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PUBLIC HEARING

before

CASINO REVENUE FUND STUDY COMMISSION

on

Use of Casino Revenue Funds

Held:
March 18, 1985
Burlington Township
Municipal Building
Burlington, New Jersey

MEMBERS OF COMMISSION PRESENT:

Senator Catherine A. Costa, Chairwoman
Assemblyman Edward Kline
Assemblyman Thomas H. Paterniti
George Chenoweth
Raymond Fried
Thomas Giordano
Melvin Haas
Michael Reilley

New Jersey State Library

ALSO PRESENT:

Eleanor Seel
Office of Legislative Services
Aide, Casino Revenue Fund Study Commission

TABLE OF CONTENTS

	<u>Page</u>
Kevin J. McLernon Township Administrator Burlington, New Jersey	1
Thomas P. Foy Assemblyman, 7th District New Jersey State Assembly	1
David Keiserman Representing Monmouth County Senior Citizens Council	4
Ellen Warner Director Moorestown Visiting Nurses Association	16
Linda Coffey Director Burlington County Office on Aging	23
Dr. George L. Brown Legislative Cochairman Burlington County Association of Retired Persons	25
Stephen Kovocs John A. Roebling Senior Citizens Society	31
Frank Scelso Batsto, New Jersey	32
Peter Lulis Bloomfield, New Jersey	38
Helen Szathmary President John A. Roebling Senior Citizens Society	41
Joseph Yeager Legislative Chairman Florence Township Senior Citizen Society	41

TABLE OF CONTENTS (continued)

	<u>Page</u>
Margaret Policare Second Vice President American Association of Retired Persons Bordentown, New Jersey	43
James Gibbons Willingboro, New Jersey	44

APPENDIX

Letter from Cecelia Vetra Cancocas Woods, New Jersey	1x
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SENATOR CATHERINE A. COSTA (Chairwoman): Good morning everyone. I want to thank you for your patience.

First of all, I would like to introduce Mr. Ken McLernon, the Township Administrator. He would like to say a few words for the mayor.

KEVIN J. McLERNON: Good morning. Welcome to Burlington Township. On behalf of Mayor Foy, it is great to have you here. I hope you will have — in fact, I know you will have — a fruitful session since it is being chaired by Senator Costa.

Welcome. Please use our facilities as you would use our own. If you need any assistance, please see me or my secretary. We would be more than glad to help you. (applause)

SENATOR COSTA: Thank you. I would now like to introduce Assemblyman Foy. This is Assemblyman Foy's Township. He is a solicitor here, and he was born and raised here. Assemblyman Foy.

ASSEMBLYMAN THOMAS P. FOY: Senator Costa, Assemblyman Kline, Commissioners, and ladies and gentlemen: I want to welcome you to Burlington Township today, and invite you to take a few moments, after the hearing, to wander around our building and take a look at it. We are very proud of it. This building was built with a \$3.8 million Federal grant, back in 1976-1977. It was opened in 1978. It is planned to meet the needs of this community up to the year 2,010.

We work very diligently. We try to keep the taxes low here in Burlington Township. Knock on wood, we have been fortunate and we are pleased to be able to provide the kinds of services this building offers. We are particularly happy to tell you that this represents the maximum use of your tax dollars: You get the biggest bang for the buck. We hold a number of State hearings, such as this. We offer to the State of New Jersey the use of this room and any of our other facilities.

In addition, the Burlington County Workers' Compensation Court is located in our Municipal Courtroom. That room is normally vacant during the day, and we put it to good use, both for the county, by allowing our injured workers to have their cases tried there, and for Burlington Township because of a lease with the Department of Labor.

So, we are proud of our building. We are pleased that you are here today. I wish you and the Committee well with this hearing. Give them some good ideas as to what to do with your money. Thank you and good luck today.

SENATOR COSTA: Thank you very much, Assemblyman Foy, for taking time out to come here and welcome us. We appreciate it.

I would like to introduce the members of the Commission who are here. Some of the members on this Commission live quite a distance from Burlington County. That is why some of them are not here yet. Oh, one member is coming in right now. I guess you will be seeing a few more coming in during the day.

This is Assemblyman Paterniti. Assemblyman Paterniti chairs the Assembly Committee on Aging; he also serves on this Commission.

All the way to my right, on the end, is Mr. Reilley, who is a member of the Commission. Mr. Reilley represents the disabled on this Commission.

Next to him is Mr. Fried; next to him is Assemblyman Kline; and, all the way to my left is Mr. Haas and Mr. Chenoweth.

I would like to welcome you to this public hearing of the Casino Revenue Fund Commission. The Commission was formed this past January, and it consists of four members of the Senate, four members of the General Assembly, and eight citizen members.

I am the Chairman of the Commission, and Assemblywoman Marlene Ford is the Vice Chairman. I don't think Marlene Ford will be here today. She chairs the Commission on Missing Children and she is going to be in this area -- the Camden area -- Wednesday night, holding a meeting for the Commission on Missing Children.

Our Commission's purpose is to undertake a thorough and careful review of, one, anticipated revenues from casino gambling; two, the present use of the State's casino gambling revenues; and, three, the range of programs that would address various needs of the State's disabled and senior citizens, and how casino funds can best be used to meet these needs.

It is for this third purpose that the Commission is holding public hearings throughout the State. We are here to learn from you,

the State's senior citizens and disabled persons, regarding what types of programs are most needed, and how State revenues from casino gambling should be used.

After our series of public hearings, the Commission will evaluate your comments and suggestions to develop recommendations for the Legislature.

At our first public hearing in Trenton, we heard several very worthy suggestions for programs that are needed by both senior citizens and disabled persons. I am sure we will hear more today.

The Commission members will be faced with the decision regarding which of these worthwhile and needed programs should be financed from casino revenues. This year, it is estimated that the Casino Revenue Fund will receive \$172 million from the 8% tax on casino revenues. While this seems like an incredibly large sum of money, I should tell you that this year the State has already committed more than that amount from the Casino Revenue Fund to programs for senior citizens and disabled persons. Presently funded programs used all of this year's anticipated revenue, plus a portion of the \$44 million surplus remaining from previous years.

The major programs presently funded by casino funds include the Lifeline Program, and the \$225 gas or electric utility credit; that comes to about \$73 million. The Pharmaceutical Assistance Program, known as the PAAD, pays for prescription drugs, less a \$2.00 co-pay; that program comes to \$23 million. Additional property tax deduction for lower income senior citizens and disabled persons comes to \$21 million.

I must tell you that this property tax rebate will not be funded from casino revenue after this year. If you recall, that rebate was taken out of casino moneys; it should not have been because the rebate was for all the people in the State. This year, the Legislature passed legislation and the rebate will no longer come out of casino funds.

Senior Citizen and Disabled Persons Transportation Services comes to \$10 million.

This year, the cost of these five programs was \$157 million. Last year, those same programs cost approximately \$140 million. That is a 12% increase in just one year.

It will be the role of this Commission to look at the estimated cost of these existing programs over the next several years, and the estimated cost of any new programs we may recommend be financed by casino funds. We will then have to compare these costs with the estimates of how much revenue will be available from the casinos to decide how to best use the funds.

Last week we were advised that our task will be made all the more difficult because the growth of casino revenues will be low over the next five years due to the slowing down of casino development. They have some kind of formula on which they base that 8%, and some of it has to do with square footage. If development is slowing down, the revenues that will be coming in for the senior citizens will also slow down.

Therefore, when we make recommendations, we must be sure there will be sufficient money available to sustain the programs we start. We must also make sure that our recommended programs, funded by casino revenues, will provide the most important and needed services to the greatest number of senior citizens and disabled persons in this State.

With that, we will call on our first witness. At a later point, we will have comments from the Commission members.

Our first witness on the list is David Keiserman, who represents the Monmouth County Senior Citizens Council. Welcome, Mr. Keiserman.

DAVID KEISERMAN: I don't know if these microphones work, but I will speak loud. It is a pleasure to be with you, Senator Costa, Assemblyman Paterniti, and the rest of the Commission. I am here wearing two hats, actually. I am a member of the New Jersey State Legislative Task Force. It is a senior citizen task force on legislative concerns. You heard last week from Ann Zahora, the State Director, and Ester Abrams of the Older Womens League: They spoke about the Legislative Task Force of which I am a member. I represent

the New Jersey Council of Senior Citizens on that Task Force. So, I am wearing two hats today.

First, all I am here to do is to reiterate what you heard last week from Ann Zahora and Ester Abrams. The Task Force, which represents 600,000 seniors throughout the State, has established two priorities. It took us many years to finally reach this conclusion. We have established these two priorities because we feel they are the most important way to help seniors in the State of New Jersey.

Priority number one is home health care. Priority number two is a Rental Assistance Program based upon the needs of the renter. This is meant to lower the percentage of income which has to be paid toward rent. We know for a fact that there are seniors paying as high as 80% and 85% of their total income for rent, just to keep a roof over their heads.

Those are the two primary, unanimous, conclusions of the entire Task Force.

Today I am going to speak -- and my testimony reflects this -- as the President of the Monmouth County Senior Citizens Council. You have the testimony from the Task Force. I just want to bring it to your attention again by letting you know how all the major organizations of the entire State of New Jersey feel regarding the use of casino funds.

My testimony as the President of Monmouth County Senior Citizens Council is a short one. It is just one page. If you will permit me, I would like to read it to you.

Ladies and gentlemen of the Casino Fund Study Commission, my name is David Keiserman, and I am President of the 21,000-member Monmouth County Senior Citizens Council. I have represented the 250,000-member New Jersey Council of Senior Citizens to the State Task Force on Legislative Concerns since its inception, over four years ago.

I am delighted that this Commission has come into being after three years of our efforts. Thank you for the privilege of being permitted to address you.

More than two years ago, the Task Force unanimously established two priority programs that we felt would do the most good for the greatest amount of seniors on a most cost-effective basis.

Mrs. Ann Zahora, Director of the Division on Aging, addressed you last week and presented you with position papers. My purpose today is to advise you of the concerns that we, as leaders of the senior community throughout the State, have regarding what is happening.

Every year we have hundreds of fine bills introduced to help seniors. Although many bills have been enacted, unfortunately, the legislation that would address what we feel to be the highest priority has not come into being. This is why we worked for a commission to be formed, so that a study could be made of the expenditures from casino revenue funds, with an eye toward using these dedicated funds to the best advantage.

