

PUBLIC HEARING
before
CASINO REVENUE FUND STUDY COMMISSION
on
Use of Casino Revenue Funds

Held:
March 25, 1985
Lakewood Municipal Building
Lakewood, New Jersey

MEMBERS OF COMMISSION PRESENT:

- Senator Catherine A. Costa, Chairperson
- Assemblywoman Marlene Lynch Ford, Acting Chairperson
- Senator Frank Pallone
- Senator Leanna Brown
- Assemblyman Thomas H. Paterniti
- Assemblyman Edward Kline
- James J. Daly
- Thomas Fricano
- Raymond Fried
- Thomas Giordano
- Melvin Haas
- Michael Reilley
- John A. Spizziri

New Jersey State Library

ALSO PRESENT:

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

TABLE OF CONTENTS

	<u>Page</u>
Walter Scherer On Behalf of John Tergis New Jersey Council of Senior Citizens	3
Deputy Mayor Robert Singer Lakewood, New Jersey	11
Thomas D. Carver President Atlantic City Casino Association	20
Diane Mutchler Director Middlesex County Office on the Handicapped	35
Thelma Tolbert Director Public Health Nursing Services Ocean County Health Department	39
W. Rodman Boone Chairperson Community Affairs Committee Ocean County Chapter American Association of Retired Persons, Inc.	43
Bill Feirstein Lakewood Social Club	47
Gene Terkelsen Executive Committee Governor's Committee on the Disabled	54
Jerry Del Rosso Director Division of Aging and Disabled Atlantic County Office on Aging	60
George Hayden Resident A Country Place	62

TABLE OF CONTENTS (continued)

	<u>Page</u>
John Sierge State Executive Board New Jersey Federation of Senior Citizens	65
Russell Hearen National Legislative Council American Association of Retired Persons, Inc.	67
Joan Litwin Executive Director Monmouth County Office on Aging	70
Lou Blazik President Ocean City Senior Coordinating Council	75
George Gravino Monmouth County Retired Educators Association	78
Stephen Janick Concerned Citizen	84
Mayor Roden Lightbody Dover Township, New Jersey	85
Lillian Bloom Concerned Citizen	93
 APPENDIX:	
Statement, presented by Walter Scherer, on behalf of John Tergis, Chairman, New Jersey Council of Senior Citizens	1x
Statement, charts, and legislative monitoring list, presented by Thomas D. Carver, President, Atlantic City Casino Association	8x
Statement of definitions, Submitted by a disabled consumer from Essex County	31x

TABLE OF CONTENTS (continued)

	<u>Page</u>
Statement, presented by Lou Blazik, President, Ocean County Senior Coordinating Council	33x
Letter to Senator John Russo, from Mr. & Mrs. Nils Wedin, Lakehurst, New Jersey	35x
Statement, presented by the Atlantic County Division of Aging and the Disabled, Atlantic City, New Jersey	37x
Statement, presented by Beverly J. Bearmore, Director of Welfare, Ocean County Board of Social Services	40x

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SENATOR CATHERINE A. COSTA, (Chairperson): I am Senator Catherine Costa, and I would like to welcome all of you to this public hearing of the Casino Revenue Fund Study Commission. The Commission was formed this past January and 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 Lynch Ford is the Vice Chairman. Other members of the Commission include Senator Leanna Brown and Senator Joseph Bubba, neither of whom are here now; Senator Frank Pallone; Assemblyman Walter Kavanaugh, who is expected later; Assemblyman Edward Kline; Assemblyman Tom Paterniti, who, by the way, also chairs the Assembly Committee on Aging; George Chenoweth, the second person on my right; James Daly, who is on this side; Thomas Fricano, who is all the way to the end; Raymond Fried; Thomas Giordano is on this side; Melvin Haas is on the end; Michael Reilley; and John Spizziri. I don't know whether Mr. Spizziri is here.

The Commission's purpose is to undertake a careful and thorough review of anticipated revenues from casino gambling in the coming years, present use of the State revenues from casino gambling, 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 disabled and senior citizens, 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 public hearings in Trenton and Burlington Township, we heard several very worthy suggestions for programs that are needed by both senior citizens and disabled persons. I am sure that we will hear more today.

The Commission members will decide which of these worthwhile, needed programs should be funded from casino revenues. This year, it

is estimated that the Casino Revenue Fund will receive \$172 million from the 8% tax on casino revenues. This seems like an incredibly large sum of money; however, I should tell you that the State has already committed more than this amount this year from 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 which remained from previous years. Major programs currently funded by casino funds include Lifeline, the \$225 gas and electric utility credit that comes to about \$73 million, and PAAD, the pharmaceutical assistance program, which provides a \$2 co-payment for prescription drugs. PAAD comes to \$23 million. The additional property-tax deduction for lower-income senior citizens and disabled persons comes to \$21 million. This property tax rebate will not be funded from casino funds after this year. The Legislature changed that this year. Senior citizen and disabled person transportation services come to \$10 million.

The cost of these five programs is \$157 million for this year. Last year, these 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 the existing programs over the next several years and the estimated costs of any new programs that we may recommend come from casino funds. We will then compare these costs with estimates of the amount of revenue available from the casinos to decide how to best use these funds.

At our first hearing in Trenton, we were advised by the budget staff that our task will be made more difficult because the growth of the Casino Revenue Fund will be low over the next five years due to a slowing down of casino development. Today, we will hear from representatives of the casino industry how they view the future of casino development and growth of casino revenues. They have a certain kind of formula they work out with regard to the money that comes to us, and some of it is based upon square footage. I am sure we can get more of an explanation from the representatives of the casinos. I am anxious to see if their views conform to those of our budget staff.

Whatever recommendations we finally make, we must be sure there will be sufficient money available to sustain the programs we start. Assemblyman Paterniti has as many bills waiting in his committee, the Assembly Committee on Aging, as I have as the Chairman of the Senate Committee on Aging, and they all have to do with using casino revenue funds. We have held up listening to any of these bills. They are all very good. Their intent to help senior citizens is good. The main thing, however, is to prioritize: see what your priorities are, see how much money you have to spend, and take it from there. That is what this Commission is all about.

We must also be sure that, whatever recommendations we make, the programs funded by casino revenues provide the most important and needed services to the greatest number of senior citizens and disabled persons in the State. I want to thank you very much for listening. You have already met the Commission members. Before I go any further, I would like to introduce our Commission staff person, Eleanor Seel, and the OLS staff members, Maureen Yefchak and Cate Woods-Russo. Thank you very much.

At this point, I would like to turn this hearing over to Assemblywoman Ford. This is her district, so I am going to ask that she chair the rest of the hearing. Thank you.

ASSEMBLYWOMAN MARLENE LYNCH FORD, (Acting Chairperson):
Thank you, Madam Chair, for arranging to hold this hearing in Ocean County, the county with the highest concentration of elderly citizens in the State. I appreciate your concern for the problems in this area, as well as for the need to hold this hearing in order to go right to the people who are most affected by the Casino Revenue Fund, and who probably have the most to offer, in terms of advice on prioritizing expenditures of the Casino Fund.

Today, we have a list of witnesses. We ought to give them an opportunity to speak. Let us proceed expeditiously. The first speaker will be Walter Scherer from the New Jersey Council of Senior Citizens:
WALTER SCHERER: Good morning, ladies and gentlemen. My name is Walter Scherer. I am here to represent John Tergis of the New Jersey Council of Senior Citizens. Mr. Tergis has not been well, so he has asked me to present his testimony.

"My name is John Tergis. I am Legislative Chairman of the New Jersey Council of Senior Citizens, an affiliate of the National Council of Senior Citizens with 250,000 members throughout the State of New Jersey. I am also the Council's delegate to the Task Force on Legislative Concerns, which, as you know, is an association of seven major senior citizen groups that meets monthly to discuss and obtain a consensus on issues concerning the elderly and disabled.

"I must tell you how delighted we are to appear before your distinguished Commission. At a series of meetings, beginning with the formation of the Task Force, we mutually agreed on the two following priorities for the expenditure of casino revenue funds. We would respectfully like to submit these priorities for your consideration at this time.

"The first is home health care. This is a system of home- and community-based long-term care for vulnerable aged and disabled persons, regardless of income. It involves a full array of home care services, including medical care, social daycare centers, homemaker services, respite care, and, most importantly, management to formulate a plan for the patient's care.

"Home care is a more efficient, less expensive, and more humane alternative to nursing home confinement. Moreover, those of us who worked during the '30s, '40s, '50s, and '60s, for comparatively low wages, probably saved little more than \$25,000, at best, during our working careers. Well, if there is no alternative to nursing home confinement, that \$25,000 would last just about one year in a nursing home, after which we would stay in the nursing home under Medicaid, at government expense. The age-65 population of New Jersey, according to the Governor's Management Study, is expected to increase by 225,000, or 30%, by 1995. We are building up a mountain of Medicaid expenses in New Jersey unless we are able to alleviate this financial problem of nursing home confinement.

"The Federal government is advocating home health care as a means of saving Medicaid dollars and has made it possible for the State to qualify under a Home and Community Based Medicaid Waiver Plan, briefly described in Exhibit A.

"New Jersey has qualified, and the plan is being systematically implemented in the State, beginning with 1,800 slots over a three-year period. This is an advantage, because the Administration can proceed without a sudden investment in new personnel and equipment, and system mistakes can be corrected as we go along.

"The proposed Casino Revenue Fund budget contains more than \$10 million toward this plan. The slow, systematic implementation of the Waiver Plan should free casino funds to be used for home care for those above the Medicaid level, which is so important.

"The second priority is rental assistance. This is a program of rental assistance for senior citizens and disabled residents who are paying high rent in relation to their incomes.

"Rents are rising faster than the incomes of many of our seniors and disabled residents due to increased property values and insufficient, very expensive rental construction. The Star Ledger estimates that 25,000 apartments are being lost annually in New Jersey because of neglect, abandonment, and condominium conversion.

"Renters comprise about 40% of senior households and are a poorer group than property owners. Senior property owners have been awarded an annual homestead rebate of about \$240, plus a property tax deduction benefit of \$250 -- where income is \$10,000 or less, exclusive of Social Security -- for a total of approximately \$500. Renters have been neglected, however, even though rental assistance is called for as being a permissible expenditure of casino revenue funds in the 1976 Casino Referendum. After a thorough review it was decided that the following plans, among others, should not be considered as priorities for the disbursement of casino revenue funds:

"Medically Needy. A brief description of Medically Needy, an extension of Medicaid, appears in Exhibit A. The Task Force did not add Medically Needy to the list of priorities. The senior and disabled component of Medically Needy is a plan of medical care, rather than a plan having a complete array of home care service. As such, it does not fit in with the Task Force priority of home care. Medically Needy involves a very large, unpredictable commitment of public funds, even though the Federal government does not change its commitment toward

Medicaid. The cost will rise because of the projected increase in the elderly population; however, it is not going to work that way, because all indications are that the Federal government will cut back on its shares of Medicaid costs in this and subsequent years, leaving the states to assume a greater share.

"If any portion of Medically Needy is financed by the Casino Revenue Fund, the concentration of this high, unpredictable funding in the Medicaid area not only makes it impossible for us to extend home care to the low-income people but also removes an opportunity to extend home care to those with higher incomes.

"Where the need exists, the Casino Revenue Fund should be administered in a more even-handed manner. We urge and recommend that Medically Needy, if enacted, be financed from the General Fund.

"PAAD/ Lifeline Liberalization. Assembly Bill 1548 proposed a liberalization eligibility increase from \$15,000 to \$20,000, for the married recipient, at an additional cost of \$55 million each year. The Governor's version increased the liberalization eligibility from \$15,000 to \$15,750, at an additional cost of \$25 million each year.

"The Task Force did not recommend this liberalization. The existing limits are high enough. There will always be people who are dropped from the plan because of interest, pension, and Social Security increases. The persons brought into eligibility by this liberalization would gain some benefits from the liberalization, but would stand to lose needed home health care because of insufficient funds to establish such a plan. We urgently request that PAAD/ Lifeline liberalization, if enacted, be financed from the General Fund.

"Casino Revenue Fund proposed budget for 1985-86. The budget includes \$12.4 million for Medically Needy for a six-month period. At least \$24 million would be required for a full year. PAAD/Lifeline items have been increased by \$25 million to accommodate the Governor's suggested increase in these benefits. Although the budget does not propose using casino money to pay for the homestead rebate this year, for a savings of \$33 million, all of this savings has gone toward expenditures. On a current basis, expected expenditures of \$176.2 million just about equal projected revenues of \$177 million.

"The study prepared by the Legislative Budget Officer, Gerald Silliphant, projects modest revenue increases in the Casino Revenue Fund in the future. According to the report, the current surplus in the Fund could be wiped out in four years by a modest increase of, perhaps, \$15 million a year in the casino budget. The way this budget is constructed, there is very little, if any, room for expansion in any direction.

"Summary. It is requested that the Commission declare home health care and rental assistance to be top priorities for the expenditure of casino revenue funds. It is requested that the Commission take advantage of the clause in the Medically Needy and PAAD proposed legislation and declare that these measures, if enacted, be funded from the General Fund rather than the Casino Revenue Fund.

"Under the programs we have had up to the present time, the programs, rightly, were cut off at a certain economic level because need did not extend beyond this level; however, need for home health care knows no economic bounds. Frankly, all seniors and disabled voted for the Casino Referendum. The vote was not limited to any particular class. The decision of the Commission may very well be our last chance to dispense casino revenue funds in a fair, even-handed manner. Thank you.

ASSEMBLYWOMAN FORD: Thank you, Mr. Scherer. Do any members of the Commission have any questions? Perhaps I can call you back, Mr. Scherer, if you don't mind. Dr. Paterniti?

ASSEMBLYMAN PATERNITI: Yes. Mr. Scherer, first of all, if I recall--

MR. SCHERER: [interrupts] If I may interrupt you, sir, I would prefer not to answer any questions. Mr. Tergis is available at his home and may be reached by telephone or letter, and I am sure he would be very glad to explain it. I do not feel qualified to speak for him in this respect.

ASSEMBLYMAN PATERNITI: Excuse me. I was going to concur with some of the statements you made. In previous meetings, the Medically Needy Program was brought up. We pointed out that when the Assembly passed that particular piece of legislation, the intent of the

Assembly was that it come from the General Revenue. We concur with your group in that matter.

As far as Lifeline, where almost \$25 million has been actually shifted to the-- I'm sorry, to the PAAD program-- I'm sorry, \$25 million has been shifted to that particular category. I am a little confused because when we increased the PAAD program to include the disabled, at that time we went from \$9,000 to \$12,000 for a single person, and from \$12,000 to \$15,000 for a married couple. We also included the disabled. And it only took \$18 million to make that big jump. I cannot understand why it takes \$25 million to increase it by \$750. It just does not make sense. I believe the Administration is just trying to bury some money in that particular account.

With regard to the \$50 rebate: When the income tax was passed, the intent was that it should come from general revenues or income taxes -- not from the Casino Revenue Fund -- and Governors Byrne and Kean have been raping that particular Casino Revenue Fund all these years. ACR-31, my legislation, is a constitutional amendment that will, hopefully, be enacted this year to ensure that this and any future governors are never allowed to go back and pirate the casino revenues. So, we concur with your recommendations.

MR. SCHERER: Thank you very much.

ASSEMBLYWOMAN FORD: Thank you, Mr. Scherer, and I hope Mr. Tergis is feeling better. Senator Pallone?

SENATOR PALLONE: I want to add that I agree with you completely; rather, I agree with the statement that you read on behalf of Mr. Tergis. Mr. Tergis, who is from Monmouth County, has been in my office many times and has explained in detail the statement you read. From my experience, and in two respects, first of all, in my Senate office, when I get calls from senior citizens, it is very evident that their major concern is rental assistance. Particularly in the shore areas, it seems, rental assistance is a problem because of the high cost of rental housing and perhaps because so many people are interested in living in the coastal areas. There is also an influx of other people that is driving the cost of rental housing way up. If there is any priority, it should be that one.

The same is true of home health care. I used to work for Monmouth County Protective Services for the Elderly. It became very evident for me, working for that organization, that our main concern should be to try to keep people at home, rather than institutionalize them. The best thing that can be done is to provide -- really, at a relatively minimal cost, when you think about the cost of institutionalization: nursing home care, et cetera -- as many home health care services as possible. Mr. Tergis, in fact, helped me draft a bill that provides a rental assistance program. I have been working with him on that.

One thing Assemblyman Paterniti said that I thought-- I don't know; maybe you don't want to answer questions, but perhaps one of the other members could comment. You mentioned that we have the rebate program for property owners -- homeowners; however, we also have a tax credit program, I understand, for renters. Some senior citizens have complained to me that they really cannot take advantage of that because of their income levels. I am wondering how that works. Perhaps someone can answer that. Does it mean that they really, in some cases, are not taking advantage of the tax credit program?

MR. SCHERER: I am not informed of the rental situation.

SENATOR PALLONE: I noticed that you did not mention that.

ASSEMBLYMAN PATERNITI: Well, the tax credit would be predicated on the PAAD program. If a person is single, with an income of over \$12,000, she or he would not qualify for it. If a couple is married, with an income of over \$16,000, they wouldn't qualify for it. They have to fit within that particular category, in order to qualify for rental assistance or-- even if you are a homeowner.

MR. SCHERER: Okay.

SENATOR PALLONE: Thank you.

MR. SCHERER: Thank you very much.

ASSEMBLYWOMAN FORD: Are there any other questions or comments from the Commission? Senator Costa?

SENATOR COSTA: What has come across loud and clear at these hearings are the two things that you have mentioned: rental assistance and home health care. I don't know if many people know about respite

care, which was meant to keep people at home rather than in nursing homes. It evolved from a bill that I sponsored, which became law and is now a pilot project in three parts of the State; it gives assistance to those who have the responsibility of the constant care of a disabled or elderly person.

We sometimes find that people enter nursing homes just because someone at home who has to provide that constant care simply cannot take it any longer. We felt that by giving them an opportunity to have a respite -- a break -- they could keep the elderly at home. I find that this is something we keep hearing, over and over again. I am delighted to see that most of your organizations have gotten together and come down to two very basic things.

MR. SCHERER: Yes, they have, and it is gratifying. Thank you very much.

ASSEMBLYWOMAN FORD: If I could just take advantage of the Chair, I also concur with your comments, especially with regard to the in-home care necessity. In your addendum to Mr. Tergis' comments, you mentioned a bill that I sponsored, A-2086, which would establish a pilot project for in-home care assistance. The goal of that would be to try and keep those individuals in the home as long as possible, and have other, older workers who are interested in being employed in the program actually be the in-home workers. They would perform jobs along the line of chore services, and mostly those types of things for which, very often, there is some assistance needed.

I thought about this bill and its progress. It is presently awaiting a vote in the Assembly; it was reported out of committee. As for funding, it is a sliding-scale program, and it would take into account middle- as well as low-income seniors. I thought about that this weekend when, quite frankly, I read in the newspaper of a tragedy here in Ocean County. Two elderly sisters died in a kitchen fire. One was in her late 80s, one in her early 90s. They were cooking for themselves. One caught on fire; the other tried to put the fire out; both died of the burns received.

That underscored, at least to me, the necessity for that type of program. If there had been someone in their home -- someone who

came in, on a very inexpensive basis every day, to help with meal preparation -- those women would be around today. I am sure they were just clinging to stay in the home they had in Berkeley Township for as long as possible. Maybe the two of them, because of their age and inability to get around, could not cope with that tragedy which occurred. It certainly drove home, to me, the need for this type of program, even on a very limited basis, for a few hours a day, and how much a difference it could make. Thank you, Mr. Scherer, for testifying of behalf of Mr. Tergis.

We will now hear from the Deputy Mayor of Lakewood, our host town, Robert Singer. Mr. Singer:

DEPUTY MAYOR ROBERT SINGER: Thank you, Assemblywoman Ford, for taking me out of turn. I appreciate the indulgence of the Commission. As Deputy Mayor of Lakewood, I would like to officially welcome you, the Casino Revenue Fund Study Commission, to Lakewood Township.

You may be interested to know that Lakewood has a large senior citizen population. In fact, almost 30% of the 40,000 residents are 65 years of age or older. I am very proud of our seniors, and proud that the Commission has come to Lakewood to ask their views with regard to spending casino tax revenues. I have taken the time to talk to many of our seniors, and they are very concerned about the way casino funds are being spent. I am not here to represent them. They do an excellent job of representing themselves. I would, however, like to take a few moments to relate to you some of the conversations I have been having with them concerning how the money should be spent.

First, seniors do not want State government stealing casino tax dollars to pay for programs that should, rightfully, be paid from the general State Treasury. The voters of the State decreed that casino funds be dedicated specifically to seniors and the disabled; yet, in 1979, and again in 1982, a total of \$80 million of casino funds was transferred to the general Treasury to pay for programs that existed prior to passage of the Casino Act.

I am pleased that Governor Kean proposed this year to restore every penny of these misused casino funds. Misusing casino funds in this way is immoral and unjust, and should never happen. If allowed to

happen again, seniors will be deprived of money they need. Seniors want assurance that, under another Governor at some future date, it will never happen again.

A second concern I hear is that the middle-income senior receives little benefit from the casino funds. Important programs, such as Pharmaceutical Assistance for Aged and Disabled and the \$225 Lifeline rebate credit, are only available to seniors with incomes under \$15,000, or \$12,000 if the senior is single.

What about seniors who earn \$16,000? Or a single senior who earns only \$13,000? Don't they need help too? Today only one-fifth of all seniors qualified for pharmaceutical assistance or utility rebate credits receive money from the Casino Act. This Act was never intended to assist only a small segment of the senior population.

I am not advocating benefits for the super rich. I am only asking you to recognize that a single senior citizen with a \$13,000 income also faces small annual price increases in rent, taxes, food, and other necessities that other fixed-income seniors face. They need help too. Seniors are also concerned that there are too many politicians who want to create expensive, and often unnecessary, programs to spend casino moneys

Proposals totaling several million dollars have been introduced in the Legislature. If all these programs were to become laws, the current Casino Fund surplus of \$68 million would be quickly spent, with no money left to fund the growth in present programs. I think it is the responsibility of legislators not to promise seniors pie-in-the-sky programs when those same politicians know we cannot afford them.

Finally, I would like to leave you today with one recommendation for consideration. Other than creating new program after new program to spend casino moneys, why not return some casino tax money directly to our seniors and disabled in the form of a check? Current programming funds for casino moneys are important and must be continued; however, as new casinos open and tax revenues grow, I believe that additional moneys will be paid directly to seniors and the disabled. With my proposal, seniors and disabled persons will receive

hundreds of dollars each year to spend as they see fit for their needs. Being given the freedom to decide, as individuals, how to spend their money, is only fair. It is their tax money.

I know that many of you oppose my idea, just as some of you oppose Governor Kean's plan to return \$100 million of the budget surplus to the people of this State. Let me tell you that there is nothing wrong with giving seniors a bonus rebate of \$70 a year through Governor Kean's proposal. Believe me, they need the money.

I know there are many people here waiting to speak to you, and I thank you again for coming to Lakewood to listen to us.

ASSEMBLYWOMAN FORD: Thank you, Mr. Singer. Are there any questions from the Commission? Dr. Paterniti?

ASSEMBLYMAN PATERNITI: Well, Madam Chairman, first of all, naturally, we are going to follow the recommendations of the people who have come before this Commission. This is the third hearing, and so far, the greatest thrust has been for in-home care and rental assistance. We believe that we should be giving all seniors more money, as you have proposed; however, I believe the money should come from the General Revenue Fund.

The Governor made a proposal to increase the tax rebate, but only for one year. Now, Assemblywoman Marlene Ford's legislation, if I remember correctly, would make this an ongoing thing, year after year, even if it was a little higher than the Governor's proposal. We have almost a billion-dollar surplus. I was the one who introduced the legislation to actually reduce the sales tax, because I never believed we needed that tax in the first place. We opposed it for the people of this State, and as long as that money is there, a lot of it should be returned. Assemblywoman Ford's legislation, which is a permanent piece of legislation, should be endorsed. The legislation which the Governor is presently endorsing is only a one-shot deal. It's just a shot in the arm, and may be even political, because it is an election year. Assemblywoman Ford's legislation, however, would be permanent. They would get the money every single year.

MR. SINGER: Well, certainly, I don't think it is political. We are going to have to look at it on a year-to-year basis. Right now,

the State is in excellent shape with the very, very large surplus. I think the Governor is taking a cautious action in this.

Certainly, if the moneys are there from preceding years, he plans to do it. The concern, again, is that if you write something in, and the money is not there the following year, you may run back and take casino moneys for it too.

ASSEMBLYMAN PATERNITI: I think we are going to have the surplus for quite a while. The Legislature passed an income tax and a sales tax, which, I feel, was not needed. It is there. We are stuck with it. There are going to be moneys.

Let me tell you something. Every time seniors need money, they want to actually pirate the moneys that are in the casinos. Now, the seniors, as a whole, have made a contribution to the State and they are still making it. First of all, we have dedicated taxes and other general taxes. For example, the income tax is a dedicated tax, yet people with higher incomes pay it; but that money is going back to the people of this State for education and in the form of a tax rebate.

Now, the sales tax goes into the General Fund, and every senior here, who is paying for that refrigerator, that repair, or that car, is putting a piece of the action back into the State. They are not getting their share of it back, because every time they need something, they take it from the casinos. Every time some other group needs it, however, they actually let them have it.

Another thing, too, is the lottery. The lottery generated one-third-of-a-billion dollars last year. Let me tell you something. The seniors put a good piece of that in there, but it is going to higher education institutions. Really, it is not going totally to the senior citizens.

With regard to other fees -- licensing fees: The seniors and disabled probably make more visits to the doctors and attorneys in related fields that are generating this money, and they are not getting enough of this money. I truly feel that a lot of these programs have to be transferred, again, out of general revenues, and we should open up these other casino revenue moneys for the programs that have actually been suggested by the various groups throughout these three hearings.

MR. SINGER: Let me just leave you with one point. As Secretary-Treasurer of the Ocean County Board of Health, as a member of the County Block Grant Committee, as a member of the Lakewood Housing Authority, and as a member of the Lakewood Social Service Board, the seniors with whom I have spoken throughout the county are concerned by the fact that they do not want the government telling them how to spend the money. They would like to see the checks in their hands. They would like to have the option, if they want to bring someone in to help them out on a daily basis, to do so; if they want to go on vacation, or if they want to go someplace, they want to have the money to do that; if they want to bring a guest to their homes for dinner, they want to have the money to offset the expense. The big concern is bringing the check back to them and letting them make up their own minds about how they want to spend some of their own money.

