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PUBLIC HEARING

before

SENATE COMMITTEE ON AGING

on

"Issues and Concerns of Senior Citizens"

March 23, 1989
Council Chamber
Long Branch Municipal Building
Long Branch, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Thomas H. Paterniti, Chairman
Senator John D'Amico, Vice Chairman

ALSO PRESENT:

Anita M. Saynisch
Office of Legislative Services
Aide, Senate Committee on Aging

* * * * *

Hearing Recorded and Transcribed by
Office of Legislative Services
Public Information Office
Hearing Unit
State House Annex
CN 068
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THOMAS H. PATERNITI
CHAIRMAN

JOHN D'AMICO
VICE-CHAIRMAN

CHRISTOPHER J. JACKMAN
LEANNA BROWN
LEONARD T. CONNORS, JR.

**New Jersey State Legislature
SENATE COMMITTEE ON AGING**

STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625
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MARCH 9, 1989

NOTICE OF A PUBLIC HEARING

THE SENATE COMMITTEE ON AGING
ANNOUNCES A PUBLIC HEARING
ON ISSUES AND CONCERNS OF SENIOR CITIZENS

Thursday, March 23, 1989
Beginning at 2:00 P.M.
Council Chamber
Long Branch Municipal Building
3rd Floor, 344 Broadway
Long Branch, New Jersey

The Senate Committee on Aging will hold a public hearing on Thursday, March 23, 1989, beginning at 2:00 P.M. in the Council Chamber of the Long Branch Municipal Building in Long Branch, New Jersey. The purpose of the hearing is to provide senior citizens and other interested persons the opportunity to communicate their views on the issues affecting the senior citizen community.

Address any questions and requests to testify to Anita Saynisch (609) 292-1646, State House Annex, Trenton, New Jersey 08625. Persons wishing to testify are asked to submit nine copies of their testimony on the day of the hearing. The chairman may find it necessary to limit the number of witnesses or the time available for each witness.

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SENATOR THOMAS H. PATERNITI (Chairman): Good afternoon. May I have your attention, please? I'd like to welcome each and every one of you to our third public hearing for the Committee on Aging, which, this is the Senate end of both committees.

What we've done is -- we're trying to have public hearings throughout the State, so we can understand what your needs and your problems are. I think that we've had them in the past, over the years, and they've been very productive. We think this is going to be another added sphere to that productivity.

I'm in the southern part of New Jersey, and I thought it would be only fitting to turn this meeting over to our Vice Chairman, because he does hail from this area. He probably is more in touch with your needs. I thought that he would probably know most of you, and he would do a much better job, than I could, conducting this particular hearing.

So, at this time, I'd like to turn the meeting over to Senator John D'Amico.

SENATOR D'AMICO: Thank you very much. The Chairman, he's a very capable handler of meetings and issues. I very much appreciate your coming down to the 11th District to share your time with us, and to seek input.

Before we open up, I would like to just make one or two comments. First, I have received a letter from Ann Zahora, the Director of the Division on Aging, New Jersey Department of Community Affairs, announcing a new program, "Aware," through the county -- in this case, the Monmouth County Office on Aging. This is a new Senior Citizen Security Housing and Transportation Program.

Among the features of that Program are increased security, and safe, accessible transportation services for

senior citizens in private residential homes, multiple-family dwellings, and subsidized housing. Under this Program, financial help will be made available in installing security devices, such as door and window locks, peepholes, automatic timers for lights, improved lighting in entryways and parking areas, and security for mail boxes. Anyone who is 60 years of age or older can enroll by calling the Monmouth County Office on Aging at 201-431-7450. I will have this information and this number available for you after the hearing, should you have further interest.

I would like to also say, in terms of the format, that we do have a witness list, and also persons who have indicated a desire to testify have signed a white sheet to signify their intent. If any of you who have not signed this sheet would like to testify, or decide during the course of the meeting that you would like to provide input, I think they are on this table. You can just come up and sign your name, and we'll be happy to hear from you.

Before I go to the list that was printed, we do have with us this afternoon the Legislative Aide to my colleague, Assemblyman John Villapiano, with whom I share offices. Our offices are down the street, 540 Broadway, Long Branch, and we are across the hall from Senator Pallone.

Assemblyman Villapiano was unable to be at the hearing, but did send his Legislative Aide, and asked his aide, Barbara Prabhu, to make a statement. So, Barbara, we'll take you first.

B A R B A R A P R A B H U: Thank you very much, Senator D'Amico and the Committee, for listening to Assemblyman Villapiano's remarks.

First of all, Assemblyman Villapiano asked that I apologize for his not being here himself. He had fully intended to come and speak out on behalf of the senior citizen constituents here in the 11th District, but he's

tied up in Newark with Assemblyman Skip Cimino, Senator Zimmer, Assemblyman Mike Audubato, and Assemblyman Gerry Zecker. They are preparing for an upcoming Assembly Select Committee hearing on the Joint Underwriting Association, which, as you know-- Automobile insurance is another key issue in this State.

The Assemblyman regrets he cannot be here, but he is preparing for that upcoming hearing. He asked that I mention two key priorities of his, the basic one being that only senior-related programs, only those programs beneficial to senior citizens, be taken from the Casino Revenue Fund; that any programs, proposals, that are presently in, being drawn from the Casino Revenue Fund, be removed; and that the Legislature monitor very carefully any additional programs that are proposed to draw funds away from the Casino Revenue Fund.

And, in addition, he feels it's very important to remove, to get us out of, the deficit spending situation that the Casino Revenue Funds are now in. Seniors who own their own homes are equity rich and tax poor. The statewide reliance on property taxes to fund so many mandated State programs places an ever-increasing burden on senior citizens, and may ultimately place some of them in jeopardy of losing their homes because of the escalating property taxes.

While a reverse mortgage may, on the surface, seem to be attractive, seniors are very conscious about acquiring new debts at this stage in their lives.

Assemblyman Villapiano would like to investigate the possibility of a property tax rebate system to offset the costs of local property taxes for senior citizens, especially those on fixed income, and those who are living in their own homes and are experiencing this equity rich and tax poor situation.