Currently, there are dozens of bills pending. Some which have already passed one legislative body or the other will completely use up all foreseeable casino fund income for years to come. If these bills become law before you complete your study, you may as well quit now, as there will be no available funds to focus upon.

Two such programs are the Medically Needy Program and the proposed increase in income eligibility for the PAAD Program. There is no question that both of these proposals will be of some help, but either one will deplete the Casino Revenue Fund and preclude any further meaningful home health care or rental assistance programs. It is going to take speedy action by this Commission to review all funding expenditures and all proposals looking for funding from this source.

Studies show a slowdown in the growth of the casino fund, while the senior population and eligibility for existing programs is increasing rapidly. The organizations I represent feel there should be no further tapping of casino funds until priorities are established, and all available funds are used where they will do the most good.

Thank you again for giving me permission to speak here today.

SENATOR COSTA: Thank you. I would like to ask the members of the Commission if they have any questions of Mr. Keiserman. Assemblyman Paterniti?

ASSEMBLYMAN PATERNITI: Through you, Madam Chairman. As I recall, the Medically Needy Program was Tom Deverin's legislation. I know when we passed it in the Assembly, the intent was that it would

come out of general revenues, not out of casino revenues. In fact, I was stunned when I saw this breakdown and realized they are trying to tap the casino revenue moneys.

The other point that I think should be brought to our attention is the \$21 million for the tax rebate. As of this year, Governor Kean is going to take that money out of the general revenue. However, I know that there is legislation pending, and I feel it should be implemented, so that neither he nor any Governor in the future can go back and tap the casino revenues for that money. Would you go along with that?

MR. KEISERMAN: Very much so, Assemblyman Paterniti -- Tom, if I may.

ASSEMBLYMAN PATERNITI: You may.

MR. KEISERMAN: We have spoken to each other many times.

ASSEMBLYMAN PATERNITI: Fine. Now the other thing, Dave, is that I notice under the PAAD Program there is an increase this year of almost \$18 million. I mentioned this the last time, and I would like to mention it again. As I recall, the Governor pointed out in his address that he wanted to increase PAAD by \$500 for married couples, and another \$500 for single persons. I do not think that kind of money is needed to offset this because when we included the disabled and we went from \$9,000 to \$12,000, and then from \$12,000 to \$15,000, it took, roughly, about \$18 million. I can't see why you need another \$18 million to go up just a fraction of that amount. I think they are just burying money in that particular program, and I think there is going to be a huge surplus there.

Another point I would like to make is, the breakdown of the casino moneys, right now, shows that even if you try to institute these two new programs, there isn't going to be enough money to implement them. We can go into the surplus which is, roughly, about \$69 million, but within a year or two we will eat that up and then we are going to have real problems.

How do you people feel about raising casino revenues from 8% to 10%? That would generate about \$35 million, and would definitely be able to handle both of the programs your group is espousing.

Being optimistic, rental assistance would cost about \$20 million. I have been doing research on this. I believe Home Health Care would probably need about that much money also. That is the only way we are going to be able to implement these programs, even with this study; we have to find a source of revenue, or transfer some of our present programs onto the back of the Administration.

I hope I am not taking too long.

SENATOR COSTA: Go right ahead.

ASSEMBLYMAN PATERNITI: I did some research and found we have several sources of funding to run State government. One happens to be the Income Tax, which is a dedicated tax. That goes back to the people of the State by way of a tax rebate and education.

We also have the lottery. Most of that money goes to institutions and higher education.

But, the seniors actually contribute to a good part of that money because a lot of them buy lottery tickets and they are not getting a piece of the action.

Another thing: The main source of revenue to fund State government comes from the sales tax. To me, the sales tax is the wrong kind of a tax; it penalizes the person who really can't afford to pay it. A good chunk of the sales tax money being generated is coming out of the pockets of the senior citizens. They, in turn, are not getting a piece of that action -- not as much as they should.

I think it should be impressed upon the legislators that some of these programs should be transferred over to the general revenue in order to release the money for these other programs. The senior citizens are doing their share insofar as paying taxes is concerned. For example, if they have to buy a refrigerator, it costs them as much sales tax for that refrigerator -- or to repair their car -- as it costs a millionaire. The millionaire can write off 50% of that tax and the seniors probably can't write any of it off.

I feel we are going to have to go that kind of a route, and I feel this body has to get input on some of these suggestions. We want to know how you feel about it because when we make our recommendations, some of these things should be included.

MR. KEISERMAN: Tom, if I may, the first thing you mentioned was the Medically Needy Program. The Medically Needy Program, in the legislation that was passed, is to come out of the general revenue, unless this Commission decides to take it out of casino funds. That was added to the bill after it started through the legislative process.

In the original bill, the money was taken strictly out of the Medicaid Program, which was supposed to be 50% Federal and 50% State; instead, it was amended and the point was added that it could be taken out of the casino funds if this Commission so decided. This is one of the things that is frightening us regarding the medically needy bill.

This year there is a large surplus in State funds and there is no question that there will be no touching of casino funds for the medically needy, but it is going to be a very expensive bill. It won't actually be implemented for at least a year or more because of the administrative work regarding it.

We don't know what the budget will be able to afford next year, and this is one of the reasons why we are so concerned about the medically needy. I don't dispute the fact that it is a fine bill, and it will help a lot of people. But, this is going to be a very expensive bill. Again, it could -- if the Commission I am sitting before now so decides -- very easily be taken out of casino revenues.

ASSEMBLYMAN PATERNITI: Would you recommend that it come out of casino revenues?

MR. KEISERMAN: Not at all, under no circumstance, Tom.

ASSEMBLYMAN PATERNITI: Very good. Thank you.

MR. KEISERMAN: You mentioned some other things, such as giving us back \$21 million. My rough estimate is something like \$121 million dollars in casino funds have been appropriated for the homestead rebates; this should never have been done. This is one of the things that has drained the casino fund. I am delighted to hear that, hopefully, it is not going to happen in the future; at least it is not happening this year.

Again, the legislation you mentioned is very desperately needed. I hope such legislation is passed. I believe the legislation

was passed back in 1975; that is when the Homestead Rebate was established. Unfortunately, everything is in the eyes of the beholder. It is amazing how an Attorney General can interpret legislation that was passed with one intent in mind, but which gets used otherwise. You know what I am speaking of, of course.

I know you have a bill presently pending to raise the casino fund from 8% to 10%. Naturally, I am very much in favor of this. Under current funding, it would make a difference of \$40 million a year in that fund. That could definitely be used, there is no question about it, for the needs of seniors. But, it may wind up being counter productive; I don't know. Whether or not it would be counter-productive to the development of further casinos would have to be studied by the State Legislature. The State Legislature will have to determine this. I wouldn't want to see the development of Atlantic City pushed aside because of an extra 2%.

I don't know. A better study would have to be made on this. Naturally, my first impulse is to strongly support it. I am sure you studied it to a great extent before you introduced the bill. Knowing you, I would say I am definitely for the bill, just based on personality. But, again, it has been pointed out by others -- people we also respect -- that it could be very detrimental to the development of Atlantic City and any further development of casinos, which would bring in more funds. So, I don't know the answer to that.

ASSEMBLYMAN PATERNITI: Excuse me. As far as revenue coming into Atlantic City is concerned, their budget, before the casinos came in, was about \$22 million for local government. Right now, it is up to over \$70 million and the difference comes from casinos. It has definitely helped them. If they are not administering it properly, then there is a problem with the city and with the people in the administration. Revenues are definitely coming in; they are coming in from all the construction.

There is one other thing: I feel the casino industry itself is trying to put out a scare.

Third, the Casino Commission is kind of keeping a lid on things. I think they are doing an excellent job, but sometimes because

of public opinion they push a little too hard and they are actually slowing down the growth of more casinos. I know a lot more casinos definitely want to come in and build.

MR. KEISERMAN: As I said, just as long as it doesn't hurt development. You know, we have a funny situation with the casino fund, especially with Lifeline and PAAD using up three-quarters of casino funds at the present time.

The way the legislation exists at the present time, when a person goes from a lower income-- When the initial bill was passed, PAAD and Lifeline were to come out of the general revenue. You know there were State programs before casinos came into being. They did not come out of casino funds until they reached a certain plateau. With the steady increase in inflation, more and more senior moneys were coming out of the State revenues; they are now being taken out of the casino funds, even though they are for the same individuals. With increases being voted on, we have a constant drain on casino funds. This is constant, even though the same number of people may be receiving money, and even though the benefit itself may be the same. This is happening because of the way the legislation, which put casinos into being, was passed by the Legislature.

When casino funds came into being, eligibility under PAAD and Lifeline was raised from \$9,000 and \$12,000 to \$12,000 and \$15,000. Anyone getting money from the general revenue, under the \$9,000 and \$12,000 formula, whose income went above \$9,000 stayed eligible, but the money came then came out of casino funds. With inflation, little by little there was less and less coming out of the General Fund and more and more coming out of the Casino Fund, even without adding new people.

ASSEMBLYMAN PATERNITI: I guess the former \$9,000 to \$12,000 came out of the General Revenue.

I am not sure of this, I have to check it out, but does a disabled person start from \$1.00 on up, or do they start from \$9,000, and go up to \$12,000 as well?

MR. KEISERMAN: I am not sure of that either, Tom. I am really not sure.

MS. SEEL: All of the disabled are funded from the Casino Revenue Fund.

ASSEMBLYMAN PATERNITI: They are funded, 100%, from the casinos?

MR. KEISERMAN: Yes. They became eligible after casinos came into being. They were not in the original legislation.

But, you see, more and more money is coming out of casino funds, even though there are not necessarily more people being added, and less and less is coming out of general revenues because of inflation.

MR. GIORDANO: Do you think the income limits of PAAD and Lifeline should be indexed so people could be kept up with inflation as time goes by? You know, years ago people made \$5,000 a year and that was a lot of money; today \$5,000 a year is in the poverty level. We set limits sometimes and the limits are unrealistic. The veterans get \$50 off their real estate taxes, and this has been going on for the last 20 years. There is a big difference between \$50, 20 years ago, and \$50 today. What do you think?

MR. KEISERMAN: We opposed indexing at one point, when it was first proposed, because it would have been discriminatory.

The legislation that we opposed, and which was recommended to us -- I think it was about two years ago -- would have given indexing to persons in the program, but to get into the program one would have to stay under the original figures. That was meant to help eligible persons to continue their eligibility.

