are?

MR. BERMAN: The night shift?

ASSEMBLYMAN MARKERT: Yes.

MR. BERMAN: Eleven to seven.

ASSEMBLYMAN MARKERT: Eleven to seven. Do you have someone on prior to the eleven to seven shift?

MR. BERMAN: Three to eleven.

ASSEMBLYMAN MARKERT: You have the three to eleven shift?

MR. BERMAN: Yes.

ASSEMBLYMAN MARKERT: And, you have an eleven to seven shift, so you are covered twenty-four hours a day?

MR. BERMAN: Twenty-four hours, yes.

ASSEMBLYMAN MARKERT: All right. Thank you.

MR. BERMAN: That's licensed that I am talking about. I am talking licensed.

ASSEMBLYMAN MARKERT: You are talking about the licensed--

MR. BERMAN: (interrupting) --residential care facilities.

ASSEMBLYMAN MARKERT: Residential care facilities, right. Okay, they are licensed.

ASSEMBLYMAN OTLOWSKI: Thank you very much.

Ms. Kay Dulio. Where is your boarding home, in Chester?

K A Y D U L I O: Yes.

ASSEMBLYMAN OTLOWSKI: Kay, tell us the kind of home you run and where it is located, all right?

MS. DULIO: We have a small--

ASSEMBLYMAN OTLOWSKI: First give us your name so that we get it for the record.

MS. DULIO: Okay. My name is Dulio. I am the owner-administrator of the Glen Laura Nursing Home.

ASSEMBLYMAN OTLOWSKI: Kay, excuse me. You have a written statement, which we all have. Rather than read it, would you just summarize it for us, please?

MS. DULIO: Yes, I would be happy to, George. You have all read it. First of all, I have a question. How long does it take the sprinkler system to become activated after a fire starts? And, in that context, I would say that a sprinkler system is not really the answer because I feel that most of the fires we have read about have been electrical in nature, and water is not good for an electrical fire. Smoke is the killer.

When I come of the age where I will be in a nursing home, or a rest home, or a boarding home, my lung capacity is not going to be as elastic, or as great, as it is right now, and I think the smoke will do more damage to me than-- Staying in the building and being exposed to the smoke will do more harm to me than if I had somebody to get me out of that building -- speedy evacuation. By speedy evacuation I mean having a staff that is properly trained by experts in the field of fire safety who must be licensed.

I have had an experience with two companies who were supposed to be coming in and doing an inspection, or a fire drill, or recommend changes to me, and what they did and what they put on the report were entirely two different things. So, I feel if these people are licensed, it would safeguard me in getting a company to come in and do the fire drills and examinations.

The other thing is tying an alarm system which is in the building into the fire company. I think that that is most important. When the alarm is activated, it rings immediately at the fire company, so there is no lost time there.

ASSEMBLYMAN OTLOWSKI: Kay, what is the population at your home?

MS. DULIO: Twenty-six beds.

ASSEMBLYMAN OTLOWSKI: Twenty-six beds?

MS. DULIO: I have twenty-five there, but it is twenty-six.

ASSEMBLYMAN OTLOWSKI: Kay, in your place what system do you have? What are you dependent upon now for safety in your nursing home?

MS. DULIO: An educated staff.

ASSEMBLYMAN OTLOWSKI: Yes.

MS. DULIO: We have a fire detection system.

ASSEMBLYMAN OTLOWSKI: Tied into the fire house?

MS. DULIO: Yes, tied into the fire house.

ASSEMBLYMAN OTLOWSKI: And, yours is a two-story building?

MS. DULIO: No, the nursing home unit is all on one floor.

ASSEMBLYMAN OTLOWSKI: Wait a minute, you have a nursing home and a boarding home?

MS. DULIO: No, not a boarding home, just a nursing home.

ASSEMBLYMAN OTLOWSKI: So, you have a nursing home?

MS. DULIO: That's right.

ASSEMBLYMAN OTLOWSKI: I'm sorry, Kay.

MS. DULIO: We did have an opportunity to test the evacuation procedure because we had a bomb scare and we had to get everybody out of the building. It was done in a very minimum amount of time. I believe it was six minutes and we had everybody out.

ASSEMBLYMAN VISOTCKY: Can I ask a question?

ASSEMBLYMAN OTLOWSKI: Yes.

ASSEMBLYMAN VISOTCKY: I don't mean to be smart about it, but when did you have the test?

MS. DULIO: When do we have a test?

ASSEMBLYMAN VISOTCKY: When did you have the fire drill?

MS. DULIO: Oh, we have a fire drill once a month, sir.

ASSEMBLYMAN VISOTCKY: When? What time of day?

MS. DULIO: We have four on the day shift, four on the evening shift, and--

ASSEMBLYMAN VISOTCKY: When did you have the fire drill -- the bomb scare?

MS. DULIO: Oh, the bomb scare was at the end of September, and it was two o'clock in the afternoon.

ASSEMBLYMAN VISOTCKY: All right. Now with all due respect, we had testimony before and they were talking about one person in a facility with maybe 40 beds. Now, I am not saying this is yours. Do you think one person is properly trained to get 40 people out during a fire drill? I just can't see how it is humanly possible.

MS. DULIO: One person to get 40 people out is utterly impossible.

ASSEMBLYMAN VISOTCKY: It is impossible. Okay. That answers my question. Thank you.

ASSEMBLYMAN OTLOWSKI: In your nursing home, how many people are ambulatory?

MS. DULIO: Out of the 26, I have 14 who go to the dining room for dinner and supper.

ASSEMBLYMAN OTLOWSKI: And, the remainder are bedridden?

MS. DULIO: No, there are no bedridden patients in the facility.

ASSEMBLYMAN OTLOWSKI: Oh, there are no bedridden patients?

MS. DULIO: There are no bedridden patients; they are all either in a wheel chair or they are in their own chair, from bed to chair. But, none are bedridden.

ASSEMBLYMAN OTLOWSKI: To follow up on what Assemblyman Visotcky was asking, no matter what kind of safety precautions you had, if you had a fire, you would still have a hell of a job getting those people out.

MS. DULIO: Yes. You must have properly trained staff to get these people out of the building, or out of the immediate area. That is the first concern.

ASSEMBLYMAN OTLOWSKI: In your facility, how many people do you have on your staff on each shift?

MS. DULIO: On the day shift I have five in the nursing unit, two in the kitchen, one housekeeper, and myself.

ASSEMBLYMAN OTLOWSKI: And, all of those people are trained to evacuate them?

MS. DULIO: Absolutely.

ASSEMBLYMAN OTLOWSKI: On the three to eleven shift?

MS. DULIO: On the three to eleven shift I have four people, myself, and one cook, and I have a live-in maintenance man and his wife.

ASSEMBLYMAN OTLOWSKI: And then on the night shift, the eleven to seven?

MS. DULIO: The night shift would be two on staff, myself on the premises, and my maintenance man and his wife are available for immediate service.

ASSEMBLYMAN OTLOWSKI: Kay, in your place, how many people are Medicaid patients?

MS. DULIO: None.

ASSEMBLYMAN OTLOWSKI: They are all pay patients?

MS. DULIO: They are all private patients.

ASSEMBLYMAN OTLOWSKI: No Medicare and no Medicaid?

MS. DULIO: No, sir.

ASSEMBLYMAN OTLOWSKI: And, they carry their own freight?

MS. DULIO: Yes, they are, sir.

ASSEMBLYMAN OTLOWSKI: Is it a brick building or a wood building?

MS. DULIO: Part of it is stone.

