NJ Casino Revenue Fund Advisory Commission

Minutes, Regular Meeting

September 18, 2009

The regular meeting of the Casino Revenue Fund Advisory Commission was held on Friday, September 18, 2009, in Committee Room #1, State House Annex, Trenton, New Jersey. Those present:

**Members**:

Misono Miller, Chair

James Thebery, Vice-Chair

Laura Ramos, Secretary

Kay Nest

Enid Torok

Joseph Tyrell, Casino Representative

Michelle LeBlanc (for David Rosen, Office of Legislative Services)

Tracy Wozniak-Perriello, Representative for the Department of Health and Senior Services

Christopher Hughes (representing Assemblyman Polistina)

**Support Staff**:

Patricia Wilson, Dept. of the Treasury

Judy Moore, Dept. of the Treasury – Fiscal Manager

**Presenters**

Michael Vieria, President of the New Jersey Council on Special Transportation

Directors from Ocean Co., Hudson Co.

21 County Coordinating Systems - direct recipients of SCDRTAP funds

Robert Koska, NJ Transit Office of Local Programs and Minibus Support

**Guests - representatives**

Representatives from Hudson County Transportation, Kevin Crimins from Ocean County Transportation sSystem, Kathy Edmond and Richard Pinho, as well as a few Members of the Transportation Advisory Council of Hudson County.

Meeting was called to order by Chairwoman Misono Miller.

Flag salute was led by James Thebery.

TChair Miller announced that the minutes of the June 18, 2009 meeting were e-mailed to all. They were prepared by Laura Ramos, our new sSecretary. They for CRFAC,. They are very detailed and carefully prepared, and give an excellent presentation of the proceedings of the last meeting. Motion to approve by Kay Nest, seconded by Enid Torok, and unanimously approved.

**Presentations**

**Michael Vieria, President, of the New Jersey Council on Special Transportation** (NJ COST)

 I want to thank you for this opportunity, and to offer a heads up as to what can be expected from the 21-county coordinating transp. S21 county coordinated transportation systems within the next year (2010). Before I begin, I want to acknowledge few directors from the county system

Kathy Edmond and Rich... Ocean County

Kevin Crimmins from Hudson County

We have a few advisory council members from Hudson Co.NJ COST is an advocacy organization that, over 28 yrs.years, has provided information and support, education and training for community-based transit systems and organizations around New Jersey. Our membership can account for at least 2/3 of the transportation provided to sSenior cCitizens and pPersons with dDisabilities within New Jersey each day. Tens of millions of rides are provided to thousands and thousands of New Jersey’s most needy and frail sSeniors and pPersons with Disabilities. The backbone of our membership, though, is the 21-county21 county coordinated systems, as designated by New Jersey Transit (NJ Transit).

These 21 systems are the direct recipients of the SCDRTAP program out of the Casino Revenue Funds. The SCDRTAP program, which allows counties to provide services, includes non-emergency medical appointments, transportation for dialysis, physical and mental therapies, chemotherapy, radiation, sheltered workshops, nutritional sites, Meals on Wheels, Veterans’ services, job employment for the economically disadvantaged, recreational activities, and in some counties, even general public bus routes where NJ Transit does not operate. These are only a few of the programs Take seeing-eye-dogs to the vet. You name it, and the transportation system can cover it if it’s for sSeniors or the dDisabled. Funds can be Providing these services allows the older adults and the Disabled community to live more independently and in some cases, it does prevent or delay institutionalization.

However, community transportation does have a problem here in New Jersey. And it’s a big problem. We are beginning to feel the effects of a paratransit funding crisis which will affect the services we provide. It can also affect the services and programs within the Casino Revenue Fund, which rely on transportation - sheltered workshops, Meals on Wheels. There are so many Casino Revenue Fund programs, but for them to be a success, they need transportation services. In January of this year, counties experienced their first major cuts since the inception of the Casino Revenue Fund or SCDRTAP program in 1985. This year, there was a $4 million decrease. The counties did struggle and, for their part, they did pretty much survive. by how did...What they did was cut drivers and reduce staff. Last year’s unspent carry-over funds were supplemented and put into operations. The counties redirected capital monies and put that into operations. And, of course, they came up with innovative ways to implement increased fares, soliciting donations, advertising on the sides of vehicles.. A, and other innovative ways - just to get a couple of dollars into the system.

Is this really surviving? Probably not. With driver reductions, that means less people were transported. Next year, there probably will not be any, or just a little, unspent carryover monies to use. Where will the counties get this additional operating money? The capital funds that were once put into capital line items have already been taken out. Where will they find money to put into operations? Eventually, vehicles will need to be replaced. And there’s no money there, so where’s that money coming from? That’s not the worst news. Beginning this coming January 2010, another 10% reduction - or about $2.8 million - will hit the 21 counties. This will not include their county funds that are being reduced or other grants that are being cut. With next years’s SCDRTAP allocations, the counties will take a backwards step in funding to the equivalent of the funding levels of five years ago in 2005.

What can riders expect? There will be less transportation for food shopping and nutrition sites. Services will be reduced or cut. Waiting lists will be longer and transportation vehicles which should have been retired will be on the road and band-aided together. Fewer drivers mean fewer rides. In addition, Senior Citizens who may have stopped driving may again get behind the wheel and risk their lives or the lives of others on the road. Seniors who at one time used public transportation may end up in nursing homes or in assisted living facilities. The mentally Disabled who have been fighting to live independently may once again have to return to facilities.

Expect more waiting lists for medical transportation and dialysis.

We are experiencing long waiting lists already. It’s only going to get worse. Dialysis is becoming a major problem in New JerseyJ. It’s a major concern, not only for counties, but for municipalities and county social services agencies. Twenty years ago people who were receiving dialysis services were not expected to live so long. Now they are living longer and healthier lives. Once they get a seat on transportation, the seat is not available until they pass away. Because patients are living longer, those seats do not become available as often.

In addition, New Jersey Senior Citizens are getting older and living longer. People with Mental and Physical Disabilities are winning their battles to live independently. For them to succeed at what they do, they require transportation services. It allows them their independence. And it may not be there in coming years.

My town paper came yesterday, and I’d like to share an article with you. There was an one-car accident, the driver had just completed a dialysis session. An hour after treatment, she felt timefine and tried to drive herself home. She lost consciousness and crashed into a utility pole. What can be done about this?

I can tell you what NJ COST has been doing. We know that some counties rely heavily on SCDRTAP funding - some as much as 85-95% of their entire transportation budget. A few lucky counties rely less on SCDRTAP because their counties are putting in tax monies to subsidize their transportation funding. That, too, has been cut the last few years. Of the 21 counties, a little over 50% rely on SCDRTAP funding for at least 50% of the funding for their transportation budgets. That’s a big number, and as SCDRTAP goes down, the problems start.

I know I’m preaching to the choir. You listen to the problems. The people who could do something about the problem are not listening. Clearly, there is a definite need for it. It was not until t

This Commission first put the report out andthat said that transportation was underfunded. For several years, you have made the same recommendation. NJ COST is listening and, once we received your report, we met with Senator Wisnewski in December 2004. We took your report and we took some documentation from several counties and we went to them and said, “Look, transportation needs more money.” The Casino Revenue Fund Advisory Commission says it needs more money. Can you sponsor some legislation? A year later, he did sponsor legislation. Unfortunately, that legislation was late into the legislative cycle. It was not passed.