I think it is an important fact and you have to realize that people are proud. People like to have that money in their pockets, to spend as they see fit -- not necessarily the way government might think they should spend it.

ASSEMBLYMAN PATERNITI: Well, I agree with you, but it should come out of the General Revenue Fund. I believe I would endorse Assemblywoman Ford's legislation to do it on a permanent basis, every single year.

MR. SINGER: Thank you.

ASSEMBLYWOMAN FORD: Senator Pallone?

SENATOR PALLONE: I want to make sure I understand and will try to summarize what you are saying. Basically, I believe you are telling us that you do not feel we should necessarily get into any new programs, such as home health care or rental assistance, because you are concerned that, with the amount of money that is, or may become, available in the Fund, we may just be able to pay for existing programs. Moreover, if additional funds become available, rather than have new programs, you would have us send checks back to senior citizens, I suppose, on some kind of a sliding-scale basis?

MR. SINGER: Exactly, Senator.

SENATOR PALLONE: Is that basically it?

MR. SINGER: Basically, yes. Again, my concern -- on the local level of government, which is the closest to the people -- we find that we are also being cut back in many of our spendings. They are talking about cutting revenue sharing and many other things. The start-up of new programs, that we want to build into our budgets, can become quite costly down the road. What then happens is a raise in taxes.

We want to make sure that the Fund is solvent, that the money is there to take care of the programs that have been instituted, and that, before we go into any new programs, we realize there is money there to continue the existing programs.

Again, I would rather see the additional money come back in the form of a check to each senior, and let each of them decide how they want to spend it.

SENATOR COSTA: Madam Chairman?

ASSEMBLYWOMAN FORD: Yes, Senator Costa?

SENATOR COSTA: I would like to ask you a question. Most of the things you covered, I believe, were covered in my opening statement, with regard to why this Commission is here. We are trying to get the views of seniors as to what their priorities are. You spoke, however, of giving a \$70 rebate. Previously, you spoke of using the casino funds for the rebate, which was wrong. You stated so, and we felt it was wrong to take it from the Casino Fund. Aren't you saying, however, that by sending a check for \$70, you are doing the same thing you previously said was wrong?

MR. SINGER: I am saying that if we find there are additional casinos opening there will be additional casino revenues. Before we turn around and add additional programs, let's take that additional money, along with the surplus moneys that you feel you are going to have, and return it in a check. The Governor has suggested that we take \$70 in a rebate check back to--

SENATOR COSTA: [interrupts] I believe that is \$60.

MR. SINGER: [continues] --and send that back to them. Excuse me. You are correct. It is \$60. I am talking about the additional revenues that you are planning on taking in with the opening of new casinos and additional money coming into the Casino Commission.

SENATOR COSTA: Would \$70 be more advantageous to the senior citizens, rather than a program that can help them, in ways such as keeping them at home with home health care, or assistance with their rent? Seventy dollars will not go very far, even to take that vacation you spoke of.

MR. SINGER: Let me say one thing to you. I think there is a little bit of confusion in that. What I am saying to you is this: If we analyze the surplus that is coming in, with the additional casinos opening in Atlantic City and the additional moneys coming in, it may not be \$70; it may be a lot more. I think that statement is referring to Governor Kean's suggestion of sending back \$70.

SENATOR COSTA: I think, sir, you are confusing the surplus we have in the State with casino revenue funds.

MR. SINGER: Is there not \$68 million in surplus in the Casino Fund right now?

SENATOR COSTA: No. When I spoke before-- We are even taking money, \$44 million, from the surplus right now to pay for existing programs. What we heard from our Budget Director is that we are not going to be expanding at that great a pace, so we are reaching a plateau, as far as funds coming in from the casinos. Basically, this Commission has been formed to set the priorities of the senior citizens and see exactly what is needed. Then, when we look at that pot of money, we will make sure that their priority needs are taken care of first.

MR. SINGER: Well, again, Senator -- and I certainly don't want to get into a debate with you -- my concern is that it is lovely to say that we are reaching a leveling-off point in the State. Coming from the county with the fastest-growing senior citizen population in the State and running the largest home health care service in the State, we are growing by leaps and bounds. We do not see a leveling-off point in Ocean County.

As a matter of fact, with new construction at a boom rate, we predict the continuation of the growth of Ocean County for many years to come.

Our concerns are, number one, that the programs in existence now continue to be funded. We do not want to get into additional programs that we have no money for, only to find that we cannot fund them. Again, if there is money left over, I would like to see it returned to them in the form of checks.

SENATOR COSTA: Once again, sir, I think you are confusing the leveling-off that I spoke of -- the plateauing -- with the increase of senior citizens. We know that by the year 2020, one out of every five persons will be over -- excuse me, four out of five will be over age 65. While I was speaking of plateauing, I was not speaking of senior citizen growth; I was speaking of the Casino Fund growth.

MR. SINGER: Well--

SENATOR COSTA: [interrupts] There are not that many casinos. That was told to us by our Budget Director.

MR. SINGER: There is a brand new casino/hotel, the Hilton, that is going to be opening. They are just getting their licensing. I think that perhaps--

SENATOR COSTA: [interrupts] Maybe -- perhaps. [laughter]

MR. SINGER: [continues] Maybe. I think we are starting--

SENATOR COSTA: [interrupts] I hope we clarified it for you.

MR. SINGER: Thank you.

ASSEMBLYWOMAN FORD: Assemblyman Kline?

ASSEMBLYMAN KLINE: I understand that your major need is to get these checks back to the senior citizens. I agree with you on some points; however, in all of our hearings, home health care has, so far, been the number one priority.

I have listened to your recommendations, and I believe that we have moneys, whether they are surplus in the Casino Revenue Fund or the General Fund. The seniors would like their money returned at some time. From the input we have been receiving at these hearings, I would recommend at-home health care first, and maybe your idea second, at a later date. We will take it under consideration, and it is stuck in my mind.

ASSEMBLYWOMAN FORD: Mr. Giordano?

MR. GIORDANO: In all of the hearings we have had, no one has come up with the theory of preventive maintenance. In your opinion, should some money be spent for preventive maintenance, or the prevention of disease? Should people have some kind of an allotment to go to the doctor for a physical, so that diseases can be discovered prior to them becoming aggravated? What do you think about preventive medicine?

MR. SINGER: In other words, you are asking if we should allocate money through the casino revenues to allow people to go for check-ups; is that what you are basically asking?

MR. GIORDANO: That's what I am saying.

MR. SINGER: Again, my concern is that we keep building in additional expenses to the Fund. Will there be enough money available for that? You know, Ocean County is unique in the funding of our home health care and other things. The county steps right in and puts up the dollars to make sure that the indigent are cared for in our county.

Certainly, we have some severe problems in Ocean County, due to the demographics. It is a rural county with very little public transportation, and other problems as such. Certainly, preventive maintenance is a good thing. We are all aware of that. We run clinics through the Ocean County Board of Health that are available to seniors and the disabled; however, I would be concerned about taking that money and allotting it for preventive maintenance. I am concerned about that.

ASSEMBLYWOMAN FORD: Dr. Paterniti?

ASSEMBLYMAN PATERNITI: Madam Chairman, I am a little confused. Just about every senior citizen group that has come before us in these three hearings -- and also other hearings I have had throughout the State, and, I believe, those Senator Costa has had -- has screamed about the tax rebate being taken from the Casino Revenue Fund. Finally, between both Governors, this is the first time they have listened to us and are going to start taking that money from the General Fund. Now, he wants to go back and take more moneys from the casino revenues in the form of a rebate. That is the very thing the seniors don't want. I am a little confused. I mean, we were talking about another rebate; however, it was going to come from the surplus of

the General Revenue, not from the casinos. What the Governor proposed was not going to come from the Casino Fund; it was going to come from the General Revenue. What you propose is what we have tried to turn around for years. Since 1979, there has been a tapping of the casinos for tax rebates, and we have finally been able to convince them that it should not come from there. Now, we are going full circle. I am a little confused.

MR. SINGER: Well, let me unconfuse you, then. I am not talking about the \$60 or \$70 -- I don't know the exact amount -- that we are talking about coming back in the form of a rebate check from the Governor from the General Fund. The money I am talking about is surplus or additional revenue coming in to the Casino Commission, to be returned in the form of a check made directly to the seniors and disabled people who qualify.

ASSEMBLYWOMAN FORD: Thank you, Mr. Singer. Tom Carver, President of the Atlantic City Casino Association. Mr. Carver can fill us in on projections from the industry.

THOMAS D. CARVER: Thank you, Madam Chairman. I am very happy to be here, particularly to see my old high school classmate, John Spizziri. He has aged a great deal since I last saw him.

MR. SPIZZIRI: That's a two-way street, Tom.

MR. CARVER: Both of us can't see, obviously, John. Madam Chairman, I am going to read a statement, because it reflects on some of the charts that are contained in the statement that I am going to read. I will try to go slowly, so we all understand what I am saying. I will be glad to answer any questions when I am finished.

My name is Thomas Carver. I am President of the Casino Association of Atlantic City, which represents all 10 of Atlantic City's casino/hotels. By the way, do you all have copies? [alludes to written testimony which is being distributed; negative response from Commission members] I'll wait.

I am very pleased to be here today. [applause] The Association strongly supported the establishment of this Commission. A healthy, growing CRF is essential to our senior citizens. Your work in determining the future of the Casino Revenue Fund will affect the

senior and disabled citizens who benefit from it, as well as the casino industry, for years to come. This Commission and the Atlantic City Casino Association share the same concern: maximizing the success of the Fund.

A successful CRF means a successful gaming industry. Eight cents of every gross gaming revenue dollar -- and the last year's gross revenue was \$1.95 billion -- goes directly to the Casino Revenue Fund. A growing industry means a growing Casino Revenue Fund. A stagnating industry means a stagnating Casino Revenue Fund. It's that simple.

For the first time, in 1984, the revenues of existing casino/hotels showed no growth. A new property, Trump Plaza, opened, but, unexpectedly, did not attract new patrons to the resort. The inflation-adjusted gross gaming revenue of eight casino/hotels was lower in 1984 than in 1983. Consequently, plans for the construction of additional properties -- contrary to what you may have just been led to believe -- have been abandoned by two casino/hotels in the past year.

I should tell you, and it is not within this statement, that we are predicting that when the first quarter's totals come out within a week or so, people are going to be terribly shocked in this State, with regard to what's happening with casino revenues.

My message is quite simple. Significant constraints on continued growth of the casino/hotel industry exist which must be resolved in 1985. The city, the State, and the industry must work together to overcome these constraints.

While gross gaming revenue has grown steadily in past years, the rate of growth has fallen sharply, as you can see in Table A. Table A is the mirror image of the industry, with respect to the Fund. The chart on the left shows the dollar growth of the Fund. The chart on the right shows, in corresponding order, decreasingly, how the rate of growth is declining.

In Table B, the two charts show how the growth of the Casino Revenue Fund mimics the actual growth of the industry. Because of this sharp slowdown in industry growth, 1985 is the year in which constraints to growth must be carefully examined. The increasingly

evident constraints on the continued growth of the casino industry in Atlantic City have existed since 1978. Tremendous demands in the initial stages of industry development mask the underlying limitations that are now emerging. Inadequate transportation networks, antiquated infrastructure, and extensive regulation have been hampering the industry's efforts to reach its full potential for seven years.

Atlantic City is virtually inaccessible by air. The nearest rail link to the city is 60 miles away in Philadelphia. The roads strain to accommodate over 99% of the resort's 28.5 million annual visitors. Atlantic City has neither the parking facilities nor the streets to handle additional vehicles.

In summary, that paragraph basically says that Atlantic City is a uni-modal city. We do not have anything other than rubber coming to and from Atlantic City. Atlantic City holds few attractions for visitors beyond the casino/hotels. Development of non-casino/hotels, as well as retail and dining facilities, is essential to the creation of a desirable community and a true national destination resort.

Physical constraints on the growth of the industry are being exasperated by a highly restrictive operating environment. Casino regulators have assumed responsibility for industry business decisions, in addition to their oversight of integrity and ethical issues, which, by the way, I must again assure you that we strongly support.

The casino gaming industry in Atlantic City must be operated under the highest degree of integrity. So, while we support those efforts, we have very serious problems when the ability to do business in a normal manner is taken over by the State. For example, no casino operator can alter the size of a restaurant in a casino/hotel complex or change the organizational chart of the company without a lengthy petitioning process.

Now, what that means in concrete terms is that if there were a vice president of finance of a casino in Atlantic City -- which is a public company -- who is not doing his job -- in fact, to go to the extreme, let's say he could be doing a dishonest job, so to speak. That man could not be removed without a petition and a hearing. Furthermore, for someone else to be licensed to replace him, there

would have to be a petition process. That is the type of thing I am talking about.

In addition to the physical and operating constraints on industry growth, casino operators and potential investors are threatened by legislation which would increase the casino revenue tax from 8% to 10%. Let me add that the casino revenue tax is only a little more than one-third of the total Federal, State, and local taxes, or regulatory costs, that the industry bears. The pie chart on Table C shows that breakdown.

May I now turn to profitability? Profitability is crucial because it ensures the growth of the industry and, consequently, the Casino Revenue Fund. As you can see from Table D, in 1983, five casino/hotels were profitable; three were marginal, with profits of less than 5%; and one was unprofitable. In 1984, that changed to a degree. Only four casino/hotels were profitable; five were marginal; and one, again, was unprofitable. While I don't like to take issue with the Deputy Mayor of the town that is our host today, the optimism that you heard, quite frankly, is unwarranted.

Unlike most taxes, the casino revenue tax is paid on gross revenues, not profits. It is, therefore, paid by casino/hotels which are marginal, or unprofitable, as well as profitable, properties. For example, let's say you own a restaurant and gross \$100,000 during the year. From that \$100,000, you must pay for food, staff, property taxes, and utilities. Assume you broke even, or made only a couple percent profit, you haven't done brilliantly, but you haven't gone out of business either. However, if you were a casino/hotel, you would still have had to pay an \$8,000 tax, even though you just broke even.

This is the situation that some casino properties are in. I wish to make it perfectly clear that we are not objecting in any way to the casino revenue tax. We are committed to the 10 properties we represent. We are committed to help New Jersey's senior citizens, and that commitment is made to all New Jerseyans the moment the property seeks to be licensed in the State. Everyone understands it, and everyone abides by it.

I use this example only to illustrate the unusual mechanics of the tax. The mechanics of the tax are important because a 25% increase in this tax has a far greater impact on a business than a 25% increase on a profit-based tax. Why should profitability and taxes matter to this Commission? Because high taxes result in low profits, discourage new investors from coming to Atlantic City, and discourage existing operators from building sister properties -- ala the Golden Nugget, a week ago.

During the last six months, Wall Street financial analysts have stated again and again that increasing the casino revenue tax will prevent additional operators from coming to Atlantic City. We concur. The future of the Casino Revenue Fund will be insured by industry growth, not by raising the tax.

Explaining the importance of industry growth to the Casino Revenue Fund is one critical concern that I hear today. The other is emphasizing, as have all of the witnesses, the importance of thoughtful planning and management of the Fund. The Fund is a unique and highly successful concept, which meets the critical needs of our senior and disabled citizens.

We must recognize, however, that there are infinite potential demands on the necessarily limited resources of the Fund. Within the brochure that we gave you, you will see a list of 50 bills that we estimate to amount to approximately \$300 million, all looked upon to tap the Fund. We encourage the Commission to determine program priorities and to closely examine the growing demands on the Fund, in the context of the resources available.

Our projections for the growth of the Fund during the next five years are very similar to the State's projections provided by the Office of Legislative Services at your first hearing. Based on current data, Association projections are nominally higher. Table E contains our group projections through 1990. In other words, the Association anticipates that the growth of the Fund, in the next five years, will be sufficient to provide some expansion of existing programs.

The future of the Casino Revenue Fund is extremely important to the Casino Association. We are anxious to work together with you,

Senator, and with you, Assemblywoman Doyle [sic], and Doctor, also with you and your Committee on Aging. We are at your beck and call. We are very, very happy to take any time we can to try to work with you on all of these issues.

If I may, I would like to say one thing. I sat and listened to some of the testimony before, and I read some of the testimony of the other hearings that you have had. I have only been in this business about five months. I don't know a great deal about casino gaming; however, I think I know a little bit about New Jersey. I worked for the State for 22 years, my last position being Assistant General Manager of Newark International Airport. I have learned one thing in a short period of time: This industry is perhaps one of the most misunderstood industries that I have ever seen.

I would like to say one more thing. To have been the naval expert who predicted the Titanic could sink did not make that person feel any better when it actually happened. Like the Titanic, we can also sink. Private and public companies, if their assets become less than it, can also sink. That is really where we are today. We are at a very serious crossroads, and we must weigh these issues extremely carefully, in an effort to do the right thing for the longest period of time. So I thank you. I will be very happy to answer any questions you might have, if I can.

ASSEMBLYWOMAN FORD: Dr. Paterniti?

ASSEMBLYMAN PATERNITI: Tom, you have been before my Committee. If you recall, I am the one who introduced the legislation to raise it from 8% to 10%--

MR. CARVER: [interrupts] I do recall.

ASSEMBLYMAN PATERNITI: [continues] --because I felt they were generated by the net of \$35 or \$40 million. I know the casinos are a new industry. There are a few statements I would like to make.

First of all, I think the casinos are healthy for the economy of our State. They bring in a lot of revenues for our senior citizens. They have created a lot of construction jobs and a lot of permanent jobs. In fact, they have brought in over \$40 million per year in new ratables for Atlantic City alone. They have been a real

shot in the arm. They have also created additional revenues for the Parkway and the Turnpike. This, in turn, has also created additional jobs.

It has also enhanced the image of New Jersey and brought in new recreational facilities. Now, I feel that the image being created about the casinos is also unfair. The press, the Casino Control Commission, and others, are labeling it as a stepchild and almost undesirable. That is wrong. I mean, I knock you sometimes, but I want to be fair to you people. I personally feel that the more profits they generate, the healthier it becomes for our senior citizens, who I happen to represent.

The sad part is that less pressure is being put on the race tracks and the lottery -- and that is gambling, just like the casinos. For some reason, however, they think the casinos in Atlantic City are devils. That, I think, is wrong.

I want to raise the casinos from 10% to 8% [sic], but I don't want to hurt the industry. I feel that another commission should be created, exactly like this Commission. That commission should study the way you people are actually programming each casino, because I have a feeling that some of these casinos are not doing their homework and are not being operated right -- and that is why they are going in the hole.

I get letters from people. Other people constantly come to me saying, "I want to play blackjack, but all you can do is play blackjack for \$25 a shot." There are senior citizens who would like to play for a dollar or two. In fact, I have seen this in Vegas, where you can actually pull a lever and play blackjack or other kinds of games. This would be an incentive for them to spend money, be it even a few dollars. It would add more revenues, maybe, to some of these casinos that are starting to drop. It would give an incentive and generate more money.

Now, I think you people must also clean up your act. [murmurs and inaudible comments from witness, audience, and Commission members] Let me continue.

MR. CARVER: I'm sorry.

ASSEMBLYMAN PATERNITI: If we establish this commission, I think we should also study the Casino Control Commission. Areas, for example, for example, where they want to expand a restaurant and so forth, I feel, should be administered by the municipality, because that is a little bit removed from the actual gambling end of it.

I believe, however, that they want to do what is right. They are fearful of what has happened in Vegas and other areas, but I think sometimes they push a little too far, and they are actually hurting the industry; they are hurting our seniors; and they are hurting New Jersey. So, I think that another commission should be created to do a general study on how you people operate, on the Casino Control Commission, the whole works. I think we may be coming up with some new ideas. We may end up increasing it from 10% to 8% [sic], and you people would be happy to pay it, because you are going to see your profit margin increase as well. There must be a little more study.

MR. CARVER: Senator [laughter] forgive me. I guess you are going to have to run for that office sooner or later. Some of the remarks you just made, we couldn't agree with more. I don't know if you were able to read The New York Times yesterday, but there was a story concerning quotes issued by the heads of the various houses: Dick Gillman, our Chairman; Bill Dougall, from the Claridge; and, I think, Bill Weidner, from the Sands. And that very issue that you were addressing, with respect to a total master plan of casino development, is primary in our minds.

We are calling for, quite frankly, a look at the future development of casinos in Atlantic City, from the standpoint of how many casinos -- the revenue standpoint -- can be supported under the existing market stricture -- how much, in terms of additional people coming into Atlantic City, can be tolerated by an infrastructure which, quite frankly, hasn't changed since, probably, 1900, in basic terms.

We need a master plan, and we are working very closely with the city, which is about to commission a major master plan for the future development of the city. We are appalled, for example, that casinos are sitting next to a junior high school and a hospital. That is not very good master plan development for a city of 30,000, which

could grow to 100,000 in the next 10 years. So, we agree with that issue.

It is not a question of whether we are happy or unhappy about paying the tax. I don't think people who are making astronomical profits are unhappy about paying a tax, particularly when the tax is dedicated, constitutionally, to an excellent purpose, probably the envy of the union, I would assume. The question is whether or not the issue between us, I think, is that it is our conviction -- and your doubt, so at least it can be argued that our faith may be stronger than yours at this point -- that the Fund will fail if the cost of doing business continues to rise in Atlantic City. That is not only our opinion, but it is an opinion which is shared by virtually every economic house that studies the economics of this industry. It has been predicted over and over again.

I don't think we should sit here until tomorrow and debate this issue, because I am not sure, at this point in the game, that either of us has enough economics on our side to win the issue; however, I caution, very carefully, the desire, which I consider good, to do the right thing, but, perhaps, choosing the wrong method. We are saying, basically, that if the industry is allowed to succeed and do business, and certainly under an ethical standard on which we agree, we think the Fund can grow.

Putting that argument aside, we are also saying that without a clear standard of management as to what the Fund is to be used for, whether it grows or not could be immaterial if it keeps getting tapped to the point that it simply cannot sustain all of the programs the people want to put into it. So, those are really the two major concerns that we want to put forth here today.

ASSEMBLYWOMAN FORD: Dr. Paterniti?

ASSEMBLYMAN PATERNITI: I just want to address one more point. I am not trying to steal the whole show. I want to mention one point you brought out, I remember, when you came before my Committee, in reference to a July 30 meeting. In fact, there was a reference to Assemblyman Schwartz. He brought up the question of whether or not we should tax the ones that are profitable. You people

are also against that, because you felt that also would affect us right here. [indicates portion of report disseminated by Mr. Carver]

July 3 is when you discussed this issue -- Assemblyman Schwartz' question of whether it would be preferable to raise State taxes on profits and eliminate the casino revenue tax. You said that your research indicates that would not be preferable for a variety of reasons, and you said that a substantial tax on profits would reward the inefficient operator who brought the least to the bottom line: He would pay the least taxes, and so on and so forth.

MR. CARVER: Well, that's true. Again, we are not opposed to the tax. And in no way am I here to say to you that we don't want to pay this tax. We are saying that we agree it is the fairest way to pay the tax now, in terms of the various 10 casinos. There are some casinos that are profitable; there are some that are not. Some of the reasons, by the way, Doctor, in our judgment, are due to the very issue you raised initially: Under the lack of a coordinated master plan -- and the industry is as guilty of this as anyone else -- there could have been properties constructed, which, physically, basically, cannot succeed as well as others. In other words, some have excellent locations; some do not.

As a result of that, there is a direct relationship on their ability to make money. But, yes, we did say that, and we stand by it. We don't think we are inconsistent in what we said.

MR. FRICANO: Mr. Carver, number one, thank you for giving the Commission a very comprehensive report. As I see our charge as a Commission, it is not to sit here and debate whether we can go from 8% to 10%, or 8% to 6%, or 8% to any amount. It is 8%. That is what we are dealing with -- and with our recommendation to the Legislature on the way the Commission feels those moneys should be properly spent to help the senior citizens of the State. So, through all that, I see no contention coming from you that you are opposed to the 8%. In fact, you just mentioned to the Assemblyman that you don't feel the way the 8% is currently structured in gross revenues is, in and of itself, harming the casino industry's growth.

MR. CARVER: No, we are not saying that; however, we are saying that you must take the total cost of doing business in Atlantic City facing the casinos today. I will give you an example of what I am talking about. By the way, let me, if I may--

SENATOR COSTA: [interrupts] Could you tell us about your formula and how it is based?

MR. CARVER: I am not sure. I think you are going to have to tell me. I never made the major leagues, because I couldn't hit a curve ball. When I heard you say that, I said, "Oh, here comes another curve ball I'm not going to be able to hit."

Well, let me see if I can get back to this, and then get to the formula, which I'm not sure I understand yet. What we are saying is that the total cost of doing business is going up. Now, you may have read in the newspapers in the past few weeks that 17 governors have beaten a trail out to Detroit to get the Saturn plant. They have promised everything from soup to nuts, from what I gather: infrastructure improvements, rail connections, and, basically, anything GM has been asking for -- which is not unreasonable.

That plant, as I understand it, could employ 5,000 to 7,000 people. We employ 40,000 people. We put \$2 billion into the ground in Atlantic City. We pay 60% of the real property taxes. We not only fund the senior citizen and disabled programs but are also about to turn over \$1.6 billion to the State for the next 25 years for infrastructure and revitalization improvements in Atlantic City and throughout the State.

We pay for our own regulation. So, what I am saying is that we do not cost the State a dime. That's fine, but the cost of regulation last year was \$37.8 million to that effect. The initial budget estimate this year is \$45 million. We are about to very strongly address that issue at the Joint Appropriations Committee hearing. We are going to ask for legislative oversight on the cost of regulation.

Again, it is not that we are against regulation. We are very much in favor of regulation on issues of integrity. We feel very proud that this business in New Jersey is a business of integrity and has

every right to be proud of itself. Hopefully, while the Hilton is not yet licensed, it will pass that test also and join the rest of the casinos in Atlantic City.

We are concerned with that. It is not the 8% necessarily, but it is the total cost that continues to go up and up. That is where we have some concern. We have a track record which indicates that some of these properties, if that continues -- it's just like the water, it's going to go right over the top -- are not going to continue. They are not going to make it.

So, there could be failures of casinos within the next four years if the trend continues. That is what we are really pointing out. We are trying not to be pessimistic, but we do not want people to be overly optimistic -- that you just go down there and the money keeps coming and flowing, because that is not the case at all.