ASSEMBLYMAN OTLOWSKI: So, to summarize, what you are saying is that the best defense, the best safety mechanism is to have a staff that can evacuate people quickly. The other thing is to be tied in with the fire house. And, the third thing --?

MS. DULIO: The experts must be licensed.

ASSEMBLYMAN OTLOWSKI: What experts?

MS. DULIO: The experts who come in to train the staff.

ASSEMBLYMAN OTLOWSKI: Oh.

MS. DULIO: The fire safety experts who come in to train the staff.

ASSEMBLYMAN OTLOWSKI: You know, all of these experts that are trained and licensed, Socrates and Jesus would never have a chance to teach -- you know? I think we have a pretty good picture.

MS. DULIO: I felt that I was doing just as good a job at training my staff as the people I was paying to come in and do the job were.

ASSEMBLYMAN OTLOWSKI: I'll bet you are, Kay. Kay, thank you very much.

MS. DULIO: Thank you, George.

ASSEMBLYMAN OTLOWSKI: We have one more. Mr. Kenneth Lane. Will you tell us your name and who you represent, please?

K E N N E T H L A N E: My name is Kenneth Lane. I am Regional Executive Coordinator with National Automatic Sprinkler and Fire Control Association. It is a trade association that represents the automatic fire sprinkler industry in the United States. I do want to make it clear that my duties are varied, but one of them is to promote and defend the automatic fire sprinkler industry, and this is the direction I'm coming from, obviously.

We represent 95% of the manufacturers who make the parts that go into sprinkler systems, and about 85% of sprinkler systems being installed in the United States today are installed by our member contractors.

I have heard much talk about cost today and I will try and address myself to it, and I will be brief. I feel awkward about it because there are several laws that control trade associations, and pricing and cost are taboo. It has to be a free market, and we just don't get involved in that sort of thing. However, I did canvass a number of contractors, seeking ballpark figures, and sprinklers are very complex. We could just go on and on. It depends on the type of building and the problems of a given installation. However, the cost - I heard today - is about two dollars a square foot for a nursing home. I would say for your purposes, that is a reasonable figure. If you were to take a given nursing home and put it out to bid, it is very likely you would receive a bid or two below two dollars. That is the world out there and a competitive market. But, you have to make a stab somehow, and a two dollar figure per square foot,

I would say, is, in my view, reasonable.

I heard comments about standby charges and I wanted to bring that up. It is a very controversial question, but since you are addressing the fire problem, and the cost of fire systems, sprinklers in particular, I think you have to address it and face up to it. If a rooming house operator decided under the rules - he has certain options - to put in a sprinkler system, he would be faced with a standby charge of anywhere from several hundred to maybe two thousand dollars -- again, it depends on the size of the building, its location, and so on. This charge - and I am not trying to be narrow-minded about it - has no real economic justification. The person who is really taking a firm step forward to fight the fire problem, using the best mechanism that man has devised to fight fires with - and that is a sprinkler system; check the insurance industry for that statement - is being penalized for putting in a sprinkler system.

Now, there is a town - and the name escapes me, but I can give it to you - in Illinois, and I think it is the only town or municipality in the country that does it this way-- I am saying that the standby charge throughout the United States and New Jersey is topsy turvey; you are doing it wrong. This town in Illinois rewards the person who protects his building from fire and puts the charge on the fellow who does nothing with his building. He has a frame building with nothing in it, no smoke detection or anything, and he is the fellow who pays for extra water because if his building goes on fire, it may take say one hundred thousand gallons to put the fire out. Strangely enough, the water companies do not charge for that. You could take two hundred thousand dollars and put a fire out and you are not charged for that water. But, you put in a sprinkler system that may put out a fire with fifty gallons, and you may wind up paying one thousand dollars a year, every year, for that sprinkler system. So, that just doesn't make sense.

Now, in the State of Alaska - and it must be progressive - people up there have done a couple of things. A couple of years ago, a young attorney in Alaska was approached by -- and I don't cover Alaska; I cover a number of states, but not Alaska; I don't know the details -- one of the fire service organizations. He knew nothing about fire protection, sprinklers, or anything else. But, he made a study of it and he called it, "Fire Protection, Water Standby Charges, Not in the Public Interest." I will leave this copy with you. I have some other things for you also.

So, I think you should address yourselves to that, really. I know it is complex and you are going to run into the people that set rates and you are going to run into the utility industry. But, I feel we have to address ourselves to it.

ASSEMBLYMAN OTLOWSKI: Just to keep the record straight, there are many municipalities who have water systems and charge this rate.

MR. LANE: Yes, sir. Municipalities?

ASSEMBLYMAN OTLOWSKI: Right.

MR. LANE: Yes, sir, water companies and--

ASSEMBLYMAN OTLOWSKI: I am talking about municipalities.

MR. LANE: (continuing) --municipal water departments. Yes, sir, I'm glad you brought that out. Thank you. That is just something that I think should be addressed.

Now, let me touch on two aspects of funding, and then I will stop. I could go on and on. I do have, and I think perhaps I gave to the Committee a copy of the Alaskan legislation, which again is an innovation. It went into effect the first of this year, and this legislation reduces the assessed valuation of any commercial building that has an approved smoke detection system or a sprinkler system -- or some other type of system -- by two percent.

ASSEMBLYMAN OTLOWSKI: Do you know of any city in New Jersey that is reducing its assessment?

MR. LANE: No, I realize, sir, that it is a problem. I wanted to say that this is legislation on the books. I am not sure it is going to be effective. I am hoping that it is. But, I admit that it is a problem.

ASSEMBLYMAN OTLOWSKI: Mr. Knedeker reminded me that the only town that does that is Perth Amboy.

MR. LANE: I don't know, maybe Holmdel; I think they have a pretty good tax rate. But, anyway, it also sets up a fund where a businessman can borrow up to five hundred thousand dollars to install these types of systems at nine and one-half percent interest.

But, there is another one, and I don't, again, have the name. I thought of it when I was sitting here this morning. I believe it is New Mexico where they have a law - it doesn't pertain directly to rooming houses, but the concept does. A shopping mall was being built and they were using some old wooden historic buildings as the center of it. It was being insured, of course, by an insurance company. However, the developer was running into problems with cost and he was trying to figure how to finance his sprinkler system. These old wooden buildings really had to be sprinklered. The insurance company that was covering the fire insurance actually financed the installation of the sprinkler system, and I think that was most innovative. I don't think it has been done anywhere else. In fact, there was an article written on it. It was said this morning that you should approach insurance companies for some ideas. You might pursue that. It was a major insurance company. I would give you the name, but I can't think of it. So, I think that is an approach.

ASSEMBLYMAN OTLOWSKI: Obviously, the committee is going to weigh this argument that you are talking about.

MR. LANE: Yes, sir. I would say so.

ASSEMBLYMAN OTLOWSKI: We will weigh that--

MR. LANE: I know it is controversial.

ASSEMBLYMAN OTLOWSKI: (continuing) --to see if something can be done because it is one of the adverse factors; there is no question about that.

MR. LANE: Right. Also, in conclusion, let me say that the sprinkler industry is a very narrow field. The market is about a billion and one-half dollars a year throughout the country. In one sense that is a lot of money and in another sense that is a small industry. Really, it is not plumbing. I have a booklet in here that differentiates between sprinkler work and plumbing, for instance. There are court cases on it, which I have in the booklet, and they are quoting the various model codes that differentiate between plumbing and sprinkler work. I just wanted to bring that point out.

Really, the only people, in all honesty, that know anything about sprinkler systems are sprinkler contractors. It was said that we should keep our lines of communication open, and I just hope that if you feel you should,

please give me a call. I would be glad to help in any way I can.