The next legislative session, Senator Wisnewski re-sponsored the bill under a different number - A2046. NJ COST has been very active in trying to get this bill passed. We also were able to secure a Senate sponsor -Senator Sacco. The bill is S1830. We did work hard on it. We have over 41 co-sponsors on the Assembly side, that’s 50%, so should it go before an Assembly vote, technically, if everybody who says they would sponsor I. It did get stuck this year in the Tourism and Gaming Committee. It got released right before the summer break . It now has to go to the AssemblyAppropriationsAssembly Appropriations Committee where Assemblywoman Nellie Pou, who is the Chair, has indicated to NJ COST that as soon as they come back from break in November, she will post it for Committee vote. Then, hopefully, it will go to Speaker Roberts for a full vote. Unless Assemblyman Roberts decides to hold it up, I don’t anticipate any problems on the Assembly side with that bill.

We do have a problem on the Senate side. Even though it was unanimously voted out of the both the Transportation Committee and Budget Committee, a year ago it went to Senator Codey, the Senate President, for a full post. He sat on this bill for a whole year, not posting it. It looks like the Senate side is holding up this bill. I hope that we have a push in November when they come back into session after the election. We have several Advisory Councils that want to go to Senator Codey’s office with petitions we’ve collected over the year. The petitions that are in front of me - since I’m down here, these petitions - over 700 of them - are going to be delivered to Governor Corzine’s office. We collected over 21,000 in a one-month span from our riders.

This Commission has done so much. You’ve taken a lot of time in publishing your Annual Report. I’ve read it; I know the counties have read it. I’m not sure whether Senator Codey, Speaker Roberts, the Governor, or his staff have read it. You’ve held three statewide meetings, and they were very good meetings. They were the first time in a very long time, and I commend you for it. What came out of those meetings? Transportation is a priority. At all the meetings that took place, it was “transportation, transportation, transportation.” They were, of course, advocating for their programs, but they said transportation is needed to be successful in their programs. Governor Corzine, Senator Codey, Speaker Roberts - I don’t know what else to do get them to hear that.

Chair Miller: That has been said by advocates in my county also, saying they are so frustrated that nothing has occurred yet. And yes, they are making dents, and yes, this legislation has gone further than ever before. But it hasn’t passed yet. We are doing what we can, in how we interpret what our role is. The public must make themselves heard. It hasn’t occurred yet, it’s not enough, we just have to keep in going.

Mr. Vieria: I do commend this Commission. You have told the Legislators what programs are in trouble. And you are doing your job. We the advocates are going our job. A couple of weeks ago, at NJ COST’s request, we got together and are putting an official training together for these Advisory Councils. They don’t realize how much power they have in advocacy. In a month or two, we will be training the Advisory Councils to go out and talk with Legislators about transportation.

We started this campaign a year ago tomorrow. Chair Miller was at our PNC Expo when we kicked it off. As I said, we collected over 21,000 petitions during the year. We are still getting some petitions in the mail. We will probably continue for a year or two. At that conference, we made an official statement: “New Jersey Human Services transportation is in serious financial crisis which is affecting every county, municipality, and social service agency in the state. This crisis negatively impacts New Jersey’s Senior Citizens, Persons with Disabilities, the economically disadvantaged, Veterans, and other transportation-dependent persons.” This is something that we’ve gotten around the State. We’ve been telling this to our Senators and our Assembly Members. And, for the most part, they are say they are listening.

But before I conclude, of course these bills have been our priority. However, there is one more issue and I know you have talked about it, but it is an issue that needs to be raised. In my opinion, it will hurt the SCDRTAP program and every other program in the CRF. The video terminals, slot machines and card games should not be allowed to be put into racetracks. The Commission must take a strong stand against it, because if that happens, people will not go down to Atlantic City to gamble. As far as I’m reading with what’s going on , the racetracks that have these machines, the profits - the general revenues - that are received from these machines will not go into the Casino Revenue Fund. They stay with the racetracks. This is a win-win situation for the Horsemen, but it’s a lose-lose situation for not only the Atlantic City casinos, but for the sSeniors and pPeople with dDisabilities who rely on the Casino Revenue Fund. If those slot machines do go into the racetracks, and there are no provisions for those monies to be put into the Casino Revenue Fund, we are going to have a problem statewide.

Two weeks ago, I did attend a training for the Advisory Council members, and the person doing the training is a consultant, well-known in the country, and he told this story. He was in a drivers’ lounge at a racetrack, and he looked up on the bulletin board and there was an obituary. It was very unusual because it was written by a deceased person who had not actually passed away yet. The woman wanted to thank those who had contributed to her life. She thanked her parents, her husband, her children, teachers and priests, but she also thanked her transit system, which gave her mobility in the last ten years of her life. She wrote, “It allowed me to live life fully and to participate in the community.” She is not alone, we have thousands and thousands of people like that, and not only has the SCDRTAP program helped, the funding from the counties has helped. Transportation is a priority; transportation is in trouble. So, again, Chair Miller, I just want to thank you and the Commission, for the opportunity to come before you. It’s not a happy presentation, however, it’s a realistic presentation.

Joseph Tyrell: I am the Casino Association Representative on the Commission, and I want to let you know that the Association is very supportive of the legislation sponsored by Senator Wisnewski and Senator Sacco. We do see that with our employees. I have a couple of questions for Michael to help us understand and assess the needs and funds to help with special transit amounts. Talk about the number of drivers that we need, the vehicles that should be upgraded or purchased new, to fuel costs - understanding that fuel costs have risen over the last three years - putting more money into fuel than helping pay for drivers and transporting the citizens around. And also to understand the cost of insurance for certain vehicles, and help maximize the dollars we have, and assess their needs so we can communicate better with legislators. A lot of them think, “Oh, they’re just looking for more money without understanding the population is again, the population that needs it, understanding how ...transportation a lot of these folds, everyone is looking at super bottom line rather than assessing the need by saying this is a greater need than looking at ..before racetracks or whomeverLegislators. There are certain targeted areas that this Casino Revenue Fund is supposed to be helping. And we (the Casino industry) want to be productive - to keep the growth going and to help assess the needs. Basis for understanding the aging vehicles w What are the ages of vehicles, say, in Union County or Somerset County.?

Mr. Vieria: It’s difficult to answer specifically. Usually vehicles are given seven years’ life, or about 300,000 miles. Years ago, many counties went to diesel gasoline. Diesel engines run smoother, are not good for the environment, of course, but diesel gasoline was 60 cents per gallon back then. Now it’s more than gasoline. Many counties are switching back to gasoline. A seven-year lifetime span is probably the most you can get. Unfortunately, some counties are going on 10 and 11 years with their vehicles, and the issue is that they are band-aiding these vehicles together. They’re pumping thousands of dollars each year for new mufflers, new brakes, etc. Why are they putting so much into each old vehicle? It’s cheaper than spending $40 to $50 to 60$60,000 per vehicle.

You mention the Senior Citizens. The baby-boomers have not really hit our systems yet. They are just starting to trickle in now. When they come full force, it’s going to get worse.

Mr. Tyrrell: Is there any way to get that number, based on what the Department of Health and Human Services provides at the federal level and the state level. That was the whole point about why we had Medicare reform and Medicaid reform. They are looking at numbers in 2012, in 2018, and keep looking at 4-year patterns.

Mr. Vieria: That information can easily be obtained, and I’m going to properly refer that to Bob Koska. Bob Koska is going to make a presentation after I do. Bob’s office oversees the 21-county coordinated systems. His office know exactly how many vehicles are involved, the age, the mileage.?

Chair Miller: There is a general number. The 35 million Seniors in 2000 will turn into 70 million by 2030. The numbers will double by 2030. Our report gives statistics for the numbers of Disabled, but as far as the current statistics now for the elderly, the increase of elderly aged 85+, (the high users of the transportation system,) is up 47% in the last census, as opposed to a static 60+ population. The over-75 population increase is 27%. That’s in our report, to a certain extent. The statistics say it’s time to think about the demand for transportation.

Mr. Vieria: You mention the census coming up. That’s actually very important. Federal funding into New Jersey looks at the numbers. It affects the Federal money coming into New Jersey for transportation. I am telling my transportation people to encourage riders to fill out the census forms because that brings money into New Jersey.