With indexing and inflation, if it were only given to persons in the program, there would have been eligible people with incomes -- if you stayed with the same \$12 or \$15 that exists now -- of \$13,000 or \$14,000 if they were single, and \$16,000 or \$17,000 if they were married. These people would be eligible; whereas, new people with an income of \$15,000 or \$15,200 would not be eligible.

The way the legislation was framed, it would have been very discriminatory. We opposed it because of the discriminatory nature of the legislation pending at that time, sir.

SENATOR COSTA: If it were different, would you be for it?

MR. KEISERMAN: Again, the cost would have to be looked into, Senator Costa. We do have priorities that we feel should be addressed. Now how desperately does a couple with a \$15,000 income need the \$225 Lifeline, which is using up \$70 million from the Casino Revenue Fund -- almost half? We still don't have a home health care bill which would keep people out of nursing homes; whereas, with a minimal amount of home health care these people could stay in their own homes and have a much better quality of life.

SENATOR COSTA: We appreciate your experience.

MR. KEISERMAN: You have to balance these things. You have to be pragmatic; the dollars are not all there.

As I said, we worked for three years to have this Commission established so that priorities could be set. We are senior citizen groups. Eight major senior groups got together. We never thought we would reach agreement on a priority. We did finally reach it, and we are hoping that those priorities will be addressed before you start expanding other programs that are desperately needed.

One thing that has frightened us -- and I am glad to see that it hasn't happened this year -- is the increase in Lifeline; I have testified for the last two years against increasing that program. Every time Lifeline gets increased by \$25, it costs \$8 million out of casino funds. How much good does \$25 do for a single person with an income of up to \$12 thousand, or a couple with an income of up to \$15 thousand? They then tell us there is no money for other programs. It just doesn't make sense to me.

This is why I asked in my testimony that there be no further moneys expended until priorities are established. It would be great if the State had a surplus of \$600 million or \$800 million, depending on who you listen to. We could then say, "Fine, there is a lot of money, let's see what we can do with it. Let's take it out of the general revenue." Unfortunately, next year there may be nothing.

I would like to see that legislation passed which forbids the use of casino moneys for the homestead rebate. I would like to see it made mandatory that it can never be taken out of casino revenues. I still don't trust our Governor, to be very honest, or any governor, because the money has been misused for so long, and so frequently.

SENATOR COSTA: Assemblyman Kline.

ASSEMBLYMAN KLINE: Dave, I am Ed Kline. I am the Assemblyman from Atlantic County. I represent the casinos--

MR. KEISERMAN: (interrupting) I am sure you are well versed.

ASSEMBLYMAN KLINE: (continuing) --and the people in that area. When Tom asked you about the tax increase, from eight cents to 10 cents, the way you put it, in so many words, was, you would like it but, "Let's not kill the goose that lays the golden egg."

The point I would like to bring to your attention is, I am looking forward to working with Tom in the future. Maybe we can increase that tax, because seniors do need the money. What I am looking at, and the message I am going to try to send out across the State, is that we need better PR.

If you noticed in the newspapers within the past few days, there has been lobbying going on throughout many states for a new automobile factory. It is going to create a couple of thousand jobs, and everyone is saying: "Build the factory in our state."

Let's look at the casino industry. The casino industry has created 35,000 jobs; it has created 10 factories, if we call the casinos "factories;" and the message I want to give to the seniors is that I want more PR on the good the casinos are doing before we increase the tax. We are always putting the casinos down and then we turn around and say: "We are going to increase the tax." Let's pat them on the back for a change and then ask them for an increase.

MR. KEISERMAN: If I may, Ed, I agree with you strongly. I think the casinos have done a lot of good; they have done much more good than harm. It is true, there is a Gamblers Anonymous. In fact, I was editor of a newsletter put out by the Monmouth County Office on Aging. I put out 6,000 copies every month, and I wrote up the fact that casinos should not be blamed because of Gamblers Anonymous. We would have to close down all the race tracks and cut out all of the other gambling if that were true.

In fact, we opposed legislation that was going to throw an extra burden on casinos by making them support a program to cure

gamblers as ill people. We opposed that legislation; the task force unanimously opposed it because of the fact that one just can't select casinos as the only source of gambling by saying, "Close the casinos and you will cure all the gamblers." That is not true.

I am with you on that. They have done much more good than harm, and the seniors are having a great time down there. If you doubt this, go down and watch them sometime.

SENATOR COSTA: I also feel we must not have tunnel vision; when we look at something we must look at the overall picture. There is good and bad, and at the present time we are looking at what good we can get from the casino funds for the senior citizens and the disabled.

I understand your feeling about the moneys that were pirated for the homestead rebate. We are pleased to see that we are going to get away from doing that. I believe Assemblyman Paterniti has a bill which will stop this practice.

ASSEMBLYMAN PATERNITI: It is a constitutional amendment.

SENATOR COSTA: (continuing) --a constitutional amendment to see that this is not done in the future; they cannot do that again.

I might add at this time, as a point of information, that Assemblyman Paterniti chairs the Assembly Committee on Aging, and I chair the Senate Committee on Aging; we have both held back all bills that have to do with using casino funds until we have a report from this Commission. Also, we recently passed bills which have included that proviso.

Right now they are taking moneys out of the General Fund. However, if in the report of this Commission it states that this is where the money should come from for certain projects, then, with that recommendation from this Commission, the Legislature can take it from there.

MR. KEISERMAN: Great.

SENATOR COSTA: Does anyone else wish to ask a question? (no response) If not, thank you very much, Mr. Keiserman.

MR. KEISERMAN: Thank you very much, Senator. It was a pleasure. Thank you for giving me this opportunity to speak.

New Jersey State Assembly

SENATOR COSTA: At this point, I would like to introduce another member of our Commission, Mr. Giordano. Mr. Giordano just arrived. Last week our meeting was held at 11 o'clock and I guess Mr. Giordano thought it was the same this week.

MR. GIORDANO: Yes, I thought this started at 11:00 also. I see you have to read the material that comes out. I didn't read it; my wife read it.

SENATOR COSTA: You see how they blame the wives?

MR. GIORDANO: Thank God she didn't use her glasses.
(laughter)

SENATOR COSTA: I don't see Joe Lario here. He was next on my list. I am surprised because he is usually on time.

Ellen Warner, Director, Moorestown Visiting Nurses Association.

ELLEN WARNER: Thank you for allowing me to speak this morning. My name is Ellen Warner, and I am the Executive Director of the Moorestown Visiting Nurse Association. I am here today to request that casino revenue funds be set aside for the frail elderly who are trying to remain in their homes. Specifically, I am concerned about the lack of long-term home health care funds for individuals who do not meet the stringent Medicaid income limits.

By the year 2000 there will be 158,000 people over the age of 85 in New Jersey. More people are living into their eighties and nineties, and they are likely to suffer from chronic illnesses or other disabilities that require increasing care for longer and longer periods. Compounding the problem is the entry into the work force of more women, depleting the number of traditional family caregivers.

For the elderly, obtaining long-term care is a serious and growing problem. Medicare coverage of home care is limited to cases of acute illness; Medicare does not pay for long-term care needed by patients with chronic conditions. Medicaid, in contrast, pays for long-term care for the chronically ill, but because of stringent income limits, this program reaches only a small percentage of those needing home care. Many of the frail elderly could avoid the disruption of institutionalization and remain relatively independent if long-term home care services were provided.

Long-term home care assists elderly patients with chronic diseases to maintain their functional ability as long as possible, to avoid preventable health crises, to prevent social isolation, and to maintain close contact with other community service agencies. Services provided include case management; professional nursing care; occupational, physical, and speech therapies; social work services; and supportive services, such as home health aides, companions and homemakers.

It is vital that New Jersey policy-makers act now to shift services for the expanding frail elderly into home care and away from costly institutional care. I urge you to recommend allocation of casino revenue funds to a long-term home care program for elderly New Jersey residents whose incomes exceed the Medicaid or Medicaid waiver levels, but who do not qualify for coverage under Medicare because their condition is chronic. Thank you.

SENATOR COSTA: Thank you very much. Do we have any questions from the Commission members? Mr. Giordano?

MR. GIORDANO: Ellen?

MS. WARNER: Yes?

MR. GIORDANO: Off the top of your head, what do you think it would cost per day for home health care of this nature? I know this is very important. I have had personal experience with my mother. She is in a nursing home now, and she has gone through all the money she was able to save over the 70 years of her life. Everything went down the drain. Maybe if we had home health care then we could have kept her in the house. My sister lived with her, but she was not physically able to take care of her. However, if someone could have come in and worked with her during the day, I know it could have been done.

Do you have a general idea of what something like that would cost per day?

MS. WARNER: I couldn't answer that off the top of my head because each person's needs are very individual. Some people could do with less care.

You know, under the Community Care Waiver Program -- the Medicaid Waiver Program -- we are talking about a body going into the

home to work with the elderly person. The agency that puts this body there is being reimbursed at \$8.00 an hour. Now, how many hours the person needs that body there is another matter. That would be awfully hard to answer. I am not prepared to answer that.

MR. GIORDANO: My mother is in Country Manor in Toms River and in order to get her a little more attention, they have a personnel pool; it is run by H & R Block. A girl comes in for five hours a day; it costs us \$8.00 an hour. Their training is very minimal. Of course, she does have the facilities of the nursing home.

I am just wondering if the same thing could have been done in the house.

MS. WARNER: I think it could, but I don't know what it would cost.

SENATOR COSTA: We have the Respite Care Bill, which I sponsored; it is now law. It is a pilot project right now. Are you handling that?

MS. WARNER: No, Homemakers is handling that.

SENATOR COSTA: Homemakers is handling that?

MS. WARNER: Yes.

SENATOR COSTA: I think it could work better than it is right now. I don't think enough people know about the services provided by this respite care.

For those of you who are not familiar with it, respite care means one can call upon someone to come into the home to take care of an elderly or disabled person for a few hours a day, just to give the person who has the constant care of that individual a break. In this way, it gives people the ability to continue to keep an elderly person in the home. That can be provided for two weeks at one time, up to two months in a year. It can be for just a few hours in a day.

Just that little bit alone, giving the person who is taking care of the senior or disabled person relief from that constant care would -- we hope -- enable them to be able to maintain their elderly or disabled family member at home.

