

**NEW JERSEY CASINO REVENUE FUND ADVISORY COMMISSION**

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**Mr. Donald Boeri**  
**Chairman**

**Mrs. Misono Miller**  
**Vice Chair**

**Kay Nest**  
**Secretary**

**Members:**

**Senator Robert Singer, N.J. Dist. #30**  
**Assemblyman Francis Blee, N.J. Dist. #2**  
**Assemblyman Douglas Fisher, N.J. Dist. #3**  
**Dennis Gomes**

**David J. Rosen**  
**Jim Thebery**  
**Enid Torok**  
**Elizabeth Vosskaemper**

Senator Richard J. Codey  
President of the Senate  
New Jersey Senate  
State House, PO Box 099  
Trenton, NJ 08625-0099

April 15, 2004

Dear President Cody:

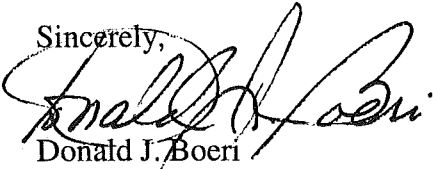
We are pleased to submit to you our Annual Report of the Casino Revenue Fund Advisory Commission which summarizes key recommendations of the Commission formulated in 2003 and 2004. The Annual Report was prepared by Vice-Chairperson Misono Miller, and was officially approved by the Commission at its regular meeting on March 26, 2004.

The recommendations focus on having the Casino Revenue Funds increase expenditures in the amount of \$7.92 million for programs which serve the most frail and vulnerable populations of senior citizens and disabled. These programs deserve priority attention primarily because of the increased demand for services to meet the needs of an increasing population of frail, older, and vulnerable citizens, and/or the lack of funding increases experienced through the years to meet the increasing need for services.

These recommendations appear most feasible to the Commission in view of Casino Revenue Fund developments experienced in the past several years. Significant savings to the PAAD program were recently realized with additional rebates negotiated with drug manufacturers; further savings in PAAD are anticipated to increase with the implementation of the Medicare Prescription Drug Benefit. In addition, Casino Revenue Funds are no longer required for the support of the Lifeline Program, and the NJ Property Tax Deduction Benefit, having resulted in an increase of over \$50 million in the Fund, to be programmed elsewhere.

In complying with our mission of "reviewing the programs funded by the Casino Revenue Fund and making recommendations to the Legislature concerning programs, legislation, and expenditure of funds," the Commission submits these recommendations to you in good faith, for your review and further action.

Sincerely,



Donald J. Boeri

Chairman, New Jersey Casino Revenue Fund Advisory Commission

**Annual Report of the  
New Jersey Casino Revenue Fund Advisory Commission**

Submitted to:

The President of the NJ Senate,  
The Speaker of the NJ Assembly  
Members of the New Jersey Legislature

On  
April 15, 2004

Submitted by:

the Casino Revenue Fund Advisory Commission

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The New Jersey Casino Revenue Fund Advisory Commission distributed a survey in August of 2003 to receive current data regarding the programs currently being funded by Casino Revenues. The survey results provide a basic reference for Commission members in understanding the various programs funded by the Casino Revenues. The following summary of the programs, prepared by Commission member Donald Boeri, summarizes the data collected, showing that the Casino Revenues funded programs documented and service assistance to at least 260,375 senior citizens and disabled persons in New Jersey in fiscal year 2002-2003.

It is the intention of the Commission, that a similar survey be conducted annually to update the Commission and the public in regards to casino revenue funded programs. The survey, distributed by the Commission with the assistance of the staff of the Dept. of the Treasury, provides current data on the specific services provided, the number of persons served, and the quantity of service provided, in addition to understanding the mechanism of administration of the services.

The implementation of the survey would also provide information on the ability of service providers and administrators to produce basic data and thus, increase the accountability of those who are entrusted with these funds for the benefit of the Senior and disabled population of New Jersey. The interpretation of this data would place the Commission in a better position to fulfill

its function of providing relevant advice to the Legislature on the various programs and services funded by the Casino Revenues. (See Exhibit I)

Further, in providing recommendations to the Legislature regarding the various program funded by Casino Revenues, the Commission makes the following recommendations as a first step in improving services and benefits for the elderly and disabled residents of New Jersey.