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Assemblyman Villapiano said that he, as a legislator, has received the warning signal that the Casino Revenue Fund is now operating, or excuse me, is now incurring \$50 million in deficit annually because of benefits which are already mandated.

And in order to make up this deficit spending situation, the State has had to tap into the Casino Revenue Fund surplus, which I understand this year is \$185 million, in order to pay for services. When he said he would like this very much, he thinks it is of prime importance to get it out of the deficit spending situation. That's what he was referring to.

We understand that there are some optimists who believe that the Casino Revenue Fund's revenues will increase in coming years. There's been some-- There's been the expression that this optimism is based on the expectation that the second decade of casino gambling here in Atlantic City will bring rail and major airline service, in addition to expanded hotel and convention capacity. While it's very nice to have hope, and we all should have that, the Assemblyman voiced the opinion that we cannot rely on that, although it's something we can look forward to, if it actually occurs.

With regard to the pharmaceutical PAAD Program, Assemblyman Villapiano, looking at the optimistic viewpoint that the Casino Revenue Fund shall increase, feels that PAAD should be tied to the cost-of-living index, in order to make it so that seniors' pharmaceutical expenses keep up with inflation.

I thank you very much. That's the end of my presentation for the day. Thank you for listening to us. Again, I apologize for Assemblyman Villapiano not being here.

SENATOR D'AMICO: Thank you very much, Barbara.

The next witness will be David Keiserman of the New Jersey Council of Senior Citizens. Welcome, David.

D A V I D K E I S E R M A N: First, before I start my presentation, I've had the pleasure of working with both these gentlemen, especially with Tom.

Senator Paterniti, for close to eight years now, has been on the Assembly Committee on Aging, been the Chairman of it, moved over to the Senate, where he's now the Chairman. He's always been very cooperative. I think more bills have been introduced by Tom than anyone else in the history of the State of New Jersey. And, knowing John for all these years as a Freeholder, and now as a Senator, it's always a pleasure.

You may also add, by the way, Ann Zahora asked me to testify for her, the Commission on Aging, and the Division on Aging.

Honorable members of the Senate Committee on Aging: Thank you for giving me this opportunity to present the views of the Task Force on Legislative Concerns and the New Jersey Commission on Aging. My name is David Keiserman and I live in Manalapan.

The greatest worry of senior citizens is how they are to be cared for as they grow old and feeble. Even though they have good income and some savings, they know they can be wiped out financially if nursing home care is their only alternative. They will also become a burden upon the taxpayers, as Medicaid would have to support them. Their quality of life would be worse, living in a nursing home. We, therefore, urge the passage of S-91 and A-3777, a bipartisan, limited demonstration program that will provide assistance to seniors, so that they can remain in their homes and avoid institutionalization. The seniors would pay for the care on a sliding scale, based upon their ability to pay. Currently, there is no help for middle-income seniors whose income exceeds CCPED levels.

Our second priority is a rental assistance program for low-income seniors who pay more than 35% of their income for rent. With rents escalating, and the number of affordable units being reduced annually due to fire, abandonment, disrepair, and through condominium conversion, the plight of the renter has become acute.

Without some assistance, the number of homeless seniors will multiply, and the cost to the State will become enormous. We urge your support for S-544 and S-1973, bipartisan bills that will help low-income tenants to maintain themselves in their own apartments.

We also vigorously support the creation of a permanent Casino Revenue Fund Advisory Commission that can ascertain that casino funds are used to the best advantage, and that the Fund retain its integrity. For this program, we support bipartisan bills A-2749 and S-315. However, S-315 must be amended to comply with A-2749, which has been corrected to address the conditional veto objections by the Governor.

I have been asked by Ann Zahora, Director of the Division on Aging, to urge your support for the following bills:

S-342, which establishes a demonstration program to reduce illiteracy amongst adults. This is a far-reaching problem in New Jersey that must be addressed as quickly as possible. A-1046, which establishes a scholarship program for students volunteering to serve senior citizens. With the dire shortages of workers in the health care fields, every avenue of encouragement to young people to enter this field must be utilized.

A-2960 establishes the expansion of the Senior Health Insurance Program, known as the SHIP Program. This is a one-on-one Program where trained volunteers review the insurance policies of seniors to help them avoid duplication and excessive useless insurance. It has been

very successful as a pilot Program, and this bill will expand the Program statewide.

Although the Task Force and the Commission on Aging have not taken positions on the bills being presented by Mrs. Zahora, to the best of my knowledge, I have conferred with the Executive Board of the 250,000 member New Jersey Council of Senior Citizens -- that's the organization I represent -- and they unanimously urge the passage of all three bills.

Thank you for permitting me to make this presentation, and for the courtesies that you have extended to me.

SENATOR D'AMICO: Do you have any questions, Senator?

SENATOR PATERNITI: I've listened to David's presentations in the past. I've never seen anyone who's been more in tune. I think we're very lucky to have someone of David's caliber.

SENATOR D'AMICO: Thanks for taking your time.

The next witness is David Repert, Director of Protective Services for Elderly and Disabled of Monmouth County. Is David here? (no response). Jonathan Eigen, Gerontological Society of New Jersey, Monmouth Convalescent Center.

J O N A T H A N E I G E N: Good afternoon. Thank you for having me. I'm a member of the Gerontological Society of New Jersey, which is a nonprofit organization and does have three members from the State Department of Health on our board as well.

I'm here to speak on four major issues, as well as to support the bills that were just previously mentioned. The Gerontological Society is in support of these bills. One of the most important things, from my point of view, related to myself-- I am a nursing home administrator. An increase in nursing salaries or funds

to increase nursing salaries is very important to the nursing home industry. It has been through the committees, and I think it is presently in the Appropriations Committee, trying to work out a formulation. It has been watered down from \$5 a day to a three-tier system which, from my point of view, is not adequate to offset the increases that have been given to local hospitals, and is now creating a situation where nursing homes are not able to compete with hospitals for the same scarce resource.

The hospitals have a larger base to draw funds from. That specifically is the different services that are profit-making in a hospital, that nursing homes do not have, and they also have been given a good-sized increase due to tremendous lobbying efforts and political power related to that.