Mr. Tyrrell: I would like to commend all the work you have done as the Chairman of NJ COST for a number of years. Kudos for that.

Mr. Vieria: I have a very dedicated team.

Mr. Tyrrell: You are most generous. You do have a good team. Most of the county paratransits are down on the mat. They’ve done what they can do. They’re at the point where something has to move. Wearing another hat, I reached out to Assemblywoman Connie Wagner, who is a friend of mine, and she promised to make sure that this gets out of Committee. Assemblywoman Joan Voss is committed to it. I think you should make use of this down time in September and October to organize one last blitz. The problem is not so much the Assembly. The problem is in the Senate - there is no lift for this bill. They are sitting on it, not moving on it. I would think it should first go through Sacco and Van Drew and some of the other co-sponsors to really say, “How can we make this happen?” It think the time is now to do it. This bill will die in around January 15, 2010. You have a real tight window of September to December.

Mr. Vieria: In talking to Senator Wisnewski, he is confident that the bill will pass in the lame-duck session.

Enid Torok: - May I make a suggestion? You lost three votes... There are three Assembly Members that have been indicted and are not allowed to vote. May I suggest that you pick up Assemblyman Cryan, he is in contention for leadership. He is in detention? for leadership, and Bonnie Watson Coleman. This is going to happen.

And also John Wisnewski and Sheila Oliver, who you already have - are running for Assembly Speaker. On your Senate bill, I cannot urge you enough to put Senator Sweeney on there.

Mr. Vieria: He was actually on the first bill, when it was under a different number. Those bills didn’t have a lot of sponsors because it went so quickly to Transportation and Budget. Every sponsor came from COST; because it left Codey’s office so fast, we said we don’t need sponsors. We had about 21 votesThere were about 21 Senators, between Budget and Appropriations, who said they would vote for this when it comes up. We did not know it would be held up in the Senate.

I should mention that I have a good rapport withIn November or December, Assemblywoman Sheila Oliver. In November or December, herOliver’s Health and Human Services or Health Committee is going to hold a special hearing on the state paratransit in Trenton. We don’t have the date yet, but it will be late November or early December. I will let the Commission know.

Chair Miller: I have a suggestion. I do represent the State Association for the Offices on Aging and they are very interested in getting something done. I was thinking it would not be difficult to organize a phone or e-mail communication to Legislators that need to be reached. Not from NJ COST or from us - they know what we’re going to say - but from the people.

Mr. Vieria: Our Advisory Committees, especially, actually make the phone calls for us.

ChairMiller: Again, it needs to be coordinated.

Mr. Thebery: We have to be very clear that this is not a raise. This is bare-bones maintenance, this funding. This document, on what the anticipated results are and the impacts for the counties - this blew me away. They have done just about all they can do.

Mr. Vieria: When it was originally introduced, it was to increase transportation. However, now, I have changed that wording to say “maintaining transportation.” At this point, it may not even maintain last year’s level, it may just maintain a part of it. Originally, we had been looking for an increase. That is no longer the case.

Mr. Thebery: I’ll go to the Governor’s office with you later.

Chair Miller: Thank you for your report, Michael. I’m glad you had more time. What you said was summarized well. You had a lot of information. The question about what the effects of the decreases in transportation mean for the counties - it was very well put. Thank you.

The statementdocument that Jim Thebery mentioned was put together by NJ Transit,. I would suggest that we update that because what I’m hearing from Paratransit is that we can probably get through 2009, but 2010 is going to be a real issue. So I think people have to know that.

**Presentation by Mr. Robert Koska**

Mr. Robert Koska, Administrator of SCDRTP, Director of Local Programs (Minibus) Support in New Jersey Transit, was introduced by Chair Miller. Local Programs (Minibus) Support is basically an office that oversees SCDRTAP funds, and several grant programs that are passed through to local transportation providers..

LR notes: ADA Services Capital Planning and Programs

Distributed notes for his presentation, which will show the funds per county, the reduction The ”Senior Citizen & Disabled Resident Transportation Assistance Program Annual Report and Public Hearing, July 2009", was distributed to all in attendance.

Mr. Koska: The SCDRTAP Report shows the funding reductions anticipated in 2010 versus their allocations in 2009. It shows, by county, how many vehicles the counties have reported in their fleets, how many rides they provide, and an example of trip purposes that they report to us. The Casino Revenue Fund is only one of the multiple-funded sources that can be stitched together to form their budget, it will show you what percentage the CRF make upin their budgets. and You will see the wide variation from county to county.

It will help this Commission understand the uniqueness and the good thing that we have in NJ with these services. I have had the opportunity to travel to other parts of the country and communicate with other state transportation coordinators. What we do here in NJ is not unique in purpose, but the scale on which we provide services is not seen elsewhere in the country. In most parts of the country, when they get awards for good transportation, they are talking about the three miles around the town in which they operate, not the other end of the state. In terms of how valuable these programs are, and are recognized nationally, the Federal Transit Administration Administrators recognized Warren County’s system as the Best Rural Transit System in the country. What makes this unique for an urban state like New Jersey, is that a few years earlier, Ocean County also received the FTA Administrators’ Award. So of all the thousands of rural systems in the country, for New Jersey to have been recognized twice is significant.

Middlesex County was awarded, in Washington earlier this year, the FTA’s “United We Ride” Award for their efforts at coordinating an efficient use of services under the United We Ride Program. Michael Vieria and his resourceful executive committee at NJ COST were awarded, in June, the State Organizer of the Year Award.

President Obama specifically mentioned Essex County’s Night Owl Services as an example of a transportation program done well. It is important to recognize that outside of New Jersey, these programs are consistently recognized as being what the rest of the country would like to have. To not find the funding to keep them going is a shame, because this is something that is working and working well.

NJ Transit has worked closely with NJ COST over the years in offering training to the counties. One of the reasons New Jersey does well is because we have tried, at the state level, to instill and encourage training for the various types of transportation operators. The most important part of the transportation service is the driver. The driver is the front line - the person the customer sees most often - and to make sure those drivers, as well as schedulers, dispatchers, the management, can avail themselves of proper training is important. It’s also important, and we have stressed the need over the last couple of years, to develop coordination plans. You can’t move forward in this environment without a blueprint of what your goal and mission is. What’s important to you in terms of services? To identify and prioritize them so that, whether there is lots of money or less money, you know what your goal and focus is. All 21 counties since 2007 have developed those plans.

We have worked closely with Rutgers and the National Transit Institute to establish a website at www.njcttp.org. That’s the New Jersey Community Transportation Training Program. Under the “United We Ride” tab, there is a link to all 21 counties’ plans (except Camden, which is temporarily unavailable). Obviously we can’t, from the state level, train the thousands of drivers that exist in the state. But the counties have been able to utilize the Casino Revenue Funds to have training in-house. It is very valuable.

One of the activities we co-sponsor with N J COST is the New Jersey Paratransit Rodeo, which is a driver competition. We just celebrated the 25th anniversary of that. The first Driver Paratransit Rodeo in the country was in New Jersey. Now every state has Driver Paratransit Rodeos. There’s a National Paratransit Rodeo. New Jersey sent two drivers there. The driver from Cape May placed in the top five. So training is important.

I also wanted to put into context that the report here comes here from the applications the counties submitted to us for the current upcoming year. It shows you that, in 2008, the county systems provided 4.4 million rides.

That’s the most ever provided. So it’s hard to discuss budget cuts when it looks like they’ve provided more rides. But there’s a lag in reporting. In 2009, the counties have had a significant cut in services, I wouldn’t expect the ridership number to increase.

