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Good afternoon, Chairwoman Buono and members of the Senate Budget Committee. Thank you for providing me an opportunity to testify today. I know that it has been a long day and a difficult budget process, so let me jump right into the most important budget issues and numbers.

Let's start with the most important numbers. In FY09 the Legislature appropriated a total of \$17.130 million for the department's operations. This year, that number drops to \$16.834 million, a reduction of 2 percent. I should point out that this reduction comes on top of a 20 percent reduction in the last fiscal year, from \$21.5 million appropriated in FY 2008.

Of the \$16.8 million contained in the Governor's budget for the Public Advocate and Child Advocate, \$5.8 million come from the industry assessment for Rate Counsel and not the general fund. We also receive federal funds for the Office of the Ombudsman for the Institutionalized Elderly.

Of the \$11 million that comes from the general fund, \$4 million is dedicated to the constitutionally mandated representation of individuals in civil commitment proceedings.

Over this two-year period, the cuts in our budget have come almost directly from the elimination of staffing positions.

Because of this administration's hiring freeze, the Department's staffing level, including the Office of the Child Advocate, has declined from the proposed fiscal year 2008 level of 227 to the current level of 172.

In order to deal with the significant reduction (24%) in our staffing level, the Department consolidated its Division of Elder Advocacy and its Division of Developmental Disability Advocacy into one smaller division operating under the supervision of one Director and with staff assigned to project work in both areas.

Additionally, the Public Advocate has assumed the responsibilities of the Child Advocate on an acting basis. This has resulted in the assumption of most managerial and administrative functions for the Office of the Child Advocate and the elimination of several high level positions within the Child Advocate.

Demonstrating our commitment to live within our means, the Department of the Public Advocate has continued to partner with the Department of Treasury to purchase administrative

services. This historic shared services agreement is the first in which a principal department of the Executive branch has met its administrative needs by contracting with another department. Treasury provides my Department with its fiscal, technology and human resource functions. This agreement continues to save taxpayers hundreds of thousands of dollars each year.

These cuts represent the Department's continued commitment to provide state taxpayers quality services as efficiently as possible. While the cuts I have described are significant, the Department is still providing the residents of this state with an entirely unique and vitally important product.

Our workload has grown, even as our staff has decreased. The roster of our projects is too long to list here but please allow me to detail a few of them. I will conclude with a discussion of the activities of the Office of the Child Advocate.

As you may have recently heard, we just completed the first part of our investigation into the discharge practices of Assisted Living Concepts Inc., which operates eight assisted living facilities in South Jersey.

Our public report on this investigation, released last week, exposed how this company pursued a policy of keeping elderly residents until they drained their life savings and then systematically attempted to force them to move elsewhere when they needed to rely on Medicaid.

Working with DHSS, which has taken aggressive regulatory action, we have been able to protect individuals who wish to remain in their ALC facility. We are involved in litigation now to force ALC to adhere to the promise made in its license application that it would not expel residents because they were converting to Medicaid.

We also identified weaknesses in the current assisted living regulatory scheme and we are advancing recommendations to better protect residents of assisted living facilities.

When I appeared before you last year, my department had just completed a year-long investigation of the lead poisoning problem in New Jersey.

In that report, we identified cracks in the systems designed to respond to this problem. When we met last year, Governor Corzine had just signed an executive order directing state agencies to remedy existing gaps in the lead poisoning prevention system and to improve and strengthen New Jersey's efforts to eradicate this problem forever.

I am pleased to report to you that during this last year, our work shifted to the local level. We developed a ground-breaking Model Lead-Safe Cities program that is taking the fight against lead poisoning directly to the communities with the most acute problems.

Each Model City enters into a written agreement with the Department in which they pledge to work cooperatively with State agencies, community- and faith-based organizations and other partners to increase the municipalities' lead poisoning response and prevention efforts.

To date, Model Cities agreements have been entered into with eight municipalities: Camden, East Orange, Elizabeth, Hackensack, Irvington, Long Branch, Newark and Paterson. Several other municipalities are preparing to join as Model Cities by July 1, namely Asbury Park, Bloomfield, Englewood, Morristown, Vineland, bringing the total to thirteen Model Cities.

Through this program, we helped cities obtain free lead inspector training and helped them apply for grants to purchase lead inspection equipment. We have entered partnerships with DHSS, UMDNJ, Seton Hall University School of Nursing, Cooper Hospital and other health care providers to develop pilot projects that provide on-site testing of children that provide immediate initial blood test results.

During these difficult economic times, Governor Corzine has made it clear that state government must do all it can to tackle issues and solve problems that have a direct economic impact on New Jersey families.