Again, I represent the industry, but I take a reasonable approach and I will just try to be of help.

ASSEMBLYMAN OTLOWSKI: Before we adjourn, this committee is going to be sitting for some time. We may call certain people back if we want some clarification.

MR. LANE: Fine.

ASSEMBLYMAN OTLOWSKI: There are going to be other people coming that we are going to be calling for the next session.

ASSEMBLYMAN VISOTCKY: Can I just ask a question, Mr. Chairman?

ASSEMBLYMAN OTLOWSKI: Yes.

ASSEMBLYMAN VISOTCKY: Can you tell me why they have these standby charges -- why these companies do that? There must be a reason for it.

MR. LANE: Why? Okay, I am not in the rate setting business, and I am not in the water business, but I understand it is just a form of raising revenue. Check what I say, but I understand it is a means of raising revenue. but, there is no economic justification. In fact, it has a negative aspect on our society.

ASSEMBLYMAN OTLOWSKI: Most taxes have a negative aspect.

ASSEMBLYMAN VISOTCKY: With our water situation coming up now - the crisis we have now - this is the time to get rid of those standby charges.

MR. LANE: Can I take one minute and talk about the water?

ASSEMBLYMAN OTLOWSKI: Wait, don't get into that.

MR. LANE: I know I could go on, and on, and on.

ASSEMBLYMAN SNEDEKER: I have a couple of questions. Number one, we talked about the cost of installing -- about two dollars -- and we talked about the standby charges. Aren't there maintenance contracts now that I would have to pay for?

MR. LANE: If I may, I put in 23 years with the New York City Fire Department and I think I have had experience with fire. I worked in Manhattan most of the time. And, New York City has a very good maintenance program on sprinkler systems.

ASSEMBLYMAN SNEDEKER: Who does that, the Fire Department?

MR. LANE: Yes, the Fire Department, sir.

ASSEMBLYMAN SNEDEKER: The sprinkler company doesn't do the maintenance though, does it?

MR. LANE: They are required to do certain inspections. What I was driving at was, I found out that throughout the United State, with just a few exceptions - Memphis is one; the State of Nevada is another - sprinkler systems stand out there and aren't inspected and aren't maintained because they are generally not required, which to me is ridiculous. Now, this is one thing I am working on, frankly. Mandatory inspections of the sprinkler systems are going to improve the effectiveness of the systems and they are also going to create a market for the contractors, and there is nothing wrong with that.

ASSEMBLYMAN SNEDEKER: Again, you are raising the cost when you put this charge on it.

MR. LANE: No, the maintenance contract would have nothing to do with the installation. Again, I don't get into cost, but you are talking about roughly a couple of hundred of dollars a year.

ASSEMBLYMAN SNEDEKER: The recipient of that cost, to me, is the owner of that building.

MR. LANE: Oh, definitely. That is correct. It would probably be a couple of hundred dollars a year.

ASSEMBLYMAN SNEDEKER: The other thing they have to purchase now is sprinkler leakage insurance in case they have a waterfall alarm. In the last week I have had my radio on from Philadelphia, and the fire department there must have a waterfall alarm every fifteen minutes during the cold snap in the last--

MR. LANE: All right, sir. The answer to that is, a waterfall alarm doesn't mean that the water is coming out of the sprinkler system necessarily. It could be where there is a surge of water and a delay set in. If the surge is longer than let's say a 20 second delay, you get an alarm. And, from my experience that is most of the time -- what you are hearing on the radio.

Now, that is not to say that a sprinkler system cannot leak water, that is correct.

ASSEMBLYMAN SNEDEKER: During this extraordinary cold snap, I should say, that we have had in the last month, there were an awful lot of them that did go off. I know one of the malls - not the Quaker Bridge Mall, but the Oxford Valley Mall, I think - had a waterfall alarm, and it did go off because they were wading in water. So, another expense you are putting on people who install a sprinkler system is that he better buy sprinkler leak insurance. If that sprinkler alarm goes off by itself, or through an accident, he is going to have damage and there is no insurance coverage.

MR. LANE: Definitely. There is a sizable reduction. Again, it is complex. I am not an insurance man.

ASSEMBLYMAN SNEDEKER: I am.

MR. LANE: Oh, okay.

ASSEMBLYMAN SNEDEKER: I know there is a cost to it and I know that it costs more than the system.

MR. LANE: That is an adjustment on fire insurance premiums, depending on the occupancy. A warehouse, for instance, is very substantial, but here we are talking about rooming houses. I am not sure what it is on a rooming house, and I don't think it is too substantial, is that correct, sir?

ASSEMBLYMAN SNEDEKER: That's right.

ASSEMBLYMAN OTLOWSKI: Okay. Thank you very much. We stand adjourned until the next announcement of the committee's meeting. John Kohler will make that announcement after the committee meets and decides on the next meeting.

(hearing adjourned)



JOHN J. FAY, JR.
OMBUDSMAN

FOR THE INSTITUTIONALIZED ELDERLY

11 NORTH WARREN STREET
TRENTON, NEW JERSEY 08625
(609) 292-8016

January 21, 1981

TO: Assembly Institutions, Health and Welfare Committee on
Fire Safety in Long Term Care Facilities

FROM: John J. Fay, Jr., Ombudsman for the Institutionalized Elderly

DATE: January 21, 1981

Our office is now in the process of researching and compiling facts that will hopefully present a comprehensive report on life safety problems in our State's Long Term Care facilities and propose as well new directions, more stringent safety codes, new social programs and the upgrading of rules and regulations that will add to the quality of life and to the safety of the individuals that live there and which do not exist today neither in our State nor in our Nation.

Obviously, the tragedies of Bradley Beach, Keansburg and as recent as last Monday in Camden and East Orange have shown all of us just how vulnerable and defenseless the residents of boarding homes are.

The 57 people who died in the three fires in the last seven months could very easily have been 157 or 257 if they had lived in boarding homes that were overcrowded, and where the fire alarms were not hooked up to Fire Headquarters or where there is no supervision or homes that have no Fire Drills or no Smoke Detectors or Sprinklers.

Let everyone know that the age of these homes are 50 to 70 years old, usually wood, that were never meant to house 30 to over 100 people. In the cities they are also old tenements.

Who are the people who live there? 65% are former mental patients and/or retarded, 35% are old, frail, poor men and women who are not sick enough for a nursing home or who are and have not been evaluated yet or those who cannot find a nursing home bed with 3,000 Medicaid eligibles, this is where some of them end up.

When these two components are brought together, the poor housing and a mixed, vulnerable population accompanied by inadequate safety codes, we have in fact "Death Traps".

There are some actions that could be and should be taken immediately and I would strongly recommend the following to all concerned.

1. Returning to the Fire Marshall the authority and responsibility for fire safety. This office had this authority up until 1975.
2. Every residential boarding home and "C" licensed should have the fire alarm hooked up to the local fire and police departments directly.
3. Every waiver dealing with life safety that has been granted by the State Department of Health and every extension on life safety that has been allowed by the Department of Community Affairs should be agonizingly reappraised in light of our recent tragedies and the danger of more fires in the future.
4. Waivers on life safety and extensions on life safety must be reported to the local mayor, the local fire director and/or chief and the local public health officer.
5. That all "C" licensed boarding homes become residential health care facilities, i.e., homes that offer personal services, washing, feeding, the higher category of care.
6. That there be a recognition that cities, towns and counties that have the majority of boarding homes are bearing state-wide burden and responsibility and that the Safe and Clean Street formula and/or the Urban Aid formula be changed to recognize this to allow more funds for Public Health, Fire, Building Inspectors that are needed.