### **1. Priorities in funding:**

In regard to some of the long-standing Casino Revenue Funded programs that are deserving of consideration for more funds, there are priorities that need to be funded to meet the increasing demand for service, enabling the funds to provide service to the most vulnerable and needy populations.

The total 60+ population of New Jersey is 1,443,782 persons (2000 Census). Between 1990 and 2000 the 65+ population increased by 7.9%; the 75+ population increased by 27.6%; and the 85+ population increased by 42.3% (see Exhibit II, Table 2). Those living alone aged 65+ years and older increased by 9.8% between 1990 and 2000. Those living alone as a % of their age group cohorts increased from 14.8% for the 60-64 age group to 33.4% for the 75+ group (see Exhibit II, page 3).

The older elderly and those that live alone are the most vulnerable and have the greatest service needs. In considering the increase in growth rate and population in the older elderly (75+ and 85+) in New Jersey and considering that the % of elderly who live alone has experienced significant increase, services geared to meet the needs of vulnerable elderly should be a priority for funds. These services include the following:

- A. Meals on Wheels, (currently funded with \$950,000 in Casino revenues), which has historically received no increases in Casino Fund, since the initiation of funding assistance for this program as early as 1991, if not earlier. (See Exhibit III)

The current casino revenue funded State Meals on Wheels program is funded for weekend meals only. If this has been the rationale not to increase funds for Meals on Wheels programs, which providers say need funds for weekend and weekday operations, then the State Meals on Wheels Program should be expanded to incorporate weekend and weekday meals.

An additional \$1 million would provide relief to the Counties and enable them to serve more meals to frail elderly on a daily basis. The Meals on Wheels Programs deserve more funding. They provide an essential service that is crucial to elders and disabled who are struggling to maintain their independence at home. It is not a service that is costly in terms of the benefits provided and can be provided at a cost of less than ten dollars per day with all project costs included.

A network of home-delivered meals programs is in place in every County in New Jersey and additional funds would significantly bolster the amount of meals able to be delivered

by each County to its residents. Increasing the allocation by \$1 million could provide 315,215 more meals to New Jersey's elderly at an average cost of \$3.17 per meal. This would provide considerable relief to counties which are hard pressed to meet the demands for home-delivered meals by increasing numbers of older persons.

In addition, there is no Federal or State funding source for home delivered meals for the disabled. Disabled under the age of 60, who are frail and homebound, should also be able to benefit from the receipt of home delivered meals based upon their inability to obtain or prepare regular meals in their own homes. The Commission recommends that \$1 million be funded to current providers and that this expansion of funds be earmarked for disabled under age 60.

- B. Transportation currently receives 7.5 % of the Casino revenues, which is allocated to NJ Transit for distribution to the Counties on a formula basis. This funding has been successful in developing a network of coordinated, paratransit services for elderly and disabled in each of the 21 Counties in New Jersey. However, an increase in funding for transportation services is needed and the need for such funding is becoming crucial according to the experience of the County paratransit providers. The Commission recommends that Casino Revenues be increased for Transit funds to the amount of 8.5% of Casino Revenues.

Two factors need to be considered now. The Counties are pressed to maintain these Countywide systems of transportation, with increasing expenses for staff, staff benefits, maintenance of the vehicles, insurance costs, and fuel, being an ongoing concern in the operation of the programs. The Counties need to have a stable source of funds for the ongoing replacement of equipment and vehicles. A system with 50 vehicles on the fleet, for example, would have to purchase 10 vehicles per year just to enable the vehicle fleet to be maintained with vehicles that are at least five years old or less. Five vehicles per year per system would ensure that the vehicles in the fleet were each replaced in 10 year intervals. The expense of purchasing five vehicles, at a cost of \$60,000 per vehicle is more than 1/2 of the County's total allocation from the Casino Revenue funds for many of the counties.

Another factor is the increased demand for kidney dialysis transport that Counties are striving to meet. This type of transport is essential and life sustaining and a priority in service for many of the Counties; however, it is a service that must be provided on a regular basis for each client, at least three days a week. The resources to provide such transport on a daily basis are costly and an increasing burden to the Counties.