Senator, with respect to this formula that you mentioned, the statute, the Casino Control Act, spells out the square footage of casinos. With respect to public space, restaurants, and, virtually, every single aspect of a casino property is spelled out in the Act. To my knowledge, and I will stand corrected and will research this, if I may, I do not believe that has any effect, necessarily, on the monetary results or tax moneys that would go to the State.

SENATOR COSTA: We were given to understand that by our Budget Director, but he didn't fully analyze it for us. That's why I thought maybe you--

MR. CARVER: [interrupts] I honestly don't know the answer, but I'll tell you what-- Is that Mr. Silliphant?

SENATOR COSTA: Yes.

MR. CARVER: I will talk with him, because I honestly do not know.

SENATOR COSTA: One thing you did say -- excuse me, Assemblyman -- was that there are few attractions in Atlantic City.

MR. CARVER: I'm sorry?

SENATOR COSTA: You said there are few attractions in Atlantic City. Don't you believe that, in the summertime, the beaches are an attraction for a vacation area, as well as the gambling?

MR. CARVER: I do, I do. But what I meant by that is that there is no movie house in Atlantic City; there is no A&P in Atlantic City. I am suggesting that the city itself -- the image of the city, and I am working closely on this issue with Mayor Jim Usry -- must change. Atlantic City, in my judgment, right now, is not a family-oriented town, where people come to rent a place and go to the beach.

The only thing, really, that has changed Atlantic City for the positive -- and I think the Eagleton Study will concur -- is that we have begun to change the image. We are on the way up, not on the way down. We have every right to be proud of that.

I think, however, that the whole concept of Atlantic City as a family place revolves around the creation of non-casino/hotel properties, so it would become a convention center again. Conventioneers have a habit of taking their children, if they are staying for three or four days. Then the beach would become a true integral, in terms of the promotion of what we have available. Right now, the only thing we have are casinos.

ASSEMBLYWOMAN FORD: Assemblyman Kline?

ASSEMBLYMAN KLINE: Tom, I would like to thank you for coming up and giving us your point of view on this delicate issue. I would like to say that we have had many hearings. At our last hearing, in Burlington County, a senior citizen stood up and echoed what you said today: Let's not kill the goose that lays the golden egg by increasing that tax from eight cents to ten cents.

I was concerned today when someone said we should get a commission together to make sure the casinos get their acts together. I disagree. I think we, the legislators, should get our acts together. We should prod the local government in Atlantic City to get its act together. Casino gaming is the most over-regulated, growing industry in the United States, not only in the State of New Jersey. We, as legislators, must hear what the people are saying. We had better get our acts together and stop the over-regulation, or we won't need any more commissions, or any more meetings on how to spend the Casino Revenue Fund for senior citizens, because the senior citizens of

Pennsylvania, New York, Detroit -- the other states that are going to get casino gaming -- will be spending the money, not us, since we did not have our acts together. We over-regulated. We scared the casinos out of New Jersey, which is what is happening every day.

So, I heard what was said today, but I want all of us to remember: In each and every one of these Commission meetings, we should get our acts together, do a better PR job for the casino industry, and start working with them, rather than opposing them. Thank you.

MR. CARVER: Thank you, Assemblyman.

ASSEMBLYMAN PATERNITI: What Assemblyman Kline just said is what I tried to convey earlier about over-regulation. In fact, I think there should be a commission to study this entire concept. The time has come when the intent of the Casino Control Commission was to ensure that organized crime did not come into the State. We have done one hell of a good job in making sure that that did not happen; however, I think it created a bad image for the casinos.

As I said before, it is a good industry; it is a healthy industry; and I think it has been a plus for this State. I truly feel, and I agree with the Assemblyman, that they are being over-regulated and there must be some changes. A study commission would have input and, perhaps, would make some changes.

MR. CARVER: Well, there is an existing bill that calls for a commission on the social and economic impact of casino gaming on the State. I am a member of it. Rather, I have been recommended to be a member of it. Members of the Legislature are on it. I believe the heads of the Lottery and the Racing Association are also on it. That may be the step you wish to take.

ASSEMBLYMAN PATERNITI: The Casino Control Commission--

MR. CARVER: [interrupts] I think they are on it too, Assemblyman.

ASSEMBLYMAN PATERNITI: [continues] --should be included, because we must study them as well.

ASSEMBLYMAN KLINE: Out of these meetings, out of being on this Commission and hearing the testimony from the people-- I am the

Atlantic County representative in the State Assembly, and I represent the area where the casinos are located. Tom is on the Aging Committee for seniors in the Capitol. We, perhaps, did not see eye to eye prior to these Commission meetings, but I know my rapport with Tom has gotten much closer during these meetings, by hearing the needs of the senior citizens. Moreover, I feel that his awareness of the needs of the casinos has grown dramatically in the past few Commission meetings -- that we don't kill the goose that lays the golden egg. So, I think you will see a working relationship between both of us in the future. I look forward to that, Doctor.

MR. CARVER: We will be very happy with both of you. That is what communication does.

ASSEMBLYWOMAN FORD: Thank you, Mr. Carver. One last thing. Some of the people in the audience have asked if they can obtain copies of your package that you put together for today. I understand that you have no more with you; however, can I ask those people who are interested to provide their names and addresses to you or Mr. Hodes so you can get a package to them?

MR. CARVER: By the way, and I don't mean to use your time for my commercial, but I would like to say that within the next month -- and I am really talking to the people behind me -- we are going to start rather extensive ongoing communications with the senior citizens of the State of New Jersey, in their publications and also in some of the other media that we have available to us, to communicate some of these facts to them, because we believe it is important that they know about these things, as the rest of us do.

I will be happy, however, to take the names and addresses and send them copies of what we have distributed today. Thank you very much. I appreciate it.

ASSEMBLYWOMAN FORD: Thank you. At this point, as a general announcement, I am going to ask that the speakers perhaps limit themselves to 10 minutes and questions from the panel be kept to a minimum, because we have a long list of people who wish to testify. We want to get through the list and not keep people here an unduly long time. Let us please be sensitive to that.

Our next witness is Diane Mutchler, Director of the Middlesex County Office on the Handicapped. Ms. Mutchler:

DIANE MUTCHLER: Thank you and good morning. I am here to represent the latter group in the senior and disabled population. As the Director of the Middlesex County Office on the Handicapped, with 10 years experience in the disabled movement, and having kept my eyes on the Casino Revenue Fund and its mission, I come here not only to offer comments but also to pose questions for you to consider as you think about your recommendations.

First, do we know who the disabled are in New Jersey? It is very easy to signify and clarify who the senior citizens are. When someone applies for Social Security or other benefits, such as a driver's license, you just count so many years to see if they have reached that age. It is very hard, not only in New Jersey but all over the country, to get a good reading on who the disabled are and how many there are in that group. Therefore, when we talk about existing or new programs for people with disabilities we must bear in mind that we do not yet have all the facts. Just realizing that may assist you. Moreover, you may call upon my office or any other person with a disability to help you gain this knowledge.

Many people have invisible disabilities, and that is something you should be aware of as you think about programs. One of the issues I want to raise is the broadening of the definition of people who have disabilities and what that means. I know, and many of you commented today, that we must think of how much money there is, how much there is going to be, and how that money will best be spent to serve the most.

Many disabled persons are denied services and money from the government in the existing programs because of the limited definition of the term "disability."

I have another thought, which I hope you will consider. The needs of the disabled and senior citizens may not always be the same. Senior citizens have reached the golden years. I say that positively, because I, too, hope to reach the golden years. When that occurs, I will be both disabled and a senior citizen -- and you can be assured I will make good use of that.

Many disabled persons are now entering the mainstream of their lives. They are in their 20s, 30s, and 40s. They are looking for education, employment, training, and recreation opportunities. Hopefully, most senior citizens have already participated as they wished and are now looking at other needs in their golden years. So, I suggest that you keep this in mind: Programs that claim to, "Service seniors and the disabled," may find that these groups are not always one and the same. They can, however, be equally effective with good planning and design.

I know your time is limited; therefore, I will limit my words. I want to reiterate a comment that was made previously. We must be careful, as citizens of New Jersey, not to automatically think, "Oh, this is a program for seniors or the disabled; therefore, its funding should come from the Casino Revenue Fund." Recently there has been much done regarding the Medically Needy bill. There is great talk about whether it should be funded by the Casino Revenue Fund or the General Fund.

Let me alert you -- or you may be well aware -- that many other states have medically needy programs and do not have casino revenue funding. Their revenues are often derived from the General Funds. We must realize that, above all, seniors or disabled persons are, first and foremost, citizens of the State; therefore, they have every right to petition moneys for their programs from the General Fund when appropriate. There should be thoughtful consideration of what should be appropriately designated to come from the Casino Revenue Fund. Thank you for your attention.

ASSEMBLYWOMAN FORD: Thank you. Senator Costa?

SENATOR COSTA: Thank you very much for coming before us. You raised many ideas for us to consider and ponder. Is there a spokesperson for the disabled who says, "These are our priorities"?

MS. MUTCHLER: Well, you gave us three weeks notice. That is just a comment, not a criticism. Many of the priorities that we have discussed over the last year -- such as the Medically Needy Program or continuation of the Personal Care Program -- are being addressed in other legislation. I want to go back to the issue of

whether or not it is appropriate for moneys to come from the Casino Revenue Fund or the General Fund.

For many disabled, housing is a major problem. There is a Rental Assistance Program that provides funding; however, it is not enough. There are many more persons who need assistance. I would hate to think that we took away their opportunity to be included in that program.

The disabled movement is relatively new when compared to the senior citizen movement. I must commend the seniors on their history. We do not, however, come with one spokesperson for our total population. For you in the Legislature, that is often somewhat hard to deal with. I can understand that from your perspective. There are many disabilities and many individuals who have different needs, and it is not always easy to bow to us -- especially when some of us have recently been given the attention.

Now, you must go back to Trenton and ask, "What does the Casino Revenue Fund really need to address?" I don't like to be a pessimist. I like to be a realist. But, as I heard from you and the gentleman who testified previously, maybe expanding the broad definition of "disability" would help make many more people eligible for existing programs. That would be one answer.

I would also like to mention that many disabled people need programs rather than money. They need programs to propel them into the mainstream of life.

SENATOR COSTA: Thank you. Even though we might not be able to take care of all the programs for the disabled within the confines of the Casino Revenue Fund, you have brought many items to our attention that, perhaps, the Legislature can deal with in other ways. Thank you so much.

ASSEMBLYWOMAN FORD: Mr. Reilley?

MR. REILLEY: Yes. First, thank you very much for coming. The voice of the disabled has been quiet so far at these hearings, but we have heard a strong voice from the senior citizens.

You mentioned denied services, and I must say that I have fallen into that category, probably due to the lack of definition.

Because I live in my parents' home, and because I am a full-time student, I was recently told that I am not disabled. Education, employment, and recreation are activities we all need. Furthermore, we need transportation to get to any of these activities. Perhaps, if people are made aware how desperately we need it to start our lives, we can get some transportation from the Casino Revenue Fund. I guess I fit into the age bracket where I am not yet in my golden years, but I can see those years advancing.

At the public hearing coming up in Cedar Grove, we will have a strong voice on all issues. As you stated quite well, we do not have one person to speak for all of us. Each of us has different needs. Some are limited, some are extreme. One person cannot speak for all of us. In Cedar Grove, each issue will be strongly addressed. Hopefully, this will broaden the opinions and educate the other Commission members, as well as myself, to the specific needs and in what priority we want them addressed.

Personal care will, I believe, be the most important item. I, too, could use that. Durable goods and rental assistance are big issues, and I hope to be able to bring that point across to my fellow Commission members when we talk after meetings, as well as during these hearings.

We need money for these programs just as much as the senior citizens need it. It is just that we have been relatively quiet when compared to senior citizens. I hope our voice will be much stronger now. Thank you for coming.

MS. MUTCHLER: Thank you.

ASSEMBLYWOMAN FORD: Mr. Daly?

MR. DALY: Thank you, Madam Chairman. Diane, you prioritized housing and rental assistance. There is a Section 8 Program. Were you referring to that, or did you have something else in mind?

MS. MUTCHLER: No, my comment was this: Even though housing and rental assistance is a priority, I feel it should not be a priority with the Casino Revenue Fund, because there is already a program for it. I was responding to the question posed by the Chairperson on the priorities of the programs. I was alerting your Commission to the fact

that we have priorities, but in recent times we have been -- and are being -- approached by different sources. My other consideration was that the Casino Revenue Fund might be rather slow in pace; therefore, a new program would be seen in a different light.

I would also like to see the definition broadened so that many more people who are disabled can take advantage of the already-instituted programs that we need to look at and compare when we plan new programs.

MR. DALY: Thank you.

ASSEMBLYWOMAN FORD: Mr. Giordano?

MR. GIORDANO: Diane, do you feel that in Middlesex County there is adequate transportation for the handicapped?

MS. MUTCHLER: No.

MR. GIORDANO: All right. Thank you.

ASSEMBLYWOMAN FORD: That was short, sweet, and to the point; thank you. Thank you very much, Ms. Mutchler.

MS. MUTCHLER: Thank you.

ASSEMBLYWOMAN FORD: Our next speaker is Thelma Tolbert, Director of Public Health Nursing Services for the Ocean County Health Department. Before you begin, Ms. Tolbert, I want to announce that we are going to continue with testimony through the lunch hour. If any members of the Commission wish to step out and go uptown to eat, I am sure everyone will understand; however, in the interest of moving this hearing along, we are not going to take a break. Ms. Tolbert:

THELMA TOLBERT: Good morning. I bring greetings from the Ocean County Health Department. The site for the testimony that is being given today is located in a relevant, pertinent county. Here in Ocean County, the category for those over age 65 represents approximately 27% of the population. Therefore, it is important to continue the flow of casino revenue funds to health programs.

With the advent of aging, it is recognized that chronic diseases and resultant disabilities are more prevalent. Much of the care that is required for the elderly disabled is being provided in their homes. Our licensed, certified home health agency provides skilled, intermittent nursing services, physical therapy, speech

therapy, occupational therapy, medical social services, and home health aide support services to clients in their own homes.

Following episodes of acute medical care in the hospital, the older person is returned to his or her home for continued therapeutic and nursing services. Many of the clients have no other support available to them. Immediate family, if there is any, may be in a state faraway and unable to assume direct care for their parents.

For the short- as well as long-term situations, there are gaps in coverage for home care of the elderly. For example, one of our cases which requires complex home care and falls into this category is a 72-year-old man who must be cared for by his 74-year-old wife. Having exhausted all hospitalization benefits under the Medicare program, this diabetic, with an amputated leg and large wound infection, has been discharged to his home. Changes of dressings are required four times a day. The amount of support needed requires additional planning for assistance to this family. They are not destitute, yet not affluent enough to pay privately for all the personal care that is required.

Nursing home placement requires a good length of time for admission from the home -- if desired. How will we provide adequate support to this family if funds are curtailed?

As the Federal program for third-party reimbursement under Social Security tightens the criteria for reimbursement for acute-care services in the home, these clients are added to those already in the maintenance or custodial category.

One client was an 84-year-old female who lived alone. Her son lived some distance in another state. Although she sustained a dislocation of her shoulder and was unable to manage her daily living activities, she was classified as not being homebound, because she was able to walk. Therefore, she was ineligible for reimbursement of services through the fiscal intermediary.

Another case of this type was an 86-year-old woman who sustained multiple trauma in a fall, badly bruising her face and fracturing her ribs. Following a six-day hospital stay, she was discharged to her home. Although dependent on activities for daily

living due to weakness and immobility, and requiring personal care services daily, this patient was ruled not homebound, because she was ambulatory.

Our agency was established over 50 years ago. In our vast experience, we have found that -- of our annual caseload of 9,500 patients this past year -- approximately 60% were 65 and older. That is one reason the Ocean County Health Department supports the need for strengthening the home care programs for the elderly and disabled.

Anticipated cuts in Medicare and Medicaid programs will affect the home health services provided to the elderly who could otherwise be in nursing homes. Expansion of community-based home health services is one of the projected cutbacks. Eligibility for the program must be broad enough to include those borderline clients who are not included in existing programs, yet who require additional home care support in order to remain at home.

The need is so identifiable because the caretaker of a particular client may be almost as chronically ill as the client. With the current system of DRGs regulating hospital stays, the individuals who are released from the hospitals require more complex care for a longer period of time. If the caretaker, who may be a spouse, sibling, or friend, is barely able to function, the responsibility then falls upon the community to provide the support services required to maintain the unit in the individual home setting.

It is most urgent and important that we plan now to assure the prioritizing of programs and the stabilization of the provision, "The most services to the most people." We are not requesting that new programs be established; we are suggesting a review of those programs already in place and functioning productively. Thank you.

ASSEMBLYWOMAN FORD: Thank you, Ms. Tolbert. Are there any questions from the Commission? I want to commend you on Ocean County's program of in-home services. It is a great service to our communities, and I am aware of the fine job you are doing as Director. Senator Costa?

SENATOR COSTA: Ms. Tolbert, you spoke of the DRGs and what they are doing to the elderly when they must exit a hospital before

they are really able. Have you seen anything really drastic, so far as what is happening to the elderly by the use of DRGs and sending these people home from the hospitals before they are ready?

MS. TOLBERT: I would have to say, as a home care provider, that we need the nursing staff to provide more acute kinds of services. For instance, the wound care that I just described must be dressed four times a day. We provide intermittent nursing, which means that our visits are normally made once a day for a period of time. Here you have someone with a gaping wound. Arrangements have to be made for a dressing change four times a day. Normally, this would be done in a more acute-care setting. This is the kind of thing that is coming up. We have to increase the kinds of training our staff is given to provide for this kind of care.

SENATOR COSTA: Do you mean by sending them out once a day when the patient needs them four times a day?

MS. TOLBERT: Yes. Daily dressings are something we are seeing now that, years ago, we did not have the need to provide. This has been a major topic with Medicare. Daily dressings are now routine. When disabled seniors come from the hospitals, we will be going to their homes daily. One of the definitions that has been discussed on the Federal level is the term, "intermittent." Our program, as originally established, was supposed to provide service under that kind of criteria.

SENATOR COSTA: Thank you very much. I am having a study of DRGs and hospital cost-containment made right now.

ASSEMBLYWOMAN FORD: Dr. Paterniti?

ASSEMBLYMAN PATERNITI: Am I correct that in the past two years a lot of the hours that were allocated federally have been cut back, with regard to home care?

MS. TOLBERT: Yes, they have been -- as far as home health aides, specifically. And that is being based upon the definitions of "homebound" and "intermittent."

ASSEMBLYWOMAN FORD: Thank you. Next, we have W. Rodman Boone, Chairman of the Community Affairs Committee of the Ocean County Chapter of the Association of Retired Persons. It is nice to see you again, Mr. Boone.

W. RODMAN BOONE: Thank you very much. I appreciate, Assemblywoman Ford and Senator Costa, your invitation to the meeting this morning. We have a rather large number of senior citizens in Cape May County. Mr. Carver and I are the only two clamdiggers up here today, I noticed. There is no one on your Commission from Cape May County. He tried to push the casinos; I am going to try to push additional ideas for the betterment of our senior citizens.

The casinos seem to be doing very well in Atlantic City. They are opening a new one. Resorts just tore down one of the city's landmarks, which was a going concern, to put in a parking lot. So, I think Mr. Carver should have brought Kleenex or crying towels with him when he told you that the Casino Revenue Fund is depleting.

This meeting concerns the important needs of the unfortunate senior citizens and how additional moneys from the Casino Revenue Fund could help alleviate those needs. Our Committee feels this meeting emphasizes the complexity and probable difficulty of giving away money beneficially. Please realize for a moment the size and amount of money involved in our desire to help our neighbor, industry. In addition to aid from the United Fund, Red Cross, and Salvation Army, there are Federal, county, and city grants, to mention a few other sources of help. Now we have this hearing to find additional ways to help the unfortunate senior citizens with funds created by the very good Casino Revenue Fund.

In considering this worthwhile topic, our Committee placed senior citizens in three classes: the affluent, successful senior; the middle-class senior, the backbone of our society, who stands on his or her own two feet; and, the unfortunate senior for whom we are concerned this morning, and for whom we humbly ask your consideration.

Additional help from the Casino Revenue Fund is needed.

The following five facets, we feel, are the fundamental requirements of the needy senior citizen: shelter, food, health, utilities, and death.

(1) **Shelter.** The senior citizen, of course, if an owner, gets a real-estate rebate. We feel, positively, that senior citizens should never lose their homes. Full help from the Casino Fund should

take over any necessary needs. The senior could lien the property, but pay back to the Casino Revenue Fund when the property is sold. Present New Jersey State rebate checks should go to the local tax office -- not to the individual -- for deductions on local real-estate tax bills.

(2) **Food.** This probably will not interest you; however, we feel the needed food disbursement should be handled by local church committees and official agencies in cooperation with each other.

(3) **Health.** Of course, there is Medicare and Medicaid. Casino funds should pay full deductibles for senior citizens on PIIA, plus more benefits for nursing homes and home nursing care, as well as benefits to increase the efficiency of the nursing home inspection department.

(4) **Utilities.** Seniors currently receive a \$225 credit. We feel the Casino Fund should increase Lifeline benefits to 80% of a senior's utility bill from November 15 to March 15, limited to a utility's 5% delinquency ratio.

(5) **Death.** The surviving spouse now gets \$350 from Social Security. Casino funds should provide additional funeral costs, plus a burial plot in a local cemetery of the surviving spouse's choice -- no potter's field.

In closing, we feel the Casino Revenue Fund was wisely conceived by our legislators. It was one of the few accumulations of money by the State attained without an individual levy on the citizens of the State. The collection is simple, rather painless, and its maximum in percentage of casino take should be maintained and allowed to grow. At five or six years of age, the Fund is very young. Who knows whether casinos should be built elsewhere? A full, comfortable Casino Revenue Fund balance could be a real life-saver to some future, needy senior citizen. This, I respectfully submit. Do you have any questions?

ASSEMBLYWOMAN FORD: Thank you, Mr. Boone. Are there any questions from the Commission?

ASSEMBLYMAN PATERNITI: I would just like to point out one thing, Mr. Boone. The reason the rebate check goes to the individual is because it actually comes from an income tax. If it went to the

municipality to reduce the property tax, business and industry would profit from it. This way, only the homeowners get the money.

Do you see what I am trying to point out? If it went directly to the tax assessors, they would increase the taxes, and those who would benefit would be business and industry. They have paid no income tax; therefore, they should not be getting any of this money. That is why they devised this method of giving it directly to the individual, bypassing business and industry. So, in respect, the individual would end up getting more, rather than less, money.

MR. BOONE: Yes, but it is a tax for rebate, and it is supposed to be used for taxes. Isn't that right?

ASSEMBLYMAN PATERNITI: Right.

MR. BOONE: A senior gets a check in his hand, just like you and I get our checks. And what do you do with yours? You may go to the casinos; you may go down to the taproom; you may do anything you want with that check. If the seniors' checks went to the tax office and were deducted from the amount of tax owed, that, I think, would be a better plan. I could be wrong. Maybe we sometimes receive a benefit from it that is unnecessary. They are, however, wafted around, like many checks these days, between taprooms and other places where they weren't meant to go.

ASSEMBLYMAN PATERNITI: And you would like to have it applied directly against your fiscal tax bill?

MR. BOONE: Yes, against the tax bill.

ASSEMBLYMAN PATERNITI: The other thing, though, for the renter, is that with that type of loophole it would probably go to the landlord and he would deduct it from--

MR. BOONE: [interrupts] You could have all the checks, in the renter's case, endorsed by a landlord. That would be impossible. I know--

ASSEMBLYMAN PATERNITI: [interrupts] Well, no. He would have to deduct it from his next rent payment.

MR. BOONE: Not necessarily. I guess he could. In other words, we would deduct a certain amount of money. Anyone who owns property could deduct it from the tenant's rent check each month. We

did that at one time. I don't know why the practice ceased. Was it because taxes didn't go down or some other such reason? I don't know why. I remember, however, in our case, we gave \$35 back to the people who were renting from us. I remember that.

SENATOR COSTA: Mr. Boone, that makes too much sense, you know, to deduct it right at the source. You would save all that money for stamps and envelopes. It seemed to be a good political gimmick for Governor Byrne and it seems to be a good political gimmick for Governor Kean. I feel--

MR. BOONE: [interrupts] The Volstead Act, Senator, back in 1914-15 was a good one, too, but they certainly turned that around. [laughter]

SENATOR COSTA: I want to ask one thing. You mentioned PIIA. Do you mean PAAD?

MR. BOONE: That is a pharmaceutical program where you get your prescriptions for \$2 if your income is limited. In other words, it is for needy citizens. They are the ones for whom we would like to get additional help. I do not know where the pride of the senior citizen is these days. Is it a case of "When you are young, shoot the works and later on they will take care of you?" Do they think Big Joe or Big Brother will take care of them when they get old? Didn't the senior citizens, when they were kids, look ahead to the fact that they were going to get old and need homes? There is no promotion of that. It is a case of "How can we take care of them? Who is suffering, and what can we do?" I don't know.

I went through the Depression back in 1930-31, and I know what it means to be without anything. I mean, they sheriffed you out of your homes. There were no jobs. There were soup lines. I grant you, these days are different. I quit a job at \$46,000 a year, which I thought was a good salary. The guy who replaced me is getting \$165,000 now. I have two grandchildren; they each make \$35,000 a year. Those are good salaries. What is going to happen? Why do we have to take care of all these people? I don't know, Senator. I really don't. It is beyond me. I won't be here much longer, but you will.

SENATOR COSTA: Thank you, Mr. Boone.

ASSEMBLYWOMAN FORD: Are there any other questions from the Committee? [no questions] No, thank you very much.

MR. BOONE: Can I get your lunch? I'd be glad to go out and get you a pizza. [laughter] You are all reducing, I know.

ASSEMBLYWOMAN FORD: One large with pepperoni, Mr. Boone. Thank you. Bill Feirstein from the Lakewood Social Club:

BILL FEIRSTEIN: Good afternoon, ladies and gentlemen. I speak as an experienced senior citizen for senior citizens. Unfortunately, I have just been discharged from the hospital for the third time this year and five times in 1984. I can speak for the distraught senior citizens who need help. I know that.

I live here in Lakewood in a retirement community. I know many other people are in dire need of the help they receive. Thank God I belong to the AARP -- American Association of Retired Persons -- which pays my drug bills. I do not belong to the PAAD; therefore, I do not belong to Lifeline. However, I do, can, and will speak for the people, that is, the retired people.

