

NEW JERSEY CASINO REVENUE FUND
ADVISORY COMMISSION

Department of the Treasury – PO Box 211, Trenton, NJ 08625

January 30, 2005

New Jersey General Assembly
State House
PO Box 098
Trenton, NJ 08625-0098

Dear Assemblyperson:

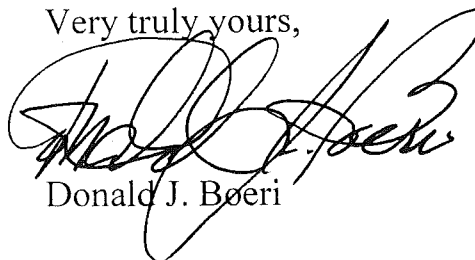
Immediately attached find our 2005 recommendations to the Legislature. Your time is valuable and the report can be read and absorbed quickly. We include a statement narrative in support.

Recent new legislation has increased the Casino Revenue Fund and in turn provided us the opportunity to recommend much needed additional funds for senior and disability services, without negatively impacting any existing programs.

The Advisory Commission takes their responsibility to the Legislature seriously. We need you, our elected representatives, to provide the leadership necessary to implement our monetary concerns into action. Nothing is too good for your senior and disabled constituents!

Let us together make tomorrow a better New Jersey for our less fortunate sisters and brothers.

Very truly yours,

A handwritten signature in black ink, appearing to read "Donald J. Boeri", is written over the typed name. The signature is stylized with large, flowing loops.

Donald J. Boeri

2005 Casino Revenue Fund Advisory Commission Annual Report

Additional funding recommendations in this report require the utilization of Casino Revenue Funds (CRF) of no more than 10.12 million as follows:

A. Meals on Wheels allocation increased	\$ 2,000,000.
B. Transportation increased from 7.5% to 8.5% [Note #1]	\$ 3,500,000.
C. Safe Housing and Transportation doubled	\$ 1,000,000.
D. Adult Protective Services increased	\$ 1,000,000.
E. NJ Office of the Ombudsman increased	\$ 1,200,000.
F. Jersey Assistance Community Caregiving for services	\$ 2,000,000.
G. Office for Disabled Legislation	\$ 420,000
	<hr/> \$10,120,000.

Note #1: The NJT Transportation increase could be increased by including all CRF in lieu of a % increase! *All of the above program recommendations (except E and F) were included in the FY2005 recommendation report.*

Each of the programs recommended to be funded is **essential** to the well being and support of the elderly and disabled (unless otherwise noted) 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 the 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 Casino Revenues.

The Commission presents its recommendations to the Legislature in good faith that the recommendations will be seriously considered. It is certainly feasible, in this climate of budget cuts and cost savings, to implement these recommendation in view of increased funding beginning in 2003, and the savings and revenue anticipated to reduce the obligation of Casino Revenues in other areas. With this in mind, these recommendations of the Casino Revenue Fund Advisory Commission are presented for consideration and implementation in the upcoming 2006 fiscal budget year!

The forgoing is respectfully submitted to the New Jersey Legislature and to the Governor for their review and consideration. These are the recommendations of the Casino Revenue Fund Advisory Commission.

Donald J. Boerri
Chair

Misono I. Miller
Vice Chair

Kay Nest
Secretary

2005 Annual Report of the
New Jersey Casino Revenue Fund Advisory Commission

Submitted to:

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

January, 2005

By:

The Casino Revenue Fund Advisory Commission

Donald J. Boeri, Chairman
Misono I. Miller, Vice-Chair
Kay Nest, Secretary

Assemblyman Francis Blee, N.J. Dist. #2
Assemblyman Douglas Fisher, N.J. Dist. #3
Dennis Gomes
David J. Rosen
James Thebery
Enid Torok
George Vassiliades
Elizabeth Vosskaemper

Annual Report of the New Jersey Casino Revenue Fund Advisory Commission

In carrying out its mission, established pursuant to section of 145 of PL 1977, c.110 (C.5:12-145), the Casino Revenue Advisory Commission presents this Annual Report to the Legislature, having met regularly in the 2004 year to discuss matters pertinent to the programs funded by the Casino Revenues. In the 2004 year presentations were made to the Commission on specific programs funded by the Casino Revenues from representatives from NJ Transit, the Division of Developmental Disabilities; the NJ Dept. of Health and Senior Services; and the Dept. of Human Services, Division of Disability Services.

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. A summary of the programs, (included in Exhibit I) was prepared by Commission Chair Donald Boeri, and summarizes the data collected, showing that the Casino Revenues funded programs documented 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 increasing cost of 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 ½ 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 2003 Ocean county conducted a survey which resulted in determining that more than \$6000.00 annually per dialysis client will be necessary and a 'no waiting list' policy will require funding in excess of the present budget. Camden County has also prepared survey findings on dialysis transportation needs and their relative costs (See Exhibit IV) .

In addition the Commission recommends the evaluation of available resources for transportation funds in conjunction with the Federal Evaluation on New Jersey Transportation, which assesses the 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 \$40.00 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. This study should be conducted by the Department of Health and Senior Services or other major State Department, with appropriate participation of agencies involved in the issue, including NJ Transit, the Council on Special Transportation (COST), paratransit providers, dialysis providers, the NJ Hospital Assn, County Offices on Aging, and County Offices for Disabled. A cost analysis would be useful in working toward a fair reimbursement policy.

- 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

- E. **The New Jersey Office of the Ombudsman for Institutionalized Elderly** has been a very successful program for seniors, but is not currently funded by the Casino Revenue Funds. The Office of Ombudsman consists of a staff of 28 dedicated professionals. More than half of the staff consists of Field Investigators, both registered nurses and law enforcement personnel. Complementing the staff is a volunteer team of 450 persons who are essential in assisting the Office in monitoring institutional activities and preventing abusive situations. The system is geared to protect the institutionalized elderly. The Office may not respond to the concerns of the disabled under the age of 60.