The reason for this is, we are trying to go in the direction of keeping people at home because it is a traumatic experience to

institutionalize a family member, not only for the elderly who have to be put in nursing homes but also for those individuals who have to put them away. The family does not like to do it, but sometimes they get to a point where they are just physically not able to care for them, or they are mentally not able to care for them.

Hopefully, this Respite Care Pilot Project will indicate the good of keeping people at home by helping to pay to keep them at home. I don't know whether we will be taking the funds for that program out of the casino funds; that decision is down the road a bit.

ASSEMBLYMAN PATERNITI: Madam Chairman, as I recall, most of the time it is claimed one can handle from three to four people at home for what it costs to keep a person in a nursing home. So, roughly, it costs between \$20 thousand and \$25 thousand to keep a person in a nursing home. This may run from \$6 thousand to \$10 thousand, depending on exactly what is involved.

I have a group of bills for long-term care through the private sector. Originally, when I drafted the legislation, the way it would work would be, after 90 days a person would be eligible for nursing home care, or in-home care. The nursing home care would be for up to a period of three years. The home care would be a little less.

If a person qualified under the PAAD Program, the casinos would have paid 25% of the premium, which would induce people to get into the private sector so that less of the State and Federal moneys would be tapped into and there would be more money to allocate to a lot more people in the State because the number of seniors in the State is increasing.

I have now come up with a Committee substitute and I hope to put this bill in for consideration. I hope we get it out of Committee. Right now, we would like to have the insurance companies offer this package without including the 25% that comes out of the casino revenues. There is going to be another bill, if this Commission so deems moneys can go in that direction, which will implement that that program. I have been working on that for more than a year and I have gone through hell with the insurance companies because they keep claiming they are going to have problems and so forth and so on.

From the studies I have done, for example, if a person is around 65 years of age, it will cost about \$350 per year. As they get older, it will cost a little bit more. When a person hits age 75 or 80, They are almost eligible for Medicaid and by that time they have depleted all their resources anyhow.

What this kind of legislation is supposed to do is to protect a couple. Say, for instance, a husband and wife worked all their lives, they have a little home, they saved a little bit of money, and one of them gets seriously ill; that illness can wipe them out in about two or three years. This would be more or less to protect their estate. In some instances their children would pay the premium for this kind of protection. All I want the insurance companies to do is to at least offer this. They can set the numbers as far as the premiums are concerned.

The big thing is, they have a lot of medigap policies. I think they are very lucrative for the insurance companies; I think they make a lot of money on the medigap policies because they do not go into effect until after the 20th day, and then they pay \$43 dollars and change per day. However, history shows that most people with an acute problem do not stay in the hospital over 30 days. So, they are actually making a killing with this type of legislation. Until we pass legislation to protect these people, some of these insurance companies are passing off two and three different policies on the same individual and they have them very confused.

So, I am going to push this and I hope a lot of senior citizen groups out there will give me support because if we can at least get people in the private sector involved, people who can afford it or who are close to affording it, maybe this will release a lot more money for those who are more in need of the Federal and State moneys.

SENATOR COSTA: Mr. Keiserman stressed that one of the priorities most senior citizens state as important is home health care. I think we are going in the right direction. Respite care might be a start-off point, rather than complete home health care. That That might be a start in the right direction, and you have given us a lot to think about when we make our conclusions.

Does any other Commission member want to ask a question? Mr. Reilley, I can't see you too well, so whenever you want to say something, just raise your hand. Okay?

Mr. Fried?

MR. FRIED: When you talk about waiver levels, what does that mean?

MS. WARNER: The Medicaid Program has a new program which Governor Kean implemented. I guess that was done a year ago October. It was started in seven counties at one time, and Burlington County was one of the original counties. There were several northern New Jersey counties that went in under the waiver for the first time also.

We did not do very well down here because the problem with the waiver, which is a special Medicaid program, is that if a person is going to participate in the program, he must spend his income down to a certain level. That is a Federal guideline of the program.

MR. FRIED: What is that level?

MS. WARNER: I don't remember, offhand. But, anyway, here in our county, very few people wanted to spend down their income. They had a very difficult time getting people in that program.

Now, up in Essex County I think it was, or in Bergen County, they did much better because I think there were a lot more inner-city people who were eligible and they did get on the program.

As I said, with all these programs -- as Senator Costa said about her respite program -- it takes a while for information to filter to the level where people can accept it and implement it. It took almost two years before the waiver ever got off the ground in this county. There are now more and more people going on that program.

SENATOR COSTA: I don't think people like to feel they have to become destitute before they can get some help. One has to get completely to that point.

MR. FRIED: This is actually what you are saying.

MS. WARNER: Yes.

SENATOR COSTA: If one just wants a little assistance, he doesn't have to get to that point.

MS. WARNER: That's right. It is also threatening because that is all they have left. They are in ill health now. Some of them have lost their homes; they are living with their children and they don't have anything left but that little bit of money. It is very hard for them.

MR. FRIED: It sounds to me like a very poor program.

MS. WARNER: Well, I am not going to comment on that.

MR. FRIED: The reason why I was concerned about that was because last week we heard from one witness who stated that people who are benefiting from the casino funds at the present time are the same people. If we just add additional programs to this, again, it is going to be the same people. The only way we can change that is by consolidating the programs and increasing the means test -- the income levels.

I think a figure of \$35,000 was mentioned last week by one of the witnesses. If we are talking in terms of \$35,000, we are going to come down to one or two programs when we try to benefit that amount of people. You can't do both. You can't expand the programs and at the same time benefit more people. The same people are going to benefit by every step you take. I was concerned when you were talking about the waiver; I wanted to know what that meant.

MS. WARNER: That is under the Medicaid Program. That is not casino money, is it? Do they use casino money?

ASSEMBLYMAN PATERNITI: Yes, they do.

SENATOR COSTA: Thank you very much. Mr. Keiserman?

MR. KEISERMAN: I just wanted to add that they have to spend down to approximately \$430 a month.

SENATOR COSTA: What was that figure, Mr. Keiserman?

MR. KEISERMAN: About \$430 per month. They have to spend down to that amount in order to be eligible under the Medicaid Waiver law.

MS. WARNER: Don't you have to have a top of \$800 plus?

MR. KEISERMAN: You can have up to \$800 in income to be eligible, but you have to spend that \$800 down to \$430 before you can be eligible for Medicaid to take over.

MR. FRIED: When you say spend down, what do you mean by that?

MR. KEISERMAN: Doctor Bills, bills for medicine -- medical bills only. It cannot be for food and rent; that is why the program, which was supposed to have 1200 people in it, wound up with something like 69 or 80 people in the first year.

ASSEMBLYMAN PATERNITI: It was less than 100.

MR. KEISERMAN: Under 100 people were able to participate. First of all, the average rent is \$400 a month. How can one survive on an income of \$800 if he pays \$400 in rent?

SENATOR COSTA: Speaking of that, if you have \$900 a month as income and you spend about \$400 or \$500 just for medical bills, that is when you become eligible, which is absurd.

MR. KEISERMAN: It is ridiculous. I'm sorry, I just wanted to make that point because it is an important one if we are to understand what that program does.

MS. WARNER: I think Mr. Keiserman is much more knowledgeable than I am. He is right on top of all these things. Good for you.

SENATOR COSTA: We appreciate his experience and his knowledge.

Our next witness will be Linda Coffey, Director, Burlington County Office on Aging.

LINDA COFFEY: Thank you for letting me testify today. I would like to address the topic of future funds coming into our county under casino revenues.

As all of us know, there are offices on aging in every county in the State that are empowered by law to coordinate programs for senior citizens. Priorities of need are established by surveys, client input, and agency statistics. As a result of being the focal point for elderly services, the Office on Aging is the central source of information on the preferences of older citizens.

The casino funds have been well used. They presently help with drug bills, utility costs, transportation, taxes, and a pilot program on medical aid. They have not, however, been applied to two areas that our agency sees as being of great importance: home health

care and rental assistance. These services are especially important to the low-income elderly person who is not Medicaid eligible, yet who needs to remain in his or her own apartment with support from the community.

I sincerely hope that any future allotment of funds under the Casino Revenue Program is slated for the two service areas I have mentioned and that they be coordinated through the offices on aging in each county.

Our agencies are small, cost-effective, and have a proven record of delivering top notch programs with little bureaucratic entanglements to interfere with the service delivery to clients.

My staff and I wish you well with your statewide hearings on the use of casino revenue funds. Thank you.

SENATOR COSTA: Thank you, Linda. I would like to ask how you would handle programs for the disabled, since you are in the office on aging and most of these programs are for both seniors and disabled persons.

MS. COFFEY: Right. I really hope that in the future the county will have an office on aging and disabled because a lot of other counties have gotten into this; this is something I really plan for and hope can come through. I think this will have to come, really.

SENATOR COSTA: It would have to be because all of the programs are for both categories.

MS. COFFEY: Yes. I agree with you. I think it is really paramount that this happens.

SENATOR COSTA: Are there questions from the Commission members?

MR. GIORDANO: I would like to comment by saying that last week in Trenton we heard from Peter Shapiro, Executive Director of Essex County. He commented on the same thing regarding coordinating the offices on aging in each county. Just as you pointed out, this would be small and cost-effective. That is one thing he also brought up, so you are thinking in the same vein.

MS. COFFEY: Right. I get dismayed when some of the programs go into these huge agencies and sometimes get lost in the shuffle or get involved in too many expenses we can cut down on.

We are a focal point; we are small; we are used to dealing with the elderly on a daily basis. It seems a shame when we are overlooked. This is not a need for power as much as it is the fact that we would like to give better service delivery.

SENATOR COSTA: Well, having been a county freeholder for 12 years, I think county most of the time.

MS. COFFEY: Right.

SENATOR COSTA: It is the highest level of government, really, which is very close to the people. I think county is a good way to go because it is not very small and it is not very large, so it is better able to handle the responsibilities that are given to it.

MS. COFFEY: I personally have a situation with my father where my sister and I are going to have to make a lot of decisions. His income is not low enough to be Medicaid eligible for in-home services, yet he would be eligible to go into a nursing home, if we could get him in under Medicaid. So, we will probably have to get involved with the Community Care Program. He is in Monmouth County.

This is close to home for me, and there are a lot of tough decisions to make in order to avoid institutionalization. So, my heart is really in something like this.

ASSEMBLYMAN KLINE: I just want to say that I agree with your comments 100%.

MS. COFFEY: Thank you.