In 1982, the Governor of this State said that the prior Governor, his predecessor, had taken money from this particular Fund to balance the budget of the State. He quoted us, "grateful, shameful," and actually there was no reason for it. He became the Governor of the State and, in 1982, he immediately took \$30 million from the Fund.

Now, Senator Costa, you stated at the beginning of your little talk that the moneys being expended were depleting the Fund. We heard the gentleman from the casino industry say that things were not so well -- so hotsy-totsy -- in Atlantic City at the present time. They thought that if we were to attempt to raise the tax to 10 cents it would be too much for the industry. They also suggested that we should not be surprised if a number of the casinos were to go broke. So he said.

But let's go back. I say to you -- I persist in saying to you -- that your first action should be that the Governor who borrowed, and I will say borrowed or loaned-- According to Webster's Dictionary, when you loan or borrow, there are interests involved. Well, let's forget the interests. With this great surplus of anywhere from

half-a-billion dollars upwards, the Governor should return to this Commission the \$30 million he borrowed in 1982. This was our money -- ours, the people who should be the recipients of the moneys. And it should be returned in order that this Commission cannot and will not go broke.

The Federal government said that Medicare would go bust, and that Social Security would go bust. Yet, things worked out so that did not happen. Let me explain to you folks that on August 14 it will be 50 years since our great President Franklin D. Roosevelt signed the bill which put Social Security on the books. Fifty years, and it is still going on. It has gone on through wars and depressions. And the people who have paid since 1935 are now the recipients of those moneys.

I mention this because a politician told me right to my face that it was welfare. I was so incensed, so disgusted -- pardon me -- that I almost spit in his face. I told him that I paid since 1935, and it is insurance that I am, therefore, entitled to now when I have reached the age when I am on the other side of the fence, in the twilight of my years. I am tired and worn-out. My body is being worn-out. It is time for the government to repay me for all the money I have placed in that fund since 1935.

And it is the same for this Commission. If the Governor took \$30 million, let him return that money because of the great surplus we enjoy here in New Jersey.

In addition, I know there is a measure now being debated in the Legislature that will raise the eligibility level for married couples to \$18,000 to qualify for PAAD and, therefore, for Lifeline. For single people -- and I am one of them; I am widower and have been for eight years -- I, too, should be eligible for that. I feel strongly about that. I do not wish for this money. It is neither welfare, nor charity. We have paid for it with our broken bones, with our bodies, and we now want it returned.

This Commission should look forward and attempt to find out where, how, and what you can do with this money. I have learned -- as a writer for a number of local newspapers -- that there many people are settling here in Ocean County, the largest county as far as senior

citizens are concerned. Further, many more are coming here, since the signing of the new law that will end the payment of inheritance taxes in New Jersey after 1988. People will remain in New Jersey close to their families. Most of the people who are settling here are coming from New York and the surrounding metropolitan areas of New York and Philadelphia.

The Federal government has said it would like to change the age of retirement to 67. I have written that it is wrong. We are tired. We are worn-out. Therefore, 65 is the proper age to remain on the books, so that we retired people can still live in retirement in the twilight of our years. We only ask the good Lord to keep us alive, so that we can enjoy those parts of our lives that we have given away, that we have been deprived of, that we have not been able to enjoy previously. Consider the bringing up of our families and the headaches and heartaches of the Depression and the war years. We have given our time. We have given our parts to our nation and to the people within our nation. Therefore, it is up to you to decide what shall be given to senior citizens who now have only a few years to live and who desire to enjoy their lives while they can.

I have been thinking that perhaps you people should do as they do in Atlantic City. There are still jitneys on Pacific Avenue. I remember the good old days when you used to pay 10 and 15 cents for a jitney ride from one part of Atlantic City, at the lighthouse, all the way up to the President Hotel at the end of Atlantic City. The jitneys are still running. Why can't you invest some money in jitneys to transport these people who have no cars, who live alone, and who live in areas away from the town to give them a little enjoyment?

I sell tickets to a show here in Ocean County. I get nothing for it. For Lakewood, I should say. I am only too glad, however, to do so. I sold hundreds of tickets for my people. I lose money, because many times my records go awry, and I do not know who paid or who did not. But I am very, very happy to protect and give these tickets to my fellow senior citizens so they, too, can enjoy the show.

There are, however, districts in this particular area -- Ocean County -- where senior citizens have no means of transportation

to go to these shows. Ocean County College has many shows that we can't go to. We are beset with the same problem: How do I get there? My neighbor has no car. I have no car. Even if the ticket is only one dollar, I cannot get there, because I have no transportation.

You are looking for ways and means to help the senior citizens, as I have been helped myself. Why, then, can't we get a few jitneys? This would not cost much. Let me explain even further. When I went to a number of places to ask people to buy tickets, they told me they had no transportation. So, I sent a letter to the Lakewood Board of Education asking them for help. I know there is a law on the books in the State of New Jersey which says that a school bus, when not being utilized for the transportation of children, can be used for the transportation of senior citizens to various functions within the territory or district of the township.

Well, Lakewood High School is within Lakewood. Yet, these people cannot go there, because they do not have the transportation. Then the Board of Education said, "Fine. We'll provide it, as long as these people pay a bus driver" -- and on Sunday it's double time -- "and pay for the gas." When I came back and told them what the situation was, they said, "It's bad enough that we have to pay for the tickets. We cannot afford the transportation to the high school." As a result, they remain at home. They sit in their card rooms and play cards, but they do not enjoy life as we know it. We can go to shows; we can go to various other places. Thank God I have a car, so I can go. How about the other people? How about the senior citizens who are unable and cannot spend additional money because they need it for doctors? I know how they feel, because I spend between \$60-90 per month for medicine. As a result, I, too, have had to cut down because of the additional expenses necessary to keep myself alive -- both in body and mind.

I ask you to remember that senior citizens cannot afford to spend more than they get from Social Security. Back in the '30s, they said we should invest money and whatever we possibly gained should be saved to supplement Social Security. That was true. But along came the Depression. The Depression ruined many of us. I remember the

time, and I see it clearly right now, when I went on a subway for a nickel in New York. Today it is 90 cents. I remember when the homeless in New York stayed and slept on the subways. Today they are out on the streets, because the subways cost too much money. They, too, are senior citizens. In some cases, they may be bad people, but in a sense, the same thing is happening here in New Jersey.

We have to help these people who, in the twilight of their lives, are ready for death -- and there are many of them. I know. I'm sorry, but I know these things and it gets to me. I want to help my fellow senior citizens. I know they need help. As a matter of fact, when I leave here, I am going to one of their meetings that is being held this afternoon. When I look upon them, when I see them, my heart wants to help. How? It is up to you people to answer that question.

ASSEMBLYWOMAN FORD: Thank you. I appreciate your coming down. Do any members of the Commission have questions for Mr. Feirstein? Mr. Spizziri?

MR. SPIZZIRI: Thank you, Assemblywoman. I have heard various figures regarding the borrowing from the State Treasury of \$30 million. As a matter of interest to myself and perhaps the rest of the Commission members, I would like to know exactly how much has been borrowed since the inception of the Fund and to what use it has been put in the General Treasury. Namely, was it used as an item of total revenue or was it, in the General Treasury, allocated in the budget for senior programs? I think that is of interest. I know it is of interest to me. I wonder if the staff could provide that information for us?

SENATOR COSTA: It wasn't borrowed; it was used.

MR. SPIZZIRI: Well, however it was used, Senator Costa, I want to know if it was used as a lump in the budget, or if it was--

ASSEMBLYWOMAN FORD: [interrupts] It was used to finance the additional rebates for senior citizens.

MR. SPIZZIRI: [continues] --or was it used by the General Fund for specific senior and disabled programs?

ASSEMBLYWOMAN FORD: No, it was used, as I understand, to finance the additional senior citizen rebates in prior years. This

year, for the first time, the Governor's proposal is not tapping the Casino Fund. I don't know what we can do about the money that was used in the prior years.

MR. FEIRSTEIN: From what I understand, it was put into the General Fund to be used for the payment of bills from back in 1982-83. Of course, things are much better now with all the gambling, lottery funds, and various other things that bring income into the State. These moneys were used, and put into the General Fund, to pay bills in the State of New Jersey to balance the budget, as I understand it. That was the term that was used -- "to balance the budget." The law in the State says that the budget must be balanced each year. These moneys were borrowed. Of course, I would say they were "taken," but I will use the term "borrowed"; however, when you borrow you generally return.

ASSEMBLYWOMAN FORD: You're being optimistic, Mr. Feirstein. You are optimistically using the term "borrowed"--

ASSEMBLYMAN PATERNITI: [interrupts] Pirated.

ASSEMBLYWOMAN FORD: [continues] --in the hope that it will be returned. Dr. Paterniti?

ASSEMBLYMAN PATERNITI: Actually, thank you, Madam Chairman, since 1979 -- and I am going to give you a ballpark figure -- adding the \$15 tax rebate, the additional property tax exemption, and the basic rebate, it came to a total of better than a quarter-of-a-billion dollars. It was \$11 million in 1979; in 1980, it was \$17 million; in 1981, it was \$17 million; in 1982, -- that was when Byrne took that chunk -- it was close to \$90 million; in 1983, it was about \$45 million. It came to a little more than a quarter-of-a-billion dollars.

MR. FEIRSTEIN: Moneys have been taken from the Fund.

ASSEMBLYMAN PATERNITI: That should not have been taken, really.

MR. FEIRSTEIN: Thank you. This means, therefore, that it is contingent upon this Commission to see to it that some of that "borrowed" money should be returned, so that there is no talk, no insinuation that perhaps this Fund will go bankrupt, or go bust, as they said about Social Security and Medicare. I know what that means.

I certainly do know. As I said before, it has now been eight times since--

MR. SPIZZIRI: [interrupts] Not to prolong the issue, but I hope the staff will be directed to provide that. In addition to that information, a recurring theme keeps running through my mind, as I listen to these witnesses with their requests and advice to this Commission. I would like to know whether there is some mechanism whereby this Commission can be informed of the per-capita cost, or the per-capita dollar, that is directed to each senior citizen in each particular program.

For example, how many senior citizens benefit from the PAAD? And, in connection with that, how much, in a per-dollar amount, do each of those participants benefit from that particular program? The additional information I am interested in knowing, and which I think should be at the disposal of the Commission, is the number of programs funded by the Casino Revenue Fund -- and I don't know if this is possible, but, in the day of the computer, perhaps it is -- how many seniors overlap in these programs and the total dollars they receive.

I do not mean to disclude the disabled by saying "seniors." I apologize, if anyone has that impression. Of the seniors and the disabled, how many participate in each of these programs? Is there any overlapping between these people in the programs? How about dollars? Are they being given moneys to assist them from the Fund?

We must look at the amount of dollars that is coming from the Fund, where it is going, and what good it is really doing. This is the information I would like to have available to me before this Commission concludes and makes its recommendation. It is important financial information, and we need it.

ASSEMBLYWOMAN FORD: You may consider that request made to the staff and I ask, through the Chair, Senator Costa, that the information be distributed to other members of the Commission.

MR. SPIZZIRI: Thank you.

ASSEMBLYWOMAN FORD: Thank you, Mr. Feirstein.

MR. FEIRSTEIN: Thank you.

ASSEMBLYWOMAN FORD: Next, we will hear from Gene Terkelsen, Executive Member of the Governor's Committee on the Disabled:

GENE TERKELSEN: Distinguished members of the Commission, ladies and gentlemen, my name is Gene Terkelsen. I am an Executive Member of the Governor's Committee on the Disabled.

My purpose in appearing before you today is not to suggest ways in which Casino Revenue funds should be allocated for programs and services for senior and/or disabled citizens, but to provide informational input with the hope of assisting you in fulfilling your responsibilities as determined by Senate Concurrent Resolution 97 of 1984.

With that as my agenda, I call your attention to the Casino Revenue Transportation Program which provides for new and/or expanded transportation for senior citizens and the disabled. Under this program, counties receive funding based upon the number of senior citizens as determined by the 1980 census. Yet, this program, as well as all programs funded by casino revenues or public referendum should be dedicated to senior citizens and the disabled.

So then, one must question why a Casino Revenue supported program's funding is based only upon the number of senior citizens. The answer, unfortunately, is that similar census data does not exist on the disabled population on the Federal, State, or county levels. In fact, the limited demographic data available on the disabled population must be gleaned from the following sources, each with its own deficiencies:

(1) **Service eligibility statistics** that are limited to those who seek specific services from certain agencies, which lack breadth and standardization, and records are often duplicative or incomplete;

(2) **Service delivery statistics**, while available, have the same deficiencies as those found with service eligibility statistics;

(3) **Population surveys**, some of which have generalized questions on activity restrictions, result in a lack of accurate, detailed disability information. Others have questions for diagnostic information, which tend to exaggerate the rate of disability, often providing inadequate information in terms of functional limitations or activity restrictions. Such data also does not indicate causes of disability;

(4) **And ad hoc studies**, which tend to be sharply focused on local conditions and, therefore, impossible to extrapolate to larger population areas: from a municipality to a county, from a county to a state, from a state to a nation.

The importance of a solid, reliable database cannot be understated, as such is necessary to the study of any group. Statistical information helps to guide research, identify and better serve members of the group, and provide social indicators with which to determine the group's quality of life within society for a period of time.

In addition, such information is a key to ensuring prudent, equitable policy decisions, often involving allocations of resources. Therefore, development of such statistical information relative to the disabled population of the State of New Jersey would appear to be a priority need for this Commission.

To example the need for disabled-citizen-population data, consider this: In 1977, during the White House Conference on Handicapped Individuals, it was estimated that 35% of those persons 65 and older were disabled. In 1981, during the White House Conference on Aging, figures determined 80% of the population were suffering from chronic conditions and that, of that figure, 20% had limitations. If you extrapolate current Social Security Administration data, perhaps as many as 25% of the population 65 years of age and older are disabled to the point of not being able to work, or to work regularly.

What we then have are results which say that, of the 65-and-older population, between 20-80% are disabled. This concern for statistical information on the disabled was evidenced in 1976 during the New Jersey Conference on Handicapped Individuals, and in 1981 at the New Jersey Crossroads Conference, which was attended by over 2,000 disabled New Jersey residents.

Various counties in the State of New Jersey have also identified the need for definition and reliable data as a priority. The County of Atlantic is currently conducting a household survey, in partnership with each of its 23 municipalities.

Beyond the need for statistical information, and I think we addressed this a little bit today, is the need for definition concerning disability. We have various definitions now in governmental structures; however, the definition changes and is very specific, depending upon the legislative, judicial, or regulatory intention of the definition. The general population has established its own definitions for disability; therefore, it is not at all unusual to find persons who, in fact, do not realize they are disabled, or to find those who do not choose to be so identified.

The New Jersey Governor's Committee on the Disabled has also identified definition and reliable database as a priority need, as the base from which to fulfill its role of advising the Governor on legislative and administrative initiatives which would provide more effective and efficient services for the disabled. In fact, at the March 13, 1985, meeting of the Governor's Committee on the Disabled, it was unanimously voted to set aside \$20,000 of this year's appropriation as seed funding to a disabled citizen demographic information project, in the hope of additional funding from New Jersey State departments, commissions, and councils charged with responding to the needs of the disabled population.

Having shared information with you as to the need for accurate statistical data relative to the disabled population, be they young or elderly, I think it is also important to share with you observations in terms of current programs that are funded by Casino Revenue funds.

In my travels around the State of New Jersey, I am constantly confronted by senior citizens and disabled State residents who are either unaware of casino-revenue-funded programs or who are unaware that they qualify for those programs. When I encounter qualified beneficiaries of current programs who are making decisions on whether to pay for prescriptions necessary for their health or utilities for lighting, cooking, and/or heating, as opposed to food necessary for proper nutrition, I wonder how many others are out there trying to make these same decisions.

When one encounters qualified beneficiaries, as I have, who are in desperate need of financial support from current casino-revenue-funded programs and who are questioning what happened to the moneys from casino gaming, which was to aid senior citizens and disabled residents of the State, one must wonder whether it is possible to determine the true cost of existing programs, if all who are qualified knew to participate.

When one considers the anticipated future growth in the overall population of the senior and disabled citizens as a result of advances in medical science, one must then question whether the funds available from casino revenues will be able to keep pace with that growth. This is especially true if the Fund is used in ways that have benefits for a select few or for those in a limited geographic region of the State.

Again, my purpose in appearing before you today is not to suggest ways to spend the Casino Revenue Fund, but to provide informational input. In keeping with that purpose, I will conclude by suggesting that while public input, in terms of priorities and preferences of citizens throughout the State regarding the use of the Casino Revenue Fund is appropriate, it would appear that the Study Commission, of necessity, must also fully examine:

(a) Current and future funding needs of existing programs funded by casino revenues;

(b) Future population growth and needs of seniors and disabled State residents;

(c) Cost value and benefit of current casino-revenue-funded programs;

(d) And, knowledge of and utilization by qualified beneficiaries of current programs funded by casino revenues.

Finally, since the Casino Revenue Fund was established for the purpose of funding programs to the benefit of the State's senior citizen and disabled residents, the suggestion is made that the Study Commission has the need for reliable, statistical data relative to senior citizens who are disabled and non-disabled, as well as non-senior disabled residents. Such information is vital to the Study

Commission as a base from which to ensure prudent and equitable recommendations to the Legislature, which will have the potential for impact on current and future use of casino revenues.

Ladies and gentlemen, and members of the Commission, I thank you very much for your time. I will be happy to respond to any questions.

ASSEMBLYWOMAN FORD: Thank you very much. I have one question. Earlier today, we heard from an individual with the Middlesex County Office on the Handicapped about the problem of defining "disabled" under the law. How close is your Committee to reaching a definition or making a recommendation as to a definition for "disabled"?

MS. TERKELSEN: As I indicated at the March 13 meeting this year, the Governor's Committee on the Disabled unanimously voted to set aside \$20,000 from this year's appropriation to begin to address that very issue. There needs to be a definition that would not only have utility for such things as the Casino Revenue Fund but also for other purposes throughout the State of New Jersey, be it with the Departments of Health, Human Services, or whoever.

Unfortunately -- and this was one of the points Diane brought up -- not all disabilities are obvious. I sit before you as an individual with a disability; however, you have to see my Medic Alert to find that out. Although I do not have the need for current programs -- and, hopefully, will not have a need for future programs -- there are still tremendous needs out there. Upon hearing from the disabled population, those needs may be for such things as TTY -- the deaf telephone communications system -- or any number of other things. With orthopedically disabled persons, the issue of accessibility is critical.

Affordable housing is crucial. I happen to work in Atlantic City serving the disabled population's needs, and I can honestly tell you that when someone comes into our office looking for housing it would be much easier if they were asking for a million dollars. Then, at least, we could buy a ticket for the lottery and perhaps stand a chance. When you talk of affordable housing, right away there is a

problem. Housing, in general, is a problem. When you talk about affordable housing, the problem escalates. When you talk about accessible housing, it is nye onto impossible.

ASSEMBLYWOMAN FORD: In answer to my question then, the task of defining "disabled" is just starting because, from your perspective, the money has just been appropriated?

MS. TERKELSEN: Right.

ASSEMBLYWOMAN FORD: In connection with that, we will be studying and making a recommendation. Do you have any idea when your study will be completed?

MS. TERKELSEN: I hope that before the end of this calendar year there will be a workable definition -- one that, again, will have utility for various purposes throughout the State. I hope that in one year we will be well on our way toward developing the statistical database necessary.

ASSEMBLYWOMAN FORD: All right, thank you. Are there any other questions from the Commission? Mr. Giordano?

MR. GIORDANO: Gene, I am on the Civil Rights Commission in the town of Bloomfield. On this Commission, we have a gentleman who has been on the Governor's Commission for the Handicapped, Dr. Ballantine, who is mute; he cannot hear. He always refers to himself as the "invisible handicapped."

People look at him and think, "There is nothing wrong with this guy." This man is an astute, intellectual gentleman. In fact, he has developed microsurgery for the hands. I have read some of his books on this subject. I don't know whether you know him. He always refers to himself as the "invisible handicapped," as he can neither speak nor hear. I wonder if that condition falls within the definition of "handicapped" the way you people look at it?

MS. TERKELSEN: It very well may. In fact, I will leave the Commission with a little trivia challenge: In my lifetime, there have been eight Presidents of the United States. Of those eight, six were, in fact, disabled. And I won't tell you who they were. [laughter]

ASSEMBLYWOMAN FORD: Thank you. Jerry Del Rosso, the Director of the Division on Aging and Disabled for Atlantic County Office on Aging:

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JERRY DEL ROSSO: There have been approximately three new developments that have caused us to write our recommendations to this Commission. One is the proliferation of bills which concern the usage of casino revenues. This precipitates the second, the non-prioritization of the issues the Legislature has been looking at in terms of programming. Third is the lack of public relations and marketing -- what the casino revenues are actually doing for the elderly and disabled in the State of New Jersey. With this in mind, I have, basically, 10 recommendations from the Division of Aging and Disabled in Atlantic County.

(1) All bills which deal with casino revenues that are before the State Legislature be frozen. This, we feel, will prevent all new bills from being presented to the Legislature until such time as prioritizing has been completed.

(2) The Commission review the prior budget into your figures against the actual expenditures of the casino funds. We ask that you do an in-depth projection of expenditures from 1985, 1986, and 1987. We request that you review what services are presently being provided, and which of these services are being utilized by the elderly and disabled.

(3) We also recommend that the same analysis be conducted to determine what the revenues would be for the same periods of time. I have read several different analyses -- Mr. Silliphant's, in particular, which was recently released.

(4) We request an answer to this question, and Senator Costa asked it earlier: Who actually represents the disabled in the State of New Jersey? There are several agencies. We could also ask who represents the aging in New Jersey. As far as State agencies, there are approximately six State agencies that handle millions and millions of dollars.

(5) We request an in-depth review with representatives from the State Division on Aging, the area agencies on aging -- which are the local offices -- the Governor's Council on the Disabled, local offices for the disabled, and the State Department of Human Services, to determine the priorities for the elderly and disabled.

(6) We ask that this be an ongoing process and that priorities be updated to reflect availabilities and usage of other funding sources to prevent duplication. As you know, there are Federal, State, and local dollars going into all these programs. If you read the bills presently before the State Legislature, in the Senate as well as in the Assembly, you will see a lot of programs being funded by Federal or State moneys. That is why we request that prioritizing be completed.

(7) After the priorities are set, and the proper funding levels are anticipated -- meaning the casino dollars -- we request that only the bills that address those stated priorities be considered by the State Legislature.

There is another big area. I know Mr. Carver addressed it. He mentioned that casinos are going to go before groups, I am assuming, such as the State Division on Aging and the Department of Human Services, to start contacting local groups of the elderly and disabled, to let them know exactly what is being done.

(8) We request that each year the Commission release the following for public consumption, and I believe it was Mr. Giordano who asked for this information: what programs are funded, what programs are actually in existence, the cost to run each program, the total amount of funds allocated for programming, the balance of casino funds after expenditures are completed at the end of each year, and the total number of seniors and disabled who participated in the programs.

(9) We ask that this be completed by the Commission on a yearly basis and issued as a public relations or marketing piece; we also ask that the Commission utilize those groups in item number seven -- those State and local agencies -- as your vehicle to get this information to the elderly and disabled in the State.

(10) Finally, we ask that all casino moneys collected by the State of New Jersey be appropriated only in programs for older adults and the disabled residents of the State. Thank you for allowing me the opportunity to come here today.

ASSEMBLYWOMAN FORD: Thank you.

MR. DEL ROSSO: Thank you very much.

ASSEMBLYWOMAN FORD: Are there any questions from the Commission? [no questions] Our next speaker, then, is George Hayden, resident of A Country Place, an adult community in Lakewood:

GEORGE HAYDEN: Good afternoon. My address to the Commission today is similar to what we have heard elsewhere; however, I would like to review a few facts.

(1) That the revenue slowdown in the casino industry be balanced before any additional spending for new programs is added to the present set-up. It is a known fact that one casino has left Atlantic City and the revenue is not coming in. This would give us a chance to reorganize and substantiate any new program we would take on. Does it fit? Can we take care of it properly?

(2) That the income account shall be reorganized to the State Treasurer and to plan better control. The account shall be used for senior services as indicated in the referendum on the ballot when the people so voted.

(3) That any new funding shall be passed by Assembly vote and signed by the Governor, and there shall be no borrowing or dipping into the Fund.

(4) That the PAAD program will have an increase in pay-out, due to the prescriptions that are not accepted at the drugstore. This is a form of harassing the poor, and the Legislature must continue to pay the doctors' prescriptions on the \$2 basis. If this is not done, people will get sick, they will be sent to the hospital, and Medicare and Medicaid will be paying the bills double. It is a hidden, false accusation.

If you recall, Hoffman-LaRoche just laid off a thousand people. This was unnecessary. Washington should have given them the okay to take the medicines they have -- that they want to put on the market and test them -- to do so. But no. They were turned down. It seems that generic medicines are not the ones to be brought forth and no doctor can say to a patient, "If I give you that generic, your health will be jeopardized." But they are doing it.

Further, the cost of health, with regard to generic drugs, does not work. I had a letter from a woman who lives not far from

here. Her 62-year-old son and her husband died, both in one year. She is destitute, because of her life being changed at her age. She told me that if her oil burner breaks down this winter, she has no money to get it fixed. That is how close she lives.

She was getting medicine for \$2, but when she took a prescription to the drugstore, the pharmacist said it would be \$29.95. Is that the way to run a program? And we are the only State that has a PAAD program; therefore, that must be addressed by the Legislature. I will say that the Doyle-Russo office has been working on it for me, and we have been in contact with the State Department of Human Services. Something should come from that; however, it takes time for programs to go through the necessary steps.

(5) On the subject of New Jersey Transit's half-fare to seniors: It is a good move. It is a necessity to have it. But, Federal and State funding should come in on that and not push it over to casino money. Everyone thinks the casinos are going to pay for everything. We can no longer look at it in that light.

(6) We should have more legal checking on the Casino Control Act. If that can be done -- and I am sure there are good lawyers in our Assembly and Senate who could join this Commission -- we could get to the bottom line: getting the money where it belongs. In general, we have, in the State of New Jersey, a vast supply of labor that could be used for various funding. Every county has an office on aging, and they know where a particular person who is having trouble in his or her life should apply for benefit or aid, whichever is needed.

Then we have the outreach service which makes calls all over their counties. We have hospital inspection. We have an ombudsman system, but it is not working at full capacity. Let's not throw everything into casino funding and fail to use the organizations we now have in this State. We have disgrace at this very moment in our nursing homes, and I am ashamed to admit it. I visit and care for people in nursing homes, whether they are victims of multiple sclerosis or other sicknesses. We must address the problem in Bergen County at Bel Air Nursing Home with legal action.