Currently there is a great need that this service is extended to the disability community that presently utilizes institutional care. Additional funding would expand services to seniors and add a new service component for disabled, ensuring younger disabled of a safe and secure environment for the 1100 facilities in New Jersey over which the Ombudsman Office has authority to protect the residents.. On average, some 4,000 yearly cases are investigated, while the number of staff remains minimal for the vastness of the territory. Further, the advent of Pain Management therapies and considerations in care in nursing facilities further add to the potential protective authority of the Ombudsman representatives. In addition, more facilities are anticipated through the expansion of the Alternate Family Care Program, in the Governor's initiatives on behalf of improving the long term care network. Elderly and disabled in these Alternate family care facilities need the assurance and protection of the Ombudsman Office in their homes, with the understanding that each home placement is unique, differing in the ultimate care and environment provided.

Additional funding would also bolster the volunteer network in the Counties that are overseen by the Ombudsman Office. Sufficient support and recruitment activities, training, and staff are anticipated with additional funding. Volunteers provide the regular and personal contact to institutionalized elderly and disabled that ensures that these patients or clients are not alone and isolated. They have the potential to raise the awareness of institutional staff to the personal needs and concerns of the patients, and to provide a consistent means of communication needed, especially for those with no family or regular visitors.

The addition of \$1.2 million to the existing budget of \$1.8 million for the support of all activities of the Ombudsman Office, is therefore recommended by the Commission. The Commission makes this recommendation with the stipulation that Casino Revenue Funds are to be used for additional resources to the current Ombudsman Office, not as a replacement of existing State revenues that support this program. An expansion and addition to current services including a new initiative for the disabled community is the intention of this recommendation

- F. Access to home and community services is an essential factor in delaying or reducing the onset of costly institutional care in the quest by elders and disabled to remain independent in their homes or in the community. These services promote health and well-being and are at the crux of the objectives of the Offices for the Aging and Offices for Disabled in

their advocacy efforts on behalf of home support services for their constituency. One of the programs that has been initiated by New Jersey in the past several years, the **Jersey Assistance Community Caregiving Program (JACC)** is now operational in all 21 Counties providing home and community based options in the area of home care, respite, care management, chore services, adult day care, accessibility adaptations, and other support services in the home. The JACC program currently serves only those in their homes who are age 60 and over.

The JACC program is totally supported by State funds in the amount of \$10 million in service dollars. There is a waiting list of recipients in every County. The uniqueness of JACC is its ability to serve those persons who do not qualify for the Medicaid program. According to the State Division on Aging, this program received no increase in funds for the past several years (fiscal years 2003, and 2004, and 2005) to meet the increased need and demand for services. The Commission recommends that Casino Revenues support the JACC program for additional services to be provided to the senior population over age 60 and to open up services to the disabled in their homes to have access to this program. Replacing current State funds supporting this program would pose no benefits to the client population. The Commission recommends that such additional funding from the Casino Revenues be used only for additional service dollars for the JACC Program to increase the amount of funds allocated for services in each County, since the networks for the implementation of the program have been established. The addition of those who are disabled and under age 60 would also be a noted improvement anticipated from the infusion of Casino Revenue dollars.

I. 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)

II. 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. Funding from the Casino Revenues to support PAAD actually decreased by \$4 million from State Fiscal years 2003 to 2004. It is noted that not all savings realized by PAAD are realized by the CRF. Further, additional savings from the implementation of the Medicare Prescription and Modernization Act will likely result in a savings of \$90 million for the 2005 fiscal year for the Medicare Prescription Discounts alone! When the Medicare benefits are fully implemented in the year 2006, savings of \$260 million annually are predicted. The savings to be realized by the PAAD program, which is primarily supported by Casino Revenue Funds, could easily fund these recommendations being presented by the Commission. Further the lawful intent of the CRF to fund new and additional programs of health and transportation would be realized.

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 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 should be used to bolster programs to meet crucial needs of elderly residents.* Instead savings to the fund have been used to replace support for senior and disabled programs that were previously the obligation of the general State Revenues. Therefore, no additional or new programs were created as a result of having Casino Revenue Funds replace this support. The Commission recommends that the use of Casino Revenue Funds to replace funding formerly provided by other sources, be noticed, monitored, and assessed as to the intent of the Casino Revenues per the New Jersey Constitution which specifically states in Article IV, Section VII, D., that "Casino Revenues should be applied solely for .. (various purposes)..and additional or expanded health services or benefits or transportation services."

In 2003, new taxes were imposed on Casino parking, hotel rooms, and casino comps, (which was rescinded gradually) resulting in some \$75 million deposited to the CRF. The Casino Revenue Fund Advisory Commission strongly urges support and implementation of our suggestions for FY 2006 and beyond.

The Commission recognizes that Ms. Misono Miller, Vice Chair of the Commission and Director of the Office n Aging of Cumberland County, significantly contributed to the current report. The

Commission further acknowledges the assistance of all Commission members in the preparation of this report.

III. Conclusion

The recommendations in this report for additional funding require the authorization of Casino Revenues of no more than \$10.120 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
NJ Office of the Ombudsman increase	1,200,000
Jersey Assistance Community Caregiving for services	2,000,000
Office for Disabled Legislation-	<u>420,000</u>
Total	\$10,120,000

Each of the programs recommended to be funded is 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 2006 budget year.

Respectfully submitted,

Donald J. Boeri
Chairman

Misono I. Miller
Vice-Chair

DJB/MIM/lmc

c. Honorable Richard Cody, Acting Governor