Hospitals presently, in our local area, are offering weekends in general, \$27.50 an hour for an R.N. Or they are offering a 40-hour pay for 24 hours' work, two 12-hour shifts, Saturday and Sunday.

Nursing homes cannot compete for these nurses. We are mandated by the State to provide the staffing, but are not given the funds to do such. This is especially apparent for the facilities that have accepted the responsibility of taking a good-sized number of Medicaid patients and are reliant on the State for their dollars, and are hereby reduced funds to provide the supportive services and increase the atmosphere in the building, just renovations, in general, that are obviously needed in all the homes. That's one bill.

Second is in relation to the new Medicaid screening program. That is, they are screening psychiatric patients prior to Medicaid patients being admitted to nursing homes. The problem related to this program is a lack of in-services that have been given to hospitals and nursing homes.

Generally, the population of the State, the programs enacted-- First, it has caused delays of discharging patients, which increases the cost on the taxpayers. It increases the cost on private insurers who are forced to bear the burden of unrecoupable dollars that are lost when patients stay more days. Granted, they do have good intentions and will in the future do well for the seniors in the facilities, but the method in which it was introduced, from my point of view, was not what it should have been. And it's costing us money and time.

Next is in relation to the demonstration programs, specifically programs like the CCPED, the waiver programs. We all read about the waiver program on medical insurance last year that spent the major portion of its money on administrative costs, rather than providing that money to the patients and families.

One, these programs are sexually biased against women. What I mean by that, in the previous patterns of work for the elderly population, most women stayed home in previous generations. Most men worked. If, God forbid, their husbands get sick and they are now forced to take care of them, they have to live on their reduced income, which is generally two or three times less than the husbands', and survive on that. They have to support the household -- their rent, food, everything else -- because the money that the husband makes, pension, Social Security, now has to go towards their care at home, before the programs take effect.

So, very much this is a sexually biased program against the women of the State to the elderly senior citizens. Very tough. You have many women barely thriving out there on \$300 to \$400 a month, because their husbands' incomes have to go towards the husbands' care, before the State kicks in any help. There are a lot of people who are living at below-poverty guidelines. That's a program that

seriously needs to be looked at before new demonstration programs are put into effect.

If you provide higher screening guidelines, higher allowances, more people will get help. You'll spend less money on administrative start-up costs, and more money on the people who need it, the seniors in the State.

Another issue for the nursing home industry has been widely publicized. It's the Ombudsman's new program. I would like to recommend that a task force similar to the Bioethics Commission, appointed by the State, which has the power to oversee the actions of the Ombudsman's Office, and interpretations of the Supreme Court guidelines be put into effect, specifically someone who will interpret the guidelines for the Ombudsman's Office, who has the authority of the Governor.

Right now, you have Hector Rodriguez interpreting a Supreme Court decision, and he may not be necessarily in agreement with other health care members and other attorneys in the State.

As we all know, decisions can be interpreted many ways. And his may not be the best interpretation from a health care point of view. It, at times, can prolong a patient's suffering, an illness. It takes weeks, if not months, to get decisions through the courts. Who's suffering? The elderly patients. They are the ones sitting there possibly dying, all right, from cancer or whatever, and forced to prolong life-sustaining treatment. That can take many courses.

I'm not saying that someone who says they want to die of starvation should have a feeding tube removed. The types of treatment can range from being forced to take treatments that may prolong their life and suffering. And in whose interest is this? If the patient and family are

in agreement, and the doctors are in agreement, why do we need a third party to now get involved?

Most health care facilities have had their own ethics committees, and I wholeheartedly support that; that the onus be placed back with the family, with the physicians who care for them. And, as Molly Coye has recommended, to have an ethics committee made up of a doctor, a social worker, a priest, or someone from the religious community, who can sit and look at what's honestly better, rather than the Ombudsman's Office.

Obviously, there are times when it's needed, but there are many times when it's not. Granted, with regard to the legislation, the Ombudsman's Office has backed off somewhat in the last four months, but not necessarily enough. We do need the living wills that Molly Coye has recommended, not necessarily in that specific context, but, yes, that should be something that is recognized; someone's rights and wishes. Okay, to limit it to something that has to be done at that instant when they know they have a terminal illness, is not necessarily fair. These are things we can look at and develop specific guidelines on, so the health care providers have something to go by. That is really the major thrust of what we have to say.

I have mentioned that those guidelines for health care providers are of essence. We are the ones who are forced to take on the new regulations without specific guidelines. I know the Fed has passed a lot onto the states. We need to know which way to go.

Thank you very much.

SENATOR D'AMICO: Just before you leave, when you were talking about the demonstration programs, you were making a point about screening and delays in the-- Would you spell that out? I don't think I quite follow.

MR. EIGEN: This is in relation to the CCPED programs or--

SENATOR D'AMICO: Prior to that.

MR. EIGEN: --the Medicaid screening program? The Medicaid screening program took effect January 1. That requires the Department of Human Services, Medicaid, to screen all residents before they are placed in a nursing home.

Take as an example, you have someone-- They have to have a psychiatric diagnosis. Someone in a hospital has a psychiatric diagnosis and five other medical diagnoses. The hospital cannot place that individual in a nursing home before a doctor sees the individual in the hospital and determines that nursing home placement is appropriate, all right?

One, we're paying doctors a good amount for this, okay? I think it's roughly \$100 an hour.

Two, there is a delay of at least several days, if not weeks, depending upon the present caseload for the doctor to get to the hospital. The hospitals are forced, because of DRG that are cut from reimbursement, to have these patients in the hospitals at no payment until they are screened and approved for placement. It is delaying these patients being placed.

Now, there are times -- and one example was given to me by another health professional who I will not name -- patients are in the psychiatric hospital, and the person felt that it was beneficial, because they can screen out inappropriate patients who are placed in nursing homes.

But there are many other patients who may have a psychiatric diagnosis of depression, who have to be seen and screened. This is going to cost us all more money through our private insurance, which we all pay for.

As a nursing home administrator, and as business owners, we all have health care costs for insurance. It's going to go up because of the patients staying there unreimbursed.