Our report will go into the specifics and in detail relying on experts in their respective fields and from people who deal with those issues and problems every day. The social workers, state, county and local, both governmental and private industry on sprinklers, fire doors, fire proofing of the interior and bedding.

We will present our proposals that would motivate private and non-private groups, especially from those with a social conscience among the non-profit organizations, religious and fraternal groups.

We will present a critique of the present standards and rules and regulations of the Residential Health Care facilities and "C" licensed not only showing some of the inherent weaknesses (1 person on duty at night) but offering alternatives.

We will contact the federal officials, especially Senators Bradley and Williams and Congressman Pepper on the need of federal grants and low interest loans for fire safety and matching grants for model programs both for the private, non-profit and State units. I would like to recommend the present excellent State administered home at Glen Gardner as an example of what can be done for those people we are concerned about. Ms. Irene Salayi is the State Administrator at Glen Gardner.

In conclusion I would like to state again that life safety is our immediate concern but if we as a government and as a people decide to remain with the status quo or merely accept cosmetic gestures or decide the price for meaningful changes are too high, then let us also realize that we will be accepting and perpetuating a life that is too ^{often} one of degradation, fear, overwhelming despair and terror.

We have thousands of citizens who are denied many of the basic human and civil rights that we take for granted.

I do hope that from this heartache we will make a significant breakthrough and remove this shameful way of life and return to these people the dignity and peace of mind that is rightfully theirs.

September 10, 1980

Phillip Caton
Bureau of Housing
363 West State Street
Trenton, New Jersey 08625

Dear Mr. Caton:

Enclosed is a copy of a list of boarding homes of which your office should be aware of when licensing the "unlicensed" boarding homes.

These homes are used for placement of mentally retarded persons, and some are already licensed by the Department of Health as sheltered care facilities.

I trust this information will help your new bureau locate the "unlicensed" homes.

Sincerely,

Constance Dexter
Executive Assistant

CD/s

Enclosures



OCT 9 1980

OMBUDSMAN OFFICE

State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS

JOSEPH A. LEFANTE
COMMISSIONER

October 8, 1980

363 WEST STATE STREET
POST OFFICE BOX 2768
TRENTON, N.J. 08625

John J. Fay, Jr.
Ombudsman
13 North Warren Street
Trenton, New Jersey 08608

RE: Cherry Hill Rest Home (Hotel)
500 Cherry Street
Elizabeth, New Jersey

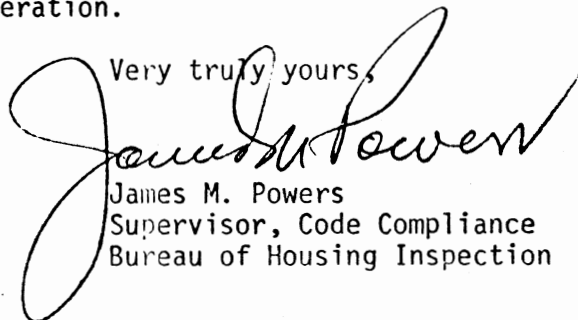
Dear Mr. Fay, Jr.:

Thank you for your recent letter regarding the above property.
I am referring it to the staff of the Bureau of Rooming and Boarding
Home Standards.

I shall ask them to give this home a priority in terms of
inspection and licensing.

Thank you for your cooperation.

Very truly yours,



James M. Powers
Supervisor, Code Compliance
Bureau of Housing Inspection

JMP:smc

September 25, 1960

Mr. Jim Powers
Supervisor
Bureau of Housing Inspection
363 West State Street
Trenton, New Jersey

Re: Cherry Hill Rest Home (Hotel)
500 Cherry Street
Elizabeth, New Jersey

Dear Mr. Powers:

This is to advise you that representatives from our office have investigated the Cherry Hill Rest Home and observed numerous violations of the Building/Health and Fire Codes. City and State inspectors have inspected this facility and have, in the recent past, found continued overcrowding, fire hazards and debris piled in the basement. General filthy conditions including human fecal matter on the floors and inadequate toilet facilities have also been observed.


Some of the residents have been found to be in need of nursing on an extensive level including the need to be bathed by someone and have medication administered to them.

Additional reports of residents being abused were reflected in police reports from the Elizabeth Police Department and statements received by this office from the residents.

Our office is furnishing your agency this information for consideration, should Cherry Hill Rest Home apply for a license under the recently enacted Rooming and Boarding House Law.

Please feel free to contact this office if further information is required.

Sincerely yours,

John J. Fay, Jr. 
Orbidstan

REPORT

AND

**ORDERS OF THE
COMMISSIONER**

REGISTRATION NO. 092074

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
BUREAU OF HOUSING INSPECTION

TYPE* HOT UNITS* 18

E INSP. 07/17/79
E SUEO 08/08/79
E RC-INSP. - ON CR AFTER 10/08/79

INSPECTOR* KLAMA R

230 ***BUILDING*** 2004
NICOLINI EDNA MRS
500 CHERRY ST
ELIZABETH NJ 07208
CHERRY HILL REST HOME
500 CHERRY ST
ELIZABETH

BLDG. NO. 001 OF 001 BLDGS.

Please take notice that the inspections conducted by the New Jersey Bureau of Housing Inspection at the premises noted above disclose that violations exist at said premises in contravention of the Hotel & Multiple Dwelling Law and of the "Regulations for the Maintenance of Hotels and Multiple Dwellings" promulgated thereunder.

I hereby ORDERED by the Commissioner to comply with all of the following orders and you are hereby ORDERED by the Commissioner to comply with the violations listed below by the date of reinspection listed above.

to comply with this notice and the Orders of the Commissioner will subject you to a penalty levied by the Department of Community Affairs in accordance with the provisions of the Hotel and Multiple Dwelling Law. (P. L. 1967, C76 as amended and supplemented; N. J. S. A. 55:13A-1 et seq.)

Commissioner of Community Affairs By:

Ralph H. Giffen
Administrator, Bureau of Housing Inspection

VIOLATIONS	CODE CITATION	O A	O A	O A
MAINTENANCE & EXTERIOR				
1 REPAIR LEFT SIDE STEPS	1903.1			
2 PAINT SOFFITS ALL SIDES OF BLDG	1903.2			
3 REPAIR OR REPLACE & PAINT REAR FIRE ESCAPE	1903.2			
4 REPAIR OR REPLACE LEFT SIDE RAILING	1903.2			
COMMON AREAS				
5 REMOVE RUBBISH FROM CELLAR	1903.4			
6 REMOVE LAWN MOWERS AT BASEMENT	1903.4			
7 CORRECT WIRING & CONNECTIONS AT 2ND FLOOR COMMON BATHROOM & 3RD FLOOR	1903.10			
8 CORRECT & PAINT OR PAPER DAMAGED 2ND & 3RD FLOOR CORRIDOR WALLS & CEILINGS	1903.4			
9 FIRE RATE BASEMENT DOOR TO BOILER ROOM	1910.0			
10 MAKE BASEMENT BOILER ROOM DOORS SELF CLOSING SELF LATCHING	1905.0			
11 PROVIDE FIRE ALARM STATION ON 2ND & 3RD FLOOR	1908.0			
12 PROVIDE FIRE ALARM BELL ON 3RD FLOOR	1908.0			
13 REPAIR & PAINT 2ND FLOOR COMMON BATHROOM WALLS	1903.4			
14 MAKE ALL EXTERIOR DOORS LOCKABLE	1905.0			
UNIT 1 1ST FLOOR ROOM				
1 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
UNIT 2 1ST FLOOR ROOM				
6 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			

CONTINUED PAGE

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7A.