Michael touched upon the fact that, in 2009, many of the county systems have been able to get through by doing various things. The coordination and planning process has really helped in that we have brought in, in some cases, efficiencies such as technology, routing, and scheduling software - as far as we can go. The counties have also diverted some of the funds they would have used for capital into operating, so as not to have cuts in service.

Although I can get better numbers to address the question of vehicle fleets, there are a little over1,000 vehicles in the county fleets. And Michael’s statement that vehicle life is seven years is a reasonable number. That would mean that counties would need to replace about 140-145 vehicles per year. A minibus, at the low end, probably costs $50,000 a year. So that means if you were just replacing minibuses at a rate of 140 a year, you would need about $7 million in capital. And that’s probably a little low.

 This year, there were stimulus dollars available under the Federal Transit Administration’s Rural Transportation Program, and New Jersey used those rural stimulus funds to purchase, or are in the process of purchasing, vehicles for the county systems. It will probably bring in about 40-45 new vehicles. Bids opened last week and were low and we may be able to buy more. But that helped offset what is going on in terms of capital this year.

I’ve appeared here before and, basically between coordination efforts, upgrading technology, we are exhausting what we can see on the horizon as other funding opportunities for capital. Starting in January, when the counties begin to use their 2010 dollars, we don’t have any more tricks up our sleeves.

We are going to continually look for ways we can maximize operations. For instance, the Governor, in 2007, issued an Executive Order which created an Executive Committee with the Department of Human Services to look at better ways to coordinate transportation in the state. They continue to meet and under another Federal program were recently awarded a new grant. The new funding will allow the hiring of another person and to help the Committee and move the process along. The Executive Committee has an interdepartmental meeting monthly.

One of the issues we have looked at in trying to better address coordination in several counties is that of volunteer drivers. One reason to develop a volunteer driver program is if we‘re losing drivers or funds. It works in other parts of the country. It works in at least one county very well in New Jersey. It is difficult right now in New Jersey to develop volunteer driver programs, because we have laws on the books that for purposes of insurance, discourage people. We are hoping the Executive Committee recommends changing existing laws to allow liability insurance to be made available in a cost-effective manner to encourage volunteerism.

We have also been working with the Division of Developmental Disabilities, as well as the Voorhees Institute of Transportation, to develop a website called New Jersey Find A Ride. It’s not officially up yet. If you type it in, you will get something, but the information in it is not what we want it to be. We were looking for one website where anyone in the state, a transportation provider or a consumer, can look up and see what’s available. So if I just moved to New Jersey and I didn’t know how to get a ride, I could go onto this website and find the transportation I needed. The information available would include transportation from a non-profit group in my municipality, the county, or NJ Transit Access Link. How to reach them, what kind of trip purposes they serve, their hours of operations will be available. In the fall the Department of Human Services will kick off something similar to that website. It will have information for the seven southern counties. We’re hoping to later expand the project up through the rest of the state, based on the response we get from the initial introduction.

We’ve also looked at developing a travel training program through NJ Transit Access Link. New Jersey Transit stopped funding the travel training program directly in-house. The travel training program has since gone on and incorporated, to become its own business. Their services are now available to any agency. Middlesex County has taken advantage of travel training. They offer several classes to riders on the county paratransit system .

That’s the level of coordination of services that we’re trying to maintain. Where they said, “You’re calling our van. You called for a ride.” We responded, “There’s a bus that parallels the destination you want to go to. So you need us to go the doctor’s office. You don’t need us to go to the supermarket, because there’s a bus that goes by your house.” If you’re afraid to take the bus, or you don’t know how to take the bus, or you don’t have the income to take the bus, we would like to have you to sit in on a travel training class. We will show you how to take the bus. We will see if you can be enrolled in our County Transportation Subsidy Plan. The subsidy plan can give you a pass to take the bus, because that will free up a seat on the van for someone who really needs that ride.

I say we’ve been looking at all the avenues there are and trying to maximize the efficiency of the services. That has been our focus, because there have been decreases in the last two years. If the decreases continue, at some point, we would need to start looking at how counties would have to cut services. Based on the decreased revenue in Atlantic City for a third and most likely a fourth year in 2011, we know we’re almost at that point where people are going to have to make decisions about what services to cut. As a general rule, these decisions will have to be made at the Freeholder level.

When the staff considers how they provide transportation services, they look at the trip purposes. One of the wonderful things about the New Jersey transportation services is that it’s a much broader array of trip purposes than in other places. Trips are not only to the doctor or dialysis, but to the supermarket or a recreational activity. Some of the county systems are seriously looking at “life essential trips” versus “life sustaining (enhancing) trips.” At some point, if you have to reduce drivers or reduce hours on the road, you have to start to choose: Do you go to dialysis or radiation therapy? Or do you go to the corner grocery store? Those are the difficult decisions that I, at the state level, will not have to make. Many of the people in this room who are providers are going to have to start making those choices. Many programs started out as nutrition programs in the 70s, and they’ve grown to be much more than that.

So that’s what I wanted to share with you today. I wanted to impress on you that these programs are fairly unique in their scope. They are widely respected nationally. The Casino Revenue Funds have been the glue that has held the various federal and other state funding sources together. The CRF has allowed these systems the flexibility they need to be a whole system that serves the needs of the community . They are getting very close to the line where they will need to dissect what has taken 25-30 years to build.

Mr. Thebery: I am looking at these figures here with the medical, the employment, recreation, education, and nutrition trips. The pages aren’t numbered, but it’s almost toward the end of this document. I am looking at the Southern Region. For all of the regions, I am struck by how high the number of nutrition trips is. Let’s say, in Mercer, you’ve got 15,000 for medical but you’ve got over 40,000 for nutrition. In Monmouth, there were 64,000 medical and 30,984 for shopping. Certainly, transporting these folks is helping the economy, I would say.

The other thing I wanted to clarify, as a Member of the Transportation Advisory Board for Bergen County, a point on used vehicles. What’s the old adage? “Used vans never die. They are given to other people, to allocate, to Fort Lee.” Certain people will put in for them (the used vehicles). They don’t all get them. Could you expand on that a little? Because people don’t realize - that non-profits are benefitting from this.

Mr. Koska: There are two aspects to that. One, Bergen County actually did some of that with the vehicles that they were ready to move on. There is a Federal grant, which my office called the Section 5310, and agencies apply. In Bergen County, they historically did not apply for vehicles for their own system. Instead, they said, “We work closely with the various municipalities. We’ve identified and prioritized the various towns or non-profit groups, that should receive the vans. In essence, they lessen the load on the county system.”

For instance, there is a very good municipal system in Mahwah that has received equipment through this federal grant program. Bergen County said that Mahwah is way up at the northern end of the county, by the New York state line. To go from Hackensack, where our offices are, up Rt. 17 especially during some parts of the day when there’s heavy traffic, that’s a whole 45 minutes that we can’t be doing something. So for people that need a ride in the immediate area of Mahwah, we work with them and they can apply for the vehicles. If we get a call in our central office from someone who just needs a ride to the doctor, we’ll refer to the call to Mahwah. It’s part of the coordinating and planning process where we’re asking people how to best maximize the resources they have. Bergen County is a good example because it’s such a big county and has so many municipalities. That program brings in about 45 or 50 vehicles a year.

Ms. Torok: Has this report been given to the Legislature? May I share the report with Senator Wiznewski and his staff?

Mr. Koska: Absolutely, yes.

Ms. Torok: Madam Chair, this Impact Statement that was put together for us is a fabulous synopsis.

Chair Miller: I would like to recommend that we get an update on the Impact Statement. You’re talking about a time before the counties even experienced cuts. Now that we are looking into two years - to 2010 -and three years, at least, to 2011, their answer to that Impact Statement might be much more critical.

Mr. Thebery: Tell them candidly that things are much worse now.