SENATOR D'AMICO: What reform or change would you make in that system?

MR. EIGEN: What I would like to make in that is a more careful selection of the patients that are screened, to limit the diagnoses to psychotic illnesses, to illnesses that would prevent them from being adequately cared for in a nursing home, rather than any psychiatric diagnosis.

And we all know, you can be neurotic. It has been said many times that we're all neurotic in one sense or another. It's important to look at.

Now the patient has to be forced to sit down, to sit with a psychiatrist, whenever they have the time to see the patient.

SENATOR PATERNITI: One question which had to do with nursing personnel: The Department of Health implementation-- Does that ease the financial situation for the nursing home facilities? You know, we have to comply with Federal regulations, and I think the Department of Health was to permit this in July, am I correct? Would that help you folks out?

MR. EIGEN: The funds coming through? Yes.

SENATOR PATERNITI: If the Governor puts the money through.

MR. EIGEN: If he approves it, and it's not watered down. We're now in a three-tiered system, but depending upon the Medicaid occupancy rate, the actual Medicaid days that you have in the facility, yes, it's going to save the State money in the short run. But at whose expense? The elderly's, the nursing home's. We have to wait for an expose of poor conditions in a nursing home because of lack of nursing care.

To finally increase this, the hospitals have been given an increase. They have great lobbying groups. Nursing homes don't have the funds to do that. We, if

anything, need these funds more than the hospitals did. I can't compete with \$27.50 an hour. There's no way I'm going to do that. I can't pay someone for 40 hours for working for 24. The reimbursement rate is not enough for me to do something like that. Where are we going to get the R.N.s? We have to take them from agencies. Now, it's costing us \$30 an hour. Who's paying for this?

SENATOR PATERNITI: You're talking about the living will. The Department of Health had developed guidelines as an extra measure that would allow seniors to have a living will.

Also, with the Bioethics Commission, you're talking about legislation. Senator Ambrosio has introduced a bill for a more informed choice. This would be a permanent solution.

MR. EIGEN: Very much we're supportive of informed decision-making by the patient, by the family. What we're looking for is to take some of the burden away from the Ombudsman's Office of making these decisions for the patients and their families. It's been a very interesting six months since the original letter came out in August. There has been some softening.

Basically, if you look at the Bioethics Commission reports, many of the members are in disagreement with the Ombudsman's interpretation of the Supreme Court decisions, and what he would like to see. Are we now taking the decision of one person over others in the State? Is that what's best for the patients? We're looking at people who may be dying, all right? That could be ourselves one day. We would hope that we would make that decision, and the person closest to us, a close family member, informed by the doctor of what the consequences are, would be able to help make that decision for us.

The biggest negative to the living wills is that, many times, by the time they get to the point where they can have a living will, they are confused or unable to make that informed decision. Then you have the State making that choice for you. That's going to cost you dollars and cents in doctors' fees, in legal time. Our courts are already tied up. To tie them up even further with these types of decisions-- They make great press, okay, but is that what's best?

You're talking six, eight weeks, three months before the decision is made. Who suffers? The person in the bed -- the person who's dying.

Again, I do not mean starving people to death, removing feeding tubes, things of that nature. Those are things that we must have decisions on. That's not something to take lightly. But, it can affect other issues as well.

SENATOR D'AMICO: Thank you very much. I'll just note, for the record, I haven't been on the job long enough to become neurotic, but the job has significant potential. (laughter) Next, Doris Perkins from Matawan.

D O R I S P E R K I N S: Good afternoon. I'm Doris Perkins, President of Monmouth County Senior Citizens Council. I have been receiving a teacher's pension for almost 10 years. I retired at the end of 1979, and have been in the New Jersey State Health Benefits Program also.

I don't know if the general public knows it, but teachers get only 60% of the cost-of-living after the first two years' of retirement. You don't get anything for the first two years, and then it is 60% of the cost-of-living.

My question to you is: Would you be in support of a gradual increase over, say, four or five years, from 60% to 100% of the cost-of-living for the retired teachers?

I'm also interested, of course, in the medical care catastrophic program, because the State Health

Benefits Program has many of the features that I have to pay for in the catastrophic program as well, most notably prescriptions. And I would like to see and find out if this medical care catastrophic money is going to help at all with reducing costs for State taxes? That's about it. Do you have any questions?

SENATOR PATERNITI: You're talking about the new Federal regulations, where a person after \$600 would actually have the prescriptions picked up by the Federal government?

MS. PERKINS: The New Jersey State Health Benefits Program, which is connected with the Blue Cross, Blue Shield, Major Medical, has a provision where prescriptions can be-- You can submit them to the New Jersey State Health Benefits Plan, which is administered by the Prudential Insurance Company, and they will pay 80% of those prescriptions.

Now, the Federal program, of course, is going to have a \$600 cap -- shall we say -- or whatever you want to call it, before that will kick in. But it feels as though I'm paying for two things, because I already have this, and I think many seniors are going to be in this boat, where they have double protection, and they don't want to pay for both.

MR. KEISERMAN: I can answer that, Doris. Part of the catastrophic bill-- I came from a seven-hour session with the Department on Human Services on this. If you're in a program that will save money because of the new catastrophic bills, just as you described, that program must reimburse you for whatever the savings are. So, that is in the law.

MS. PERKINS: That's good to know, because the New Jersey State Health Benefits Program, while I'm on that-- When I first retired 10 years ago, it was \$29 a month taken out of my pension check. It then went to \$55. Last May, it went to \$71, and I got a notice the other day

that it's going to be \$79 a month for me for my State Health Benefits Program. So, it's more than tripled in less than 10 years.

SENATOR D'AMICO: Thank you very much.

G E O R G E G R A V I N O: (speaking from audience) She did say she's on the State Health Benefits Program, but she has to pay this herself, because she doesn't have the 25 years of service in the teachers' pension.

MS. PERKINS: I only have 22-1/2.

MR. GRAVINO: We're trying to work on legislation.