PLEASE READ REVERSE SIDE FOR ORDERS

5-MUNICIPALITY COPY

INSPECTION REPORT AND ORDERS OF THE COMMISSIONER

PAGE NO. 2

REGISTRATION NO. 092074

TYPED NOT UNITED 13

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
BUREAU OF HOUSING INSPECTION

OF INSP. 07/17/79
ISSUED 08/08/79
RE-INSP. - ON OR AFTER 10/08/79

INSPECTOR KLARA R

NICOLINI EDNA MRS
500 CHERRY ST
ELIZABETH NJ 07208

230

2004
CHERRY HILL REST HOME
500 CHERRY
ELIZABETH

BLOC. NO. 001 OF 001 BLDGS.

Please take notice that the inspections conducted by the New Jersey Bureau of Housing Inspection at the premises noted above disclose that violations exist at said premises in contravention of the Hotel & Multiple Dwelling Law and of the "Regulations for the Maintenance of Hotels and Multiple Dwellings" promulgated thereunder.

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Commissioner of Community Affairs By:

[Signature]
Administrator, Bureau of Housing Inspection

E E1	VIOLATIONS	CODE CITATION	O A	O A	O A
	UNIT 3 1ST FLOOR ROOM				
17	INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
	UNIT 4 1ST FLOOR ROOM				
18	INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
	UNIT 5 1ST FLOOR ROOM				
19	INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
	UNIT 6 1ST FLOOR ROOM				
20	INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
	UNIT 7 1ST FLOOR ROOM				
21	INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
	UNIT 8 1ST FLOOR ROOM				
22	INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
	UNIT 9 2ND FLOOR ROOM				
23	INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
	UNIT 10 2ND FLOOR ROOM				
24	REPAIR & PAINT CEILINGS	1903.4			
25	REPAIR OR REPLACE WINDOW SCREEN	1903.6			
26	INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
	8A				

CONTINUED PAGE 3

PLEASE READ REVERSE SIDE FOR ORDERS



STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
BUREAU OF HOUSING INSPECTION

AND
ORDERS OF THE
COMMISSIONER

REGISTRATION NO. 092074

TYPE* HOT UNITS* 18

E OF INSP. 07/17/79
E ISSUED 08/08/79
E RE-INSP. - ON OR AFTER 10/08/79

INSPECTOR* KLAMA B.

NICOLINI EONA MRS
500 CHERRY ST
ELIZABETH NJ 07208

230

BUILDING* 2004
CHERRY HILL REST HOME
500 CHERRY
ELIZABETH

BLOG. NO. 001 OF 001 BLOGS.

Please take notice that the inspections conducted by the New Jersey Bureau of Housing Inspection at the premises noted above disclose that violations exist at said premises in contravention of the Hotel & Multiple Dwelling Law and of the "Regulations for the Maintenance of Hotels and Multiple Dwellings" promulgated thereunder. I hereby ORDERED by the Commissioner to comply with all of the following orders and you are hereby ORDERED by the Commissioner to

comply with this notice and the Orders of the Commissioner will subject you to a penalty levied by the Department of Community Affairs in accordance with the provisions of the Hotel and Multiple Dwelling Law. (P. L. 1967, C76 as amended and supplemented; N. J. S. A. 55:13A-1 et seq.)

Commissioner of Community Affairs By:

Ralph H. C. [Signature]
Administrator, Bureau of Housing Inspection

VIOLATIONS	CODE CITATION	O / A	O / A	O / A
UNIT 11 2ND FLOOR ROOM				
27 REPAIR & PAINT CEILINGS	1903.4			
28 REPAIR OR REPLACE WINDOW GLASS	1903.9			
29 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
UNIT 12 2ND FLOOR ROOM				
30 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
31 CORRECT ELECTRIC FIXTURE	1903.10			
UNIT 14 2ND FLOOR ROOM				
32 PROVIDE WINDOW SCREEN	1903.6			
33 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
UNIT 15 2ND FLOOR ROOM				
34 REPAIR & PAINT CEILINGS	1903.4			
35 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
36 PROVIDE SYMBOL	1905.0			
UNIT 16 3RD FLOOR ROOM				
37 REPAIR & PAINT WALLS	1903.4			
38 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
FACILITIES EXCEED PERMISSIBLE OCCUPANCY	1907.0			
UNIT 17 3RD FLOOR ROOM				
39 REPAIR & PAINT WALLS & CEILINGS	1903.4			

CONTINUED PAGE 4

9A

PLEASE READ REVERSE SIDE FOR ORDERS
5-MUNICIPALITY COPY

INSPECTION REPORT AND

PAGE NO. 4

REGISTRATION NO. 092074

TYPE: HOT UNITS: 13

ORDERS OF THE COMMISSIONER

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
BUREAU OF HOUSING INSPECTION

INSPECTOR: KLANA R

DATE OF INSP. 07/17/79
DATE ISSUED 08/06/79
DATE RE-INSP. - ON OR AFTER 10/08/79

NICOLINI EDNA MRS
500 CHERRY ST
ELIZABETH NJ 07209

230

BUILDING 2004
CHERRY HILL REST HOME
500 CHERRY
ELIZABETH

BLOG. NO. 001 OF 001 BLOGS.

Please take notice that the inspections conducted by the New Jersey Bureau of Housing Inspection at the premises noted above disclose that violations exist at said premises in contravention of the Hotel & Multiple Dwelling Law and of the "Regulations for the Maintenance of Hotels and Multiple Dwellings" promulgated thereunder.

and hereby ORDERED by the Commissioner to comply with all of the following orders and you are hereby ORDERED by the Commissioner to the violations listed below by the date of reinspection listed above.

to comply with this notice and the Orders of the Commissioner will subject you to a penalty levied by the Department of Community Affairs in accordance with the provisions of the Hotel and Multiple Dwelling Law. (P. L. 1967, C76 as amended and supplemented; N. J. S. A. 55:13A-1 et seq.)

Commissioner of Community Affairs By:

[Signature]
Administrator, Bureau of Housing Inspection

VIOLATIONS	CODE CITATION	O / A	O / A	O / A
41 CLOSE INTERIOR OPENING WITH FIRE RATED MATERIAL AT FRONT ENTRANCE DOOR	1910.0			
42 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
43 FACILITIES EXCEED PERMISSIBLE OCCUPANCY	1907.0			
UNIT 18 3RD FLOOR ROOM				
44 CLOSE INTERIOR OPENING WITH FIRE RATED MATERIAL AT FRONT ENTRANCE DOOR	1910.0			
45 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
46 FACILITIES EXCEED PERMISSIBLE OCCUPANCY	1907.0			
UNIT 19 3RD FLOOR ROOM				
47 REPAIR & PAINT CEILINGS	1903.4			
48 INSTALL DEADBOLT LOCK CHAIN GUARD OR VIEWING DEVICE	1905.0			
49 FACILITIES EXCEED PERMISSIBLE OCCUPANCY	1907.0			
END-VIOLATIONS				

10A

PLEASE READ REVERSE SIDE FOR ORDERS
5 - MUNICIPALITY COPY

THE CITY OF EAST ORANGE

NEW JERSEY

07019

ROBERT MORAN, CHAIRMAN

BERNIE L. EDMONSON
FIRST WARD

JOSEPH P. LOTRUGLIO
FIRST WARD

ROBERT MORAN
SECOND WARD

CLAUDE B. CRAIG
SECOND WARD

BERNICE S. DAVIS
THIRD WARD



FRANCIS T. CRAIG
CITY CLERK

H. GRADY JAMES, III
THIRD WARD

EARL WILLIAMS
FOURTH WARD

NELSON S. MADDOX
FOURTH WARD

L. HAROLD KARNS
FIFTH WARD

RALPH A. HARRIS
FIFTH WARD

October 27, 1980

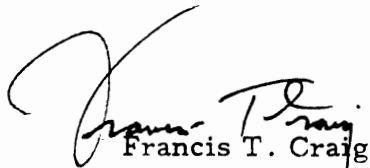
Dear Assemblyman:

The attached Resolution was adopted by the City Council of the City of East Orange at its meeting of October 20, 1980. Its contents reflect the concern of the Mayor and Governing Body for the safety and security of the many senior and deinstitutionalized citizens residing in this City.

