



**ANALYSIS OF THE NEW JERSEY BUDGET**

**DEPARTMENT OF  
THE PUBLIC ADVOCATE**

**FISCAL YEAR**

**2007 - 2008**

# NEW JERSEY STATE LEGISLATURE

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This report was prepared by the Judiciary Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Anne C. Raughley with background paper contributed by Jay Hershberg.

Questions or comments may be directed to the OLS Judiciary Section (609-292-5526) or the Legislative Budget and Finance Office (609-292-8030).

# DEPARTMENT OF THE PUBLIC ADVOCATE

Budget Pages..... B-11, C-20, C-28, C-31, C-33, D-339  
to D-344

## **Fiscal Summary (\$000)**

	Expended FY 2006	Adjusted Appropriation FY 2007	Recommended FY 2008	Percent Change 2007-08
State Budgeted	\$14,211	\$19,202	\$19,202	—
Federal Funds	\$800	\$1,150	\$1,150	—
<u>Other</u>	<u>\$354</u>	<u>\$1,533</u>	<u>\$1,533</u>	<u>—</u>
Grand Total	\$15,365	\$21,885	\$21,885	—

## **Personnel Summary - Positions By Funding Source**

	Actual FY 2006	Revised FY 2007	Funded FY 2008	Percent Change 2007-08
State	110	120	174	45.0%
Federal	0	2	2	—
<u>Other</u>	<u>43</u>	<u>40</u>	<u>51</u>	<u>27.5%</u>
Total Positions	153	162	227	40.1%

FY 2006 (as of December) and revised FY 2007 (as of September) personnel data reflect actual payroll counts. FY 2008 data reflect the number of positions funded

## **Key Points**

- P.L.2005, c.155, the "Public Advocate Restoration Act of 2002," re-established within the Executive Branch the Department of the Public Advocate. The Department of the Public Advocate had been abolished in 1994 and various functions were transferred to other departments within the State of New Jersey. The statute re-establishing the department and consolidating the State's advocacy activities within one department became effective on January 17, 2006. FY 2007 was the first full fiscal year during which the department was operational.
- The FY 2008 recommended General Fund appropriation for the Department of the Public Advocate totals \$19.2 million, the same level of funding as the FY 2007 adjusted appropriation.

## Key Points (Cont'd)

- The recommended budget for the Department of the Public Advocate would provide for 227 funded positions, 65 more than the number of positions filled in FY 2007. These increased positions are allocated as follows: the Division of Mental Health Advocacy (19); Division of Citizen Relations (10); Division of Public Interest Advocacy (9); Division of Rate Counsel (7); Division of Elder Advocacy (3); Division of Advocacy for the Developmentally Disabled (1); Division of Administration (1); and Office of the Child Advocate (15).
- The department consists of seven divisions and one office: Division of Administration; Division of Mental Health Advocacy; the Division of Advocacy for the Developmentally Disabled; the Division of Public Interest Advocacy; the Division of Elder Advocacy; the Division of Citizen Relations; the Division of Rate Counsel; and the Office of the Child Advocate. The Office of the Child Advocate is "in but not of" the Department of the Public Advocate.
- The Division of Citizen Relations is responsible for receiving and forwarding to appropriate agencies of the State complaints from any citizen relating to administrative action or the inaction of agencies. The division is recommended to receive \$1.9 million in FY 2008, the same amount appropriated in FY 2007.
- The Division of Mental Health Advocacy is designated as the State's mental health protection and advocacy agency. When the Department of the Public Advocate was abolished in 1994, the responsibilities of this division had been transferred to the private entity "New Jersey Protection and Advocacy, Inc." and to the Office of the Public Defender. Under the reconstituted Department of the Public Advocate the Division of Mental Health Advocacy is responsible for promoting, advocating, and ensuring the adequacy of the care received, and the quality of life experienced, by persons with mental illness, including patients, residents, and clients within the mental health facilities and programs operated, funded, or licensed by the State. The division is recommended to receive \$3.7 million in FY 2008, the same amount appropriated in FY 2007.
- The Division of Elder Advocacy protects the interests of the elderly in administrative and court proceedings and investigates and studies issues concerning the elderly. The division includes an Ombudsperson for the Institutionalized Elderly. The division is recommended to receive \$1.1 million in FY 2008, the same amount appropriated in FY 2007.
- The Division of Public Interest Advocacy reviews complaints forwarded to the Public Advocate and provides legal representation and other advocacy services when the Public Advocate deems it in the public interest to protect and advocate the rights of any group or interest. The division is recommended to receive \$1.4 million in FY 2008, the same amount appropriated in FY 2007.
- The Division of Advocacy for the Developmentally Disabled provides protection and advocacy services for persons with developmental disabilities. When the Department of the Public Advocate was abolished, the responsibilities of this division were transferred to "New Jersey Protection and Advocacy, Inc." and to the Office of the Public Defender. Under the new Department of the Public Advocate, the Division of Advocacy for the Developmentally Disabled is responsible for promoting, advocating,