In addition the Commission recommends the evaluation of available resources for transportation funds. Currently the Medicaid program provides transportation in the Counties for medical transport to Medicaid clients. The cost per trip of Medicaid funded transportation should be compared to the cost per trip of those provided under the Casino Revenues. Opportunities for coordination of Medicaid funds for use by the county systems should be investigated with specific recommendations for ease of use by clients, for opportunities to save funds and increase trips per dollar, and for ways to ease

reimbursement procedures to the Counties for provision of Medicaid transportation.

Further, the feasibility of providers of dialysis to contribute to the cost of transportation to and from dialysis centers, should be pursued. County systems receive no reimbursement for regular trips to dialysis for those needing specialized transport, and this is placing an undue burden upon the County systems. If a dialysis treatment brings in revenues of as much as \$800.00 per treatment, than would the provider be willing to pay \$30.00 for a round trip to the Centers? A cost study to determine whether a facility could afford the cost of transport would require an analysis of the costs of the service in relation to the revenues received for treatment and profit realized.

- C. Funds for Safe Housing and Transportation, primarily for home repairs, are very much needed. The small amount of funds each County receives to operate or fund these programs in the amount of approximately \$1.7 million should be increased. The Commission recommends funding of at least \$2.7 million as a reasonable allocation for these programs. The current allotment to the Counties for programs of home repair for senior citizens is not enough to help the numbers of persons needing assistance with home repairs. Many Counties have established programs with the administrative and project operational activities and controls in place. The funds would be used to enable these programs to serve more persons and make it worthwhile for Counties with very small allotments, to establish programs. For example, the practical aspects of organizing a home repair program for 10-20 persons, leaves much to be desired in terms of benefits received for the energies taken to organize and maintain the program. More funding would address this problem and would assist in meeting the demand for a program that has historically had huge waiting lists. (See Exhibit VI, line 22)
- D. Through the Division of Aging and Community Services in the Dept. Health, local programs of Adult Protective Services are implemented in each County. These programs fund protective services for the most vulnerable population of aged and disabled clients. These programs are established to address problems of abuse, neglect, and exploitation of the elderly and disabled. Statistics from the Division on Aging and Community Services indicate a growing demand for the service. For the past four years, clientele and problems reported to the Protective service programs have significantly increased, with no increase in the funds to support professional staff who are needed to work with the clients, families, court system and law enforcement agencies, in the resolution of the issues surrounding an abused or neglected client. Lack of funding for the local programs will result in understaffed programs that are not equipped to handle properly, the increasing problems reported, as the programs become established within the Counties, and are called upon by more persons who need immediate assistance. More funding from the Casino Revenues would assist in ensuring that Adult Protective Services are responsive and able to address the complex and increasing problems that come to their attention daily. The Commission recommends an increase of \$1 million for the support of Adult Protective Services Programs.

## **2. Legislation:**

### **A666:**

The Commission supports A666, which provides for the establishment of 21 County Offices for Disabled in New Jersey. This legislation mirrors the legislation that established county Office on Aging in new Jersey in 1965. Like the Office on Aging legislation, A666 would establish and assist in the maintenance of central office in each county which would be focal points of information, advocacy, and coordination of disabled services in each County. The legislation, for a total cost of \$420,000 would be landmark legislation in New Jersey, giving statewide authorization and support of County Offices empowered to act on behalf of the Disabled population with legislative funding and authority from the State of New Jersey. In addition, the funding would ensure at least this amount of funding from the Counties for these Offices for the Disabled. In view of the cost, which is not enormous, and the benefits which are significant in providing a basis for planning and advocacy on behalf of the disabled, the Commission urges passage of this legislation, and recommends funding from the Casino Revenues for this purpose in the amount of \$420,000.00. (See Exhibit IV)