The presence in this City of many older homes too large for the average family of today has attracted their use as boarding homes, rooming houses, and residences providing health care facilities, but they do not provide the same protection as would be provided by a State financed public institution chiefly due to monetary restrictions of the operators.

Since there are now many deinstitutionalized patients living in these homes who were formerly supported by the State in State owned facilities relieving the State of much responsibility for their care, the Mayor and City Council are of the opinion that some financial help should be provided by the State to the operators to assure that safety measures are taken for the protection of their residents.

Very truly yours,


Francis T. Craig
City Clerk

FTC: cln

DEFINITIONS AND CLASSIFICATIONS

Table 206.3 (cont'd.)

HIGH HAZARD BUILDINGS REGULATIONS GUIDE

Hazardous area: (continued)	Combustible dusts, grain processing and storage 410.0 Combustible fibers, construction requirements 409.2 Paint spraying 411.0 Dry cleaning establishments 412.0
Light and ventilation:	Bath and toilet rooms 512.0 Required fresh air supply 514.0 Ventilation of shafts 515.0 Artificial light and ventilation 504.0 Natural light and ventilation 506.0 Air-conditioning, refrigeration and mechanical ventilation (see mechanical code listed in Appendix B) Skylights 1905.0
Sanitation:	Plumbing and drainage Article 17 Termite protection 874.0 Handicapped, plumbing fixtures 315.8
Electrical wiring:	Article 15
Provisions for the handicapped and aged:	Section 315.0
Energy conservation:	Article 20

SECTION 207.0 USE GROUP I, INSTITUTIONAL BUILDINGS

207.1 General: All buildings and structures, or parts thereof, shall be classified in the institutional (I) use group in which people suffering from physical limitations because of health or age are harbored for medical or other care or treatment, or in which people are detained for penal or correctional purposes, or in which the liberty of the inmates is restricted.

207.2 Use group I-1: This use group shall include all buildings designed for the detention of people under restraint, including, among others, jails, prisons, reformatories, insane asylums and similar uses.

207.3 Use group I-2: This use group shall include all buildings used for housing people suffering from physical limitations because of health or age, including, among others, day nurseries, hospitals, sanitariums, clinics, infirmaries, orphanages, and homes for aged and infirm.

207.4 Regulations guide: The following listing contained in Table 207.4 is a guide to the principal requirements of this code applicable to use group I, institutional buildings. They are not necessarily the only, nor all, of the provisions with which compliance is required. Omission of reference to any provision shall not nullify any requirement of this code, nor exempt any structure from such requirement.

Resolved That

I-451

WHEREAS, The City of East Orange has a significant number of senior citizens and deinstitutionalized patients who reside in boarding homes, rooming houses, or residential health care facilities; and

WHEREAS, These patients were offered the institutional level of fire protection in their previous environments; and

WHEREAS, the present facilities where they live provide only a residential level of fire protection; and

WHEREAS, The Fire Prevention Bureau of the East Orange Fire Department has determined that the residential level of fire protection is inadequate to provide the proper life saving capability for these persons; and

WHEREAS, In the interest of life safety, these residents should be offered the same level of institutional fire protection as they previously enjoyed.

NOW, THEREFORE, BE IT RESOLVED That the Mayor and City Council appeal to the legislators of the State of New Jersey to require that facility houses of senior citizens and deinstitutionalized patients be afforded the institutional level of fire protection as defined by "BOCA" Section 207.3 - Use Group I-2 A copy of this section is attached and made a part of this resolution; and

BE IT FURTHER RESOLVED That the Mayor and City Council petition all legislators of the State of New Jersey to amend all legislation controlling and/or licensing boarding homes, rooming houses, and residential health care facilities in the State of New Jersey to be afforded the institutional level of fire protection; and

BE IT FURTHER RESOLVED That the legislators of the State of New Jersey be petitioned to explore alternate methods of providing financial support to the owners and operators of said facilities in order to permit the provision of institutional fire protection to the residents of said facilities.

COUNCILMAN	AYE	NAY	N.V.	A.B.	VETO
WILLIAMS	X				
MADDOX				X	
KARNS				X	
EDMONSON	X				
DAVIS	X				

COUNCILMAN	AYE	NAY	N.V.	A.B.	VETO
JAMES	X				
LOTRUGLIO	X				
HARRIS	X				
CRAIG	X				
MORAN					X

X — Indicates Vote

A.B. — Absent

N.V. — Not Voting (Abstained or Excused)

Action on Veto — ✓ To Sustain

✓✓ To Over-Ride

VOTES REQUIRED

Approved as to:
Factual Contents

Department Head

Appropriation

Comptroller

Form and Legality

Tabled

Presented to Mayor OCT 21 1980

Approved OCT 21 1980

Vetoed

Thomas P. Gagliardi Mayor

Removed from Table

Adopted OCT 20 1980

Chairman City Council

City Clerk

Entered on Council Minutes, Page



LONG BRANCH FIRE DEPARTMENT

LONG BRANCH, NEW JERSEY 07740

(201) 222-0076

FIRE PREVENTION BUREAU

Chief of Department
ROBERT FAYE

Inspector
CAPTAIN EDWARD WILLIAMS

January 29, 1981

Honorable George Otlowski
Chairman of Assembly Institutions
Health & Welfare Committee
State House
Trenton, New Jersey 08625

Dear Assemblyman:

I had the opportunity to be present at the hearings on the Keansburg Boarding Home Fire which were held on January 21, 1981 and was pleased to see that the Fire Service was represented. A committee of this type has an awesome chore putting the pieces together after the testimony of various groups each trying to protect their own interests.

One point I noted is that there are three separate departments involved, each having a small segment of responsibility. The Department of Community Affairs handles only the unlicensed rooming and boarding homes. The new regulations for this type home states that they must have automatic fire detection systems connected directly to a central station. This, thanks to Senator Gagliano and Assemblyman Dowd who were successful in having the regulation changed. The Department of Health governs the Residential Health Care Facilities formerly known as Sheltered Care Homes. These buildings are not required to have automatic Fire Alarms connected to a Central Station. It would appear that a health care facility should have better protection than a rooming house. However, it does not have a state regulation requiring this. Reports of both the Bradley Beach fire and the Keansburg fire state that fire was coming out the windows prior to the Fire Department being notified. Automatic detection connected to a central station, police, fire or other, would eliminate the need for employees to determine the location of the fire, determine the extent of the fire and if the Fire Department should be called, thus allowing them to devote their full efforts to resident evacuation.

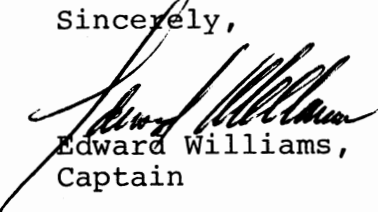
I believe the state should be consistent in this type of regulation governing similar type occupancies, even if different departments have control.