Ms. Torok: This is a beginning statement. It’s gotten much worse in the last couple of months. There will be more information coming. But this in itself is rather devastating.

Chair Miller: It is upsetting to me to hear that we are at the point where we have to consider “life essential” and “life sustaining” trips. It’s unfortunate that you have to classify the trips this way, and that you would have to deny trips based on any kind of classification. Even saying “nothing but medical” and, also, the coordination piece. It’s good to coordinate, but all of these do represent phenomenal effort. “Get off the bus, and then go on on the NJ Transit bus and go to the city. And then we’ll pick you up in the city.” Those kinds of efforts sound good, but as for what they mean to the client and to the system, I think we have to consider carefully.

I will just give you the experience of Cumberland County. The transportation system was, for a time, “zoned”. They said “We’ll take Bridgeton, Vineland and Millville. We’ll take this area on Monday, this area on Tuesday...sounds very good, very efficient, as if you were going to cover the whole county. What happened, though, is that all those areas that were zoned for one-day a week hardly got any ridership until it became a comprehensive system.

Just take medical - it’s easier for the system to say that, “We’re not taking you shopping because it’s not the day today. We don’t do that any more.” It’s easy for the system to say that, but it’s hard for clients, because they don’t get their trips. The point is that all those barriers to services are not necessary. You could easily take someone shopping because they are right next to the doctor’s, but you are refusing that trip. So there are advantages of providing services in a coordinated system where you can go anywhere for different purposes. If you are going to put barriers up or prioritize, the priorities have to be tempered with something that says “space available”. If we’re going somewhere, and there’s room on the bus, then take them. As opposed to its not the shopping day, it’s not the shopping priority. It’s not medical day and you have to go across the county to get to the medical day there, you can at least drop a person off. In our county, the way we have been able to maximize trips and be more efficient is to be more comprehensive.

Mr. Koska: The southern counties don’t prioritize because that’s what makes for a better system, but I was just reporting some of the feedback we’ve gotten. Probably a more likely scenario is, which I didn’t mention and I know through the Office on Aging planning section that I sat in earlier this year, as well as through the Governor’s Task Force, people will probably look at how can they can - if they have a few less drivers and therefore they can provide less service and hours, you start to look at “What are the least productive hours?” Probably what we hear especially from the Disabled community, although also from the Senior community, is, “It sure would be nice if there were evening and weekend services.” Those are the services more likely to be cut back because there is less ridership (on weekends) than on weekdays. That’s probably a stronger scenario in some cases because of some of the complications raised with: “How does one sort through when are you going to start cross-examining people on the phone when the phone is ringing?” All of these things are being kicked around.

One more comment on the coordination piece. Sometimes coordination is “When you don’t have any money, let’s work together.“ Then you name all these sources, and it’s a little muddy sometimes. The results you have sometimes are not tangible. But it’s always good to coordinate. There are two areas of coordination that really need to be looked into as far as tangible results that we get in funding. We’re going to be looking at a report from the Medicaid program which provides medical trips to Medicaid clients. They report that their resources used for this purpose to be in the area of between $70 and $100 million this year. I think that coordination is warranted in terms of having the county systems more easily and more smoothly integrated into the Medicaid system. In some counties it’s easier to do a Medicaid trip, in others it’s more difficult; while some counties have chosen not to do it. There’s a lot of potential in having a way to have the county paratransit system ease into the Medicaid trips with the least difficulty, and to take advantage of this funding opportunity.

The other part of coordination is the kidney dialysis transport. We all know what the kidney dialysis issue is. The other side of that coin is, “Where is all the money?” All the money for kidney dialysis is going to dialysis treatment. So why haven’t the kidney dialysis providers, and the hospitals, and the people who are providing that service, why aren’t they contributing to the transportation service? I think that might be something when we say to our providers, we can’t do it. We’ve been able to manage so far, but the counties are starting to refuse that trip. When you get to that point, I believe, the providers are going to kick in, because they’re going to lose a lot of business if they can’t get the people there. I think there’s a way to key into that.

Mr. Tyrrell: In the report, you mention the New Jersey and Independence Program. You mention it is available in seven counties. Which seven counties?

Mr. Koska: I don’t want to misspeak, so I can get this information to you. I think it was mostly in the Mercer County area.

Mr. Thebery: Barbara Small spoke to my advisory board yesterday. I met her counterpart - Douglas, I think his name is. They’ve just come into Bergen, I think they were there in Mercer.

Mr. Koska: In some counties here, this works with NJ Transit and with our Access Link program. It worked with Access Link customers in seven counties initially.

Mr. Tyrrell: That helps us with our other agendas about how do we get more funding for transportation. By knowing that these are populations in certain districts and how do we expand this? It’s a good program. It’s one of our goals that we need to encourage.

Mr. Koska: And because it’s a travel training program, from NJ Transit’s perspective, it ties in with the Access link Service. There’s a correlation: where we have a lot of bus service is where we want to have travel training. We wouldn’t be doing it in Hunterdon County. I can get the specifics that we have. Of course, now that Barbara (travel training business) is a free-standing business, any county is free to contract directly with her and not wait for NJ Transit to (do so).

Ms. Ramos: For the counties that have very limited transportation, like Hunterdon County, I find that there is very little coordination of services. For example, there is no Access Link Service in Hunterdon County. There is only one NJ Transit bus line that I know of that goes regularly through Hunterdon County. For years, I was told that there were none. It goes through the top of the county - but it doesn’t count according to NJ Transit because it’s called a “commuter line” rather than the other designation. I know People with Disabilities who want to go from, say, Whitehouse Station, which is right near the bus line, right near the train station, so they can go from their house (or the train station) to Raritan Valley Community College, which is right on the route. They were refused Access Link services, because Hunterdon County doesn’t qualify, and it’s a NJ Transit route that doesn’t qualify.

As long as there are barriers like that, that really violates the intent of the ADA travel access for counties like ours. And where the county is getting away with not really providing much service at all to the whole northeastern quadrant of the county - even though there has been a massive buildup in that area. I now live in a special needs complex in that area and only one person gets LINK service regularly. Everybody else has been denied. What can be done either by consumers, or politicians, or lawsuits to take the worst parts of New Jersey, where transportation is not there and bring it up, even under these terrible economic conditions?

Chair Miller: Why is Access Link not in Hunterdon County?

Mr. Koska: I’ll define the program as best as I can since Access Link is an area that I have knowledge of. Under the Americans with Disabilities Act, the complimentary paratransit service is to provide service for those that cannot access the public transportation system up to 3/4 of a mile on each side of the bus route. So if you take our bus routes and draw little lines around them 3/4 of a mile in, those are the service areas. If you couldn’t access the bus, this is the service area that the bus operates in. You could be a resident that lives outside that 3/4 of a mile, but Access Link would not pick you up unless you were actually within the 3/4 of a mile. There are some examples of counties where they picked people up and brought them within 3/4 of a mile so they could use the Access Link services.

Your question is, in a place where there’s no bus services, there’s no Access Link. The other question being the commuter routes. The ADA does allow an exemption for commuter routes. The ADA is a law that’s been with us for a while. At the time, local buses served the local community, but there was not the opportunity at the time for buses to be made accessible as they are now. So the commuter routes were exempted. The next question would be, and I don’t know enough, about each individual bus route. Could you ask New Jersey Transit to reconsider part of a run? They classify commuter service. A bus route can be more than a commuter run - if people are getting on and off the bus along the way. If the bus route were serving certain kinds of facilities , maybe that would somehow make it eligible for Access Link service. For that, you would need to work with the manager or director of the Access Link Service. Ronnie Siriani is Director of ADA Services Department for NJ Transit. The ADA Services Department falls under Joyce Gallagher.