### **S211:**

In considering the essential expenses that must be paid by Senior Citizens and Disabled to maintain their households, the Lifeline Program provides essential assistance of a \$225.00 credit toward household utility expenses. With the increase in costs of maintaining one's household, increases in utility rates, increases in fuel costs, and increases in the daily expenses of maintaining one's household for those on fixed incomes, it is ironic that the current Lifeline Program does not have a cost of Living increase tied to the benefit. For each year the benefit does not increase, there is a net reduction in the proportion of utility expenses for which one receives assistance. The Lifeline Benefit has not increased since 1984, twenty years ago! The Commission recommends that the Lifeline Benefit be subject to a cost of living increase on a yearly basis to continue to ensure a consistent level of assistance for the senior and disabled population. (See Exhibit V)

## **3. Summary and Feasibility:**

In November of 2003, the Commission was privileged to hear a presentation from Assistant Commissioner of the Dept. of Health and Senior Services Kathleen Mason regarding the status of the Pharmaceutical Assistance for the Aged and Disabled (PAAD) Program. Mrs. Mason explained the specifics of the Program and relayed information to the Commission re the success of the program in negotiating an additional rebate from pharmacy manufacturers that would net approximately \$25 million in savings for the Program. The projected amount of Casino Revenue Funds for the support of PAAD in the 2004 actually decreased for the 2004 year, which is unprecedented. Further, additional savings from the implementation of the Medicare Prescription and Modernization Act will likely result in millions and in the future, hundreds of millions more of additional revenues for the support of PAAD and Senior Gold Programs.

In 2002, \$17.2 million for the Property Tax Deduction was shifted from Casino Revenue Funds in to the Property Tax Relief Fund. In addition, the Board of Public Utilities assumed

the cost of the Lifeline Program from the Casino Revenue Funds in the amount of \$34.6 million in the 2004 State budget. It is obvious that the obligation of the Casino Revenue Fund has been relieved by having funding for such programs shifted to other programs in the State. *The savings to the funds could be used to bolster programs to meet crucial needs of elderly residents.*

The recommendations in this report for additional funding require the authorization of Casino Revenues of no more than \$7.92 million as follows:

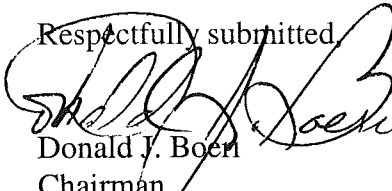
Transportation increased from 7.5% to 8.5%-	\$3,500,000
Meals on Wheels allocation increased-	2,000,000
Safe Housing and Transportation doubled-	1,000,000
Adult Protective Services increased-	1,000,000
Office for Disabled Legislation-	<u>420,000</u>
Total:	\$7,920,000

Each of the programs recommended to be funded are essential to the well-being and support of the elderly and disabled in their quest to remain independent in their own homes. Each of the programs contributes to delaying costlier institutionalization by encouraging and supporting the efforts of elderly and disabled to remain independent in their communities.

The Commission meets regularly to review these programs and to carryout its obligation to the Legislature, to make recommendations regarding the programs funded by the Casino Revenues.

The Commission presents its recommendations to the Legislature in good faith that its recommendations will be seriously considered. It is certainly feasible, even in this climate of budget cuts and cost savings, to implement these recommendations in view of the savings and revenue anticipated to reduce the obligation of the Casino Revenues in other areas. With this in mind, the recommendations of the Casino Revenue Commission are presented for consideration and implementation in the upcoming 2005 budget year.

Respectfully submitted,

  
Donald J. Boen  
Chairman

Casino Revenue Fund Advisory Commission



Misono I. Miller  
Vice-Chair

Casino Revenue Fund Advisory Commission

copy: James E. McGreevey, Governor

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## **EXHIBITS**

- I. Casino Revenue Fund Provider Survey, conducted August 2003
- II. Census 2000: New Jersey, State and County Profiles, Division of Senior Affairs, June 2002; pgs. 1-3
- III. Fiscal Year 1991 Schedule of Allocations from the Casino Revenue Funds, Meals on Wheels
- IV. Legislation - Assembly No. 666
- V. Legislation - Assembly No. 211
- VI. Casino Revenue Fund Summary and Projections 1997 - 2004 (from 2004 Governor's Proposed State Budget)
- VII. Casino Revenue Fund Summary and Projection 1998 - Recommended 2005 (from 2005 Governor's Proposed State Budget)