Another area not mentioned at the hearings is the placement of mentally retarded persons in individual apartments. These are people who can be trained to do minor household functions and be supervised by a weekly or twice weekly visit from a social worker. The social workers make the initial selection of the apartment. I have questioned the Department with regard to making adequate fire inspections of these locations. The reply from Mr. Bernard L. White, acting director, stated that revealing the location of these people would be an invasion of their privacy. We desire to know the whereabouts so that an adequate inspection of the building can be made and special help can be given if there is an emergency. I cannot believe these officials would be so protective of the privacy if there is a tragedy involving a mentally retarded person alone in an apartment.

When people require special assistance due to age, infirmity or other handicap, then all departments must pull together. Presently, we have a very poor operation with three separate departments, each doing their own "thing".

I thank you for your interest and do hope you and your committee can improve the standard of Fire Safety for people who need a little assistance.

Sincerely,



Edward Williams,
Captain

cc: Senator Bedell
Senator Gagliano
Assemblyman Lesniak
Assemblyman Visotcky
Assemblyman Bassano
Assemblyman Markert
Assemblyman Snedeker
Assemblyman Down

1/14/81

Glenlora Nursing Home

RTE. 24 - BOX 367 - CHESTER, NEW JERSEY 07930 - M. CATHERINE DULIO, ADM. - (201) 879-5055

Mister Chairman:

My name is Kay Dulio, owner and administrator of Glenlora Nursing Home, a 25 bed facility in Morris County.

I want to thank you for the opportunity of appearing before you today - not as a fire expert, but as a concerned individual.

Gentlemen, in my humble opinion, mandating sprinkler systems for all facilities is not the answer for the following reasons:

1. Most if not all of the fires we have read about are electrical in nature and we are told that water is not good for an electrical fire.
2. The lung capacity of our senior citizens is about 40-60% of that of a young person like you and me. Therefore I believe that smoke is the real killer.
3. Most older folks are petrified of the shower or bathtub when they are wide awake. Now picture this person sound asleep in bed in the middle of the night and suddenly he or she is being sprinkled with water. This is enough to cause a state of shock or even cardiac arrest in some cases. Some patients may panic and in trying to run away from the water, may run directly into the fire area.
4. In many areas of the State a public water supply is not available and the facility is serviced by a private well. During the present water crisis many wells, including public supply, have been inadequate.

I submit to you, gentlemen, that the best way to save lives is by speedy evacuation. Therefore, I recommend the following:

Kay Dulio

Glenora Nursing Home

RTE. 24 · BOX 367 · CHESTER, NEW JERSEY 07930 · M. CATHERINE DULIO, ADM. · (201) 879-5055

1. Every facility must have an alarm system tied directly to the nearest fire company.
2. The staff must be properly trained by experts in the field of fire safety and evacuation practices.
3. These experts must be licensed so that appropriate action can be taken against the person who is not performing the job expected of the expert. I say this because I have had experience with two different companies who were being paid to instruct my staff and give a written report of each meeting and drill. What was written in the report and what was actually done were two different things.
4. There must be some type of detection system and internal audible and visual alarm system in working order.

I am fast approaching the age when I will trade in my dancing shoes for a wheelchair and I want someone to get me out of a burning building. I don't want to just sit there and watch water pouring out of little do-dads on the ceiling putting out the flames but creating a smoke condition for me to inhale into my congested lungs which have long since lost their elasticity.

If you have any questions which I am able to answer, I shall be happy to do so.

Thank you again, gentlemen, for your courteous attention,

Katy Dulio

14
Statement to: State of New Jersey, Assembly Institutions,

Health and Welfare Committee

Issued by: Jack L. Taylor, President, New Jersey Association of

Non-Profit Homes for the Aging

Subject: Hearing on fire-safety in long-term care facilities.

Date: January 21, 1981 - Assembly Chamber, State House, Trenton, N.J.

Ladies and Gentlemen,

My name is Jack Taylor, President of the New Jersey Association of Non-Profit Homes for the Aging (NJANPHA). This association is made up of 79 non-profit church related, fraternal and county retirement and licensed nursing facilities, serving approximately 8500 people in New Jersey. Included in the association's membership is The United Methodist Homes of New Jersey, of which I am the Executive Director. Our agency operates seven facilities in New Jersey, with a normal operating census of 640 ambulatory well residents, and 200 nursing patients. I have been involved in the field of service to the elderly since 1965, and have lived and worked in New Jersey since October 1973.

As a result of the recent tragic fire in Keansburg, in what I understand was a licensed Residential Health Care Facility, many questions have been raised regarding fire safety regulations in state licensed facilities. I believe that it is appropriate to raise such questions at this time.

Since the fire, numerous newspaper articles concerning fire safety have been published. The conclusion of many of these articles seems to be that:

1. There is an ultimate solution to protecting the lives of people living in long term care facilities, such as nursing and retirement homes.
2. The ultimate solution is the application of sprinkler systems in all such facilities, regardless of the type of construction, presence of fire detection systems or staffing.

3. The implementing of this ultimate solution is a simple matter of legislation, without regard to the economic and social impact such legislation might have on existing and potential residents of our facilities.

I'd like to discuss each of these three points.

Is There An Ultimate Solution?

I'm sure that there is an ultimate solution to any problem we might face. However, I'm not so sure that at any given time we, as individuals or as a society, can ever be positive that an ultimate solution has been discovered. History is replete with ultimate solutions that have not worked and have been replaced with further ultimate solutions.

In my opinion this also applies to the matter of institutional fire safety. At this moment I don't believe that we have the knowledge, technology or resources which will absolutely eliminate the possibility of injury or death by fire in institutional facilities.

Then what should we do? Nothing? Of course not. What we should and must do is seek and implement the best possible solution, within the limits of the existing knowledge, technology and resources. We should and must continue to work toward an ultimate solution, tempered with the knowledge that we will never really know when such has been discovered.

Are Sprinkler Systems The Solution - Now?

Sprinkler systems are recognized as an effective means of fire protection. Both the American Association of Homes for the Aging (AAHA), with over 1700 members, and the American Health Care Associations (AHCA), with over 7200 members, encourage the installation of sprinkler systems in health care facilities.

However, neither these associations, nor I, feel that it is wise to mandate the installation of sprinkler systems in every such facility. Instead, we are concerned with total fire safety systems, of which sprinkler systems are only a part.

We believe that other elements of fire safety must be considered. For example, the type of construction of the building. Is it fire resistant, or is it wood frame? Are there other fire detection systems functioning, such as smoke detectors and direct tie-ins with local fire departments? Is the staff of the facility large enough and sufficiently trained to effectively deal with an emergency? There are all components of the total fire safety system of a facility. Fire resistant buildings, effective detection systems, and adequate staff, ^{increase} ~~reduce~~ the value of effectiveness of sprinkler systems in protecting lives.

The agencies I have mentioned support compliance with the Life Safety Code, a set of standards adopted by the National Fire Protection Association. This code is recognized and accepted by the health care industry and the federal government.

The current code, to be revised in 1981, does not mandate sprinkler systems in all health care facilities. However, the code includes a Fire Safety Evaluation System (FSES) which is used to determine the appropriate fire safety systems to be employed in any given facility. This determination is based on an evaluation of various factors relating to fire safety.

Any facility which is regulated by the code is required to provide the best possible total fire safety system within the limits of knowledge, technology and resources. For some facilities this calls for the implementation of sprinkler systems. In other cases where, based on the FSES, sprinkler systems

are of questionable value and effectiveness, they are not required.

The FSES concept has been accepted by the Federal Department of Health and Human Services for Medicare and Medicaid approved facilities. Additionally, the U.S. Congress, by mandating compliance with the Life Safety Code, has accepted the FSES concept.