We’ve talked about the Casino Revenue Funds dropping. I know Access Link Service has been going through some of the same issues as well. The NJ Transit budget was allocated $69 million less than it was last year. There certainly hasn’t been an expansion of Access Link Service, because there hasn’t been an expansion of bus service.

There are several studies going on at New Jersey Transit in northern and northwestern New Jersey to see if the existing routes still serve purpose. You have to do that, because the bus route that has been running since 1960 on a particular street might not be where people live 30 years later due to new developments, new office buildings and facilities. So they’re going through that process now to see if some bus service needs to be restructured. My suggestion would be to go through our ADA Services and see if there are some routes currently classified as commuter, that at least parts of those routes could be considered part of a local bus service.

Chair Miller: If there are no more questions, thank you very much. I have a couple of comments about the situation we are in now. I want to let everybody here know that we have determined that the fiscal year is over for 2009, which would be the basis of the Casino Revenue Fund allocation for 2011. The figures for transportation allocation are in your packet from the Casino Control Commission. In addition, there is an estimate from Brian Francz, staff from the Office of Management and Budget, of the revenue figures and transportation allocations for 2011. You can almost project the cuts by looking at the transportation allocation in the CRFAC Annual Report on page 9. The reduction in funds in 2011 is similar to the first reduction that was received in 2009. Where are we and where will we be in 2010 and 2011? The repercussions can be fairly well predicted with the information we have before us today.

One item I want to state clearly is that in advocacy, we have one avenue that is very important - the Legislative Budget Hearings. Hopefully, before these hearings occur, the passage of A2046 and S1820 will have occurred. If not, then I would suggest that the Commission and everybody here who is interested in transportation testify at the Senate and Assembly Budget Hearings. We understand as a Commission how important those hearings ar and the small window of opportunity for speaking at those hearings. There is a two to three week window between the announcement of the hearings and the actual filling up of the roster. The Commission does get the hearing schedule from the Office of Legislative Services as soon as possible. Of course, it is an ongoing request from the Commission.

Thank you all. We will proceed with our business. We have a follow-up to the Medicaid transportation Services Report.

Ms. Ramos: As per the Commission’s request, I contacted Mr. Steven Tunney, who is the Supervising Medical Review Analyst of the Department of Human Services, who gave a presentation with Mr. Richard Hurd, who is the Administrator of Contract Compliance, Division of Medical Assistance and Health Services, Department of Human Services, about the new Logisticare Medical Transportation Services program. There were specific questions that Chair Miller wanted to clarify. I produced this little chart, which is a little difficult to read but it was the best I could do with the information that he gave me. I summed up some of the information at the bottom of the page. The type of transport was livery transportation, which he had estimated at the meeting to be between $30-35 million. The number of trips for that he didn’t have. For MAV transport, he gave me the figures which are in the top of the chart, which add up to a little over $51 million, and provide almost 1.5 million trips, which was a little less than he said in the meeting (which he thought was around $60 million).

Chair Miller had asked for the emergency transport piece. Apparently, there’s not one emergency transport piece; there are three categories of emergency transport. There’s non- emergency ambulance transport, there’s emergency speciality care transport which is more expensive, and then there’s a standard emergency transport. In addition to the cost of the transportation, including the cost of the drivers , and the vehicle, and any escorts needed, there are mileage fees that the providers get reimbursed. The codes for the ambulance mileage fees is the same for each of the three types of ambulance transport. So he was unable to ferret out how much precisely it costs for each type. The non-emergency ambulance had 189,000 trips for a little over $9.5 million. The specialty care transport had the least number of trips but it’s the most expensive, most medical labor intensive type of trip. That had 3,687 specialty care trips, at a cost of $1,262,608. Part of that $5,679,370 for mileage fees goes to each one of these ambulance categories. I do not know, and he did not say, what the difference is between the speciality care emergency transport and the standard emergency care transport was, exactly, but there are many more times the standard level of care transport.

The total ambulance came to almost $24 million providing 278,000 trips. MAV trips were $51,361,000 with almost 1.5 million trips. And livery transport was $30-35 million. In addition, Logisticare was covering Essex and Hudson County’s livery transportation; as of July 1st, that was being phased in. He said that Atlantic County was being added to Logisticare livery services soon. A couple of other counties have indicated interest, but have not opted into the program yet.

Chair Miller: Thank you. How do these figures rank with the livery at approximately $30-35 million and so the figure is about $105 million for the total medical transportation for Medicaid transport?

Ms. Ramos: I’m not sure that’s the total. I asked him about additional trips or costs, because in the RFP that went out (I put into the previous minutes how you could get to the RFP) it gave very specific types of transportation parameters, requirements for drivers, training, and costs. Logisticare does the MAV and some of the ambulance; they also have to be able to provide for air transport and I don’t know how that gets added in. And so I’m thinking that the budget is more than $105 million. He was always very vague about how much they had in there in addition

Chair Miller: I will ask Medicaid to follow-up. I am interested in the livery services and their costs and trips. Because I think that’s more comparable to the county transportation.

Ms. Ramos: The closest estimate I found were Exhibits A and C, which are not in everybody’s package. If you go to the website you can find them. It gave some of the information they gave to Logisticare for how to respond to the RFP: how many rides would be needed per county, and by what type of service needed whether managed care, fee for service, county, and this other chart which provided the statewide eligibility groupings and count for the statewide Medicaid program. So that was the most specific information I could find, which was not exactly what you were looking for but it was the closest I could get.

Chair Miller: Thank you. We got a lot of excellent data on the Medicaid transportation program and a lot of that is due to the expert minute-taking by Laura Ramos and her efforts to obtain details. We have already gone through A2046, S1830 and the budget projections, so we will move on to the website activities. The Commission is making headway on a website and Tracy will report on that.

Ms. Tracy Wozniak-Perriello: I was able to obtain the original version of the prototype that was created a few years back from the tech server. It should be reviewed, the data has to be updated, which is currently in the process of being done. And, hopefully when all of the revisions are made, we can look forward to finding a home for it and getting it posted.

Chair Miller: We have gotten the reports of the Commission back to 1983 (the original report), the original Casino Study Commission report chaired by Senator Costa. We’ve got that scanned. We’ve got the Technical Report that came out in 1996 under John Tergis - that was an excellent report and it is also ready for inclusion. From there, we have the Commission Reports from 2004 to 2009. It is relatively easy to get the minutes of meetings since they are all on computer. We also have bios of Commission members that we attempted to get about three years ago. I will follow up with individual Commission members about their bios. I really think we are progressing on this now. I’d say after about three or four years, since former Chair Don Boeri started the work on this. Is there any further old business?

Ms. Ramos: I have one small point of old business: the State library update. I checked back with Deborah Mercer, and as of this point, on the State Library website, you can either check out copies, or go on-line and get copies, of the 2004-2009 Commission Annual Reports, the Abstract of the three Public Hearings, and the transcripts of the Public Hearings. To access these documents on-line, do the following:

1. Go to www.njstatelib.org/CyberDesk

2. Click on “Library Catalog” button on the left side of the screen.

3. Select “Title Keyword” search and type in “Casino Revenue Fund Advisory Commission”.

4. A list of all the CRFAC documents comes up. Click on the title of the document you want to see on-line. A detailed description of the document is provided. To see the full document on-line, click the web address listed after “Electronic Resource”.

5. Then you can review the document on-line or print out as you need.

Chair Miller: We have will move on to new business now - an update on the situation from the Casinos. Mr. Tyrrell, do you want to handle that?