SENATOR COSTA: Thank you very much. Are there any further questions? (no response)

I do not have anyone else on my list, but if there is anyone here who would like to speak, please feel free to do so. Dr. Brown, won't you come up?

Dr. Brown, will you please give us your full name and who you represent? This information is for the reporters. We are having all of this material transcribed. The reports will be given to the Commission, as well as to those who are interested, once they are transcribed.

DR. GEORGE L. BROWN: My name is George L. Brown. I am a retired Doctor of Optometry, and I am a Legislative Cochairman of the

Burlington County Association of Retired People. My Cochairman is in the back of the room. His name is Jim Gibbons.

SENATOR COSTA: Would you like to come up here Mr. Gibbons?
(negative response)

DR. BROWN: Most of the things that have been said will be a reiteration of what I am going to say, or vice versa; however, I believe it will tend to reinforce the opinions you have already heard, and may be of some value.

I want to thank you, Senator Costa, and the rest of the Commission members for allowing us to present our views on the possible allocation of the moneys collected from casino wins by the State of New Jersey.

Ever since I can remember, grammar school civics taught that food, clothing, and shelter have always been the standard considerations of mankind; to these we now have to add health care. We believe allocation of funds for home health care to be a prime consideration of this Commission. The beneficiaries of such a program would be cared for in their familiar home surroundings instead of in a hospital or a nursing home.

Such a program is the least costly, and persons requiring care would not have the added wrench of being in unfamiliar environments, amongst strangers; this would make the quality of their lives better.

Housing certainly requires aid from the State. Rents are still rising, as are property taxes. Many of the elderly are in inadequate housing, but this is all they can afford. Help is needed to ensure a proper home environment, as far as living quarters are concerned.

We recognize that the funds are not unlimited, nor will they be; yet, some thought must be given to the problem of giving help to the aged who suffer from chronic, long-drawn-out illnesses which can have a catastrophic financial effect, in addition to the pain and agony caused by their illness.

I have a question: In 1978, the State received 12% of casino winnings. That was reduced to 10% in July of '80, and to 8% at the end of 1980. I wonder why these reductions were made?

Again, thank you. As our group of retired citizens studies the question further, I hope we have further comments to submit to the Committee, in writing, at a later date.

SENATOR COSTA: Thank you, Dr. Brown.

To answer your question, the law stated that if there was one casino, the revenue received from that casino would be 12%; as more casinos came on board, it would go down proportionately. That is how it went down to 8%.

Does anyone wish to ask Dr. Brown a question?

MR. GIRORDANO: I just want to elaborate on one point. I think Dr. Brown hit the nail on the head when he talked about the importance of health care as we get older. You know, we are all in that category.

I was down in Florida this past year. The woman who lived in the apartment next to mine came from England. She said she loved Florida but she would never move there. I said: "Why not?" She said, "Because when I get old, if I become ill it will take all my money away. That doesn't happen in England."

I think that is something to remember because I have seen my mother's earnings dissipate. I think that is something we have to think about.

DR. BROWN: I agree. I would like to make a comment if I may. It concerns the question of the sales tax, which has nothing to do with the purpose of your Commission meeting. I agree, and I have felt this way since it was enacted, that this is a very, very unfair tax. I, who can afford it, can go out and buy something, while a young couple with four kids and a mortgage on their house has to pay the same amount of sales tax I pay. So, if in time you can find another way to raise the money, that is something which I think you ought to get rid of.

SENATOR COSTA: Thank you very much.

Speaking about Medicaid and about how more and more of it is being cut down, I understand that by the year 2020 one out of every five people will be age 65 or over. I attended a seminar last week regarding DRG's and hospital cost containment, and I was listening to

some people speaking about the elderly. One gentleman got up -- he was from England -- and he spoke about how when one reaches the age of 55, he begins to crumble. (laughter) You know, I am going to be 39 again this week, and that is the only thing I lie about, my age.

These are things we really have to look at. It is a big problem. What I suggest to everyone -- although this has nothing to do with the Casino Revenue Fund -- is, when you look at your Social Security, don't just sit there and do nothing. You should make your voices heard, very clearly, by your Congressional legislators, regarding Social Security; they are really breathing down your necks when it comes to Social Security. I don't look upon Social Security as a gift to us, as a means test, or anything like that. I feel it was a trust between government and the people who approved it. (applause) Right now, cutting your cost of living on that is really stealing from you.

You know, when I was 17 years old I started contributing to Social Security; that dollar could buy five times as much as it can right now. So, my suggestion to you, really, is to let your Federal representatives know how you feel.

MR. GIORDANO: Senator Costa, may I just bring up one point about money value?

SENATOR COSTA: Yes.

MR. GIORDANO: I just came back from the dentist last week. The man fit me with uppers and lowers. He is a very good friend of mine. He said to me, "Tom, I am doing you a favor. This costs \$650." I said, "Gee, that's good." However, when I went home I said to my wife: "You know, my teeth cost \$650. In 1939, I bought a brand new Dodge for \$675, and I had a whole car to put in my garage, and now just to put something in my mouth it costs me the same amount of money." (laughter) It is true, isn't it?

DR. BROWN: Yes.

SENATOR COSTA: Mr. Chenoweth.

MR. CHENOWETH: You were speaking about Federal funds. Everyone should wonder about what will happen after the curtailment of funds in the social services funded by the Federal government takes

place. If anything should happen, and it looks right now as though something is going to happen to some of the funds we seniors need, what will happen and how will the State be responsible? They are certainly not going to let people fall by the wayside. I wonder how this will be funded if we have to pick up where the Federal government leaves off?

We are not going to forget these people. How would things like that be funded?

SENATOR COSTA: I think right now the whole intent of this Administration is to put everything back onto the states. If the Administration puts enough things back on us, we are really going to be hurting badly.

MR. HAAS: Maybe we can eat some of the armaments.

SENATOR COSTA: Mr. Fried?

MR. FRIED: Yes. I have just one question, Doctor, regarding your own opinion. Each week, the prime thing people talk about is home health care. Now, if you were to rate this in comparison with some of the programs that are being funded by the Casino Revenue Program at the present time, would this be number one in your mind?

DR. BROWN: It certainly would be near the very top of my list. I think that is something which would be very useful.

MR. FRIED: In comparison with the Lifeline Program and the Energy Program?

DR. BROWN: I think it would still be up there at the very top, yes.

MR. FRIED: The reason why I ask is, maybe we can eliminate something and put this in instead, if it comes down to a strict dollar and cents decision as to what we can or can't expend over the coming years regarding the programs we are going to have. Maybe some of these programs should be changed.

DR. BROWN: I realize that our group has to do a lot more investigation on our own by getting material from a lot of other groups, such as the Task Force and other sources. We could then submit another statement to this Commission. I really felt inadequate to answer some of the questions you are now asking.

We have not gone into this that fully, I am sorry to say. We just did not have the resources to do the research.

MR. FRIED: Home health care does seem to me to be the prime thing people are talking about.

DR. BROWN: Yes. As far as our people are concerned, we feel this and the question of catastrophic illness are two very important things.

SENATOR COSTA: Thank you very much, Dr. Brown.
Dr. Paterniti?

ASSEMBLYMAN PATERNITI: The point regarding priorities on programs was brought up and I still feel these are all good, viable programs. The thing is, I think the State as a whole should start picking up some of the cost from the general revenue.

I remember three and a half years ago, when there was a dispute regarding increasing the income tax and the sales tax, they found almost \$8 million for increases in salaries. They had no problem finding that.

So, I truly feel that the programs we have are good programs. They should be kept, but some of the cost has to be picked up by the general revenue. Since the inception of casino revenue, they feel that everything should be thrown onto the casino revenue. The State seems to act as though it has no more obligation to the senior citizens, insofar as what comes out of the general revenue.

The seniors are entitled to a share of that general revenue because, as I said before -- as one gentleman pointed out earlier -- the sales tax is cruel. The senior citizens are paying a good piece of that sales tax. If they make up 17% of the State's population, they are probably kicking in almost 17% of the sales tax. Are they getting that much back from the sales tax for some of their programs?
(applause)

SENATOR COSTA: I guess that once we make our recommendations, that might have to be part of those recommendations. If what we recommend uses up all of the casino funds, that may have to be one of our recommendations: The State will have to pay for some of these programs from the General Fund.

Our problem right now is to look at what we are going to do with the casino fund. Thank you very much, Dr. Brown.

DR. BROWN: Thank you very much, ladies and gentlemen.

SENATOR COSTA: David Keiserman spoke of eight groups getting together and finally coming to a conclusion. I know what he means because I have served on the Commission on Aging and on the Task Force. If I was not there, my aide was there and I knew about the difference of opinion amongst the varied groups as to what the priorities should be. So, I am pleased to see they finally got together and came up with two of the highest priorities: Home health care and the rental assistance program.

Our next witness will be Stephen Kovocs.

STEPHEN KOVACS: I am Stephen Kovocs from the John A. Roebling Senior Citizen Society. I want to get back to the subject of the Homestead Rebate. Was that established before the fund from casino revenues was established for senior citizens?

ASSEMBLYMAN PATERNITI: Do you want the history of the Homestead Rebate?

MR. KOVACS: Yes. How did that come about?

ASSEMBLYMAN PATERNITI: Actually, through you Madam Chairman, the Homestead Rebate started when we passed the income tax. I think that was in 1976.

What happened was, they kind of looked at a grey area in the law and Governor Byrne decided to take the \$50 tax rebate out of casino revenues. Governor Kean continued that up until this present year. That is why we have been playing around with a constitutional amendment in order to make sure this rebate comes out of the general revenue.

This was truly not the intent of the legislation. The intent was that those moneys should come out of the general revenue, not out of casino revenues. Hopefully, as of this year, in his 1986 budget, the Governor has eliminated the additional \$50 tax rebate. Hopefully, if we can put ACR-31 into place -- which is the constitutional amendment -- it will assure that they can never tap those moneys again for this purpose -- neither Governor Kean nor any any future governor.

MR. KOVACS: The reason why I brought that question up is because everybody in the State benefits by that.

ASSEMBLYMAN PATERNITI: That's right.

MR. KOVACS: That is taking money away from the senior citizens, money we should get.

The senior citizens, right in my township -- I am from Florence Township -- are taxed 55% by our School Board. We don't have any children in school and we are paying for education in the township. Then, at the end of the year, they throw us a bone; they throw us a bone and we catch it with one hand and we give it to the School Board with the other hand.