SENATOR PATERNITI: I received a letter from someone. I've been trying to call them back for two days. They've taught in the school system for over 25 years, but they haven't paid into the pension system for 25 years. They can't understand why they are not eligible. They had gotten a letter from the State explaining that to them. I was trying to get them for the last two days. It wasn't your letter, was it? I've been trying to get ahold of these people for the last three days. They are never home.

MS. PERKINS: I told Leonard Corb the day it was passed, it discriminates against women, because I stayed home for 10 years before I went into teaching. I could have had 32 years, if I had been a man.

So, you know, this is a feeling that I had that some provision should be made, perhaps on a prorated basis. I have 22-1/2 years, but I have to pay the full price of the State Health Benefit.

SENATOR D'AMICO: If you have some time afterwards, Sonja (referring to Ms. Delgado) may have some information for you, for your particular case. But your input generally raises an important issue, and that is how do retirees keep up with the increased cost-of-living on fixed pension? And that's an extremely important issue.

The only part of your testimony that I found not particularly credible was that you've been retired as long as 10 years. (laughter)

MS. PERKINS: Thank you.

SENATOR D'AMICO: At this point, I would like to recognize the Mayor of Oceanport, Mayor Tom Cavanagh, who stopped by to give us some input.

M A Y O R T H O M A S W. C A V A N A G H, J R.:
Mr. Chairman, I would like to recognize the Vice Chairman, and welcome him back to Monmouth County in his travels. We served on the Council together in Oceanport, and we walked campaigning together several times. It's good to see him again.

I'm here on behalf of the segment of my community -- the senior citizens segment -- of the Borough of Oceanport to raise two particular issues, if I might. Initially, they have expressed concern to me about the potential problem, resulting from what all problems seem to result from; that is, inadequate funding and the effect it may have on bus and rail lines through New Jersey Transit.

Senator D'Amico and I have talked about that very often. I would like to underscore to you, whenever there is a reduction in bus line transportation, it is severely felt by senior citizens. To a large degree, they depend upon that mode of transportation. So, I would hope, as you are down in Trenton, you will somehow keep in mind the rather complex effect that it has when that situation develops.

The other area involves a more specific problem to Oceanport, and, that is, while I know that Senator D'Amico is familiar with the situation, the residents of the senior citizens' complex in Oceanport, 374 East Main Street, were notified within the last 30 days, as a result of a contractual situation in their senior citizen housing, that the privately owned building was being-- The owner was sending out notification to the residents that as

one of the options they would have in their 50 year deal, that was entered into in the late '70s-- They were announcing the potential option of being able to dissociate themselves from HUD through the subsidized segment, and considering going into the private sector.

I tend to believe that problem will not manifest itself ultimately. And I have been in contact with Congressman Pallone's office, where the jurisdiction does lie, to work out a problem with HUD, and Federal funding.

However, I did wish to come over today for two reasons: One, to bring to the State's attention the fact that there may be some thought to overlapping concerns and perhaps overlapping jurisdiction. The Legislature has given us very, very constrictive rules on when private owners may convert to condominiums, and the rights of senior citizens.

However, in this type of situation, if the Federal people are unable to ultimately continue the relationship as it exists, it may be an area that perhaps the State would give thought to as a collateral type of consideration, to protect residents in this situation.

The other reason that I'm here, is that I told the residents, when we met about two weeks ago, that I would do everything within my power to bring the situation to the attention of all concerned legislative bodies, be they Federal or State, for the simple reason, I don't want to leave any stone unturned, to make sure that I have advocated their position as strongly as possible, and to keep them from being threatened from the potential loss of their ability to that arrangement. I recognize, jurisdictionally, obviously, the Federal government would come before you. By placing it on the record, and by speaking about it publicly, I reinforce the commitment that Council made to them. We will do everything that's

necessary to ensure that they will have the protection of standardized housing.

I thank the Committee for enabling me to have a convenient place to make that part of the record, since we are the contiguous community. Once again, I'm glad to see Senator D'Amico back in Monmouth County, and I appreciate the opportunity to speak.

SENATOR D'AMICO: Thank you, Mr. Mayor. We do need to be vigilant on this, notwithstanding the fact that there are some protections and Federal procedures that would apply to that situation. We do, and I pledge to you that we should, keep a wary eye on this from a State perspective, to see if there is any corrective legislation that might be suggested later on.

Right now, the situation, as I understand it, seems to be under somewhat better control and there's no immediate danger.

MAYOR CAVANAGH: There's no imminent problem. I feel, though, as a public representative-- In order to allay their fears, I told them, whatever is necessary I intended to do. I want them to understand that encompasses whatever is necessary.

Today was a convenient and desirable opportunity to add my voice in this area, and I thank you for the opportunity to do that.

SENATOR D'AMICO: Let me just comment: The Mayor raised another very important point, and that is the problem of New Jersey Transit cutbacks, particularly as they relate to bus service in Monmouth County. I'm extremely concerned that the cuts, which would eliminate virtually half of the subsidized bus service provided by Monmouth bus lines in Monmouth County, will have a devastating impact, particularly on our senior citizen population, in terms of access to employment, if they are

working, or to medical care, or shopping, or even recreation.

And I think what the New Jersey Transit is missing, and also the State of New Jersey, is the fact that public transportation is not just a convenience or a discretionary or optional program. It's an absolute necessity. We cannot sustain the gutting of public bus transportation in Monmouth County. Therefore, Senator Paterniti will be joining with me in the fight in the Senate.

I know that our colleagues in the Assembly are also extremely concerned to try and find additional sources of funding to New Jersey Transit, including making the New Yorkers who work in New Jersey pay higher taxes, like they are making our workers in New York pay.

So, I appreciate your raising that point. I think that's a very significant one that we, as legislators, and all of us as citizens, should speak out on and advocate; that is, affordable, efficient mass transit for the public generally, and senior citizens.

MAYOR CAVANAGH: I think that's a point, because many people think of it as a luxury. Many people in Oceanport take the bus to the hospital and to get medical help. This gives us the opportunity to be able to directly communicate with you again, and to say that we see it perhaps even more, a little more closely, because we're in the towns. We recognize how difficult the issue is, and I also recognize it's a tough problem. I don't mean to under-emphasize the fact that it's going to take some doing.