Mr. Tyrrell: Thank you, Madam Chair, for putting that on the agenda. There have been some press stories over the last two months or so in regard to the racetracks in New Jersey, and the viability of expanding gaming in New Jersey, and there is a campaign by the Horsemen of New Jersey to expand gambling at the racetracks. The Casino Association, and the Governor of New Jersey came up, a few months back, with a Governor’s Commission on Horse Racing in New Jersey. He appointed folks who are either in the Casino Industry, the Racetrack Industry, the Sports Authority, the Office of Economic Growth, and, I think, the Casino Redevelopment Authority to come up with a study of how horse racing is here in NJ, and what impacts gambling at racetracks could have on Atlantic City, and from the point of view of this body, how it impacts the Casino Revenue Fund. A lot of folks are noticing why our revenues have been going down over the last couple of years, for one the bad economy and the recession. Atlantic City is having a perfect storm - an economic tidal wave of declining revenues, based on smoking bans here in NJ and on increased competition from New York, Pennsylvania, and Delaware.

In 1977, with voter referendum approval, casino gaming was to be exclusively in AC . There are folks who are pushing now to expand slot machines into the Meadowlands for the sole purpose of having that revenue go directly to Horsemen for purse supplements and breeding. There are a lot of legal disputes going on now about whether that is a constitutional issue or how do we handle it. What is the future of the Horse Industry? What are we doing with gaming in New Jersey? Some people are trying to commingle horse betting and casino gaming in Atlantic City. The state had the foresight, and the voters had the foresight, to make Atlantic City a destination and resort to bring redevelopment to Atlantic City. The purpose of the Casino Revenue Fund was to create revenues for the PAAD program and for transportation services for the Disabled and Seniors.

There was an article submitted in your packet regarding this topic. Our Casino Association is taking a strong opposition to expanding gaming outside of Atlantic City for a lot of economic reasons. One, expanding gaming outside of Atlantic City will violate the New Jersey constitution. Also, putting gaming outside of Atlantic City will cannibalize the Atlantic City model.

The reason Atlantic City has been successful for the last 30 years, and why we’ve had such good growth, is because of the investment we’ve made back into Atlantic City. Even though the revenues have been stagnating and declining, we’ve noticed that the properties that have done well, or have maintained decent revenues, are those casinos that have invested back into their property. An example would be the Borgata recently in 2003 . There’s a new casino coming - Revel. When Revel opens, that will produce more revenue to recover what we’ve lost from the Sands Casino, which was imploded a few years ago. So right now we have eleven casinos. We will have twelve, hopefully, by the end of 2011. There will be more casinos based on growing the Atlantic City market.

So there are certain agendas out there in New Jersey - of the Horsemen of NJ, the thoroughbred, the standardbred, the Sports Authority - for trying to save the Horsemen and have the direct revenues come from the slot machines, not from horse betting. This Commission that the Governor set up was basically to come up with alternatives. Alternatives don’t necessarily mean endorsing slot machines at the Meadowlands. It may come up with some other new way to attract customers to bet on horse racing. Mind you, horseracing does not pay state tax. There is no tax settled on horse race winnings, or Horsemen in general. So, basically, they are an industry that was left over from previous legislatures and the constitution, and they are not under a taxation code the way we are. We are dedicated to helping the transit programs. So there’s going to be an ongoing debate, and I think this body should consider what we take and what things we should have about protecting the Casino Revenue Fund.

Obviously, I am a Casino Representative and we are going to protect what happens to Atlantic City because of the amount of investment. We still believe that Atlantic City can grow. The numbers we are seeing are a result of national trends. Looking at Las Vegas - they are also having negative numbers. Any other regional destination - Orlando, Florida, or Disney, or another tourist destination - we are all feeling that hurt. We know it will turn soon, and once it does, Atlantic City will have good growth and the Casino Revenue Fund will increase.

So right now we’re in a very tight economic time and people are looking for new revenue. But the true intent of this horse commission is trying to help a group of horse owners that isn’t really paying toward the Casino Revenue Fund.

The other obligation of the Casino Association is that we have 40,000 direct full-time employees in Atlantic City that could be impacted by it. So the additional income tax paid by people who work in Atlantic City, and the corporate tax which we pay, are vital to what we do, how we grow the market, how we grow the Casino Revenue Fund. We do have vendors in 21 counties of New Jersey. People don’t know what we are doing with other businesses in the state. So there’s an economic argument about what we do with the racetracks and how it impacts the CRF. It will be a hot topic in the next few months. The New Jersey Horse Racing Commission is charged with submitting a report similar to ours to the Legislature and the Governor by June 2010 to make a recommendation. The recommendation could be slots in the Meadowlands, it could be Internet betting for horses, more marketing done by Horsemen, or attracting people to the track to place bets. Be careful what happens in the media, what we see in the newspapers. It’s an examination of what to do with our racetracks in NJ, and the intent of the Horsemen is to put in slots or VLTs - video lottery terminals - to drive up revenue to pay for purses and supplements.

To add to that, in previous Legislatures and with previous Governors, the Casino Association was forced, in order to avoid slots at racetracks, to come up with a supplement agreement between the Casino Association and the Horsemen. Currently, that supplement is $90 million over three years that goes directly to the tracks to pay the purse supplements for the horses. So, currently, they are being supplemented by our industry. That’s $90 million that should be going into the Casino Revenue Fund, to be quite honest. But that’s what past Governors and Legislatures asked us to do. This will be part of the debate, as well. So, when we think collectively as a group, as an Advisory Commission to the Legislature, we’ve got to consider those other supplementary agreements to subsidize horses, even as we are looking at revenues that are falling and trying to find more money for transportation.

Chair Miller: When you say that money should be going to the CRF - does that $30 million per year reduce the CRF?

Mr. Tyrrell: No, it is totally separate. If the Casino Association had an extra $90 million to bring customers to Atlantic City to spend more, it would drive up revenue. These are things we are noticing with other competition. I know we have people here from Bergen County who have the Meadowlands in their backyards. They look at Yonkers. We can’t control what happens in PA or NY. We can control what happens here. What drives the CRF is a successful healthy AC.

You will see this Commission debating. You’ll see studies. There’s a news article where the Casino Association criticized the Rutgers’ equine study, which was done by a doctor who had her doctorate in zoology, not a doctorate in economics. There are going to be those kinds of typical mud-throwing debates, when we should really evaluate what our needs are. What we are charged to do? Once we have something formulated, I will bring it to the group.

I encourage people from this Commission to attend the Governor’s Horse Racing Commission. I think it’s a good avenue to see what the other side is pushing, and how do we understand and protect the CRF, because we are all under tough economic times and budgetary issues. The timing of this new Commission report goes right in front of the Budget. We are also going to be dealing with our own budget issues.

This special Commission was done by Executive Order. It wasn’t done by the Legislature. To let you know the composition of that Commission, there are appointees from Senate President Codey, Speaker Roberts, and Governor Corzine. There are two people from the Casino Association, two folks from the Horse Racing industry, governmental bodies that oversee this, and two public members appointed by the Governor. So it’s a balanced group, but they are all trying to figure out what is the future of horse racing and why are horse racing revenues going down. Are people going to bet horses or are they going to play slots? If they go to play slots and you put them in a northern market, then that money will not be coming to AC, and that will hurt the Casino properties. Looking at the conversation about the future of AC , we have someone building a new casino at the northern end of the Boardwalk, and at the southern end we have someone who can’t meet their mortgage payment. We are in a very tight time, but we know that keeping Atlantic City as our gaming destination will keep the Casino Revenue Fund strong.

Chair Miller: Are you on the Horse Racing Commission?

Mr. Tyrrell: I am not, but there is a Harrah’s representative. I also work for Harrah’s Entertainment. Another colleague of mine, David Satz from Harrah’s, is also on that Commission, as well as Mark Juliano, who is from the Trump Organization.

Chair Miller: Did you say there is no tax on the horse racing industry, as there is a tax on the casino industry? So, if they got slot machines, there would be no tax on the slots?