I don't think it is fair to have the Homestead Rebate come out of the senior citizens program.

SENATOR COSTA: We all concur.

MR. KOVACS: I think this Commission should consider that.

That is my point. I want to thank the Commission and thank you, Cathy, for hearing me out. I hope that what I have said is given some consideration. Thank you.

SENATOR COSTA: That was a case of interpretation of the law: They needed some money. They were looking for it, and they found somewhere that they could get the law to say they could use it. That really was not the intent of the law.

MR. KOVACS: That was the interpretation: Pay Peter but rob Paul. (laughter)

SENATOR COSTA: Well, one can interpret anything the way he wants to.

MR. KOVACS: Thank you.

(next witness comes forward)

SENATOR COSTA: May we have your name, sir?

FRANK SCELSO: My name is Frank Scelso. I am from Batsto, New Jersey. That is in Camden County.

First of all, I like what this gentlemen said: Do not kill the golden goose by raising the revenue or the taxes on the casinos. If you do that you are going to hurt the casino industry, and we, the senior citizens, are going to be hurt very badly.

Does the Commission know that \$20 million was given to the Transportation Department last year, to be distributed amongst the counties of the State? First of all, 25% of that money was used for administration.

SENATOR COSTA: How many millions did you say?

MR. SCELSON: Twenty million.

SENATOR COSTA: No, it is \$10 million.

MR. SCELSON: It is right here in the legislation.

SENATOR COSTA: That was amended.

MS. SEEL: When it was finally passed it was changed to \$10 million.

MR. SCELSON: Okay, even \$10 million; 25% of that went for administration. That is a lot of money.

I am on the Transportation Advisory Committee. They are trying to use that money for everything but transportation for the senior citizens, and I am fighting it tooth and nail.

The casino money is going to be like our Social Security money. If we don't watch it, it will be gone. Just like our Social Security, it will be used for everything but what it was intended to be used for.

I would like the Commission to keep a sharp eye on all the moneys that are being spent.

There are so many good programs that senior citizens need. A lot of them need housing.

Oh, by the way, I am also President of the Senior Citizens Group in Waterford Township, with 235 members at present, and I have been reelected four times as President down there. I am also the coordinator for Waterford Township, between the senior citizens and the township. So, I think I know what I am talking about when I say you must watch this money. It is being spent for everything except what it was intended to be used for in the beginning: To help the senior citizens.

SENATOR COSTA: Could you tell us a little more about that, Mr. Scelson? The Transportation Bill was supposed to assist the senior citizens and the disabled, in order to bring them to other feeder lines for transportation.

MR. SCELSON: Right.

SENATOR COSTA: Where do you see that they are not using the money for that purpose?

MR. SCELSON: One agency applied for some of the funds. We have \$440 thousand coming to Camden County. Out of \$440 thousand, \$100 thousand is being used for administrative work.

We then have different agencies that want part of the grant money. One agency came in and wanted money to transport-- They wanted a new bus, a driver, an assistant driver, and all the expenses for the bus in order to transport two three-month-old babies who are disabled, and two six-year-old children. Now, think of the expense just to transport four people.

SENATOR COSTA: Then you are saying it is not being used properly?

MR. SCELSON: Right. I was one who turned that down, and I believe it has been turned down; I have to wait until the next meeting to be sure of that. Now, that is only one case. There are many others who have applied for this money and they almost got it until I looked into it further. I was the biggest objector to a lot of these requests.

If we don't watch what we are doing with the casino moneys, we will be broke. You said that next year we will only get \$25 million.

SENATOR COSTA: No.

MR. GIORDANO: Do you mean the total?

MR. SCELSON: I mean the balance. I am talking about the balance for next year.

SENATOR COSTA: Are you speaking of what we will have left?

MR. SCELSON: Yes, what we will have left.

SENATOR COSTA: After using it for all these programs?

MR. SCELSON: That's right.

ASSEMBLYMAN PATERNITI: That is \$69 million. There is a \$69 million surplus.

SENATOR COSTA: Sixty-nine million will be left.

MR. SCELSON: Well, that's not much.

SENATOR COSTA: No. That is why we are trying to find another way.

ASSEMBLYMAN KLINE: That's surplus you are talking about, right?

SENATOR COSTA: Right.

MR. SCELSON: I would like to be on this Commission to oversee some of this money. For two years I have been trying to get on this Commission, but I just haven't made the proper contacts. I am a great believer in the fact that one can do a lot of good if one shops around. A lot of good can be done for the senior citizens if we take one step at a time. Take one program at a time, get it working, and then go into another program.

I am a firm believer that when a person becomes 65 years of age, he should pay no more school taxes -- or no more taxes at all, in fact -- because if he has lived in this State and paid taxes for 40 or 45 years, he has paid a lot of taxes, he or she has paid a lot of taxes to this State; therefore, he or she should not have to pay any more taxes after he becomes 65, or 70, or whatever it may be. Some kind of an agreeable age limit should be set. That way the senior citizens would not be drained of every dime they have. Just in case they do get sick, they would be able to live a little bit better.

If they are on Social Security, they will be able to eat. I have heard of cases where the elderly had to actually eat dog food to survive. That is hard to believe, but that is true. I know, I deal with many senior citizens.

In conclusion, please watch the money. Watch where it goes. Thank you.

SENATOR COSTA: Are there any questions from the Commission? Mr. Reilly?

MR. REILLY: I would like to address transportation. You said \$440 thousand came in. Is that for the township?

MR. SCELSON: No, \$440 thousand was allotted to Camden County.

MR. REILLY: As we all know, there are different degrees of disabilities, and a senior citizen at age 55 is probably much healthier than a 75-year-old.

Those six-year-old children who are disabled would benefit, I am sure, very much from that van. I don't think you should take a negative attitude toward that.

MR. SCIELSO: Well, there are other programs in existence to take care of the disabled and the children. There are other programs. But they feel casino money is so easily obtained, they want a piece of the pie.

MR. REILLEY: Don't you think it is feasible that the same van used for the four disabled children could also be used for senior citizens?

MR. SCIELSO: Well, that would be their intent, but I have seen that it is not used in that way. They say that it takes so many hours to make a round trip. You have to be out in the field to really see these things.

MR. REILLEY: The van would really have to be at a stalemate if the senior citizens could not use it. In other words, it would have to be tied up all that time during the day just to transport four people?

MR. SCIELSO: That is the way it was written up; that's right.

MR. REILLEY: That is not a fair way to do it then. I think if both people can benefit from that van--

MR. SCIELSO: (interrupting) There were other things too. Certain towns want a van to start a dial-a-ride on weekends when there is no other transportation. That was not the purpose of this legislation.

There were others who wanted a van to transport them to pick up food stamps and go to the hairdressers -- not only to go to the store, but to purposely go to the hairdressers. I have notes right in my folder which document all these things. I can't see the money being spent for things of that sort.

MR. REILLEY: No, I agree with you there. The biggest problem we have is getting the vans and transportation to go from county to county, rather than just between town and town.

MR. SCIELSO: We are looking into that. There may be an insurance factor there: Are you covered when you leave the county? We don't know yet.

MR. REILLEY: I do think when a county or a town implements a van or any vehicle for transportation, it should be looked at by both sides so it can benefit both the disabled and senior citizens.

MR. SCELSON: Remember, this program has only been in existence for about one year. How can I say it? They are really not sure of what they can do or what they cannot do.

SENATOR COSTA: What is your role in transportation?

MR. SCELSON: I am on the Commission.

SENATOR COSTA: You are on the Commission for Transportation Delivery, is that it? Because as I understand it, a plan has to be submitted by each county before they are approved to get these funds. Of course, once you have a plan approved, you have to follow that plan. It is up to the Board of Freeholders to get the money and administer the program, by county.

You are on a transportation committee?

MR. SCELSON: I am on an advisory committee.

SENATOR COSTA: An advisory committee?

MR. SCELSON: Yes.

SENATOR COSTA: Well, you know we have a lot of people ask for different things. For example, I was asked to see to it that our senior citizens get pool tables from the casino funds for recreation. Of course, we get many different requests, but it is the role of those who have control of the money to see that it is used wisely. I am sure that will be the end result, or they will not have a program.

MR. SCELSON: I would like to see -- if we ever have a large surplus -- a lot of towns that have no senior citizen meeting halls receive money, appropriated from the casino funds, in order to have meeting halls. I just went to work and had our meeting hall built. It took me a good year or year and a half to have it built. It cost us \$75 thousand, but we have a beautiful 50'x 60' meeting hall. It is one of the State's nicest halls.

If every town, or senior citizen group, had a meeting hall, and if the casinos saw all the surplus money and allocated \$100 thousand to build halls, I think the senior citizens would have something to look forward to.

SENATOR COSTA: Would that be your priority over these other things?

MR. SCELSON: Oh, no. The first priority would be health care.

SENATOR COSTA: Home health care?

MR. SCELSON: Yes, home health care. That is one thing that should be addressed.

SENATOR COSTA: That is what we are trying to do; we are trying to go through all of these requests and see what the senior citizens need most in the State, and prioritize those needs.

MR. SCELSON: That is one of the best ones.

SENATOR COSTA: As far as transportation is concerned, the Department of Transportation will be submitting their testimony at a later date, at one of our hearings.

Thank you very much, Mr. Scelson.

MR. SCELSON: Well, look into it real close.

SENATOR COSTA: Okay. Thank you. Is there anyone else who would like to speak before this Commission? Will you please come forward, sir, and give us your name for the record?

PETER LULIS: Concerning health care, I made a proposal some years ago that young people, school children -- high school boys and girls -- who have a lot of time to themselves, take some of this time, make a curriculum, take a neighborhood, go into the neighborhood and find out who lives there and how old they are, make a project out of it, and visit the elderly once in a while to see what they need and where they can get some information.

We lack information regarding all the projects the State and the Federal government has. People don't go out. They don't even get a newspaper.

You look around and see all these young high school people. You could set up a curriculum and say, "We have a family here and they desperately need help. Help them. They don't know where to go or who to seek out, especially the foreigners." Foreigners keep within their own ethnic group and they don't want to bother anyone, so they don't take any welfare because of their pride. They have a home and their children probably live in California, like mine do. Who are they going to turn to? Who can they see?

MR. GIORDANO: Pete, I come from Bloomfield, New Jersey. I lived in Kearny.

MR. LULIS: You lived in Kearny?