The point I am making is not that we don't need improved fire safety systems. Rather, I am suggesting that no single system is appropriate in all cases. Each facility must be separately and objectively evaluated and systems implemented to meet its conditions. The FSES concept provides for this evaluation, and must be enforced by the appropriate regulatory bodies.

Is Safety The Only Concern?

One of the dangers of legislation or executive action growing out of a tragedy, such as the Keansburg fire, is that it will concentrate on the obvious problem, without considering the impact on other aspects of people's lives. With regard to our present concern, fire safety, I observe a desire on the part of many people for a quick and simple solution, mandated by legislation.

My concern is that we may proceed without considering the economic and social impact of such legislation on the very people whose lives we want to protect. I feel that many people are failing to recognize that our financial resources, are limited. Even if sprinkler systems were the ultimate solution, we cannot avoid the question of what do they cost and who will pay this cost.

The Health Care Financing Administration, an agency of the federal government, estimates the cost of installing sprinkler systems in new facilities to be \$1.50 per square foot. Both AAHA and AHCA feel that a more realistic estimate would be \$2.50 to \$3.50 per square foot, based on surveys by independent

fire safety engineers. In existing buildings the figure would be even higher.

Legislation mandating sprinkler systems in every facility will be very costly. Assuming that every facility did comply with such a mandate, who would pay the cost? It would be borne by the residents of the facilities through substantially increased rates, by support from family or friends or by government spending, which ultimately means a higher tax bill.

There is now a growing inability of elderly people to pay even present rates at many facilities. There are people who pride themselves on their independence and often feel shame in having to accept financial support, from whatever source. The result will increasingly be that elderly people, unable to pay their own way, will remain in their own homes and apartments, in most cases the fire safety systems there will be non-existent, or sub-standard at best. Through the Life Safety Code the vast majority of long-term care facilities are infinitely safer than private homes and apartments.

I also observe a growing reluctance on the part of the general public to have their tax bills further increased. The cry now is to reduce taxes. Consider the matter of automobile safety. The automobile industry has been faced with regulations making safety features mandatory. However, the driving public has indicated they are not willing to pay for or use all such safety features.

While there may be an emotional outcry for sprinkler systems today, I'm not so sure that the public will support this when the cost is made known. However, I do believe that the public will be willing to support the cost of a system based on an objective method of determining the need, such as FSES.

What Should We Do?

To summarize my presentation, I believe:

1. It is appropriate to raise questions regarding fire safety at this time. There is no ultimate solution to the problem, but we must search for and implement the best possible solution, within the limits of our knowledge, technology and resources.
2. Sprinkler systems are only one component of a total fire safety system. Their value and effectiveness must be objectively evaluated along with other components, in each facility. The FSES concept, included in the Life Safety Code, provides the means for objective evaluation.
3. Along with the immediate problem of fire safety, the economic and social impact of legislation must be considered. Otherwise, we could end up with the safest buildings in the state, but in which few people could afford to live. A blanket mandate for sprinkler systems in all facilities could prove to be a waste of limited financial resources.

I urge this body to give this matter careful and objective attention.

I ask you to weigh all possible consequences, both immediate and long-term.

The members of NJANPHA are committed to providing the best possible care to residents of their facilities. Accordingly, you can be assured of our support as you search for realistic solutions.

RHG:JLT:jce

January 20, 1981

10

STATEMENT BY
JAMES E. CUNNINGHAM, President
NEW JERSEY ASSOCIATION OF HEALTH CARE FACILITIES

TO
HEARING OF ASSEMBLY INSTITUTIONS, HEALTH & WELFARE COMMITTEE
CONCERNING
FIRE SAFETY IN LONG-TERM CARE FACILITIES
January 21, 1981

As the professional-trade association perhaps most concerned with the terrible fires that have devastated two residential facilities for older people in the last year, I want to commend this committee for your quick action in opening an official review that could bring changes that will avert such catastrophies in the future.

All of us are sobered by the tragic loss of life January 9 at Beachview Rest Home in Keansburg, a member of our association, and last summer at the Brinley Inn, Bradley Beach, an unlicensed boarding home and, thus, not a member.

The New Jersey Association of Health Care Facilities represents two types of care institutions: nursing homes, known under New Jersey law as skilled and intermediate care facilities, and licensed boarding homes for sheltered care, officially designated as residential health care facilities. All of our members are licensed and regulated by the State Department of Health. Our membership includes proprietary, nonprofit and governmental facilities.

Most residential facilities for the elderly consist of boarding houses, rest homes, residential hotels which, under new legislation, are inspected by the Department of Community Affairs but are not required to meet the more stringent service and physical requirements placed on our members. Public assistance for the residents or patients of our facilities--a majority are recipients of such aid--is greater than that provided for boarding house residents; at the same time, their

needs for care and service are substantially greater.

I am somewhat concerned by the title of this hearing as listed in your notice. "Long-term care facilities" under our law cover only skilled and intermediate care facilities; in other words, nursing homes. Your interest obviously focuses on residential care facilities and boarding houses.

Of course, we still await definitive findings in the Beachview matter and the results there could color the testimony you hear today. Nonetheless, the conflagrations at Bradley Beach and, at first glance, in Keansburg, indicate that sprinklers might have saved many lives.

Our association has a history of working with state government in effecting the installation of sprinklers. In the early 1970's, the Health Department imposed a requirement that all nursing homes install sprinklers unless they were constructed of fire resistive materials--all masonry and steel--or, were built of non-combustible materials and were no more than one-story in height. Both types of exempted structures were required to meet other requirements established by the National Fire Protection Association. Despite these exceptions, a strong majority of existing nursing homes was required to install sprinklers.

Since some two-thirds of nursing home patients in New Jersey are supported by the Medicaid program, the state was required to recognize in its reimbursement rate that the sprinklers must be paid for. At that time, the cost of new sprinklers in an existing facility averaged \$500 to \$600 per bed. The state financed this payment on the basis of an accelerated, ten-year depreciation (20 years is the norm). The debt service was considered a part of the facilities' fixed expenses and factored into the Medicaid rate. The cost also was reflected in the rates for private-pay patients.

With this experience, we are not adverse to a similar requirement for residential care facilities. But we reassert that the state must assume the same responsibility for reimbursement. And we note that sprinkler costs will be much higher today.

I do have several suggestions as to how the cost could be met. One, perhaps through bond issue funds, could involve the establishment of a revolving fund by the state from which lower interest loans could be made to facilities required to install sprinklers. Perhaps the fund could be used for other necessary improvements. Thus, the state would be able to take advantage of its lower cost borrowing power in the face of today's high interest rates. As the borrowed funds were repaid, they could be recycled for other essential improvements.

Even more than nursing homes, proprietary residential health care facilities--which constitute the bulk of our non-nursing home membership--are populated by government supported patients. The largest group is those receiving Supplemental Security Income benefits (SSI) administered through the Department of Human Services. The other group is veterans supported by the Veterans Administration. Since the VA negotiates rates with each home, the negotiations could comprehend the added costs of sprinklers. SSI costs are shared by the state and federal governments. For a number of years, the federal government annually has raised its portion of the benefits to keep pace with inflation; the state has not kept pace. I suggest that the cost of sprinklers could be picked up for many facilities by the state bringing its share into better balance with the federal contribution.

It is gratifying to know that New Jersey has come together to meet this problem without anyone--government officials, legislators, or the press seeking to sensationalize the tragedy by seizing on scapegoats. All of us would have been diminished by such an exercise.

We stand ready to work with you and with the administrative agencies to find the cause of these disasters and to do our utmost to insure that they won't happen again.

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