I'm glad that you are on top of the situation. Once again, I appreciate the opportunity to speak on behalf of the senior citizens of Oceanport.

SENATOR D'AMICO: Thank you very much, Mayor Cavanagh. The next witness is an Ann Fijalkowski.

A N N F I J A L K O W S K I: One thing I would like to know is, when we had the evaluation of our property, now, it seems that when you go there-- Like, not only myself, but all our seniors cringe at the thought of getting an increase on their property taxes, and they can't afford to pay.

What I want to know is, say, for instance, all right, like, I was assessed-- I had to get an attorney to get it down to \$62,000 about three years ago, or four years ago. Now, it went up to \$162,000. And, therefore, my house is really 103 years old this year. So, they must think-- Because it's painted, it looks clean, you keep your grounds manicured, and what have you, they think that we can go ahead and pay.

What are we supposed to do, move out? Oh, like one of the men said to me, he says, "Well, why don't you go to Florida?" I said, "Don't tell me what I have to do. At my age, I know what to do." So, then, of course, when he said that, I really didn't like his attitude. I told that to my Mayor, and he knows about this. He didn't think it was right, either.

Then, of course, he came back, and he was there for two hours. He didn't go to the other people and stay there two hours. At my house, he would bang on the walls and the outside boards, and what have you. So, I don't know.

Now, here's another thing-- I'm prolonging this. What I want to know is, how will they rate the tax? Did you know anything about it at this present time? How would they prorate that?

SENATOR D'AMICO: What usually happens in a revaluation, the property valuations are higher. However, the tax rate is reduced. So, ideally, you're supposed to be in an equivalent situation.

What often happens, unfortunately, older homes such as yours tend to have fallen farther behind, and, therefore, the owners of those homes tend to get socked a little bit more than perhaps they would prefer, or that they feel is right.

But it's hard to know, without seeing the facts and figures on your house, exactly where you stack up in that equation.

MS. FIJALKOWSKI: Like myself, I know what it costs me. It wasn't that bad, because most of it was done by my husband and myself. We did a lot of work inside and outside.

SENATOR D'AMICO: One has to do with the mechanics of revaluation, and, of course, that's a horror that we all have to go through on a periodic basis. But the more fundamental question in the State of New Jersey, in my opinion, has to do with what I consider to be the overdependence or overreliance on the property tax as a method of funding State programs.

I'm new to this, so I'm not an expert. But there was a very extensive report that was issued on the whole issue of taxation in New Jersey, which found that New Jersey was one of the most dependent states; that is, that the property tax contributed one of the highest percentages of all State income or revenue of any State in the country. And, therefore, many of us, and I know Senator Paterniti shares these views, feel that isn't right, because of the significant impact that that has on senior citizens.

In other words, I guess what I'm saying is, revaluation should not be the horror that it is. And it is a horror, because the taxes that we're talking about are so high.

MS. FIJALKOWSKI: It is. It really is, right. And half of them-- Well, most of our seniors do get \$350

or \$400, and it's pretty hard. Some like to budget their money for food. They will take so much, and then the last week they probably haven't got enough to fill their stomachs with, too. That's another thing. So, I don't know how this is going to work out.

SENATOR D'AMICO: I appreciate your coming. You do raise an extremely critical issue.

MS. FIJALKOWSKI: Another thing, see, I'm in the Wall Township area. Do you know that we have no buses, no bus transportation? We have the scout bus. That has nothing to do with that. That's only for two or three hours that they come around and take you grocery shopping. But, how about going to the doctor, or if they want to go shopping on the avenue, or something like that? If they have no car, it's-- You can't live without a car there.

SENATOR D'AMICO: You're right. We need more transportation, not less, in Monmouth County.

MS. FIJALKOWSKI: Okay, I hope you can get something for us.

SENATOR PATERNITI: I could have made a few comments. When you talk about taxes, if you had followed the newspapers, you would have seen that the Senate has at least tried to address this. We passed some tax measures several weeks ago, where we tried to implement legislation where we would take over the cost of the courts and the cost of welfare, because, right now, the Board of Freeholders -- they pay for the cost of welfare, the cost of implementing the courts.

And we were hoping that by getting these new revenues, the State would take over. We've dumped it into the Assembly. We're hoping that the Speaker of the Assembly will have them released from Committee and go up for a vote. If those bills go up for law, at least if the State takes over the cost of welfare, and the cost of the

courts, this, in turn, would help decrease the property taxes for every town in the State of New Jersey.

So, I know both Senator D'Amico and myself, we went on record to try-- We're working along with the rest of the Senate to have those bills passed, and now they are sitting in the Assembly.

MS. FIJALKOWSKI: What I'm going to do is, I'm going to appeal it and see how I make out with that appeal; see what they will tell me on that. But it still concerns the taxes.

SENATOR PATERNITI: You have to do it. In fact, the Board of Freeholders is mandated by the State to force the municipalities to do that. Many times, municipalities want to do it. That's because of the type of revaluation, people pay true value. No matter whether you're on fixed income or working, or not working, business and industry is taxed differently. They are taxed on productivity and profit margin. If you have a recession-- I remember about six or seven years ago, there was basically a slight recession, as far as business and industry was concerned. About 8% to 10% of the taxes were shifted to the homeowners, and it really became a real heavy burden on those particular people.

But, what we have to do is come up with legislation for tax reclassification. I put those bills in for at least three or four sessions. In fact, I have a copy of the bill sitting in my briefcase. I was thinking of reintroducing it. If you don't get any support for tax reclassification, there's nothing you can do. That would have to be put on the ballot.

Under my legislation, they would set up a standard where they would have a special way of ascertaining the taxes for the homeowner. Another way would be, they could ascertain what business and industry would pay, or even commercial. So, actually, the

municipality could set up where they want to put the greatest amount of burden, where they can probably take it off the local homeowner, and put it on business and industry.

I just can't get support for the bill. If that became law, I'm sure that would give you some tax relief.

SENATOR D'AMICO: I wish you the best of luck with your appeal.

MS. FIJALKOWSKI: Well, I'm going to fight it. That doesn't mean anything.