People are suing the nursing home; eventually they will sue the State of New Jersey. What department is going to pay for that? In closing then, let's put our feet on the ground, organize the system and every department in our State and not ask, "What can I get out of the Casino Fund?" The money is not going to be there. It has reached its peak. It will not show up like it has in the past. Thank you.

ASSEMBLYWOMAN FORD: Thank you, Mr. Hayden. Do any members of the Commission want to ask questions? Mr. Giordano?

MR. GIORDANO: I just want to clarify a point. There was an article in The New York Times last Thursday about how New York is now planning to institute a pharmaceutical program. [quotes from newspaper article] It says here, "Several other states, including New Jersey, Pennsylvania, and Maine already have programs to help the elderly pay for prescription drugs. Others, including Illinois and Ohio, are considering such programs." I thought some people may not know that other states do have programs.

MR. HAYDEN: Yes, Senator; however, that article does not fully explain the situation. Many people retire from "XYZ" company. When they retire, they get benefits, such as paid insurance and medical prescriptions; however, that pay-out is through an insurance plan. In New Jersey, our plan is better for the poor than those other states' plans. I had a case, not so long ago, where -- I'll mention the name, the Grand Union Retirement Fund, a big company -- they are trying to pull away from paying for prescription medicine for their sick and their retirees. But that's not all behind the scene. It is the insurance companies that do not want to pay high prices for drugs. They turned around and pushed these generic drugs so hard that they are trying to make you think it is possible.

Now, one person spoke to me and she feared taking the drug. So I went to the doctor and asked, "Doctor, can Mrs. So-and-so get this prescription as a generic?" He said, "Definitely not. She has been on this medicine for 12 years. If I change it to a generic -- which I cannot prove to be as good -- she will be in the hospital and then we will have more trouble. She, maybe, would not make it in her elderly years."

So, it has gone far beyond Washington coming through and disturbing our PAAD system. I hope the Doyle-Russo-Ford [sic] legislative office, which we are working with now, comes up with something. I will be there next week at a meeting with the legislators to see if we can bring PAAD back the way it should be. Thank you.

ASSEMBLYWOMAN FORD: Thank you, Mr. Hayden. I am anticipating telling Senator Russo how you referred to the office as the Doyle-Russo-Ford office.

MR. HAYDEN: I will make contact next week. Thank you.

ASSEMBLYWOMAN FORD: John Sierge, a member of the Executive Board of the New Jersey Federation of Senior Citizens:

JOHN SIERGE: First, I want to thank those who, on Thursday, gave me permission to come here. I have been away. I am one of those very lucky persons who has a family, who does not go to the government for a nickel. I am proud to be an American, I am proud to help these gentlemen, as well as the people who are needy in our State and country.

I only have a little, one-page statement to read to you, and I gave it to Senator Costa. Before I go into that, I look around at you people, the people here who are all so concerned about so many of our problems. Wouldn't it be nice if all of us had Bradley, Lautenberg, Howard, and all the others, bombard our legislators who are now in Washington? They should say, "Look, you want 21 missiles at more than \$5 million apiece. How about cutting it down to 11, and then pass on \$250-300 million to each state to do the jobs that we are trying to here?"

We have gotten away from this -- and you people, like so many of us here, could be out taking a positive approach. Tomorrow I will spend -- as these gentlemen do -- my time in the Plainfield area where everyone knows me -- I was born and raised there -- in five nursing homes and hospitals, spreading some cheer to the miserable people who are in those places.

We could all be doing more of that, instead of you legislators using up so much of your time. You have so many other

problems -- toxic waste, crime, and so many other things -- you should be working on instead of the nitpicking that is going on in this entire medical field. Why, as the richest nation in the world, don't we have a national health program?

I just came from Florida where I met many Canucks. I asked them how they like their national health program. Everyone loves it. Everyone loves it up there. They have no problems with it. I don't know why we as a people and the legislators don't really get after our legislators in Washington and say, "Stop kowtowing to the AMA and all of the powerful lobbyists, and do the job in this area of medical health." That is apropos of what I am going to say now.

On March 11, the Chairperson of our Health-Welfare Task Force, Edith Edelson, a very intelligent, level-headed mighty mite -- I don't know if you have met her or if any of you know her -- of a lady, highly respected for her accurate, researched knowledge, presented to the legislators, and all who have any contact with her, three pages of testimony urging strong consideration of Medically Needy and Renters' Relief Programs for so many of our elderly in New Jersey.

I will not belabor you with a repetition of the brief she presented; however, be assured that the facts presented by her should be seriously considered by you as imperative needs researched by our Task Force. You may or may not know that this great lady was so respected for her realistic care of the needy that a couple of years ago she was honored as New Jersey Senior Citizen Woman of the Year by the New Jersey Chapter of the National Association of Social Workers.

This request for the Medically Needy Program boils down to some basic figures, which I am going to point out. We have a \$670 million surplus. This is unheard of. The Medically Needy bill -- what is it -- 608 plus 1218? -- asks for \$100 million for a Medically Needy Program, \$45 million of it to come from the State, \$53 million from the Federal government, and \$19 million -- in order to do the full job that has been researched -- from the Casino Fund. Now, your figures indicate there is about \$157 million. That is what I heard this morning that is accountable for; so what is that? About \$19 million or so that could be used? That includes all the health care that John

Tergis-- John Tergis and I were on the same Tax Task Force in 1976. We took a six-week Tax Task Force seminar, a pilot program in Princeton, four years ago. I know John Tergis well. He is a person very dedicated to the needs of senior citizens. But there is no reason at all why this cannot be fully funded.

If you do not find the money, why not bother the Governor and say, "Look, let's get this \$19 million from the General Fund." Byrne stole \$80 million. Our present Governor got in because he said he would get the money back. He put in \$50 million; the other \$30 million is coming. Well, let's say the \$19 million could have been the interest that was due. That sounds logical, but logical or not, I think it is your responsibility to make sure the Medically Needy bill -- with all the researching that has been going on -- should be taken care of.

In conclusion, let me assure you that our Federation has strongly opposed, until now, the many efforts by legislators and others to tap casino funds. We were as strongly opposed to that as anyone. We wanted to make sure that those casino funds were not being tapped for pet projects other than those for which the funds were voted. We were the first to cry wolf when former-Governor Byrne, upon leaving office, after he was helped by the senior citizens to get in there, absconded with \$80 million, which I passed on to you.

If you would like to have me relate a few personal experiences with the needy elderly and their concerns, I would be glad to answer any questions. I want to thank you very much for listening to this old reprobate who is very thankful to the good Lord for giving him a wonderful family and no need to have the use for these funds, but the will and desire to help the less fortunate in New Jersey and elsewhere. Thank you very much.

ASSEMBLYWOMAN FORD: Thank you. Do any Commission members have any questions for Mr. Sierge? [no questions] Thank you very much. Russell Hearen, a member of the National Legislative Council of American Association of Retired Persons:

RUSSELL HEAREN: Good afternoon. I am gratified to be able to speak this afternoon, not only for the 570,000 members of AARP in New Jersey

but I have also been given the honor to speak for the entire Task Force on Legislative Concerns of seniors in New Jersey. This is composed of the New Jersey Federation of Senior Citizens, the New Jersey Council of Senior Citizens, the Older Women's League, the UAW Retired Workers Region #9, the New Jersey Coordinating Council of Organized Older Citizens, Incorporated, the New Jersey Coalition of Advisory Councils, the New Jersey Council of Retirees ILGWU, and the New Jersey Commission on Aging.

For over two years, we have been stressing that such a Commission should be organized and all spending of casino revenues be halted until such a Commission was formed and that we come up with priorities, so that we are going as far as the Casino Revenue Fund is concerned. Every bill that is in the hopper at the moment is a good bill; however, we could spend the Casino Revenue Fund at least 10 times over with those bills that are in there. Of course, they are very good, as far as seniors and the handicapped are concerned.

Nevertheless, we know that we can only go so far with that funding, and then it is going to dry up. And, if we have so many programs on the docket that cannot be funded, many seniors and handicapped will be hurt worse than they are at the moment. We, the members of the Task Force on Legislative Concerns, have prioritized two areas in which we see the greatest need for seniors.

I would like to read what we have, and this has been handed out at other meetings to this Commission. We are emphasizing it because we wish to have it on the record wherever this group is meeting. [begins reading]

"Home health care is a system of home- and community-based long-term care for vulnerable, aged, and disabled persons regardless of income. We feel that this is a top priority. While we have many nursing homes, we find, at the moment, there is still a tremendous waiting list of the elderly and handicapped trying to get into nursing homes.

"Nursing homes, however, are not the answer for a great many of them. They would be much better off -- healthier and otherwise -- staying in their own homes if they had proper attention. It would be a

lot cheaper and a lot more humane. Home care is a more efficient, less expensive, and more humane alternative to nursing home confinement. It has universal appeal in that home care knows no economic bounds. The person above the poverty level could have as great a need for home care as the poor person.

"If there is no alternative, the average person would exhaust savings after a comparatively short stay in a nursing home, after which Medicaid, at government expense, would be the only alternative. The objective would be to reduce the cost of Medicaid rather than increase it. The age-65 population in New Jersey, according to the Governor's Management Study, is expected to increase by 225,000 -- a 30% increase -- by 1995.

"Moreover, a few years after that, when the baby boomers attain age 65, one person out of five will be 65 or older. A serious problem is building in New Jersey, unless alternatives to nursing home confinement are developed. It is estimated that, at the present time, 30% of the nursing home population could be cared for in a home setting if facilities existed.

"Home care is receiving the support of the Federal government, and will continue to do so as a measure of saving Medicaid dollars, as well as being a more humane system.

"Secondly, rental assistance is vitally important. The two go together. If the elderly are deprived of their homes, then home health care is not of much value. This is a program of rental assistance for senior citizens and disabled residents whose rents are excessive in relation to their incomes. Rents are rising beyond the abilities of many of our seniors to pay, primarily due to increased property values and insufficient, very expensive rental construction.

"Thousands of seniors are paying anywhere from 35-90% of their incomes for rent. The Star Ledger estimates that 25,000 apartments are being lost annually in New Jersey, because of neglect, abandonment, and condominium conversion. Renters comprise about 40% of senior households and are a poorer group than senior property owners. Senior property owners have been awarded an annual homestead rebate of about \$240 plus a property tax deduction benefit

of \$250, where income is \$10,000 or less, exclusive of Social Security, for a total of approximately \$500. Renters have been neglected. Even though rental assistance was set forth as a permissive expenditure of Casino Revenue funds in the 1976 Casino Referendum, the State income tax legislation in New Jersey calls for a \$100 rental credit for older and disabled people. This applies, however, against the State income tax that would, otherwise, be due. Since most senior renters do not pay State income tax, due to insufficient income, they do not qualify for this benefit.

"These two, we believe, are the top priorities for casino revenue funds, and we hope you will consider that in the spending of those funds."

Thank you very much.

ASSEMBLYWOMAN FORD: Thank you, Mr. Hearen. Any questions from the Committee? [no questions] Thank you again.

Joan Litwin, the Executive Director of the Monmouth County Office on Aging:

JOAN LITWIN: I will try to be brief, because I know you are heading into the home stretch and lunch at this point. I appreciate the opportunity to testify before you as you seek to establish priorities for the Casino Revenue Fund. After hearing the testimonies presented today, I hope you will bear with me if I add some comments to the statement I have submitted to you.

I know you are a very knowledgeable, sophisticated Commission, but, perhaps, for some of the others present, I would like to begin by putting my remarks in the context of some statistical background.

In the 80 years of this century, the total population of the United States grew almost threefold, while the older segment grew more than eightfold. In 1900, older persons represented every 25th American; in 1982, they represented every ninth American. Every day approximately 5,000 individuals celebrate their 65th birthdays. The group aged 85 and over is growing especially rapidly, up 165% between 1960 and 1982.

In 1884, life expectancy was 45 years. Life expectancy for someone born in 1978 is 73.3 years. In the past, people lived and died at home within their family structure. The likelihood of dependency increases dramatically as individuals pass age 75. As a group, those dependent in mobility, household activities, or health care services are 59% more likely to lack a spouse, 29% more likely to live alone, and 75% more likely to be poor, compared to the independent senior population.

I think these figures clearly indicate the scope of numbers involved when we talk about seniors, and they give a sense that our programs will need to serve the older seniors -- those in the seventh, eighth, and ninth decades who are less able to function independently and are most likely to be poor.

To meet this need, I urge members of the Commission to give first priority to in-home services for seniors. By that, I don't mean just home health or nursing care. In our Monmouth County Office on Aging, we hear almost daily from seniors and/or their families of the need for home care or the lack of adequate services which address these needs. Many persons could continue to live at home independently or with the assistance of family members if there were available very basic forms of support services: adult daycare, respite care, personal care, home health care, and expanded homemaker services. These are some of the services we believe should be the top priorities of casino revenue funding.

A full range of integrated services would help keep many seniors out of institutions and at home where they want to be, where they belong, and, incidentally, where their families want to keep them. Particularly for the poor, to be sent to a nursing home generally means to be totally separated from the support of family and friends because of the lack of transportation. In Monmouth County, for example, our county nursing home, the Geraldine Thompson Home, is absolutely inaccessible by car. It is in a very rural area. And someone who leaves his or her family to go to a nursing home may not see them for months -- and you must know how that affects health.

The second priority for the use of casino revenue funds should be affordable housing. In our county, there are extremely limited spaces for subsidized rentals, and seniors find that the rental units they have lived in for many years are becoming too expensive for them on their fixed incomes. For example, one woman who receives \$428 in Social Security each month, which is her total income, must pay \$350 in rent. Obviously, this does not leave her much to live on. Yet, she cannot find any other decent, affordable housing. I think we need not only rental assistance but also a program which will increase the actual number of affordable rental units.

There is also a need for more congregate housing, so that individuals can live in a community instead of in isolation, if they so choose, and can obtain the meals, social services, personal care, and transportation where they reside.

In summary, I urge that you recommend in-home care and housing as the two essential programs to be funded by Casino Revenues. I thank you for your consideration of my remarks.

ASSEMBLYWOMAN FORD: Thank you very much. Senator Pallone?

SENATOR PALLONE: I just wanted to add that, Joan, you made some interesting comments, I think, because we have been focusing to some extent on rental assistance -- mainly because that would, hopefully, come from Casino Revenue funds. I believe that you point out -- and I think it is particularly true in Monmouth County, but is probably true Statewide -- that a real problem is affordable housing, in terms of locations and congregate housing.

I know from my own experience -- and again I am referring to the people who come to my Senate office or your Office on Aging in terms of rental assistance bills that have been proposed, including the one I proposed -- that they will help, but I don't know how far they are going to go, because rents are rising at such exorbitant rates in many parts of Monmouth County. I know, particularly in my coastal district, that is true.

That particular example you cited could very easily be one that I gave you. It is probably not, but it could have been. One of the things that is in the hopper in the Legislature is Senator Van

Wagner's bill that would, basically, provide a State housing bond for senior citizens. With the cutbacks at the Federal level, what Senator Van Wagner has proposed -- and what Assemblywoman Walker has in the Assembly -- is trying to come up with a State housing program for seniors that would, in effect, supplement or replace the Federal housing programs. And I think certainly that is something that would be meaningful.

MS. LITWIN: Yes. I am quite interested in that, and I have copies of the bills. My concern, however, is that since it has to go to the entire State on a referendum-- Right? As a bond issue?

SENATOR PALLONE: Right.

MS. LITWIN: [continues] --that we don't just let it go. If by some chance that bond issue should fail, then we have no program. That is my concern.

SENATOR PALLONE: The other thing that you mentioned in regard to congregate housing is very true. Even in the older, smaller towns -- Long Branch, Asbury Park, and places like that -- where there are a lot of people living in rental units, part of the problem for them -- and they prefer to have a senior-citizen-type housing or project -- is the disruption of the development in Monmouth County and movement of essential services to the suburban areas -- the shopping centers or whatever. They find themselves in situations in the older cities where they do not have access to services: shopping, food, whatever. And, sometimes, many of them would prefer to go to senior citizen housing complexes, not only because of rents but also because of possible better locations for them, especially if it is organized so that essential services are provided.

MS. LITWIN: Yes. They have such a program in Asbury Park. They have a personal daycare program; they have transportation; they have a social worker. Then, you are not funding so many individuals. Individuals go to individual homes. You have people on the premises. Not everyone would choose to live in congregate housing, but it is a marvelous idea. We have only one, I think, in the entire county, so I am certain there is room for more.

SENATOR PALLONE: The other thing -- which may be a little more unique to Monmouth County and, again, is not something that can possibly be addressed on the legislative level, but it does, I think, aggravate the problem -- is that there are only one or two towns in Monmouth County that have any kind of local rent controls. So there is really no control on either the local or State levels as far as rents, for senior citizens or anyone else, going up.

In many parts of North Jersey, they do have rent control in municipalities. To that extent, it kind of helps the situation, in that rents can only go up a certain percentage. In the absence of that, in most of our towns in Monmouth County, it simply aggravates the situation. That is probably not something we can address here, but it creates a particular problem in Monmouth County.

MS. LITWIN: I believe the other side of rent control is that builders say they will not build affordable housing where the rent control exists, because it will not benefit them.

SENATOR PALLONE: We do have situations in Monmouth County where people's rents are going up 50% every year without any kind of-- You know, sometimes they can take the landlords to court, but oftentimes they just cannot afford it. Thanks a lot.

ASSEMBLYWOMAN FORD: Mr. Giordano?

MR. GIORDANO: Do you believe, or do you feel, that our educational system should now be focusing some attention on conducting programs in the vocational schools and so forth? You know, most of the comments people have made have centered on the need for more home health care. Do we have qualified people to provide this? Should the vocational schools be developing these programs, so we can give the people coming up greater expertise in getting out into the homes and doing what they are supposed to do? What is your opinion?

MS. LITWIN: I think there are new programs in gerontology at the professional level. Many of the services to which I referred -- for instance, adult daycare -- could be social care that do not necessarily require a lot of medical or health attendance. I think there will be, however, a need, certainly, as the population in that age group grows.

There have to be more people who understand what growing older means, who are sympathetic and appreciative of what a senior citizen has to offer, and who are interested in getting into that field. I certainly think there must be more information and education about seniors and, as you indicated, I think it is a good idea to have more training to ensure that properly qualified people will be there.

Until the priority is set that, yes, this is the kind of program and service we want, it will not be developed. Community colleges, for instance, as well as vocational schools, would be very good places to develop that level of care.

ASSEMBLYWOMAN FORD: Thank you, Ms. Litwin. That concludes the formal list of people who indicated that they wished to testify before the Commission; however, I have written testimony from individuals, and I am not certain whether you want to testify. From Mr. Blazik of the Ocean County Senior Coordinating Council, we have written testimony. Would you like to offer any comments on this, or do you want us to make your written statement a part of the record?

LOU BLAZIK: [from audience] Do you have time for it?

ASSEMBLYWOMAN FORD: Sure. Why don't you come forward?

MR. BLAZIK: I would like to get some publicity for it, since I hear so many other views. I wonder if I could distribute some copies of our Ocean County Senior Statesmen? [affirmative response from Commission; distributes copies to Commission and audience] I have two papers here. I would like to present one of them as President of the Ocean County Senior Coordinating Council. We prepared it some time back, so some parts of it may sound dated. I would like to thank this Commission for the opportunity to testify in reference to casino funds. I will start with the following, which we are submitting in writing, on matters of concern to New Jersey and Ocean County senior citizens affiliated with this Council through its clubs and chapters throughout Ocean County.

(1) We already have the Commission created here, so beginning with Line 4 of the first item, we strongly recommend that the Commission be fully constituted and fulfill its intended purpose, that is to advise the Legislature of priority needs for the casino

revenues. As it now stands, more and more bills are being introduced to use casino revenues for sundry purposes without consideration of more important needs. We strongly recommend that the Commission be fully constituted with an equal number of legislators and senior citizen leaders with expertise in this field. We strongly urge that no more bills be passed that call for Casino Revenue Fund usage until priorities are set by the Commission. In our opinion, a percentage of these revenues should be used to provide additional property tax and rent relief for all senior citizens.

(2) We urge an increase in homestead rebates and rent relief for all senior citizens. We currently have bills -- S-256 and S-473 -- that have been introduced, and we request that similar bills be introduced in the Assembly. We favor the concept of S-473 to provide for additional amounts of rebates based on percentages of increases in income taxes from year to year.

When the income tax was enacted, the people were given to understand that it would reduce property taxes. Since that time, however, property taxes have increased 40-60%, and in some instances lately, even more. Moreover, the rebate has remained the same. Many senior citizens on fixed incomes now find themselves worse off than before the income tax was enacted, with regard to constantly rising property taxes.

We also point out that the people were promised that casino revenues would be used to give senior citizens additional property tax relief. Middle-income senior citizens have not received one cent of casino revenues as a reduction of their property taxes. This must be condemned as unfair and unjust.

(3) I would like to say a few things in passing, although you will have the pleasure of reading it later. This deals with senior citizen organizations exempt from sales tax, primarily on out-of-tax trips which include the theater, bus, and dinner, normally a 6% charge as a group or on group activities. The group may have a luncheon where the charge is 6%. In this instance, for bills A-174, S-55, S-81, and S-793, which have been introduced, the State may find, in its wisdom,

to forego the 6% tax which, in some instances, may not amount to a big amount of money but would be a contribution toward cutting the expense of the bill by 6%, especially in the area of dining. In Pennsylvania, for instance, when they have senior activities, there is no sales tax on those activities.

In summary, on behalf of the senior citizens of Ocean County, we thank the Commission for this opportunity to present our views. We earnestly request that this written testimony be entered into your report on the hearings on senior citizen concerns. This is signed, of course, by me, as President of Ocean County Seniors. I don't know whether anyone gave you the numbers, but I remember the Deputy Mayor commenting here that there are approximately 40,000 seniors in Lakewood. Well, the grand total, as I understand from my freeholders, is close to 98,000 seniors. That is the present count for Ocean County. This is nearing the 100,000 mark, and as it stands, Ocean County will probably be the winner as far as the number of senior citizens is concerned.

In touching upon the New Jersey Coordinating Council of Organized Citizens, an association of senior citizen organizations at the State, county, and municipal levels, which Herb Miller-- I don't know if any of you are familiar with Herb Miller from way up there in Northvale, New Jersey, on the border of New York. He has been the Chairman of this organization until recently when, for health reasons, he had to resign. Anyway, I understand that this had to be read once before to this Commission; however, for want of time, I would like to read just one part, near the end, which gives priorities.

I have heard many comments in reference to health care and other remarks. The New Jersey Council agrees that home health care and independent living for the handicapped are major concerns and should be given priority; however, we do not believe that these programs should be financed by casino funding. Rather, we believe that these are Federal and State matters. Medicare, Medicaid, or other health programs should be funded by the Federal and State governments, and should provide proper expenditures to cover home care and medical needs for the handicapped. Block grants and revenue-sharing funds should be utilized for this.

If there are any questions that I may answer at this time, I will be glad to do so. We are grateful for the opportunity to make this presentation, even though I summarized it to give you the opportunity to get out there and enjoy your lunch. Thank you.

ASSEMBLYWOMAN FORD: Thank you, Mr. Blazik. I notice that there are several members of your organization here. Maybe they should be recognized. Some have spoken already -- you, the President; Lillian Bloom, the Secretary, was here a little while ago, although I don't see her now; Bill Fierstein, the Assistant Treasurer, of course, we heard from earlier; George Hayden, one of your trustees, has also been heard from. Is there anyone else on your Board of Directors who I missed?

MR. BLAZIK: There are also two people from Ocean County: Bill Fiori and Mike Carrig, who are on our Positive Action Committee; they are also active with the New Jersey Coordinating Council. Bill is a Trustee; Mike is the Assistant Treasurer. Thank you.

ASSEMBLYWOMAN FORD: Thank you very much. We also have written testimony submitted by George Gravino of the Monmouth County Retired Educators Association. Mr. Gravino:

GEORGE GRAVINO: I want to thank you for this invitation to testify before this Committee at this time. I know you have heard some of this testimony many times, and I know that you are tired of hearing some of it.

I am George Gravino. I am Chairman of the Legislative Committee for the Monmouth County Retired Educators Association and a member of the NJEA Legislative Committee. I also represent the Monmouth Chapter of the National Retired Educators Committee, and I am a past First Vice President of the Monmouth County Senior Citizens Council, which is composed of 84 clubs with a total membership of 22,000.

The number-one priority -- home health care -- has been mentioned several times this morning and this afternoon. I am sorry that I arrived a little late; I heard only the last two or three speakers. We are concerned about the high cost of home health care: hospitals, nursing homes, and doctors' fees. Programs must be devised to assist the elderly and disabled in these medical areas, which help them stay at home and out of institutions.

Such assistance would be less costly than institutionalizing patients, providing that home health care would assist in their well-being. We know that people get well much faster at home than in a hospital or nursing home. We urge that a home maintenance organization -- the HMO that some of you have heard so much about -- be provided for all senior citizens, such as that provided for the seniors in Florida.

I have material here from the HMO of Florida, and I am so surprised that the HMO of New Jersey -- it used to be based in Princeton and is now in Cherry Hill -- charges such an excessive fee on a monthly basis. The HMO, a maintenance organization, would be beneficial to all senior citizens. In Florida, all you have to do is sign up for the program and it does not cost you a penny. The U.S. Government -- the Department of Health and Human Services -- has contracted with the IMC, especially in central and southern Florida, and they have enrolled over 200,000 senior citizens. They must only sign up; there are no fees.

The U.S. Government then turns over the \$15.50 a month, which is part B of Medicare, for all these people who are covered by Medicare, to this private profit-making organization. Now, if they can do such a feat in Florida with the hundreds of thousands of seniors who live there, I am certain it could be done in other parts of the country. And it is profit-making to the extent that by making an excessive profit they must either cut back on what they charge the U.S. Government for the service or they must provide other services.

I have here material which shows other services that have been provided to the HMO of Florida. They are making more money than they actually need to run a private business. I could tell you quite a lot more about the HMO of Florida, because I just came back from there last month, and I received a lot more material from them. So I know this from firsthand experience, because I have a brother and sister-in-law who signed up for the program. It costs them nothing. They have now added prescriptions, hearing aids, eyeglasses, and many other benefits to the program which were not included and are not included in the Medicare program.