One of our newest initiatives is squarely aimed at protecting families from unnecessary economic hardship. We recently launched an education and outreach program to help tenants combat illegal eviction when the property in which they live is foreclosed.

In 1994, in a case litigated by the Department, the New Jersey Supreme Court held that a tenant who lives in a residential property that is covered by the Anti-Eviction Act remains protected during and following foreclosure proceedings.

Unfortunately, few tenants are aware of these rights and, in late 2008, the Department began to receive calls from both individual tenants and housing advocates alerting us that tenants were being pressured to leave their homes when the properties where they lived were in foreclosure.

The typical story we heard from tenants went like this: After acquiring the property through foreclosure, the lender hired agents – generally real estate professionals, asset/property managers, and sometimes attorneys – who contacted the tenants in an effort to get them to leave.

These agents would not advise tenants of their right to stay, and instead sometimes sent notices to tenants threatening eviction or warning that the locks would soon be changed. These notices demanded that the tenants make immediate contact with the lender's representative to discuss possible relocation assistance or eligibility for a "cash for keys" – all predicated on the tenants' vacating within a very short time-frame.

While these cases can be complicated, make no mistake, this is almost always completely illegal in the State of New Jersey.

Working in collaboration with the Department of Banking and Insurance, the Real Estate Commission and other advocates, we have distributed more than 13,000 brochures on this topic and have reached out directly to every mayor, sheriff and police chief in New Jersey because

they are on the frontlines in dealing with these illegal expulsions. We also have reached out to attorneys and real estate professionals. At this moment, we are working directly with about a dozen families who are wrestling with this problem right now.

In a related vein, the Department also played a pivotal role in implementing the statewide foreclosure mediation program that Governor Corzine launched earlier this year.

Staff from our Office of Dispute Resolution trained hundreds of lawyers to serve as neutral mediators. We also trained attorneys to serve as advocates for homeowners and housing counselors to work with homeowners.

In addition, we have conducted numerous mediations already. Many involved homeowners who were in the foreclosure process for some time and are facing a sheriff's sale imminently. In our Mercer County program, settlement rates between homeowners and lenders exceed 50 percent, in which the homeowner is allowed to stay in the residence, and we will work to sustain and replicate this track record throughout the state.

Also in the area of economic hardship, we are undertaking a project to examine the problem of balance billing in the health care field. As you probably know, balance billing refers to the practice of health care providers billing patients for the portion of their bill that was not covered by health insurance and which is not a co-pay or a deductible, even though the services were in network and no payment is owed. We have initiated an investigation into this issue and we are conducting outreach to a broad range of stakeholders. Through this project we are seeking to identify ways to address the burden that is placed on consumers when they receive bills for medical services that they are not obligated to pay.

In 2009 we continued our work on preventing eminent domain and redevelopment abuses. In November, we released a report on our investigation into the Mount Holly Gardens municipal redevelopment project.

This low and moderate-income neighborhood is targeted for demolition. As a result of our investigation, we recommended changes to the state's redevelopment laws to better protect and adequately compensate low- and moderate-income people who are displaced by redevelopment programs.

As you are probably aware, the Department played a key role in achieving three landmark rulings that tightened the definition of blight and ensure that homeowners and businesses receive fair and adequate notice when a community is considering the use of eminent domain for private redevelopment.

During 2008, I am pleased to report that a state appellate panel reaffirmed the constitutional rights of property owners in its decision regarding the MTOTSA neighborhood in Long Branch, the first case in which we filed an amicus brief on behalf of property owners.

Clearly, our Constitution permits the use of eminent domain for redevelopment in blighted areas, and in this case the court held that the City of Long Branch simply failed to show that the MTOTSA neighborhood was blighted under any definition.

The New Jersey courts have made it abundantly clear that under our state Constitution, eminent domain cannot be used to raze a neighborhood merely to make way for luxury townhouses and condominiums. And in this respect this decision was not just a victor for the MTOTSA homeowners but for every citizen of the state.

Another area in which I have devoted considerable effort is the issue of immigration. As you are probably aware, for the last 18 months, I have served as chair of the Governor's Blue Ribbon Advisory Panel on Immigrant Policy. I am pleased to say that the Governor received that Panel's final report in March which included a wide range of recommendations to successfully integrate foreign-born New Jersey residents.

Let me wrap up now by discussing some of our other work, and I would be happy to provide more information on any of our projects.

We recently issued a report on the problem of undocumented people who, although ready for discharge, live in state psychiatric hospitals with no prospect of release because they are not eligible for community based programs that rely in any part on federal Medicaid funds.