SENATOR D'AMICO: The next witness is Anthony Mari.

A N T H O N Y F. M A R I: I'm also a Wall Township resident. I'm also in Belmar. I'm over here-- I'd like to make a complaint, first, about the senior citizens. Despite the fact that I'm 73 years of age, I go to places to get help, and they just don't want to give it on the account of it involves a divorce. But, here's a home that Pallone and you gentlemen are fighting for us to keep, and somehow or other, legal help, I can't seem to get, and it's been going on for four years.

I've been living in this one house for four years. When we go to organizations, they refer me, but nobody wants to help, in spite of money, and in spite of the fact that the house is paid off. They even want to sell it on me. I live there very comfortably on a pension of \$425 a month.

Now, I finally found a friend, who used to eat in my restaurant up in Trenton. He helped me to file papers, and the judge accepted them the 28th of last month. But I can't get a lawyer on those papers. They say I've been goofing off the past four years, in spite of the fact that they took over \$50,000 away from me, and they won't tell me where it is. I can't find out how the bank took it.

I want to just live in the house. I don't want to change the name. But I can't get help. Now, all these

organizations, despite the fact that I even went to the complex, the only help I got out of there was writing out the papers. They helped me fill it out right, and I, here's me, but what I'm looking for is somebody-- She deserted me. I never done anything wrong. There was nothing-- Now, I'm down here to get help. I have to apply for heat stamps.

SENATOR D'AMICO: Have you contacted the Office of the Public Guardian?

MR. MARI: I have been to the Department on Aging, senior citizens up in Freehold, the one in Toms River, the legal department, but nobody wants to take it.

SENATOR D'AMICO: Why don't you, after the hearing-- Why don't you talk to Sonja Delgado. She might be able to give you some information about the Public Guardian's Office. There may be some assistance that can be provided.

MR. MARI: I like-- I raise my own lettuce and tomatoes. I live right near the beach. I'm like a king. I don't need no more money. But I can't even get an answer from the judge, what did you do with the money? They lost the papers.

SENATOR D'AMICO: You raise another point, and that is, the State of New Jersey does not even today have a requirement of accounting by guardians of the assets belonging to wards. That's not necessarily your situation, but it brings to the fore the problem that this State has in some areas of not really looking after people.

I have a bill that recently passed the Senate that will require an accounting every two years by all guardians of assets of wards, not only children, but disabled persons, and so on. I think after the hearing, if you would chat with Sonja, we might be able to provide some help to you.

MR. MARI: That's all. I'm living like a king on \$425. If you know how to cook, you can do it.

SENATOR D'AMICO: Thank you. Next we have Mr. Herbert Frankel, Red Bank Senior Center.

H E R B E R T C. F R A N K E L: Thank you, gentlemen. I also say ladies, acknowledging your aides. I'm a retired electronic engineer, just as a matter of background, and I'm representing the Red Bank Senior Center as research consultant -- a title I gave myself -- and also the Red Bank Area Chapter of the National Council of Senior Citizens, as Legislative Committee Chairman.

First, in general, as Legislative Committee Chairman, something I've spent a number of years ongoing, knowing that your Committee is being drowned in hundreds of appeals involving seniors-- I'd like to ask, first of all, can you do something about all of the so-called low priority bills that are filed session after session and apparently are barely or never reviewed by committees to which they are assigned? Isn't there some way that you can move these bills along if they have some kind of merit?

Just as a specific example, I'd like to mention S-389 -- there was also a related Assembly bill -- which involves senior citizen identification cards. I see this coming along session after session, and nothing seems to be done about it. Seniors are often asked for driver's licenses in stores, and so forth. But as I.D., many of us do not have licenses, because we don't drive. So, we've been forced to do things such as getting credit cards, for example.

I've got a Midlantic card which has a picture of an eagle. That doesn't resemble me at all. That's what they want for I.D., pictures.

Also, just as another example, I had trouble getting into the Hughes Justice Building a little while ago. I had trouble getting in there -- into the building

in Trenton, to a conference, as I say, about a year ago, because I had no driver's license, and I was stopped at the desk. I think what I managed to do to identify myself was, I had a half-fare card which happened to have -- which I think is a transportation card which is no longer issued--

SENATOR D'AMICO: Let me just interrupt for a moment. If there was a bill, that was released. We released it last session. Senator John Lynch said it would be issued by the municipal or county clerk. We released it from the Aging Committee, and now it's going up for a vote before the entire Senate.

MR. FRANKEL: If you can push that. My ace in the hole at the Justice Building, was to tell them to call Dan O'Hern, who happens to be our former Mayor. He would have identified me. But, I thought that was going a little too far. If you could do something with this particular bill, it would be helpful, and all these other low priority bills. We would appreciate it.

Now, in closing, I know we can count on you to give due deliberation to high priority issues, such as the bills involving health, like the 31 PAAD bills that are before you, or were before the Legislature, and also those--

There's so many high priority ones, such as those involving transportation, the cutbacks on the New Jersey bus routes. Again, I'd like to reiterate, public transportation is the real key to access to services and activities and medical visits, and shopping and jobs for many elderly, disabled, and other persons. So, please try to follow along on that one.

I thank you again very much for this opportunity.

SENATOR D'AMICO: Thank you very much, Herbert. We have one more witness on the list, and then we'll ask for anyone who hasn't signed up. My friend Mary from Oceanport.

M A R Y N. I A Z Z I: Mr. Cavanagh has already spoken, and that's what we wanted to talk about, the building. She

wants to put us out of the apartment, you know, and we don't know where we're going. That's why I came to you. I hope you help us out.

SENATOR D'AMICO: Okay, we'll certainly try.

M I C H A E L I R E N E: I am Mr. Michael Irene from the Monmouth County Office of Aging in Freehold. With regard to Mr. Frankel's question on identification cards, Sheriff Lanzaro, Monmouth County Sheriff's Office has a program now which should be put into effect in a couple weeks where identification cards will be issued to senior citizens, and they will all have the senior citizens photograph on them.

SENATOR D'AMICO: Thank you very much. Next is George Gravino.