MR. GIORDANO: Yes, years ago.

MR. LULIS: You must be a Scotsman. (laughter)

MR. GIORDANO: Let me say this: The high school in Bloomfield has what they call a Key Club; it is sponsored by the Rotary. They Key Club there runs two dinners a year, one around Thanksgiving, and they just had another one recently for the senior citizens of the town. There is no cost; you are their guest. After that, they put on a show; they just put on the Wizard of Oz. Now, this creates a tremendous rapport between the young people and the old people.

If you want the young people to do something, you have to tell them to do it. I ran a Veteran's Day breakfast in Bloomfield on November 11th. I went over to the director of the Key Club and I said, "Would you come over and serve us because we are going to have about 200 people?" They came over and served us and they felt like they were doing something great.

It has to be a two-way street. You can't expect them to come to you. You have to go out there and say, "Look, we would like to have your help." Kids like to hear that.

MR. LULIS: Right. But the thing is, how do you communicate?

SENATOR COSTA: You communicate, first of all, with the School Board—

MR. LULIS: (interrupting) That is the thing.

SENATOR COSTA: (continuing) --the Boy Scouts and the churches.

MR. LULIS: Yes, but say you live on 10th street, and there are 40 people there. Every kid knows who lives there because they play in the neighborhood; maybe they were born in the neighborhood. They know "John Joe;" he is an old man. They don't see John Joe very much, so why doesn't the school tell them, "Hey, get acquainted with these people and see what they need. Maybe you can go to the store for them."

SENATOR COSTA: What you are saying is to get back to where we used to be, where we cared for one another.

MR. LULIS: That's right. We don't have that anymore.

SENATOR COSTA: I have always believed in the Grandparent Plan in reverse: Adopt a grandparent instead of having a grandparent adopt a child.

I know -- and this is getting away from our casino fund -- that old people love young people.

MR. LULIS: This is home health care. However, when I proposed this to the committee, back in the '60s, the answer was: "We can't do it that way." What do we have to have to do it that way?

SENATOR COSTA: I have a bill in that states the family life curriculum, which is mandated in schools, should include learning about growing old. It passed my Committee; it passed the Senate; and it passed Assemblyman Paterniti's Committee, but somehow it got into the Revenue and Finance Committee and I can't get it out of there.

MR. LULIS: That's right. Anything that is going to cost money, look out.

SENATOR COSTA: No. It doesn't cost a thing. It shouldn't be there to begin with. Somehow it got in that Committee and I have asked to have it released but I haven't been able to get it out of Committee. I might have to go through the whole process and do it again, unfortunately.

But, this would make the schools include, as part of their family life curriculum, learning about the process of aging. Young people are so removed from getting old that they don't think of what happens to a person. They may get angry at someone who can't hear then very well. But if they learn about the process of aging, and what occurs as one grows older, they would have a much better understanding of the problems.

MR. LULIS: One day they will be old themselves.

SENATOR COSTA: I think this is a way to go. I also have in an Intergeneration bill which was recently signed by Governor Kean, whereby the young and the old would be put together and the latchkey problem might be solved in that way. It would have older people give of their time, for monetary reimbursement, after having been screened by the Office of Aging and the Division on Women -- which is included in that. It would have them at home so that the working parent does

not have to worry about their child coming home from school when there is no one there.

This is going to be done on a pilot project basis, but I have been assured that Burlington County would get their pilot project.

MR. LULIS: Well there is some food for thought in that anyway. Thank you for your time.

SENATOR COSTA: Thank you very much for speaking to us.

Yes. Won't you come up? (Senator Costa speaking to member of audience) I need your name for the record.

HELEN SZATHMARY: I am President of the John A. Roebling Seniors in Roebling. I would just like to make some remarks about what this gentleman said regarding the student council. I am proud to say that we have a wonderful student council in Lawrence. Every year they put on a Senior Prom for us.

Two years ago, we even had CBS television there. We were televised because of the prom they put on for us.

The Girl Scouts put on a picnic for us every year. And, after Christmas they put on a tea and bingo for us. We have a very active group, and very fine children in our community, I am proud to say.

SENATOR COSTA: Thank you. Are you from Florence?

MS. SZATHMARY: I am from Roebling in Florence Township, yes.

SENATOR COSTA: That is about the only area I know of where they still keep their doors open. They look out for one another.

MS. SZATHMARY: I would just like to say that we have a lot of good children and we are proud of them. (applause)

SENATOR COSTA: That's great. Thank you very much.

There is one more person who wishes to speak. Please come up, sir.

JOSEPH YEAGER: My name is Joseph Yeager. Due to pressure by the Madam Chairman who just spoke, I was convinced to take the Legislative Chairmanship of the Florence Township Senior Citizen Society. Whether fortunately or unfortunately, I have been watching the legislative process all my life. I am not retired and I think I am getting a little weary.

In observing these proceedings, the only thing I want to add, as a public voice of one who represents the Roebling group, is that it seems to me this Committee has a very thankless job. The legislative process is a slow, slow grinding procedure. Today you have heard that you ought to grant senior citizens more benefits. I see nothing wrong with that, but it seems to me that before you talk about more benefits -- and the highly popular one appears to be home health care -- I just want to point out that on top of that you talked about the possibility of rental assistance for seniors.

Did you ever stop to think that while you are spending a lot of time, effort, and talent towards rental assistance, the national administration is cutting back on housing for the aged? That is where the problem ought to be attacked. I think this is a national problem, not a local or a State problem.

You know, when I think about it, I don't know who is doing this, but it seems as though the the administration in Washington shillelaghs -- and I use that term because this is a time for the Irish -- the elderly. Now, suddenly, I find we are paying income tax on our Social Security. Hell, senior citizens ought to be outraged; they ought to be here in large numbers. But, unfortunately, senior citizens are good, loyal, patriots and I guess they don't get riled up as they should.

First of all, I want to urge this Committee to see that moneys used for current programs are wisely spent. Second, I think Assemblyman Paterniti has a handle on this whole problem, and that is to get his legislation, the bill which says that in the future a constitutional amendment would prevent any governor or legislative body from raping the moneys from casino revenue that are supposedly dedicated to the senior citizens.

There is no Santa Claus. I agree with the gentleman who spoke before. You know, everyone thinks it is popular to raise the percentage of taxes on the casinos. That is probably the wrong way to go. I think what we have to do, if this Committee is successful -- and this will do the senior citizens a lot of good -- is to press for the legislation the Assemblyman proposed, the constitutional amendment that

will close the door and close the gap. In that way, no one can rape the moneys that are supposedly dedicated to senior citizens.

I think, Assemblyman, if that bill comes up for a vote and the senior citizens become aware of it, we can give you a lot of assistance with it.

I want to thank you, Senator Costa. Maybe it ought to be Senator O'Costa at this stage of the game, but I want to thank you, the entire Commission, and the Assemblymen for allowing me to testify.

SENATOR COSTA: Thank you very much. (applause) You just made me an Irishman.

Is there anyone else who wishes to speak? (affirmative response) Won't you come up, please?

MARGARET POLICARE: I am Margaret Policare. I am second Vice President of the AARP in the Bordentown area. I heard two or three gentlemen say, "Watch our money." I feel somebody should be watching the money.

Being a social worker and a caseworker, I know that it presents a great problem to watch anything. My thought is, I have now paid taxes to educate two generations of children. I own property and I am not asking to stop paying taxes after one becomes a certain age, but somehow if he or she did not have to pay school taxes, maybe the homestead rebate would not be that necessary because one tax would then outweigh the other.

If school taxes were not taken out of our tax money, we wouldn't need the rebate. However, you always have to have people watching people. There is a lot of money taken out of Social Security which should not come out of it. For instance, there are cases -- and, of course, you need caseworkers to watch this -- where when someone is partially disabled he applies for Social Security disability; he then stays on it for the rest of his life. I don't think that should come out of Social Security.

I for one, when I retired and went for my Social Security, was begged by the interviewer to find something wrong with me so I could get more money by going on disability. I said, "Well, there is nothing wrong," and he said, "Can't you find something? Find a doctor who will make this claim." That is another reason why Social Security is being raped.

My big thing is, after I have educated two generations of children, I feel that at my age I should not have to pay school taxes. That would ease the pressure on the casino funds because if one took out what he or she pays in school taxes every year, it would amount to much more than the homestead rebate provides.

SENATOR COSTA: You realize that the homestead rebate we are speaking of is no longer coming out of casino funds, don't you?

MS. POLICARE: Right, it won't anymore. I don't know where it will come from; however, on the other hand, I wouldn't be unhappy to see it erased, provided we did not have to pay the school tax.

SENATOR COSTA: Thank you very much. I don't think that is going to come about in the near future. (applause)

MS. POLICARE: Thank you.

SENATOR COSTA: Is there anyone else who wishes to speak? Jim? It is nice to see you Jim. This is Jim Gibbons.

JAMES GIBBONS: That's right. I really didn't intend to speak before this Commission. Thank you for the privilege of being heard.

I am a little disturbed to hear senior citizens talk about doing away with the school tax. I can tell you that I for one am very proud to pay my school tax because our future is in those children. If we don't educate them so that they can get good jobs, they are not going to be able to pay for the Social Security we are going to need in the future.

That is all I wanted to say. Thank you. (applause)

SENATOR COSTA: Thank you very much. We appreciate that. Jim used to be a Councilman in my town of Willingboro.

Does anyone else wish to speak? (no response) If not, I would now like to hear from the Commissioners. Mr. Haas, we will start with you. Would you like to say something?

MR. HAAS: I am kind of saving my voice. I am just getting over a bad bout with bronchial pneumonia, and my voice leaves me. So, if it leaves me now, you will know it is not my fault.

A lot of things were brought up this morning. For instance, a gentleman talked about the programs. As president of our club, I sent letters to President Reagan, Senators Bradley and Lautenbury from

New Jersey, and Dean Gallo from our District. I got answers from all of them, except the President. I asked them not to freeze our Social Security this winter -- our COLA. They were all in agreement with this.

Personally, I can not think of any reason why Social Security should be discussed at a budget meeting. It has nothing to do with the budget. When we were working we paid into it and it was put into a private fund. It was never brought up in a budget; it was just used for the benefit of the people who retired. That is what should be done today. There is no reason for our Social Security, which we paid for over the years -- since it has been in existence -- to be used as a battering ram because of neglect, nor because of what they are doing with the defense program.