This actually saves the U.S. Government money, because they are really just turning over what is taken out of the patient's Social Security check and giving it to the private organization to do this operation -- and they do it for less than 100%.

I believe there is a bill in our Legislature to provide for a model HMO. This, I think, should be pushed as much as possible; it should be studied, perhaps, by a commission; a report should be made; and an investigation of what other states are doing along this line should be undertaken.

Our number-two priority has been listed by several people already today as rental assistance to the low-income elderly and disabled. It becomes more and more difficult for many residents to meet increasing rent costs in some areas of the State where there are no controls. It is not only the lack of controls but also the fact that many of our rental properties are being converted to condominiums, and many of the elderly people are being pushed out because they cannot afford that type of living. I know there are programs to increase housing in the State, and I am sure that we need it and it will be done.

Another concern of the elderly and disabled is the homeowner who faces an increasing property tax. When the income tax legislation was enacted, it was understood that it would reduce property taxes. If you recall, this was done through a referendum on income taxes. Property taxes would be lowered because of the income taxes. Paying that, some of it would come back as a property tax rebate and so forth. Instead, property taxes have been going higher and higher. You heard Lou speak of the 40-60% rise -- and I know it from my own tax bill, and I am sure you do from yours -- but the homestead rebate has remained the same year after year. Even though our taxes have increased, the rebate has remained the same.

This is unfair to the homeowners. They are trying to keep their homes, but we learned in school years ago, and I happen to be a retired school principal, that there are three essential things for living: food, shelter, and clothing. I find that we need one even more than those three -- and that is health. If we have no health, we have nothing. You know that is true with the elderly.

This is especially unfair to the middle-income seniors -- those on fixed incomes -- who seem to bear the brunt of government at all levels. Now, some of these middle-income level people are being taxed on a part of their Social Security income and on their tax-exempt savings that they have accumulated over their entire lifetimes. These savings are now causing them to be thrust into the \$25,000-32,000 income bracket by the Federal Government. This sounds like a sizable income, but for today's living this is a low or middle income.

These would be my three priorities, representing the various organizations that I do. I happen to wear a variety of hats. Down below my name you will see some of the organizations of which I am a member and for which I am authorized to speak. On behalf of all the senior citizens of the State, regardless of their organization, we thank you for this opportunity to address the subject of the use of casino funds.

ASSEMBLYWOMAN FORD: Thank you very much. Dr. Paterniti?

ASSEMBLYMAN PATERNITI: I would like to ask a question. We keep talking about rental assistance, and I think everyone wants that. The big fear of rental assistance is that if the owners of rental properties know that some of this money is forthcoming from the Casino Revenue Fund to offset the rents, they will start raising the rents in order to get a piece of the action.

I was thinking of another approach. With some of the casino revenues, we could create a fund something like we are going to do on the State level with the Transportation Fund, and this is a revolving fund. In a municipality, if an apartment complex is going to be put up for sale, they would have the first option to purchase that apartment complex. The municipality would buy it, and it would be operated by the municipal housing authority. It would use the moneys from the revolving fund to purchase it.

Then they can, more or less, maintain control over the rents. Chances are, they could rent these apartments for much less than any private corporation or private business. Moreover, it is probable that they may be able to bring the rents down to a level that is affordable, and those apartments will be permanent apartments for senior citizens from now 'til kingdom come.

As you people talk, a lot of ideas flash through my mind. That may be one approach -- for municipalities to start buying 50- , 60- , 100- , or 200-apartment complexes and have them operated by a housing authority. Maybe we could then have affordable housing for seniors by going through that vein.

MR. GRAVINO: You are thinking in terms of the municipality buying the structure and then renting it to seniors?

ASSEMBLYMAN PATERNITI: Actually, with the Casino Revenue moneys, we could put together a fund, like the Transportation Fund that we have actually created in the State of New Jersey, to purchase an apartment complex, at very low interest rates, that is going up for sale. In turn, it would be run by a municipal housing authority. With some subsidization, it could keep the rents down to, probably, 25-30% less than most apartment complexes. This would, possibly, ensure affordable housing.

If you start to give out a blank check -- \$75, \$100, or \$150 per month -- the apartment owner is going to jack up the rent another \$100 to try and grab a piece of the action, and we will not be any better off. We will only be increasing the profits of the apartment owners; in the long run, we will not be helping senior citizens.

MR. GRAVINO: I would agree with that idea. How it should be done, I think, should be left to experts who know more about financing and so forth. Municipal authorities could do this on a bonding basis, if there was no trust fund. You would get a lot of people throughout the State who would be willing to buy the bonds at a low rate to keep the housing in the State.

ASSEMBLYMAN PATERNITI: You know, in my own town we just closed one of our schools, and the mayor is thinking of turning the school into apartments; yet, to convert it would cost \$3-4 million. You can buy an apartment complex with, sometimes, 200 apartments that has nearly everything you need, and which requires hardly any renovation. You are probably better off going that route than spending \$3-4 million to convert something that may even give you less units. Do you understand what I'm trying to point out?

MR. GRAVINO: Yes. There are some non-profit groups that are doing just that -- and I'm thinking in terms of the one in Mount Holly. I am sure someone from Burlington County is here.

ASSEMBLYWOMAN FORD: We have our resident building expert here, to my left, Assembly Kline.

MR. GRAVINO: You have a school there in Mount Holly that was given by the municipality, and I believe the local Presbyterian Church is converting it to housing. Now, I am not so sure that it is going to be housing for low-income people. That, I don't know. This type of thing could be done, however, by a municipal housing authority to keep the rents low. Further, they could be given some help from what you are talking about, a trust fund that would be devoted mainly to the housing industry.

I still like the idea of a bonding agency in the community, whether it be State, county, municipal, or whatever. It would appeal to a lot of people, because it would be a tax-exempt investment.

ASSEMBLYMAN PATERNITI: Thank you. Another thing, too, is that a lot of apartments are going to be converted to condominiums. In fact, it was my legislation a few years back that protected the senior citizens when they wanted to make these changes. So, in that respect, they are protected. I still think, however, that going this route would give them additional housing at an affordable price.

MR. GRAVINO: I want to thank you for inviting me. Do you have any more questions?

ASSEMBLYWOMAN FORD: Assemblyman Kline?

ASSEMBLYMAN KLINE: I just want to inform Tom that the Casino Reinvestment Credit Bill is going to fund money for housing through the casinos separate from this Fund. So, the casinos are going to be contributing to that fund, and you are going to see housing throughout the State.

MR. GRAVINO: Will it be for the entire State or only for Atlantic City?

ASSEMBLYMAN KLINE: It is for Atlantic City for the first five years, then it is going to go to the entire State.

MR. GRAVINO: Then it will expand to the--

ASSEMBLYMAN KLINE: [interrupts] Yes, sir. The Assembly, maybe, can work that out through the Reinvestment Credit Bill. I think it is important. You could do the funding of the nature you are stating through that bill. The tool is already there.

MR. GRAVINO: Very good.

ASSEMBLYWOMAN FORD: Thank you.

MR. GRAVINO: Thank you very much.

ASSEMBLYWOMAN FORD: We will now hear from Stephen Janick:

STEPHEN JANICK: I know you are all very anxious to go to lunch, and I expect to be able to share with you certain thoughts on April 15. I do want to leave with you, however, the paper that is in front of you that was originally to be given to you by a member of your Commission who moved to Arizona. He was a disabled individual who had hopes that you would take a look at this and share some of his particular thoughts, with regard to the issues of disability and the disabled in New Jersey.

Many of you are wondering how many disabled there might be. According to the last census, the number ranges from a low figure of 635,000 individuals, with the qualification of the term of the definition of "disability," to as many as 1.2 million. And that sort of wobbliness, I think, is the reason -- as you heard Gene Terkelsen say here today -- for the need to better define it.

In terms of the overall program that you are working with, however, at least one-third to one-half of the benefits are somehow involved with disabled individuals who are either below age 65 or who are above age 65. Our great problem is that we do not want to double count a person who happens to be both disabled and a senior. Therefore, the figures range across that continuum, as you have heard.

The other thing I am happy to hear, Assemblyman, is the use of a revolving fund. Many of the things that are proposed for the seniors involve income transfer payments, and are largely to protect them from certain ravages of inflation and so forth.

The disabled community is in the process of trying to join the community again. We would like to become homeowners and occupiers of condominiums, so as to be a part of the tax base and be able to

contribute to society. For that reason, transfer payments may not always be the answer for many of our problems. Indeed, we were heartened by the mention of the consideration of revolving investment funds that would provide a means for some of the disabled residents to become a part of society and, later on, pay back that money so it would be available for other individuals. I hope to address that further in our next meeting.

ASSEMBLYWOMAN FORD: Thank you.

MR. JANICK: Thank you.

ASSEMBLYWOMAN FORD: Are there any questions from the Commission? [no questions] Thank you. Joining us now is Senator Learnna Brown from Morris County. Senator Brown had an earlier commitment today in Mornmouth County and she has made a valiant effort to be with us. That was our last speaker, Senator Brown. [laughter]

That concludes the list of speakers. Let me recognize the Mayor of Dover Township, Roden Lightbody. Thank you for coming down. Mayor Lightbody:

MAYOR RODEN LIGHTBODY: Thank you, Assemblywoman Ford. I would like to take this opportunity to thank each and every one of you for the availability to have a hearing here in Ocean County, and in particular, for the number of seniors in Ocean County that many of us represent.

The concern of the Casino Revenue Fund is, of course, very dear to each and every elected official, from the grass-roots level right to the State level. Many of the concerns that were mentioned earlier today are very dear to Dover Township; however, as the Mayor of that town, I would like to say that health care, in terms of in-home care, is very necessary. It has been addressed on many occasions, and some of the issues that we have are just thoughts and recommendations to which we hope you will give consideration.

These particular areas in health care are very much needed. The rural areas which surround our particular municipality -- being 44 square miles -- create problems for transportation modes and the number of individuals who have to commute back and forth. Limited hours are presented to them in terms of visiting nursing homes and health care facilities.

Another major concern, of course, is the rising cost of automobile insurance. This, again, presents problems for our seniors. We hope that, in some form or fashion, you can look into that area.

Rental assistance has been addressed, and I must emphasize that it is a concern in our municipality. We have 70,000 residents in the Township, and, of course, we have those concerns.

The next concern is one that is somewhat unique. It was brought to our attention in terms of housing assistance. We realize that seniors are faced with and plagued by particular problems in housing. Many of them give up their homes because they cannot maintain them. Of course, Dover Township has had the availability of a HUD grant, which provides for a maximum amount of \$100,000 -- or a minimum amount, whichever you would refer to it -- to assist in those particular housing improvements. We hope some consideration would be given to that particular area, as it may be another means to help someone from having to give up their home rather than seek a rental facility at some other location.

Assemblywoman Ford indicated concern for two residents recently lost in a fire. Of course, this is a unique problem, and one that we must address in some form or fashion. It is the emergency situation, be it fire or be it CPR. We have some programs available, but they should be expanded upon. One is our life units that respond to CPR cases; this is an area where we feel there is a direct possibility for seniors to receive emergency medical assistance. It is sometimes difficult in terms of the response in remote areas, in particular, automobile accidents, and so forth, because of the high concentration of senior citizens. We hope you will consider that, as well.

With all we have heard today, there has been much talk of transportation. Of course, transportation is necessary for the vital services, and it should not be considered only on a five-day basis, but on a seven-day basis. Many of our seniors concern themselves with being able to visit others in nursing homes and hospitals, relatives in particular. We do find this to be a problem. And, of course, there are religious ceremonies they would like to attend at some specific point. Hopefully, you will review this area.

We have heard much about the needs of the handicapped. This is long overdue, in terms of meeting those needs and responsibilities. In our particular municipality, we have the Rehabilitation Hospital. This hospital serves as a facility not only to rehabilitate but also to house some of those individuals for long-term care. We are faced with this particular problem, as is the rest of the State of New Jersey. We hope you will consider the expansion of these types of facilities, whereby long-term housing can be provided to the handicapped when they desire it.

We have some individuals who come from long distances in the State. We hope that, at some point, you will want to review that facility and meet with some of the staff to determine what, if anything, can be done in that area. Another important facet of the handicapped facilities is being able to maneuver through transportation modes and, of course, after once leaving that transportation mode being able to adapt to the community. Of course, when we look upon rentals and assistance in that area, I hope that a high concentration will be given to handicapped individuals. I realize that it appears to be a major concern in your hearts and, as you address these problems, you will consider that.

The tax structure was mentioned, of course, and rebates are great and are needed. The seniors are looking for that type of assistance. I believe that deserves a concentrated effort, too. Any money we can return to them, they will be able to use as they see fit. Hopefully, that will be for medical assistance or other facilities they are not able to take advantage of at the present time. They may be able to endure and utilize them in the future.

Each of these items are thoughts. I know you are welcoming this throughout the State. Again, I would like to say thank you to Assemblywoman Ford for the letter. It was nice to receive the opportunity to present our viewpoint and concerns. I hope you are successful throughout the State. Above all, I hope you are successful with your goal, because I feel you could not be serving two better concerns in the State of New Jersey than the senior citizens and the handicapped. Thank you, folks.

ASSEMBLYWOMAN FORD: Thank you, Mayor. . Yes, Assemblyman Paterniti?

ASSEMBLYMAN PATERNITI: Yes. You mentioned transportation in rural areas. I held a public hearing during the latter part of last year in Vineland in South Jersey. If you had been there, you would have had a lot of input on that particular subject. I wish you had come there to testify.

You also mentioned auto costs and so forth. Naturally, we are deeply concerned about auto insurance. During the past year, and for about three or four years previously, we tried to address ways to bring that cost down. If you try to attack the cost with casino revenues-- Assemblyman Weidel sponsored legislation to reduce the registration on automobiles. That would have cost almost \$20 million just to give them a break on registration. You could almost take all of the casino revenues to help with auto insurance or registration, and there would be no money left for anything else.

We also mentioned that seniors and the disabled are having problems maintaining their homes. I am ready to introduce a piece of legislation, from which I will read a statement. I hope you will endorse this type of legislation.[reads]

"This bill will allow senior citizens to rent a room in their homes for monetary compensation, and will supersede any municipal ordinance, law, rule, or regulation to the contrary."

Right now, the way the State law reads, if you have a home, you have a right to rent to up to two people before you come under the Boarding Home Act. The only thing that might encumber my legislation is if the local municipality has an ordinance that would prevent this. In a lot of instances a husband and wife may have had a home and a lot of children. When the children grew up, they moved away. Sometimes they lose a spouse. Then the surviving spouse is left with the home, and they can't pay the taxes and may even find it hard to pay the utilities.

Allowing another senior citizen or a student to move into a room in the home to offset the costs may mean the difference between losing or keeping their homes. I hope to get support from many of the mayors in this State for that particular piece of legislation.

MAYOR LIGHTBODY: Doctor, if I may interrupt for just a moment, do you have a number for that piece of legislation?

ASSEMBLYMAN PATERNITI: No, it is going to be introduced on the 15th when we are supposed to go back into session. I just had this legislation drafted.

MAYOR LIGHTBODY: I hope you will forward that to us. One of two concerns that come to mind, of course, is the facilities for baths. Would there have to be separate bathroom facilities? Would it require updating the homes in terms of fire improvements, such as warning devices?

ASSEMBLYMAN PATERNITI: No, no, no. What I am pointing out is that a particular home for years housed four, five, or six people. All of a sudden the person who owns it is left alone. I don't see why it should need another bathroom.

MAYOR LIGHTBODY: No, I understand that. But once it becomes a rental-type facility, there are certain laws that are mandated that we observe.

ASSEMBLYMAN PATERNITI: Not on the State level.

MAYOR LIGHTBODY: No, that is also true. A lot of it is local.

ASSEMBLYMAN PATERNITI: The State does not affect this. The only government that can affect this is the municipal level.

MAYOR LIGHTBODY: I hope you will forward that to me in particular. I would like to have an opportunity to review it.

ASSEMBLYMAN PATERNITI: It is a very simple piece of legislation.

MAYOR LIGHTBODY: I would also like to make reference to the insurance costs of automobiles. The concern is, of course, that any assistance an individual receives is greatly appreciated. That does not have to be directed to that item. It may be in the form of some type of rebate whereby, maybe, a \$50 rebate could be applied to a specific item. That may be the one area that is of greatest concern to 5% of the seniors.

Another area may be health care. Whatever that is, what I thought would be the context of this hearing would be to introduce the

problems we see in our particular municipalities." I was hoping to share some of my thoughts with you. And if you could prioritize these particular items, I believe that would be most advantageous to the people who are greatly affected by it. By doing that, we could then best address the issues.

I have been listening to some of the comments about the expansion and survival of the casinos and so forth. Well, be that as it may, it looks as though they are going to survive. It looks like they are going to be around for a while. So, I will say only that by prioritizing we can possibly expand on other programs in the future. I hope that we have that opportunity. I look forward to such thoughts that you have here, in terms of assistance for the senior citizens. That is a positive direction, and one that might be worthwhile to pursue.

ASSEMBLYMAN PATERNITI: You are talking about this rebate specifically. What program do you think the rebate should go to? Just an outright rebate?

MAYOR LIGHTBODY: It could be just an outright rebate in some form that might address the particular needs of an individual household, and give them the opportunity to share that money.

ASSEMBLYMAN PATERNITI: Would you want that to come from the Casino Revenue Fund or the General Revenue Fund?

MAYOR LIGHTBODY: It could be directed in either form, depending upon how much is there and what is available. I would only share with you that, at this particular point, we aren't speaking of casino tax revenues, and that is one of the areas to which we could address ourselves in terms of the 8%.

ASSEMBLYMAN PATERNITI: The seniors are on record as not wanting any tax rebates coming from the Casino Revenue Fund. In fact, it has taken us since 1979 to finally reach that plateau, as of this year. It took us, under both Governor Byrne and Governor Kean, to finally convince them that the tax rebate should come from the General Revenue Fund. Now you want to go full circle and tap the casinos. Don't you think it is--

MAYOR LIGHTBODY: [interrupts] Let's address each individually. One is already in existence, and they are right about it coming from the General Revenue source. The second is that if you have tax revenues from the casinos available, it could be best addressed in the promise that was made to the senior citizens when they were asked to endorse this. They were asked to endorse this on the basis that the moneys would be advantageous to them and to the handicapped. I think that by addressing their problems it might be worthwhile to consider some type of rebate to them through the tax casinos, if it is possible. It is a thought. I don't say that it is one that you would find acceptable in all cases; however, it might be advantageous to at least consider it in terms of their needs.

Each of them has their own needs. Each of them, of course, addresses these on a particular basis. I think it is best served as we survey the particular municipalities and sections of the State to find out exactly what those needs are.

ASSEMBLYWOMAN FORD: Thank you, Mayor Lightbody. Are there any other questions from the Commission? [no questions] Thank you.

MAYOR LIGHTBODY: Once again, thank you.

ASSEMBLYWOMAN FORD: Oh, I'm sorry. Senator Brown?

SENATOR LEANNA BROWN: I would just like to say that I am most impressed with the size of the audience at 2:20. It certainly shows commitment to this particular subject matter. I am certain that the Commission will take the testimony. It is one thing to read the testimony, which I will be able to do afterward, but it is another to see personally all of you face to face, and the interest you have taken on a bright, sunshiny day to come to the municipal building. Again, Madam Chairman, I am most impressed with the work of the staff that organized this particular hearing -- with excellent direction, I might add.

ASSEMBLYWOMAN FORD: Thank you, Leanna. Before we convene, I have a couple of other items that people asked me to introduce into the record. One is a resolution from the Borough of Seaside Park earlier today that was given to me by Joan Rogers, a Councilwoman from the Borough of Seaside Park. She was here earlier today with other residents of that borough; however, I don't see her now.

If I can summarize the resolution, it, more or less, says that the Fund-- Well, let me read it. It is very brief.

"WHEREAS, the Casino Revenue Study Commission is examining the problems facing senior citizens and the disabled in New Jersey; and

"WHEREAS, the funds from casino gambling to the State of New Jersey should be effectively used for the relief of senior citizens and the disabled; and

"WHEREAS, many senior citizens qualify for assistance from those funds, due to inflated property values or financial subsidies from their families.

"NOW, THEREFORE BE IT RESOLVED that the Mayor and Borough Council of the Borough of Seaside Park, urge the Casino Revenue Study Commission to find a more equitable qualifying standard by which senior citizens and the disabled may realize relief from economic hardship; and

"BE IT FURTHER RESOLVED that a copy of this Resolution be sent to the Casino Revenue Study Commission.

That was adopted March 21 by the Council. I will be giving it to our aide to make it a part of the formal record. Our legislative office also received a letter in which the person said she would be here today but for the fact that they are very ill. Let me read the letter. It is brief, but it summarizes quite effectively the problems many seniors are having. It is addressed to Senator Russo:

"Dear Sir: I am so pleased my letter reached you from the information given me. I would gladly attend the meeting on March 25, but because of my health, I cannot do so. However, I give my permission to use this letter if you should have hearings on these issues."

They go on to speak of the problem of the pharmaceutical assistance levels: "Were we allowed, as husband and wife, to file separately, we would be more than \$4,000 under the ceiling of \$12,000 set for singles. Together, it is over the \$15,000 ceiling that is set. With the cost of chemotherapy and cancer drugs, I don't know how we will be able to manage and have to pay back what we owe the PAAD. Chemo and drugs are an ongoing thing for me, if I am to function. It

has been a blessing to have drugs on the PAAD, and until now we have been able to remain independent. Please, when you consider raising the ceiling, make the difference between the singles and couples a little more fair. The \$3,000 is not enough with today's prices."

They go on to endorse A-1548, a bill pending in the Legislature which would increase the ceiling. They say that a visit to an oncologist's office or a clinic would prove the point for the need to pass this legislation. The letter is from Mr. and Mrs. Nils Wedin of Lakehurst, who ask that it be made a part of the record. I will also provide a copy of that to the clerk.

If there is no one else who is an add-on-- I'm sorry, Lillian Bloom? Lillian, you were out of the room when I called your name, but I am glad that you have returned.

LILLIAN BLOOM: If you get up very early you like to eat on time. I am very glad to see that so many people are here. You know the concern that the Casino Fund is killing the goose that lays the golden egg. You hear, constantly, the various ways it should be used.

The good doctor has suggested the use for preventive medicine. I don't know -- are you a medical doctor?

ASSEMBLYMAN PATERNITI: I am a doctor of dentistry.

MS. BLOOM: A doctor of dentistry -- okay -- concerned with putting preventive medicine into the Casino Fund would be the same concern we have always had: that the doctors would rip it off.

ASSEMBLYMAN PATERNITI: I didn't say anything about preventive medicine.

MS. BLOOM: Yes, you did. You spoke before during the morning. You stated that you heard a great deal about home care, but nothing about preventive medicine.

ASSEMBLYWOMAN FORD: No, that was from the other end down here.

MS. BLOOM: Oh, I'm sorry.

ASSEMBLYWOMAN FORD: That was from Mr. Giordano.

MS. BLOOM: All right. Well, I would just like to remind him that unless you put some kind of controls on it, you will have the same problem with doctors ripping it off the way they have done with Medicaid.

I have heard a lot of discussion about the home care program. I know the freeholders, in one of their meetings, said that in Ocean County they would like to apply the funds from the Casino Fund for home care. I then wondered where the moneys they are now using for home care would go. Home care, if you start using it from casino funds, would not be too great an idea, in my opinion. That is because home care should, in fact, be a Federal program.

I caution you first about that. And this, as I said, is my own opinion. I notice that everyone here has an agenda. Sometimes, the agendas are not too rational. Everyone just grabs whatever they can. On the PAAD, I would suggest that you start planning a rate scale for people. There will be some people who will not need PAAD, thank goodness; there will be others who will need only a minimum amount; and there will be still others, with terminal diseases, who will need more. It will be restructuring the way one pays, but it might be a good idea to do it on a scale basis.

I know there are those who are saying that it should be raised to \$18,000 and eliminate Social Security from that. I, for one, disagree, because of this business of segregating the senior citizens from all the other population. You must remember that, while some of the seniors feel that \$18,000 is low income, we have younger people who are bringing up families on substantially less. What is happening is, there is becoming a polarization.

You read, or you hear all the time, that the seniors get everything. That is not true, but it appears to be so because of the constant demands that are being made. Now, all of you are legislators. You have your constituents who come to you constantly. They want this bill or that bill or the other bill. You know darn well that no one is going to touch many of those bills with 10-foot poles; however, you put them through. You write up your bills and distribute them. Every time you write and distribute a bill, it costs us \$500 to \$1,000. Maybe it is time for you to start turning to them and saying, "We can't put through everything you ask for." It is a costly kind of thing. You cannot point to it and say, "Well, the other party did not support it." I believe a little more rationalization should be used.

I heard the gentleman from the Casino Commission speak about the casinos not making as much as they were, and that is true. If you read the financial pages you know it is true. Then you were the doctor who suggested that we have a study commission or another commission.

ASSEMBLYMAN PATERNITI: That is correct.

MS. BLOOM: I am just wondering how many study commissions and how many other commissions we can keep supporting.

ASSEMBLYMAN PATERNITI: If we didn't support this particular study commission, we wouldn't be sitting here today, and maybe we would be spending money in the wrong direction. The casino industry and the senior citizen fund are very important parts of this State, and I really feel that we have to do an in-depth study to ensure that we are generating the right amount of money and that the money is going in the right direction.

MS. BLOOM: All right. I have two questions to ask. How long did it take to get the Commission completed and working? It took many months before you were all appointed, didn't it?

ASSEMBLYMAN PATERNITI: That is correct.

MS. BLOOM: How long would you say it will take to get this other study commission together and get any results from it? By then there may not be any casino moneys.

ASSEMBLYMAN PATERNITI: Really, it only costs us our time. We were appointed. We take our own time. We are not being compensated for this. In fact, I just took a day off from my practice, so it is costing me money. I feel, however, that I am a public servant and--

MS. BLOOM: [interrupts] It always costs money. There is no such thing as a free lunch. There is all the work that is going to be transcribed and the people who are going to do it. Remember that every program that you start through the Casino Fund, you will hire new people and new staff -- and this depletes the Fund.

Robert Singer made a proposal and I have heard this before. I don't know how valid it would be. It is to give a check to each of the seniors. In a way, that would be unfair, too. There are those who would need the check and there are those who would not need the check. You would have to set some kind of level, whereby the people who earned

a certain amount above, or who had income above a certain level, would not get that funding. Then, you only give yourselves more bureaucratic work.