MR. GRAVINO: I represent 14 hats, but I'll just speak on some of the problems or issues on aging.

First of all, I would like to comment on Doris' views concerning the COLA. You people know that there is a bill in the Legislature, sponsored by Senator Russo on the COLA, from 60% of the Consumer Price Index, and escalating by 2% each year until it reaches 100%. Well, they expect us to be on our way to the pearly gates before it gets to 100%.

But, even that, 2% a year, isn't too bad. At least it's not too bad, because it stays at 60% right now. Assemblyman Doyle has a similar bill in the Assembly which increases it from 60% to 62.5%. That was enforced a couple years back, as some of you may know. I'm sure Tom knows that that was enforced, and it was only for the one year. After that, it was brought back to 60%.

I wanted to comment on Doris' proposal that we go from 60% to 100% all at one time. It is just impossible. There are bills to escalate that amount of money.

I would like to discuss with you people your position, in your case, on S-1956, which is to establish a

Pension and State Health Plan Review Commission. Now, I know that I have talked to quite a number of legislators at various fund raisers, and I only find one person who's opposed to it, and that's Bob Franks. And this, we feel, is just another bureaucracy. Our rationale -- that's the NJEA, whom I represent -- feels that we elect legislators to the Legislature. We feel that they should be knowledgeable about something about every bill, because you have the Legislative Index, and that has the summary of the bills. This only adds another bureaucracy, another additional cost of \$90,000 to set up the Commission.

At the same time, we expect the legislators to be aware that bills should go through the proper committees of both houses of the Legislature. They should not go into the hands of four or five people appointed to say this bill can be put on the floor or cannot be put on the floor, because that's exactly what it is, a bureaucracy.

We've had enough commissions established with the idea that we're passing the buck to someone else. You see, it is very easy to go to the legislators and say, "Well, the commission hasn't approved of this or hasn't recommended this," when the responsibility should be to the elected legislators, rather than to an appointed group.

So, we oppose that bill. I don't know how you two stand on that?

SENATOR D'AMICO: We agree with you.

MR. GRAVINO: We ask you to vote, "No," when it comes up. I thought it was going to be brought up two weeks ago. Somehow or another, because of the large number that were lobbying, they could see the handwriting on the wall.

I would like to just briefly state that I have had a lot of people come to me and protest against the elimination of the Ford bill. This Ford bill provides for

\$3250 deductible, or \$65, and dollars and cents is the bottom line for homeowners, and \$35 for renters. This is in the making with a couple of other projects to provide what they call property tax relief, as you well know. Is it going to relieve taxes? I doubt it.

But, I would want to say that a great many of the people I've spoken to, and I have been doing volunteer income tax work with senior citizens, and with the poor, with the low income-- This seems to be one of the things that every one of them has mentioned to me. They don't want to see the elimination of the programs for the poor.

SENATOR D'AMICO: You're preaching to the choir. Tom and I both voted against the repeal of the Ford bill. It's a poor substitute for a meaningful look at property tax reform.

MR. GRAVINO: It isn't really a good bill to relieve property taxes. That's my feeling. And I just want to speak for those people who speak to me.

Also, as far as education is concerned, I would like you, if you would, to look at the abolishment of physical education in high school, which the Governor has proposed. I know that there is a group, a big group. Already, 200,000 signatures have been put on petitions to oppose this.

And, before the end of the month, there will be one million signatures opposing that. I know that John Villapiano will be.

SENATOR D'AMICO: We are all again on board on that one. Even though I could never do a back flip in tumbling in high school, it didn't prevent me from getting into a good college, and getting a good education. I think it's ridiculous. Frankly, I think with the show of opposition in the petitions, that it's probably dead at this point.

MR. GRAVINO: I doubt whether it will go very far.

SENATOR D'AMICO: Right.

MR. GRAVINO: There have been several people, and I know that leaders in Ocean County have been making a move, to free school taxes at the retirement level of senior citizens. There is a bill in the Legislature right now. I don't know how popular it's going to be, but if you free school taxes from the retirement level, somebody has to pay the difference.

The bill, I believe, provides that it could come from the State, probably from the general budget. But this, I think, is something that is beginning to gain some ground. And I would want you, gentlemen, to know that it is in the coming.

Also, the other educational bill that I'd like to talk about, is full funding for the T&E. I think you're all aware of it. This is way below the level that it should be. It's a mandated program -- a State-mandated program. And it has only been funded fully twice since 1975 when it was first established. And it makes it hard, if you force schools to do what they have to do, and then not fund it. It makes it difficult for the educational establishment to follow through.

So, I just wanted to bring that up. And, of course, the one thing I think has not been mentioned, is the medical care assignment bill that is on the books in New Jersey; that doctors accept assignment very similar to what's in Massachusetts. Whether it's working or not, we will hear one of these days. But the medical assignment bill is Karcher's bill.

SENATOR PATERNITI: In the Assembly; Carmen's -- Senator Orechio's -- in the Senate. I'm a co-sponsor of that bill.

MR. GRAVINO: I think it has been one of the long-standing bills, 2309 or something like that, 2305. Thanks very much.

SENATOR D'AMICO: Thank you very much, George. It's always good to see you. Is there anyone else in the audience who would like to speak or address the Committee? (no response) Well, seeing none, I would like to thank all of you for coming by. It's been a very productive meeting. I know that we've learned a great deal.

We are, as Senator Paterniti mentioned, holding a series of hearings throughout the State, and there are certain themes that seem to be emerging in general; a picture that, although this State has done relatively little economically, there remains much to do, especially for our senior citizen population. It's a group of people that gave their lives to make this place a better place for younger persons.

And it is, in turn, our reciprocal obligation to pay due respect to that effort, and to that lifetime of work and love, and to return something to the senior population in the way of fairness; not a free handout, but just a fair recognition for all they've done, for their help in moving that process along, and, with the help of God, maybe we'll get it done one of these days.

Thank you very much. Thank you, Mr. Chairman, Senator Paterniti, a leading figure in the State on aging matters, for coming down to Long Branch today.

SENATOR PATERNITI: John, my pleasure.
(applause)

(HEARING CONCLUDED)