I agree, we need a good defense program. If we don't have a club in our hands, we can't go into battle without it.

There were also other programs mentioned here. The last administration found \$6 or \$8 million right away to bring the Cuban people into this country. We had nothing to do with that. Why take it away from people receiving Social Security?

When they stop the COLA increase, as they did last year for six months, it is not only that six months that counts; it affects our next COLA increase. A lot of people, especially people of our age, who were under a pension system found that when the husband died, the pension went with him and that left the widow to live on just Social Security and the little bit of money they were able to save.

I am in the same boat. I get no pension. We live on Social Security. Fortunately, I knew what was coming and I saved a little money so we are not worried about it now.

But there are a lot of people -- there are a lot of ladies in our club -- who can't even afford to go on a bus ride, and we have to look out for them.

We are not even worried about the frills in life; one gentleman brought out the fact that seniors had to eat dog food. I concur with this. I know some people who are doing this. It is a disgrace to our country to have this happen.

I wrote letters and I ended them all by saying, "Whether you like it or not, you have 30 million people looking over your shoulders regarding how you are voting on these issues. One of the things we are going to do is to all ban together and vote you out of office. So, please beware of what you are doing."

There are other programs that we have locally. I am also on the Advisory Council on Aging in Essex County and I see a lot of things which should be done and they are not being done because a few dollars are missing. I think it is a disgrace to this country -- an affluent country such as ours -- that our own people are starving. I agree, we should try to feed the world, but let's take care of our own people first. Thank you. (applause)

SENATOR COSTA: Thank you, Mr. Haas. Mr. Chenoweth?

MR. CHENOWETH: I don't know if this microphone is on.

SENATOR COSTA: Yes, it's fine.

MR. CHENOWETH: I have to agree with Mr. Haas, wholeheartedly. I would also like to say -- getting back to the State level and what we are trying to do here today -- that because of testimony we have heard today, we have learned a great deal -- at least I have. One is never too old to learn. I am getting pretty old, but I can still learn.

Some things said here today have given me a new insight into what your needs are, how to accomplish them, and where the money should come from. The good people here on the Commission -- despite what someone had to say -- can handle it, I am sure; we will do our best to make sure the money goes in the right direction. Thank you. (applause)

SENATOR COSTA: Thank you, Mr. Chenoweth. Dr. Paterniti?

ASSEMBLYMAN PATERNITI: All I would like to say is that I am delighted to be here this morning. When I became Chairman of my Committee -- and I guess Senator Costa can attest to the same thing -- the public hearings did give us a lot of input, which gave us direction on the needs of the seniors. I think the input received so far by this Commission has also been excellent. I think it is steering us in the right direction, and I think we are going to come up with some good

recommendations that will reinforce the true needs of the senior citizens. Thank you again.

SENATOR COSTA: Thank you. (applause) Mr. Giordano.

MR. GIORDANO: First, I want to apologize for being a little late. Second, when I read the instructions to get here, they said "The building looks like a spaceship." When I got here, I agreed with the description. I was looking for someone to give me a spacesuit when I walked into the building.

It is a pleasure to be down here in Burlington. You know, we in North Jersey are up there in the northern part of the State and we don't get much of a chance to come to Burlington. In fact, the only thing that Burlington represents to us, most of the time, is a sign along the road which says, "This way to Burlington," when we are traveling down to Philadelphia.

This is a very historic town and I enjoyed being here.

The other thing I would like to say is, I volunteered to serve on this Commission for one reason, and that was to ensure that the casino revenue funds were spent judiciously, economically, and in the best interest of all our senior citizens and handicapped.

I want to thank you. You have been a wonderful audience. You have given us 100% of your attention. I would also like to say that we have a tremendous chairman for our Commission, Senator Costa. (applause)

SENATOR COSTA: Assemblyman Kline?

ASSEMBLYMAN KLINE: I would just like to state again that when we hear about casino gaming -- right now we are discussing, through the legislative process, having 24-hour gaming for Atlantic City -- I think that the fine people of the State of New Jersey do not realize what casino gaming does to benefit senior citizens. When some of you talk to your friends and neighbors, please take that into consideration.

I know I will be going around the State Assembly looking for support for 24-hour gaming; yet, when it comes to the need for funds throughout the State, the casino industry is the first one we look to for those funds. So, remember, let's work together and not kill the goose that lays the golden egg. Thank you. (applause)

SENATOR COSTA: Thank you. Mr. Fried?

MR. FRIED: I would just like to thank the people from this area for attending our hearing today. They have been very informative to me and very helpful to this Commission. Thank you. (applause)

SENATOR COSTA: Mr. Reilley.

MR. REILLEY: Yes. I would like to thank all the people for allowing me to be here. This is somewhat new to me. I am very impressed with the knowledge all you people have. I promise that I will never again skip an article on Social Security in the newspaper. (laughter and applause) Thank you.

SENATOR COSTA: Thank you, Mr. Reilley. I would like to introduce my staff. Eleanor Seel is the staff member to this Commission. Barbara Cantrill, who was just here, is a member of partisan staff; she is with the Democratic staff. We also have our two reporters here, who do quite a bit of work for us.

I also want to thank our Commission for coming down here today. I know some of you traveled quite a distance to get here.

You know, it has been very good to hear from all of you. We do learn an awful lot; yet, we have not covered all of your needs because there are so many of them. We recognize that.

Alzheimer's Disease is a terrible disease which takes its toll on people, mostly those who are up in years. There is much to look into concerning that disease; we find that there is nothing available to provide assistance with that disease. Most of the time people have to lie in order to get some assistance. It is unfortunate and this has also come to our attention.

Someone mentioned looking at the things that are really needed: Food, clothing, and shelter. Well, the priorities seem to be food, shelter, and medical attention. We have gone in that direction with our aging population.

I guess we are fortunate that we have a resource to tap in order to provide for some of the needs of the elderly; we have the casino funds.

The casinos have brought some bad things into our State; yet, they have also brought in good things. We are trying to take that good and make it even better by prioritizing the needs.

I was delighted to see that we finally did get this Commission formed and that I was going to be Chairman of the Commission.

We will be meeting next Monday in Ocean County, where there is a large senior citizen population. The last meeting will then be held in Cedar Grove, which is in Essex County. That is quite a distance, but we are trying to hold hearings throughout the State -- North, Central, and South Jersey.

We started last week by having our first meeting in Trenton and we had a lot of staff people from the State there in order to get some information regarding funding. We decided to have four meetings. I did want to have one in Burlington County, and I took the prerogative of the Chair to do so.

MEMBER OF AUDIENCE: There is still more to southern New Jersey you know.

SENATOR COSTA: Yes, we realize that, but we were hoping that in Ocean County we would get people from the southern end of the State, and in Burlington County we would get people from around this area and Trenton; we then planned to go to the northern part of the State.

With that, I would like to thank you again and say have a good day; drive carefully.

I would like to see the Commission members in the conference room at this time. Thank you.

(HEARING CONCLUDED)

New Jersey State Library

APPENDIX

To: State Senator Catherine Costa
Chairperson, Casino Revenue Funds Study Commission

Re: Distribution of Casino Revenue Funds

I am a parent, representing my 11 year old son, Jason, who is deaf and blind. By doing so, I also represent the interests of other children with this similar handicap. Jason is currently a student at Katzenbach School for the Deaf in Trenton. Up until this year he has been a daytime student. Early in this school year my husband and I requested that Jason become a residential student. The decision was a difficult one for us to make, but we wanted the best for our son and felt that Katzenbach offered him the opportunity to develop his social skills and life skills in an environment of total communication. At home we could give him the love of family and teach the basic skills, but we knew he needed more. He needed to be with his peers to develop more fully as a productive member of society.

Our request was originally denied because we were told that the residential program at Katzenbach could not meet Jason's special needs. The program there now has only deaf children, who are normal

in every way except for their deafness. The staff could not manage the special problems of a deaf-blind child because of staffing and lack of specialized training.

Through continued efforts, we were able to have Jason accepted as a residential student, only if he had an aide to work with him during his residency. Through the combined efforts of Mt. Laurel Township and the N.J. Commission for the Blind, a teacher was hired. She holds a Master Degree in Deaf Education and has worked with children like Jason. She is receiving only \$5.00 per hour, in spite of her educational background and training, and because of lack of additional funding, may have to leave because of inadequate salary. She began in this program with Jason and she is highly qualified, and now we must find someone else to continue what was started.

In the program, Jason is gradually being phased into the residence by extending his school day a number of hours for several weeks at a time and hopefully, by the end of the school year or by September of 1985, he will be a full-time residential student. Jason is developmentally far behind the children now in residence and it will take years for him to catch up to them. Success depends on Jason himself and the abilities of the teacher working with him. Everyone is working hard to meet Jason's needs, but the program is experimental and my son the subject of the experiment. His success or failure will affect other children who might need a program such as this. Lack of funding, limited budgets, and lack of qualified

teachers and staff hinder these children from having the necessary or appropriate programs.

However, there is already a program on Katzenbach's campus for deaf-blind students. Funded by Title VI-C, these children have a program that teaches them daily living skills in addition to their academic or vocational training. It has been very successful. It provides a residence, classroom facilities, and the highly trained professional staff to work with deaf-blind children. Previously, these children were sent out of state for their education, creating a great burden on their parents and the taxpayers. With this program here in N.J., they have the opportunity to develop to their fullest potential without having to go out of state. Unfortunately, the program is provided for children ages 14 to 21.

Unfortunately for Jason and other children in the age group of 5 to 14, there is no existing program. They cannot reap the benefits of the current program until age 14. Foundations need to be set early for any child, handicapped or not, to reach their fullest potential. Early intervention is the key and age 14 is not a magic age where these deaf-blind children can be expected to suddenly develop into productive human beings.

The possibility now exists for a program to be established for children aged 5 to 14 on the Katzenbach campus. There are facilities that can be used to house and provide classrooms for the younger children. Funding is needed to begin a program; to set it up, to provide a staff, for renovations and for equipment and

educational materials.

Jason's program, as it is now, has broken ground, but we want to afford him every opportunity to be the best that he can be. It can be done by people who have the expertise and training to work with deaf-blind children. Jason and other children in his age group cannot afford to wait until age 14 to start in the deaf-blind program now in operation.

Please consider that the Casino revenue funds could be helping Jason and children like him to live as successful and productive members of society. Don't gamble with their lives, help them.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cecelia Vetra".

Cecelia Vetra

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