We also recently issued a report that recommends that the state begin to recruit more qualified staff at the state's five psychiatric hospitals. Building on a recommendations included in then Governor Codey's Task Force on Mental Illness, we reviewed the staffing levels and educational and experience requirements for direct care staff.

What we found is that none of the six direct care titles used in state hospitals include an education requirement. Most patients spend the bulk of their time with staff who are not required to have any significant training in the mental health field, and may not even have a high school diploma.

I am pleased to say that this report was well-received by the Department of Human Services which has already implemented changes in the hiring process for entry level direct care employees, called Human Services Assistants, by establishing a competitive Civil Service exam and hiring only full-time, rather than part-time, workers.

On affordable housing, we filed a brief and provided testimony before the Council on Local Mandates in support of the state's position that COAH third round rules do not fall within the Council's jurisdiction. The Council agreed.

On voting, I am pleased to report that an agreement signed last year by the Department, the Motor Vehicle Commission and the Office of the Attorney General improved New Jersey's compliance with the federal motor voter law and increased MVC-generated voter registrations.

On Beach Access, we are in the midst of our annual survey of beach fees and beach amenities on New Jersey public and private beaches. A copy of this report will be available by Memorial Day.

On Disability Rights, we continue to advocate on behalf of residents of developmental centers who are being subject to criminal charges brought by staff in state developmental centers. We are also working on issues surrounding the community services waiting list, and developing strategies for addressing this problem. This year we also will study how best to reduce or end admissions to developmental centers, except for very time-limited emergency admissions.

The Division of Rate Counsel saved consumers hundreds of millions of dollars in 2008 by protecting consumers from unjustified increases sought by utilities in their electric, gas, cable TV, telecommunications and water bills and by advocacy on the issues of advanced meters and the formula rates proposal.

In addition, Rate Counsel has been a pivotal participant in the development of the Energy Master Plan and has worked on the development of energy efficiency economic stimulus programs, making sure that these essential initiatives are fair and the impact on rates is minimized.

Finally, the Department's Office of Constituent Relations, the gateway to the department, continues to be a lifeline for thousands of NJ residents. Calls to this citizen's case management line increased by 50 percent in 2008 and we expect that trend to continue. The cases run the gamut – from helping a Grandmother receive kinship care benefits to sifting through a complicated employment tax case and facilitating a settlement that helped keep a local business open.

Please allow me to close with some updates on the Office of the Child Advocate. I have been acting Child Advocate since last summer.

As mentioned earlier, we have achieved significant economies by sharing Public Advocate resources with the Office of the Child Advocate, and eliminating a number of high level management positions.

We also have made significant progress in identifying and pursuing a broad advocacy agenda that includes expanding enrollment in NJFamilyCare. More than 360,00 dependents were identified on tax returns this year as being uninsured. I am pleased to report that we successfully advocated for creating an express enrollment form to send to the parents of those children to speed their children's enrollment. We are the first in the nation to take this step, and I am extremely proud of this accomplishment because of the impact it will have on ensuring children get the medical care they need to stay healthy. Also, as vice chair of a working group, we have helped develop comprehensive recommendations to improve retention and enrollment in NJFamilyCare.

We are currently underway with a number of other projects:

- We are assessing parent/child visitation practices and best practices for children in out of home placements;
- We are researching and developing recommended reforms for how to improve the educational stability of children in foster care;
- We identified positive detention diversion programs and recently issued a report calling for reinvesting detention center dollars in prevention and treatment efforts.
- We developed an education campaign for local officials and residents that details how community group homes are operated and the legal protections they enjoy; as we work to bring children in out-of-state treatment settings home to New Jersey, we will be asking more New Jersey residents to be good neighbors to group homes. To be a good neighbor, they will need to be informed with accurate information;
- We plan to undertake a study of the reentry experiences of juveniles who are released from secure facilities;
- We are currently researching our kinship legal guardianship practices and policies in order to identify any needed reforms;
- We are working with the federal monitor on projects to examine the delivery of health services to foster children and to assess the quality of investigations; and
- We are working with the Fatality Review Board to strengthen and systematize child fatality reviews.

That concludes the summary of our activities this year. Notwithstanding the staff cuts, it is still a substantial list.

I am proud of our record of accomplishment. And I am proud of the fact that, consistent with our statutory mandate, we have still not initiated a single lawsuit against any state agency or municipality. We have found ways to work together, to achieve our shared goals.

There is a lot more to say, but knowing time is short, let me stop there and answer any questions that you may have. Thank you again for inviting me to testify here today.