Please, I suggest to you, instead of being pressured all of the time, think about it very carefully. There is not that much money that is going to continue to come in. It seems that Atlantic City has almost reached a saturation point. You know that plans for new casinos have already been stopped. The very fact that many casinos are not giving the benefits to senior citizens on the various trips and all shows they are not willing to do that.

Also, remember that when you talk about all the funds that are coming out of the casinos for senior citizens, there are thousands of senior citizens who are now putting themselves into debt by going down there and betting. They have become compulsive gamblers. So, while we are receiving some benefits, it has not all been good. It really has not. Just think of it carefully. I know, Marlene, you will be particularly interested in this. You seem to have a feel for the individual.

ASSEMBLYWOMAN FORD: Well, I think that there is some irony in some proposals to fund compulsive gambling treatment and study programs out of the Casino Revenue Fund.

MS. BLOOM: I don't know if it would be any more help than the alcoholism and drug programs. Somehow, these programs only seem to create more addicts.

ASSEMBLYWOMAN FORD: Thanks, Lillian. If there are no other comments from the Commissioners or the audience, I want to thank all of you for coming and being with us today. [no comments] I have a motion to adjourn, and a second. Thank you very much.

[HEARING CONCLUDED]

APPENDIX

New Jersey Council of Senior Citizens

STATE HEADQUARTERS

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My name is John Tergis. I am Legislative Chairman of the New Jersey Council of Senior Citizens, an affiliate of the National Council of Senior Citizens, having 250,000 members throughout New Jersey. I am also the Council's delegate to the Task Force on Legislative concerns, which, as you know, is an association of delegates from seven major senior citizen groups in New Jersey who meet monthly to discuss and obtain a consensus on issues concerning the elderly and disabled. I must tell you how delighted we are to appear before your distinguished committee.

After a series of meetings beginning with the formation of the Task Force, we mutually agreed on the following two priorities for the expenditure of casino revenue funds, which we respectfully would like to submit for your consideration at this time.

Home Health Care - This is a system of home and community based long term care for vulnerable aged and disabled persons, regardless of income. It involves a full array of home care services including medical care, medical care and social day care centers, homemaker services, respite care, and most importantly case management to formulate a plan for the patient's care.

Home care is a more efficient, less expensive and more humane alternative to nursing home confinement. Moreover, those of us who worked during the 30's, 40's, 50's, and 60's at comparatively low income, probably saved no more than \$25,000., at best, during our working careers. Well, if there is no alternative to nursing home confinement, that \$25,000. would last just about a year in a nursing home after which we would stay in the nursing home under Medicaid, at government expense.

The age 65 population in New Jersey, according to the Governor's Management study, is expected to increase by 225,000 by 1995, a 30% increase. We are building up a mountain of Medicaid expenses in New Jersey unless we are able to alleviate this financial problem of nursing home confinement.

The Federal Government is advocating Home Health Care as a means of saving Medicaid dollars and has made it possible for the states to qualify under a Home and Community Based Medicaid Waiver Plan (briefly described in Exhibit A).

New Jersey has qualified and the plan is being systematically implemented in the state beginning with 1800 slots over a three year period. This is an advantage because administration can proceed without a sudden investment in new personnel and equipment, and system mistakes can be corrected as we go along.

The proposed Casino Revenue Fund budget contains more than \$10 million towards this plan. The slow, systematic implementation of the waiver plan should free up casino funds to be used on home care for those above the Medicaid level, which is so important.

Rental Assistance - This is a program of rental assistance for senior citizens and disabled residents who are paying high rents in relation to their income.

Rents are rising faster than the incomes of many of our seniors and disabled residents, due to the increased property values and insufficient, very expensive rental construction. The Star Ledger estimates that 25,000 apartments are being lost annually in New Jersey because of condominium conversion, neglect and abandonment.

Renters comprise about 40% of senior households and are a poorer group than property owners. Senior property owners have been awarded an annual homestead rebate of about \$240. plus a property tax deduction benefit of \$250. (where income is \$10,000. or less exclusive of social security) for a total of approximately \$500. Renters have been neglected, however, even though rental assistance is called for as being a permissible expenditure of casino revenue funds in the 1976 casino referendum.

After a thorough review it was decided that the following plans (among others) should not be considered as priorities for the disbursement of casino revenue funds.

Medically Needy - A brief description of Medically Needy, which is an extension of Medicaid, appears in Exhibit A.

The Task Force did not add Medically Needy to the list of priorities. The senior and disabled component of Medically Needy is a plan of medical care rather than a plan having a complete array of home care services. As such it does not fit in with the Task Force priority of home care.

Medically Needy involves a very large, unpredictable commitment of public funds. Even though the Federal Government does not change its commitment towards Medicaid, the cost will rise because of the projected increase in the elderly population. However, it is not going to work that way, because all indications are that the Federal Government will cut back on its share of Medicaid costs in this and subsequent years leaving the states to assume a greater share.

If any portion of Medically Needy is financed by the Casino Revenue Fund, the concentration of this high, unpredictable funding in the Medicaid area, makes it impossible for us to extend home care, not only to the lower income people, but removes an opportunity to extend home care to those with higher income, where the need exists. The Casino Revenue Fund should be administered in a more even-handed manner.

We urgently recommend that Medically Needy, if enacted, be financed out of the General Fund.

PAAD/Lifeline Liberalization - A-1548 proposed liberalization, eligibility increase from \$15,000. to \$20,000 (married) (cost \$55 million additional each year) - Governor's version, increase from \$15,000. to \$15,750. (cost \$25 million additional each year)

The Task Force did not recommend this liberalization. The existing limits are high enough. There will always be people dropped from the plan because of interest, pension and social security increases.

The persons brought into eligibility by this liberalization would gain some benefits from the liberalization but would stand to lose needed home health care, because of insufficient funds to establish such a plan.

We urgently request that the PAAD/Lifeline liberalization, if enacted, be financed from the General Fund.

New Jersey State Library

Casino Revenue Fund proposed budget for 1985-86 (Exhibit B)

The budget includes \$12.4 million for medically needy for a six-month period. At least \$24 million would be required for a full year.

The PAAD/Lifeline items have been increased by \$25 million to accommodate the Governor's suggested increase in these benefits.

Although the budget does not propose using casino money to pay for the homestead rebate this year, for a savings of \$33 million, all of this savings has gone toward expenditures. On a current basis projected expenditures (\$176.2 million) just about equal projected revenues (\$177.0 million).

The study prepared by Legislative Budget Officer Silliphant projects modest revenue increases in the Casino Revenue Fund in the future. According to the report, the current surplus in the fund could be wiped out in four years by a modest increase of perhaps \$15 million a year in the casino budget.

The way this budget is constructed, there is very little room if any, for expansion in any direction.

Summary

It is requested that the Commission declare home health care and rental assistance as top priorities for the expenditure of casino revenue funds.

It is requested that the Commission take advantage of the clause in the Medically Needy and PAAD proposed legislation and declare that these measures, if enacted, should be funded from the General Fund, rather than the Casino Revenue Fund.

Under the programs which we have had up to the present time, the programs rightly were cut off at a certain economic level, because "need" did not extend beyond this level. However, the "need" for home health care knows no economic bounds.

Frankly, all seniors and disabled voted for the casino referendum; the vote was not limited to any particular economic class. The decision of the Commission may very well be our last chance to dispense casino revenue funds in an even-handed, fair manner.

EXHIBIT A

BRIEF EXPLANATION OF THE TERMS "MEDICALLY NEEDED" AND "HOME HEALTH CARE"

"Medically Needed"- actually this provision of law might be more properly called the "spend down provision" of Medicaid.

Currently an aged, blind or disabled person is eligible for Medicaid if he/she is receiving Supplemental Security Income, which means that total income including SSI does not exceed \$343.17 a month. In addition his/her resources must be within stated limits.

If a "medically needed" law is enacted the individual would nevertheless be eligible for specified Medicaid services even though total income is above \$343.17, provided the individual could prove that any income in excess of \$343.17 a month was spent (or incurred) for medical expenses. This is the so-called "spend down" provision. The individual must, of course, have complied with all other requirements of Medicaid. (Actually the income "spend down" standard would be slightly higher than \$343.17, but this is a detail which is unnecessary to describe in this short explanation).

According to the Governors Management Improvement Plan study 34 states have "medically needed" legislation.

Under the "medically needed" option being considered, children and pregnant women have to be included in the plan (for which different income standards apply).

The estimated cost would be about \$18 million to the General Fund and \$19 million to The Casino Fund a year. There would be matching federal funds.

Home Health Care- means a system of home and community-based long term care for vulnerable aged and disabled persons. The objective would be to expand home care as a more efficient, less expensive and more humane alternative to institutional care.

Although the need for home and community-based long term care knows no income limits, it must initially be started on a comparatively modest scale to get a system in place.

The first step is the federal community based care waiver under Medicaid. At present a person is eligible for regular Medicaid if his/her income does not exceed \$343.17 a month (subject to stated limits on resources). However federal guidelines in the past were extended to provide only institutional care of the persons' income did not exceed \$882 a month.

As a result we are faced with this rather inconsistent conclusion. A person whose income is \$343.17 a month could choose either nursing home confinement or home health care, but a person whose monthly income is between \$343.17 and \$882 could obtain only nursing home confinement. This is why social agencies nation-wide say that Medicaid

has an institutional bias.

To correct this institutional bias the federal government in Section 2176 of the Omnibus Budget Reconciliation Act of 1981 decided to permit states to request waivers of certain restrictive federal regulations, the most important of which is a waiver which now permits the elderly and disabled with incomes (in New Jersey) between \$343.17 and \$882 ,monthly to opt to obtain home health care in lieu of institutional care. New Jersey has qualified under the federal Community- Based long term care plan and has embarked on an initiative which will be phased in over a three year period and will provide a limited, tailored package of home care services for approximately 1800 clients which will cost no more than 70% of nursing home costs. The dollar cost to the Casino Revenue Fund, including a program of personal care under Medicaid, is expected to be approximately \$10 million. This amount is now in the Casino Revenue Fund Budget. There will be matching federal funds.

Of importance also are A - 2086 and S-13, now being considered, which would extend the home care concept to middle income persons. Although these bills will need some editing they are important links in building a system of home and community based long term care which is receiving a great amount of attention throughout the limited states.

Both the "medically needy" and "Home and Community-Based Long Term Care" concepts should be considered together since there is insufficient casino revenue funds to satisfy both.

Senior Citizens feel that Home Care is of primary importance because of its long term social benefits in meeting the needs of a growing elderly population.

John Tergis
John P. Tergis, Legislative Chairman
Monmouth County Senior Citizens Council
Inc
New Jersey Council of Senior Citizens

EXHIBIT B

CASINO REVENUE FUND BUDGET

Taken from the Governor's
Budget (in millions)

Years 1985-86

Expected Surplus as of 6/30/85	68.2
Expected Revenue for year beginning 7/1/85	177.0
<u>Total</u>	<u>245.2</u>
<u>EXPENDITURES</u>	
Homestead Rebates	0.0
PAAD	40.1 (1)
Lifeline Programs	75.0 (1)
Property Tax Deduction Program	17.9
Home Health Care (\$10 million Medicaid waiver)	17.6
Transportation Act	11.5
Congregate Housing	0.7
Boarding Home Rental	1.0
Medically Needy	12.4
<u>Total Expenditures</u>	<u>176.2</u>
Expected Surplus as of 6/30/86	69.0

- 1) Budget based on Governor's proposed increase in eligibility from \$15,000 to \$15,750 -- budget includes \$25 million additional for these increases.



THOMAS D. CARVER
PRESIDENT
ATLANTIC CITY CASINO ASSOCIATION

CASINO REVENUE FUND STUDY COMMISSION
MARCH 25, 1985

1325 Boardwalk • Atlantic City • New Jersey • 08401 • 609 347-0800

Atlantis Casino Hotel
Bally's Park Place, Inc.

Caesars Atlantic City Hotel Casino
Claridge Hotel and Casino

Golden Nugget Hotel & Casino
Harrah's Marina Hotel Casino

Resorts International, Inc.
Sands Hotel & Casino

Tropicana Hotel and Casino
Trump Plaza Hotel Casino

84



Madame chairman, members of the Commission, thank you for this opportunity to express the Casino Association's views on this important issue. My name is Thomas Carver, and I am president of the Casino Association, which represents all ten of Atlantic City's casino hotels.

I am very pleased to be here today. The Association strongly supported the establishment of this Commission. A healthy and growing CRF is essential for our senior citizens. Your work in determining the future of the Casino Revenue Fund will affect the seniors and disabled citizens who benefit from it, as well as the casino industry, for years to come.

This Commission and the Atlantic City Casino Association share the same concerns -- maximizing the success of the fund. A successful CRF means a successful gaming industry. Eight cents of every gross gaming revenue dollar -- and last year gross revenue was \$1.95 billion -- goes directly to the Casino Revenue Fund. A growing industry means a growing Casino Revenue Fund. A stagnating industry means a stagnating Casino Revenue Fund. It's that simple.

For the first time, in 1984, the revenues of existing casino hotels showed no growth. A new property opened, but unexpectedly did not attract new patrons to the resort. The inflation adjusted gross gaming revenue of eight casino hotels was lower in 1984 than in 1983. Consequently, plans for the construction of additional properties have been abandoned by two casino hotels in the last year.

My message is simple -- significant constraints on the continued growth of the casino hotel industry exist which must be resolved in 1985. The city, the state and the industry must work together to overcome these constraints.

While gross gaming revenue has grown steadily in past years, the rate of growth has fallen sharply, as you can see in Table A. The chart on the left shows the dollar growth of the fund, the chart on the right shows how the rate of growth is declining. The two charts in Table B show how the growth of the Casino Revenue Fund mimicks the actual growth of the industry. Because of this sharp slowdown in industry growth, 1985 is the year in which long term constraints to growth must be carefully examined.

The increasingly evident constraints on the continued growth of the casino industry in Atlantic City have existed since 1978. Tremendous demand in the initial stages of industry development masked the underlying limitations which are now emerging.

Inadequate transportation networks, antiquated infrastructure, and extensive regulation have been hampering the industry's efforts to reach its full potential for seven years.

Atlantic City is virtually inaccessible by air. The nearest rail link to the city is 60 miles away in Philadelphia. The roads strain to accommodate over 99% of the resort's 28.5 million annual visitors. Atlantic City itself has neither the parking facilities nor the streets to handle additional vehicles.

Atlantic City holds few attractions for visitors beyond the casino hotels. Development of non-casino hotels and retail and dining facilities is essential to the creation of a desirable community and a destination resort.

Physical constraints on the growth of the industry are being exacerbated by a highly restrictive operating environment.

Casino regulators have assumed responsibility for industry business decisions, in addition to their oversight of integrity and ethical issues. No casino operator, for example, can alter the size of a restaurant in a casino hotel complex, or change the organizational chart of the company without a lengthy petitioning process.

In addition to physical and operating constraints on industry growth, casino operators and potential investors are threatened by legislation which would increase the Casino Revenue Tax from 8% to 10%. Let me add that the Casino Revenue Tax is only a little more than a third of the total, federal, state and local taxes or regulatory costs which the industry bears. The pie chart on Table C shows that breakdown.

Let me now turn to profitability. Profitability is crucial because it ensures the growth of the industry and the Casino Revenue Fund. As you can see from Table D, in 1983, 5 casino hotels were profitable, 3 were marginal, with profits of less than 5%, and one was unprofitable. In 1984, only 4 casino hotels were profitable, 5 were marginal, and one again was unprofitable.

Unlike most taxes, the Casino Revenue Tax is paid on gross revenues, not profits. And it is therefore paid by casino hotels which are marginal or unprofitable as well as profitable properties.

For example, let's say you own a restaurant and gross \$100,000 during a year. Out of that \$100,000, you have to pay for food, rent, your staff, property taxes and utilities. Let's assume you broke even or made only a couple percent profit. You haven't done brilliantly but you haven't gone out of business either. If you were a casino hotel, you still would have had to pay an \$8000 tax, even though you just broke even.

This is the situation some casino properties are in. Now, I am not objecting in any way to the Casino Revenue Tax. We are committed to helping New Jersey's senior citizens -- that is a commitment made to all New Jerseyans, when each operator comes to the state. I use this example only to illustrate the unusual mechanics of the tax. And the mechanics of the tax are important, because a 25% increase in this tax has a far greater impact on a business than a 25% increase on a profit based tax.

Why should profitability and taxes matter to this commission? Because high taxes result in low profits which discourage new investors from coming to Atlantic City, and discourage existing operators from building sister properties. During the last six months, Wall Street financial analysts have stated that increasing the Casino Revenue Tax will prevent additional operators from coming to Atlantic City. We agree. The future of the Casino Revenue Fund will be ensured by industry growth, not by raising the tax.

Explaining the importance of industry growth to the Casino Revenue Fund is one critical concern I have today. The other is emphasizing, as have other witnesses, the importance of thoughtful planning and management of the Fund. The Fund is a unique and highly successful concept which meets critical needs for our senior and disabled citizens.

But we must recognize that there are infinite potential demands on the necessarily limited resources of the fund. Over 50 pieces of legislation to expand current programs or add new ones are currently pending in the Legislature. I have here a list for your information. We encourage the Commission to determine program priorities and to closely examine the growing demands on the fund in the context of the resources available.

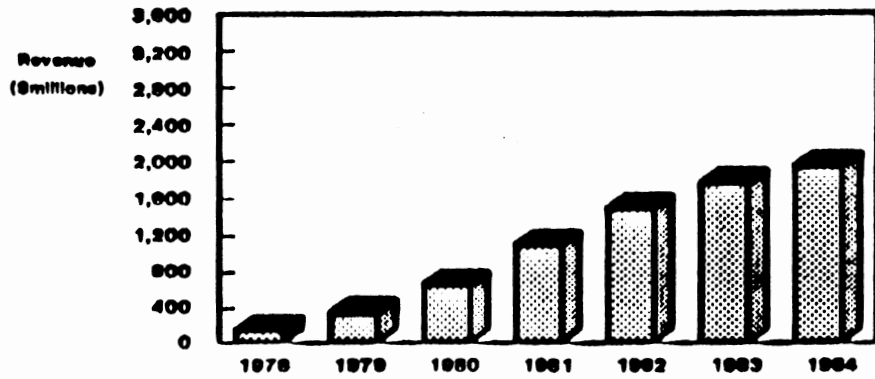


Our projections for growth of the fund during the next five years are very similar to the state's projections provided by the Office of Legislative Services at your first hearing. Based on current data, Association projections are nominally higher. Table E contains our growth projection through 1990. In other words, the Association anticipates that the growth of the Fund in the next five years will be sufficient to provide some expansion of existing programs.

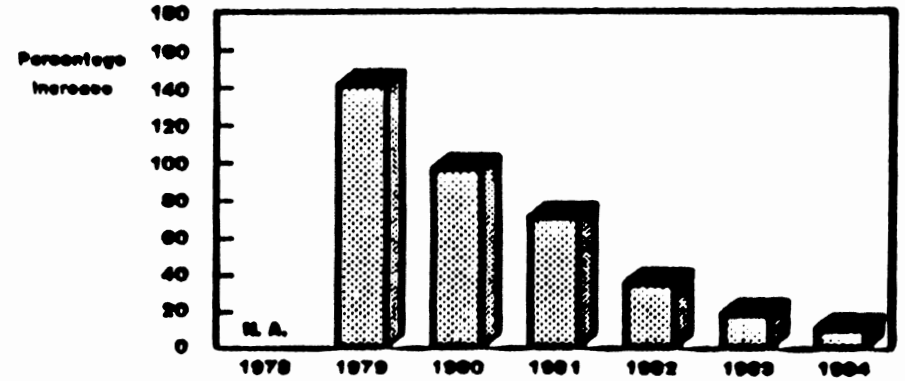
The future of the Casino Revenue Fund is extremely important to the Casino Association. We are anxious to cooperate with this Commission in any way possible. Thank you for your time. I would be more than happy to answer any questions you have.

TABLE A

**GROSS GAMING REVENUE
1978 - 1984**



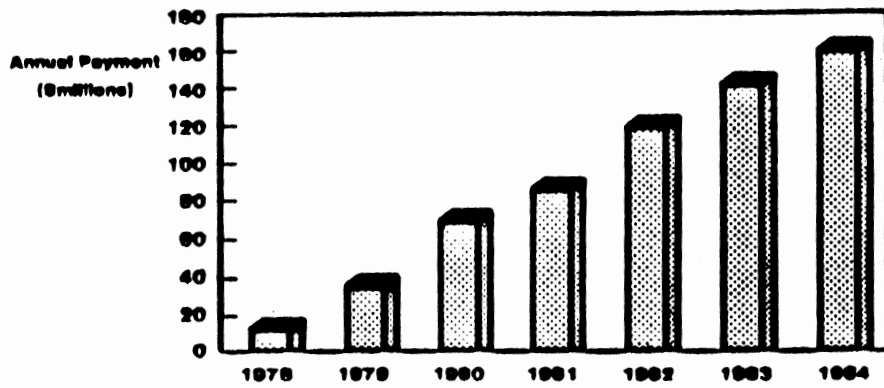
**GROSS GAMING REVENUE
ANNUAL PERCENTAGE INCREASE
1978 - 1984**



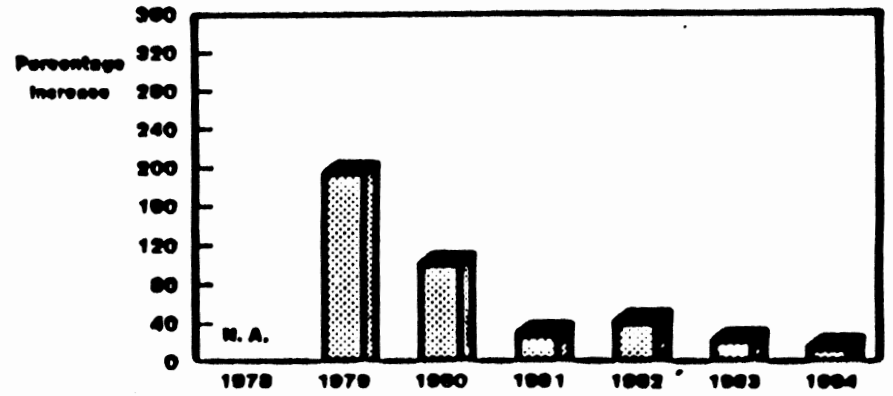
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TABLE B

**CASINO REVENUE FUND
1978 - 1984**



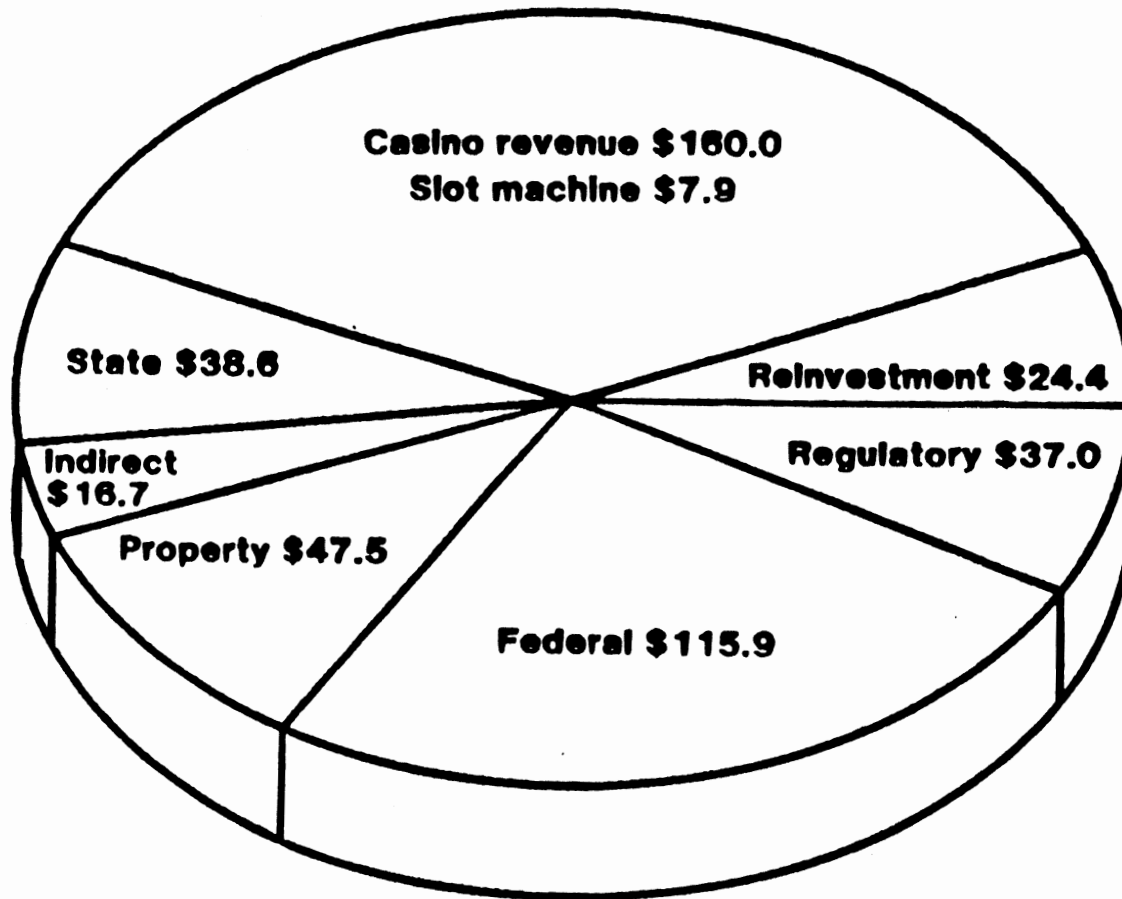
**CASINO REVENUE FUND
ANNUAL PERCENTAGE INCREASE
1978 - 1984**



121

TABLE C

1984 OPERATOR TAXES AND FEES \$448.0 MILLION



184

OPERATOR PERFORMANCE 1983 - 1984

161

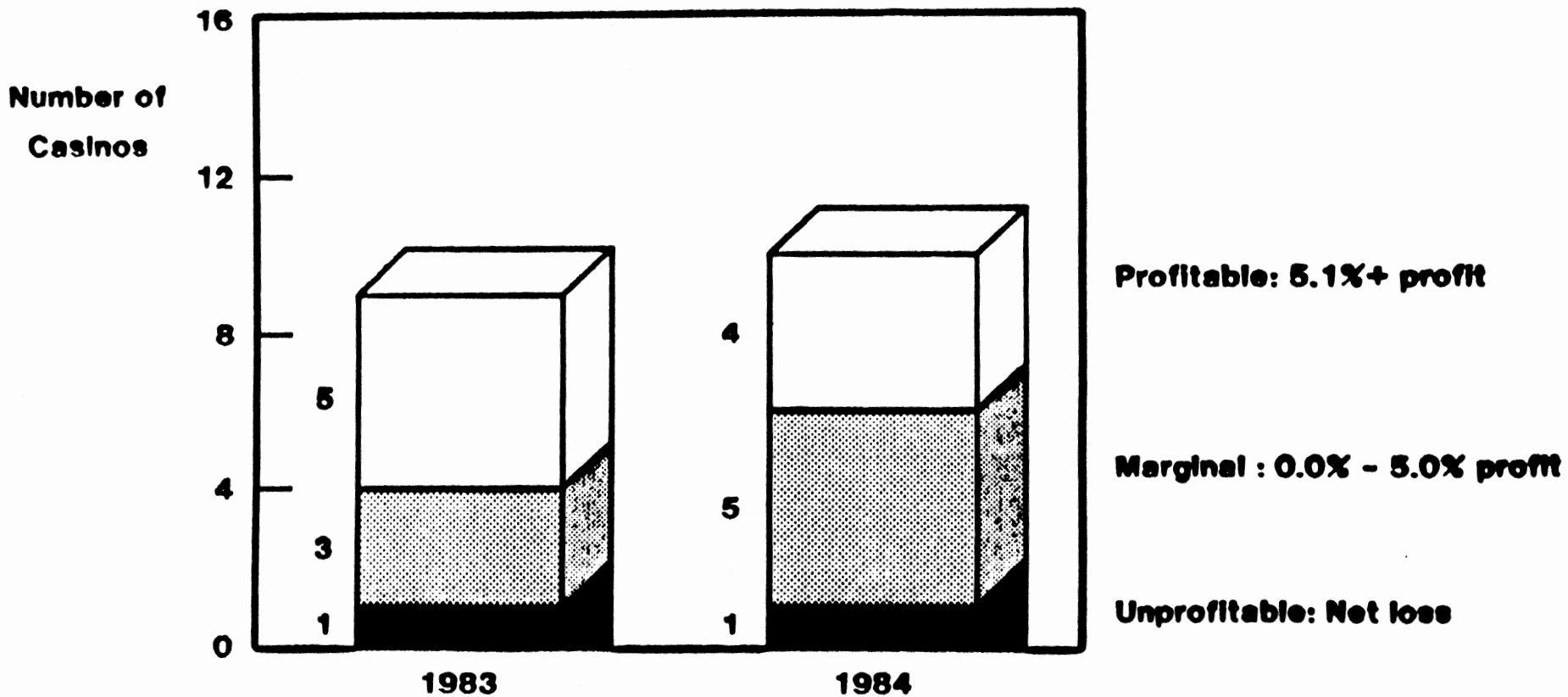


TABLE E

CASINO REVENUE FUND
GROWTH PROJECTIONS

7% Growth

2-3% Real Growth
4-5% Inflation

Year	CRF (in millions)
1985	\$166.9
1986	\$178.6
1987	\$191.1
1988	\$204.5
1989	\$218.8
1990	\$234.1