Mr. Tyrrell: The debate is now saying that there would be a dedicated tax for the General Fund to directly subsidize the horse industry - for breeding, for races, purse supplements. That doesn’t necessarily include just New Jersey horses; it would pay for out-of-state horses. They don’t have a tax, but this is part of the debate.

Chair Miller: One good consideration would be to have it be part of the Casino Revenue Fund.

Mr. Tyrrell: That’s one, but there are two separate difficulties. It’s a constitutional issue. There are two separate industries. Just like the Lottery is separate from the Casino Revenue Fund. The Lottery is dedicated for their special purposes - for education, Seniors , and Veterans. We cannot assume that lottery bettings are the same as Casino Revenue bettings. There are three separate issues here. We have to change our constitution and our model to excise a tax on horse racing. It could be introduced in the Legislature, but it would probably require a constitutional referendum to do so - the way a constitutional referendum had to be enacted for casino gaming in Atlantic City.

Mr. Thebery: Does Las Vegas have this issue?

Mr. Tyrrell: Las Vegas is a different model, but their taxes are dedicated to the General Fund. Three hours away - in Reno, Nevada - three casinos have closed, out of business. If you know how big Nevada is, and where Reno is in relation to California, it is a similar distance from Atlantic City to Bethlehem or Yonkers. If we are not being cognizant of how we handle the New Jersey regulatory environment for AC, then we could have a situation similar to Reno.

Mr. Thebery: How about the racetracks in that area?

Mr. Tyrrell: They don’t have racetracks in Nevada. There are some models in states that have increased horse betting. I can talk about what ideas might save horse racing, besides adding slots to the horse racing industry.

Chair Miller: Can you go on to the November 20th Commission meeting?

Mr. Tyrrell: I offered to host a tour of Atlantic City at our next meeting on Nov. 20th. The one thing I think is special is for the Commission Members to take a tour of AC to look at the properties, to look at the level of investment. To see what’s happening on the the boardwalk, what’s driving revenues in AC. To understand how we market to get customers to come down. Right now we’re competing with Pennsylvania and New York. I will come up with a site; we will have transportation provided. We will probably visit three or four destinations. Who is doing well, where we need to go, the other things that have been added as amenities that help the Casino Revenue Fund grow. That will all be part of the Nov. 20th meeting.

Ms. Ramos: So we do have the 20th of November at the Casino Control Commission?

Chair Miller: Yes.

Ms. Ramos: Given that we are going to be talking about understanding gambling and the gambling industry, and at how Atlantic City is changing and developing - looking at the economic development, is it possible to have some expert also talk to the Commission while we’re down there about how the new technologies are affecting the industry? I know there are pushes for Internet betting and legalized sports betting. I don’t know all the other ways where technology could be changing the way gambling is being run, and how that could affect AC in New Jersey.

Mr. Tyrrell: We will have Joe Corbo, President of the Casino Association, come address the Commission, someone from the Casino Control Commission, someone from the Inspector of Gaming, who monitors gaming all over the world and talk about how technology changes usually produce more revenue. Most of the technology changes are on the surveillance and security issues - identifying people who try to cheat the gaming, people who are felons who shouldn’t be there, those issues. That’s where usually some of the technology questions come in. We work with the Casino Control Commission closely about regulatory changes to upgrade the technology questions. The gaming law was written in 1977-78, so we’re operating on the “quarter slot” mentality, as opposed to the new slot machine that is basically a downloadable computer now. It provides a more efficient way of tracking the dollar, instead of having the coins dump out of the machine into a bucket. Now it’s really electronically driven. What they call “ticket in/ticket out” technology, where people have a card with credits and it’s submitted later at the cashier’s desk. It’s much easier to track.

Table game technology has also changed, but it’s all subjected to regulatory approval. What you see in Nevada or Mississippi may not be the case in New Jersey. When you hear people talking about Internet poker or gambling, that’s something that’s regulated at the Federal level.

Chair Miller: I would like us to touch on some of those subjects, but I don’t want us to get away from our emphasis on the programs of the Casino Revenue Funds. I think that’s a good idea, but for a two-hour presentation, that might be too much.

Mr. Tyrrell: What Laura is asking for is how is technology helping the fund?

Chair Miller: I think there are some issues we need to keep on the table, like PAAD.

Ms. Ramos: In some of my research on the gaming industry, they start using some of these high-tech terms, and they are not all interchangeable. You can’t necessarily sort out which of the proposed types of gambling should be considered for New Jersey. I know the State has joined in on a lawsuit to open the State up to sports betting. How would that affect everything, because Delaware has just enacted sports betting?

Chair Miller: If Joe does arrange for Mr. Corbo to come, then some of these questions could be prepared ahead of time.

We’re almost to the end of our meeting. We have PAAD developments. By Nov. 20, we will be in a very different situation. We will know who our new elected officials are, and we will have an update on A2046/S1830, and maybe see how that can be encouraged.

Our next thing is PAAD developments. It received a little bit of attention when Brian Francz indicated that there would be a savings to the budget because there were cuts in PAAD . The PAAD cuts we were talking about at that time were that PAAD was no longer covering drugs that were not covered by Medicare D. (The medication must be on your Medicare Part D Plan to be covered by PAAD). According to our pharmacist consultant, that was a huge potential reduction, because it eliminated what was called a “wrap-around rule” for PAAD. I asked, “Isn’t it covered under other sources, under Medicare B?” He said, “No, there are a lot of people that that would affect.” I think we should monitor that. Anything that’s only $2-3 million, that causes so much aggravation, should be looked at. A lot of people are no longer getting the drugs they need. We have to keep in mind that PAAD was here before Medicare D. The purpose of PAAD therefore, should not be to supplement Medicare D: PAAD’s purpose is to provide drug coverage to Seniors and People with Disabilities.

There is an appeals procedure, another change I believe, in PAAD that allows someone, while they are making their appeal, to be covered. Does anybody know? I’m getting the information that the appeals procedure was changed so that you would not be covered until it was determined that you do or don’t get the drugs. I did talk to Brian about that and he said that, with the new rules, when it says I’m covered, it means I’m covered. If that’s the case, then that’s two major changes, possibly, so I’d pursue that, unless someone else wants to pursue it.

Ms. Ramos: The appeals procedure is very difficult. I had one drug that was not covered; I was told that I had to buy this other drug that gave me a bad reaction. I had to wait a week - not have my medicine for a week! It’s outrageous that the appeals process would have such a long delay. It was for a medication that helps me breathe. Some people could die without their medication for a week. The appeal is not with PAAD, the appeal is with your Medicare Part D provider. If they do not cover the medication, then PAAD won’t cover it either.

Chair Miller: So what I’m leading up to is that, if we save hundreds of millions of dollars in PAAD, you can provide $5 million in additional transportation funds. Why do they keep cutting PAAD benefits? It’s

$7 million here, $3 million there. I say that is something the Commission needs to hear about. It may be a good idea to ask Kathy Mason, Director of the PAAD Program, a Pharmacy consultant , and possibly a PAAD recipient for January meeting. We will take that up in the future. Is there any other business?

I have one comment about how we receive meeting materials. We have a procedure where we all get packets. It hasn’t been working out that way. We have a pretty strong quorum and a pretty strong response to the e-mail method, so I would like to change that procedure to say that initial presentations to Commission members will be by e-mail and hard copies will be available at the meetings. Is that a problem with anyone?

Ms. Ramos: I have a question. Right now we’re supposed to be getting it in writing and ahead of time? So, now we will get everything via e-mail ahead of time and hard copies at the meetings?

Chair Miller: Yes, and if you wish to have a hard copy prior to that meeting, please make that request to the staff.

We have a motion by Ms. Torok to adjourn the meeting; it has been seconded by Mr. Tyrrell. With that, the meeting is adjourned. Thank you all for coming.

Respectfully submitted,

Laura Ramos, Secretary

Casino Revenue Fund Advisory Commission

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