204

LEGISLATIVE MONITORING LIST
CASINO REVENUE FUND:
March 21, 1985

ASSEMBLY BILLS

- A. 400 Assemblyman Loveys and one other
- Provides for appropriation of \$500,000 from Casino Revenue Fund to DCA for certain transportation services for senior citizens and disabled residents offered by county offices on aging.
- A. 608 Assemblyman Deverin and one other
S. 1718
- Allows "medically needy" persons to qualify for Medicaid.
- A. 1088 Assemblyman Doyle and one other
- Increases from \$200 to \$225 the annual electric and gas utility bill credit provided under "Lifeline Credit Program".
- A. 1189 Assemblyman Rocco and twelve others.
S. 1824
- Provides that senior and disabled citizens' property tax deduction shall be available in non-profit cooperatives or mutual housing corporations.
- A. 1290 Assemblyman Hendrickson and eight others
- Excludes certain benefits from the annual income of residents applying for benefits under the "Pharmaceutical Assistance for the Aged and Disabled" program.
- A. 1323 Assemblyman Doyle and one other
- Establishes a "Telephone Lifeline Credit Program."

- A. 1409 Assemblywoman Kalik
- Permits persons eligible for "Pharmaceutical Assistance to the Aged and Disabled" as of June 30, 1982 to continue to receive benefits despite the increase of their income above the maximum eligibility limits due to Social Security cost-of-living increases.
- A. 1548 Assemblyman Visotcky
- Establishes income eligibility standards and a sliding scale system of copayment fees for beneficiaries under the "Pharmaceutical Assistance for the Aged and Disabled" program.
- A. 1835 Assemblyman Paterniti and sixteen others
- Increases the tax on the gross revenues of casinos from 8% to 10%.
- A. 1970 Assemblyman Haytaian and one other
- Requires annual adjustments to the pharmaceutical assistance to the aged income eligibility limits equal to Social Security cost of living adjustments.
- A. 2083 Assemblywoman Kalik and four others
- Establishes the Dental Care Assistance for the Aged and Disabled program.
- A. 2086 Assemblyman Ford and one other
- Establishes an In-Home Care Services program; appropriates \$1,000,000.
- A. 2097 Assemblyman Foy
- Increases the amount of the additional homestead rebate for senior citizens and disabled persons.
- A. 2158 Assemblyman S. Adubato and one other
S. 1927
- Designated the "Public Guardianship Program for Elderly Adults"; appropriates \$200,000.

A. 2211 Assemblyman Muziani and one other

Increases the annual income eligibility requirement under the Pharmaceutical Assistance to the Aged and Disabled Program to \$18,000 for married residents.

A. 2290 Assemblyman Franks

Provides that certain customers of the "Lifeline Credit Program" may apply their lifeline credit toward the cost of energy conservation measures.

A. 2677 Assemblyman Chinnici and one other

Increases the income eligibility limit for a married couple to \$20,000 under PAAD.

A. 2930 Assemblyman Schwartz

Expands eligibility for homestead rebates.

AJR. 42 Assemblyman Pelly and seven others

Creates a commission to study handicapped and special
education transportation.

- ACR.24 Assemblyman Riley and five others
- Proposes a Constitutional amendment authorizing the use of State revenues from casino gambling for programs for security improvements to senior citizens' residences.
- ACR.31 Assemblyman Paterniti and three others
- Proposes an amendment to the Constitution prohibiting the use of "Casino Revenue Fund" monies to fund homestead rebates after June 30, 1985.
- ACR.35 Assemblyman Paterniti
- Proposes an amendment to the Constitution to provide for differential homestead rebates.
- ACR.50 Assemblyman Paterniti and two others
- Proposes an amendment to the Constitution to permit a qualified person to receive both a veteran's property tax deduction and a senior or disabled citizens tax deduction.
- ACR.64 Assemblyman Doyle
- Propose an amendment to the Constitution to exclude certain benefits from income to determine eligibility for the senior citizen's or disabled's tax deduction.
- ACR.67 Assemblyman Rocco and ten others
- Proposes an amendment to the Constitution to authorize senior or disabled citizens' deductions on real property taxes to any eligible owner-occupant of a non-profit cooperative or mutual housing corporation.
- ACR.104 Assemblyman Pankok and ten others
- Reconstitutes Commission to review disbursement of casino gambling revenue.

ACR. 125 Assemblyman Franks

Proposes an amendment to the Constitution to permit the use of State revenues from casino gambling for energy conservation programs for eligible senior and disabled citizens.

ACR. 131 Assemblyman Kavanaugh and seven others

Provides for studies to determine which programs should have priority in the disbursement of casino revenues before new or expanded programs are enacted.

SENATE BILLS

- S. 728 Senator Brown
- Establishes an "Elderly Citizen and Disabled-Handicapped Citizen Rental Assistance Program" to be funded by casino taxes.
- S. 1370 Senator Dalton
- Permits certain persons eligible to receive "Pharmaceutical Assistance to the Aged and Disabled" to continue to receive benefits.
- S. 1409 Senator Lesniak
- Increases the annual income eligibility requirements for "Pharmaceutical Assistance to the Aged and Disabled", Lifeline Credit Program" and the Tenants Lifeline Assistance Programs."
- S. 1497 Senator Garibaldi
- Includes "diabetic testing material" in the definition of "prescription drug" under the Pharmaceutical Assistance to the Aged and Disabled program.
- S. 1718 Senator Bassano
A. 608
- Allows "medically needy" persons to qualify for Medicaid.
- S. 1824 Senator Saxton
A. 1189
- Provides that senior and disabled citizens' property tax deduction shall be available in non-profit cooperatives or mutual housing corporations.
- S. 1927 Senator Pallone and two others
A. 2158
- Designated the "Public Guardianship Program for elderly Adults" act; appropriates \$200,000.

- S. 1944 Senator Costa and four others
Establishes a "Dental Care Assistance Programs" for the aged and disabled .
- S. 1978 Senator Russo
Permits participants in the special State utility supplements to receive the maximum benefit of these programs.
- S. 1991 Senator Stockman and eight others
Makes various changes in the computation of homestead rebates.
- S. 2060 Senator Costa and one other
Amends the definition of "accessible" in the "Senior Citizen and Disabled Resident Transportation Assistance Act."
- S. 2112 Senator Costa and four others
Appropriates \$90,000 to establish a Summer Day Camp for Senior Citizens Demonstration Program.
- S. 2179 Senator Rand
Provides certain senior and disabled citizens with financial assistance for telephone service and is designated the "Telephone Lifeline Credit Act".
- S. 2315 Senator Laskin and one other
Increases income eligibiligy limits for the PAAD program.
- S. 2378 Senator Costa and two others
Allows for the deduction of medical expenses from a resident's annual income in the determination of eligibility for the PAAD program.

- S.2405 Senator Foran and five others
Requires the Commissioner of Human Services to annually adjust the PAAD income eligibility limits.
- S.2422 Senator Hurley and one other
Allows owners of residences with more than four dwelling units to be eligible for a homestead rebate.
- S.2493 Senator Pallone
Establishes a "Rental Assistance Program for Senior Citizens and Disabled Persons".
- S.2634 Senator Costa and one other
Protects PAAD recipients when Social Security COLAS raise income above eligibility levels.
- S.2761 Senator Connors
Increases income eligibility ceilings for PAAD for individuals with dependent children.
- S.2795 Senator Contillo and four others
Establishes an additional method of calculating income eligibility under the PAAD program.
- S.2847 Senator Garibaldi
Removes the income limitation for senior and disabled citizens' property tax deduction.
- S.2850 Senator Lynch
Establishes a telephone lifeline credit program for senior and disabled citizens.

- SCR. 14 Senator Connors and one other
- Proposes an amendment to the Constitution to provide eligible senior citizens and disabled persons a real property deduction on cooperative property in which they reside.
- SCR. 17 Senator Connors
- Proposes an amendment to the constitution to authorize senior or disabled citizens' deductions on real property taxes to any eligible owner-occupant of a nonprofit cooperative or mutual housing corporation.
- SCR. 42 Senator Bassano
- Proposes an amendment to the Constitution to permit a person to receive both a veteran's and senior citizen's deduction.
- SCR. 46 Senator Bassano and one other
- Proposes an amendment to the Constitution to permit the use of revenues from the State lottery and casino gambling for programs for compulsive gamblers.
- SCR. 73 Senator Bubba
- Proposes an amendment to the Constitution to increase the senior citizens and disabled persons property tax deduction from \$250.00 to \$300.00.
- SCR. 111 Senator Saxton
- Proposes an amendment to the Constitution to authorize senior or disabled citizens' deductions on real property taxes to any eligible owner-occupant of a non-profit cooperative or mutual housing corporation.
- SCR. 137 Senator Garibaldi
- Proposes a constitutional amendment to remove the income limitation for the senior and disabled citizens' property tax deduction.

HANDICAP vs. DISABLED

During the past few years I have become aware of an ever increasing concern over the terminology used to describe disabled individuals. Words such as "speciability", "handicapable", and "physically challenged" are being bandied about, with wide ranging opposition to such designations as "crippled" and "deaf and dumb".

Perhaps highest on this list are two widely used words that are common to us all - Handicap and Disable. Before we arbitrarily divide into two separate camps in support of one and opposed to the other, lets take a closer look at these items. Webster's dictionary provides us with the following definitions:

Disable - 1: To deprive of legal right, qualification, or capacity. 2. To make incapable or ineffective; esp: To deprive of physical, moral, or intellectual strength: Cripple
Syn. See weaken Ant. Rehabilitate

Handicap - (A game in which forfeits were held in a cap), Fr hand in cap 1 a: A race or contest in which an artificial advantage is given or disadvantage imposed on a contestant to equalize chances of winning. b: An advantage given or disadvantage imposed usually in the form of points, strokes, weight to be carried, or distance from the target or goal. 2: A disadvantage that makes achievement usually difficult esp. a physical disability.

Societally, we have become somewhat desensitized to the use of these words with certain applicability. An example is the commonly used instruction, "Park disabled vehicles on shoulder of road." The term handicap is equally familiar to most of us as it applies to a golf or bowling handicap.

Maybe the question then should be, "Do disabled/handicapped people identify more easily with automotive vehicles, or sporting events?"

While all of this may seem quite ludicrous, and unimportant in the overall scheme of things, I assure you this is not the case. The names, tags, and labels given to various groups of people down through the ages have played an extremely important role in their participation - or lack of participation in the mainstream of society. Those names and labels are often indicative of preconceived attitudes and notions that frequently have little or no foundation in fact. All too often these attitudes express erroneous prejudices against those identified as members of that group, causing a reluctance to identify one's self with that group.

Being disabled or handicapped does not necessarily mean a wheelchair or crutches or a walker or cane is needed. All too often a disabling condition is not even visible - as is the case with hearing or speech impairments, epilepsy, or even alcoholism, drug abuse, or mental/emotional disturbances.

There are many who believe that you are "disabled" if you have a physical or mental limitation that can be compensated for or overcome by use of orthopedic appliances and/or medication. These same individuals feel you are "handicapped" if you have such limitations and they can neither be overcome nor effectively compensated for. There are those who wish to be called Negro, while others prefer to be called Black - yet both are of the same ethnic heritage. Some women prefer being called Ms. while others insist upon Mrs. or Miss - yet both are of the same gender. As long as the identifying term is not insulting, like the word "crippled" - or condescending, such as invalid, maybe we can all live with using handicapped and disabled interchangeably. We must remember that the objectives are the same no matter what we are called, and that is to do all we can to insure equality and fairness of treatment for persons - disabled, or handicapped, or T.A.B. (Temporarily Able Bodied). This was submitted by a disabled consumer from Essex County.

OCEAN COUNTY SENIOR COORDINATING COUNCIL

County Administration Building - Room 107 ✓

Hooper and Washington Avenues

Toms River, N.J. 08753

Dear members of the Committee:

Thank you for your invitation to testify at the scheduled public hearings on issues and concerns of senior citizens.

The following is submitted as written testimony on matters of concern to New Jersey senior citizens affiliated with this Council through their clubs and chapters throughout the OCEAN COUNTY.

1. Create a commission to review the disbursement of the State's revenue from casino gambling in Atlantic City. The commission was created by the passage of SCR-75 in 1983. However, it has not been fully staffed and is not ~~yet~~ functioning. We strongly recommend that the commission be fully constituted and fulfill its intended purpose, i.e., to advise the Legislature of priority needs for casino revenues. As it now stands more and more bills are being introduced to use casino revenues for sundry purposes without consideration of more important needs. We have strongly recommended that the commission be fully constituted with an equal number of legislators and senior citizen leaders who have expertise in this field. We also strongly urge that no more bills be passed, that call for casino revenue usage, until priorities are set by the commission. In our opinion a percentage of these revenues should be used to provide additional property tax and rent relief for all senior citizens.

2. Increase homestead rebates and rent relief for all senior citizens. Bills S-256 and S-473 have been introduced. We request that similar bills be introduced in the Assembly. We favor the concept of Bill S-473 to provide for additional amounts of rebates based on a percentage of increases in the income taxes from year to year. When the income tax was enacted the people were given to understand that it would reduce property taxes. Since that time, property taxes have increased from 40 to 60 percent and the rebate has remained constant. Many senior citizens, on fixed incomes, now find themselves worse off because of constantly rising property taxes than before the income tax was enacted. We also point out the people were promised that casino revenues would be used to give senior citizens additional property tax relief. Middle income senior citizens have not received 1% of casino revenues as a reduction of their property taxes. This must be condemned as unfair and unjust!

Executive Board

President
Blazik

President
Sherman

Secretary
Blum

Secretary
Zazzara

Treasurer
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Treasurer
Feirstein

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OCEAN COUNTY SENIOR COORDINATING COUNCIL, INC.

TOMS RIVER, NEW JERSEY 08753

3. Exempt senior citizen organizations from the sales tax. Bills A-174, S-55, S-81 and S-793 have been introduced. Bills introduced in prior years regarding this concern have languished in the Legislature for several years. We understand that a fiscal note indicates a large loss of revenue to the State. We do not agree with that. The loss of revenue, in our opinion, will not exceed $\frac{1}{2}$ million dollars, if that much. The primary benefit to the members will be the savings of the tax when they go on a club bus ride and eat at a restaurant. Many of these daily trips are to places outside of New Jersey. Accordingly, the State derives no revenues from these trips. At the present time the cost of a luncheon is about \$10-\$12 per member. Usually, the restaurant will ask the club if they have an exemption number (out of State clubs have such numbers). Most New Jersey club officials are honest and say they do not have an exempt number but some do not. They give a phony number and the restaurant accepts their word and does not collect the sales tax. Accordingly, the State derives no revenues from these trips. By the simple process of including senior citizen organizations from exemption of the sales tax, along with other groups, will go a long way to bringing some order among all groups and a savings of at least 75¢ per meal for club members which will allow those of lower incomes to enjoy the day trips. With respect to the purchases of supplies and other materials there is very little of that so that the revenue from this source is minimal. Passage of this legislation will go a long way toward removing a source of aggravation among actual senior citizens.

On behalf of the senior citizens of *OCEAN CO.* we thank the committee for this opportunity to present our views. We earnestly request that this written testimony be entered into your report on the hearings on senior citizen concerns.

Respectfully submitted,

Law Blazik, President
LAW BLAZIK

O. C. S. C. C. Inc

1
March 20, 1985.

MAR 21 1985

John F. Russo
Senator
917 N. Main St
Tombs River, N.J. 08753

Dear Sir:

I am so pleased my letter
reached you and for the information
given me.

I would gladly attend the meeting
on Mon. March 25, but because of my
health cannot do so. However I give
my permission to use this letter if
it should have bearing on, or prove
a point in a discussion.

When we allowed as husband and
wife to file seperately we would be
more than \$4000 under the ceiling
of \$12,000 set for singles. Together
it is over the \$15,000 ceiling no set.

With the cost of chemo & cancer
drugs, I don't know how we will be
able to manage, and have to
pay back if we owe the Paad.

Chemo & drugs is an ongoing thing
for me, if I am to function.

It's been a blessing to have had drugs
on the Paad. And we have been
able to be independant.

Please, when you consider raising
the ceiling, make the difference
between the single and couples
a little more fair. The \$3,000 is
not enough at today's prices.

The need is great for the A-1548
bill to pass, and a visit to an
oncologist's office or clinic would
prove it.

Thank you for listening

very truly yours

Ndo + Ester Wedin

5-13 Dove

Lakehurst, N.J.



STEPHEN J. BRUNER
DEPARTMENT HEAD

ATLANTIC COUNTY

DEPARTMENT OF SOCIAL SERVICES
DIVISION OF AGING AND DISABLED

1625 ATLANTIC AVENUE
ATLANTIC CITY, N.J. 08401
(609) 345-6700
TTY (609) 348-5551

Casino Revenue Fund Study Commission

Public Hearing

March 25, 1985

Presentation

Atlantic County Division of Aging and Disabled

1625 Atlantic Avenue - 2nd floor

Atlantic City, NJ

The Atlantic County Division of Aging and Disabled is a multi-purpose agency. In our day to day functioning we are responsible for coordinating as well as administering many programs for the older adult and disabled population of Atlantic County.

In our position of directly running programs it is important that we understand the nature of how much it costs as well as how long and at what levels the funding source will be maintained. With these conditions in mind we are here today to request that this commission consider the following with respect to the Casino funds earmarked for the Elderly and Disabled of New Jersey:

- (1) Freeze all existing bills before the State Legislature dealing with these casino revenues;
- (2) Prevent new bills from being presented into the State Legislature;
- (3) Review prior year budgeted figures against actual expenditures of these monies;
- (4) Do an in-depth projection of 1985, 1986, and 1987 expenditures;
- (5) Review what services are presently being provided and which of these services are being utilized;
- (6) The same analysis should be conducted to determine what the projected revenues will be for the same periods as above;
- (7) Conduct an in-depth review with representatives from the State Division on Aging, Area Agencies on Aging, Governor's Council on the Disabled, local offices for the Disabled, and the State Department of Human Services to determine what are the priority areas for the Elderly and Disabled. This process should be ongoing and priorities updated to reflect availability and useage of other funding sources to prevent duplication.
- (8) After priorities are set and the proper funding levels are anticipated, only bills addressing those stated priorities should be considered by the State Legislature:
- (9) Each year the Commission should release the following for public consumption
 - a. What programs are funded
 - b. How much each program cost
 - c. The total funds allocated for all programming
 - d. The balance of casino funds after expenditures and

- e. The total number of older adults and disabled that participated by program.

The above information could be distributed in conjunction with the agency network in #7 above and;

- (10) That all casino monies collected by the State of New Jersey be appropriated only in programs for the Older Adult and Disabled citizens of the State.

wsh

OCEAN COUNTY BOARD OF SOCIAL SERVICES

1027 HOOVER AVENUE
POST OFFICE BOX 547
TOMS RIVER, NEW JERSEY 08754-0547

Phone: (201) 349-1500

BEVERLY J. BEARMORE
Director

In reference to:

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PREPARED FOR: Casino Revenue Study Commission
Public Hearing
March 25, 1985
Lakewood, New Jersey

PREPARED BY: Ocean County Board of Social Services
Retired Senior Volunteer Program
Toms River, New Jersey
Patricia Hines
Catherine Jackson

SUBMITTED BY:

DATE: 3/21/85

B. J. Bearmore
Beverly J. Bearmore
Director of Welfare

404

I would like to spend a few minutes discussing the needs of several especially vulnerable groups within the elderly and disabled population. One such population group that requires attention is the chronically ill and disabled elderly who are mentally impaired and who continue to reside in the community, either alone or with family members.

Although the majority of the mentally impaired, by reason of mental deficiency, organic or psychiatric cause, can be maintained at home, they require a great deal of care and supervision. Frequently, they are dependent for primary care on elderly spouses or offspring who have, themselves, reached an advanced age. Although numerous services to assist with the care of the chronically ill are available in the community, a significant proportion of the population who need such aid cannot bear the expense of providing private care in the home, yet, are not eligible for publicly subsidized assistance. Too often, the burden of providing adequate care without assistance results in a breakdown in the physical and mental well-being of the entire family unit thereby creating a potential or actual abusive or neglectful situation.

If these elderly are to continue to remain at home, some relief from the strain of their constant care must be made available to their primary caregivers. As you contemplate the disbursement of Casino funds, I urge you to consider the critical need for expanded community based Respite Care for the chronic elderly and their families. The provision of state funding to help support the cost of homemaker/home health aid services, medical day care and transportation for the chronically ill elderly who are not presently eligible for subsidized services would help to relieve the burden of their care and improve the quality of life for them and their caregivers.

Another population group that requires special consideration is the large number of elderly residents of boarding homes and residential health care facilities. Although the housing and social problems of this vulnerable population were recognized with the passage of the Rooming and Boarding House Act of 1979, the problem of providing for their recreation and socialization has not been adequately addressed.

Many of the elderly and disabled persons who reside in boarding homes are deinstitutionalized adults who suffer from chronic mental illness. Frequently, their personal histories are complicated by long-term substance abuse and, while they are capable of living in the community, they are dependent on public agencies for their care.

This elderly population group, many of whom are too frail to seek recreation and socialization opportunities, have little to occupy their time or spark their interest. Without structured recreation programs conducted within their place of residence, they often revert to institutional behavior, depression and withdrawal despite the services provided them.

Agencies such as the Ocean County Board of Social Services have initiated limited recreation and socialization programs in area boarding homes to begin to meet the needs of elderly residents. Because of inadequate funding, however, we must rely primarily on volunteers to plan and conduct the programs. We are currently unable to expand the programs or make long range plans to meet anticipated future needs. We ask you to consider making a portion of Casino revenue available to assist us in securing trained recreation personnel and to support these critically needed programs.

I would also like to make a few brief remarks about volunteerism and the Retired Senior Volunteer Program. In this period of stringent fiscal policies, the need to rely on volunteers to supplement the staffs of our overburdened human service agencies is critical. Volunteers contribute time and skills that would otherwise be unavailable to service programs throughout New Jersey as they attempt to meet the increasing health and social needs of our population.

The Retired Senior Volunteer Program provides an opportunity to older adults to use their talents and experience in volunteer positions in their own communities. Retired Senior Volunteer Program provides volunteer manpower to non-profit organizations while increasing the quality of life for older Americans by making available to them meaningful work assignments.

The Retired Senior Volunteer Program is a federal program partially funded by ACTION, the federal volunteer agency. County RSVP projects must secure matching funds at the local level to support programs. Fiscal retrenchments by traditional community funding sources have impacted severely on the efforts of county RSVP projects to meet their responsibility to secure local financial assistance.

One budget item which Retired Senior Volunteer Programs must meet at the local level is the provision of funds for the transportation of volunteers while on assignment. This is an increasing expense to county programs with very little local relief available.

In 1981, a New Jersey Constitutional Amendment was passed to provide revenues from Casino taxes for use in expanding transportation services to senior citizens and the disabled. I urge you to make these funds available to local programs, with allocations based on a percentage of elderly population served, so that such projects as the Retired Senior Volunteer Program can have a constant source of local funding to defray the transportation expenses of senior residents who give so freely of themselves.

I thank the Casino Revenue Study Commission for providing this public forum in which to discuss and explore the issues and concerns of New Jersey's elderly and disabled citizens. I appreciate the attention you have afforded my comments and thank you for allowing me to share them with you.

DATE: 3/21/85

Beverly J. Bearmore
Beverly J. Bearmore
Director of Welfare