**Key Points (Cont'd)**

- and ensuring the adequacy of the care received, and the quality of life experienced, by persons with developmental disabilities, including patients, residents, and clients within the developmental disabilities facilities and programs operated, funded, or licensed by the State. The division is recommended to receive \$294,000 in FY 2008, the same amount appropriated in FY 2007.
- The Division of Rate Counsel, which is funded through assessments on public utilities, provides oversight of utility and insurance rates and charges. It is charged with the responsibility of ensuring adequate representation of consumers whose interests would otherwise be inadequately represented in matters within the jurisdiction of the Division of Rate Counsel. The division is recommended to receive \$6.2 million in FY 2008, the same amount appropriated in FY 2007.
  - The Office of the Child Advocate, formerly located in, but not of, the Department of Law and Public Safety, was transferred to the Office of the Child Advocate which is located in, but not of, the Department of the Public Advocate. The Office of the Child Advocate has assumed the duties of the Law Guardian Program in the Office of the Public Defender and has the authority to represent the interests of children and investigate and study issues concerning children. It is also responsible for ensuring that children under State supervision due to abuse or neglect are served adequately and appropriately by the State. The Office of the Child Advocate is recommended to receive \$2.5 million in FY 2008, the same amount appropriated in FY 2007.

**Background Paper**

Federal Medicaid Reimbursement for the Office of the Child Advocate

p. 9

**Fiscal and Personnel Summary**

**AGENCY FUNDING BY SOURCE OF FUNDS (\$000)**

	Expended FY 2006	Adj. Approp. FY 2007	Recom. FY 2008	Percent Change	
				2006-08	2007-08
<b>General Fund</b>					
Direct State Services	\$14,211	\$19,202	\$19,202	35.1%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$14,211</b>	<b>\$19,202</b>	<b>\$19,202</b>	<b>35.1%</b>	<b>0.0%</b>
<b>Property Tax Relief Fund</b>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$14,211</b>	<b>\$19,202</b>	<b>\$19,202</b>	<b>35.1%</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>\$800</b>	<b>\$1,150</b>	<b>\$1,150</b>	<b>43.8%</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>\$354</b>	<b>\$1,533</b>	<b>\$1,533</b>	<b>333.1%</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$15,365</b>	<b>\$21,885</b>	<b>\$21,885</b>	<b>42.4%</b>	<b>0.0%</b>

**PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE**

	Actual FY 2006	Revised FY 2007	Funded FY 2008	Percent Change	
				2006-08	2007-08
State	110	120	174	58.2%	45.0%
Federal	0	2	2	0.0%	0.0%
All Other	43	40	51	18.6%	27.5%
<b>Total Positions</b>	<b>153</b>	<b>162</b>	<b>227</b>	<b>48.4%</b>	<b>40.1%</b>

FY 2006 (as of December) and revised FY 2007 (as of September) personnel data reflect actual payroll counts. FY 2008 data reflect the number of positions funded.

**AFFIRMATIVE ACTION DATA**

Total Minority Percent

Not Supplied

**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2007</u>	<u>Recomm.</u> <u>FY 2008</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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There are no significant changes within the Department of Public Advocate's FY 2008 budget recommendation.

## Language Provisions

There are no language changes recommended for the Department of the Public Advocate for FY 2008.



## Discussion Points

### PUBLIC ADVOCATE

1. The enacted FY 2007 budget anticipated savings from management efficiencies (\$50 million), information technology efficiencies (\$20 million) and procurement efficiencies (\$15 million). These savings, while reflected in the Interdepartmental Accounts section of the budget, were to be obtained from executive agency budgeted appropriations, presumably in direct correlation with identified efficiency improvements.

- **Question:** What amount of the department's original FY 2007 appropriations were reallocated to Interdepartmental Accounts as savings from management efficiencies, information technology efficiencies and procurement efficiencies, respectively? What specific efficiencies were achieved by the department that correlate to the reallocations? What adverse impacts, if any, on the output and outcomes of department programs and services resulted or will result from these funding reallocations, in the current fiscal year and as projected for FY 2008?

2. Recommended budget language would permit the Department of Public Advocate to carry forward unexpended balances into FY 2008.

- **Question:** What is the estimated carry forward balance for the Department of the Public Advocate in each of its divisions? What specific needs has the department identified which cannot be met with FY 2008 recommended appropriations?

3. The Division of Citizen Relations receives and forwards for investigation to appropriate agencies of the State and the Public Advocate, any complaints from any person or group relating to the administrative action or inaction of agencies. The division also investigates citizen complaints to determine if any governmental activities are unreasonable, unfair, oppressive, potentially discriminatory or inefficient.

- **Question:** Please cite in detail five or more exemplary cases in which the Division of Citizen Relations determined that the complaint was warranted based on its conclusion that government agency behavior was inappropriate. Details should include the agency involved, the nature of complaint, the general characteristics of the complainant, the behavior of the agency that was determined inappropriate, and the final disposition of the complaint. Does the Public Advocate believe that final dispositions of these complaints resulted in permanent reforms of inappropriate behavior by the agencies in question? If not, is there action the Legislature should consider to enhance the division's ability to produce reform?

4. As of January 31, 2007, only 16 percent of the Division of Public Interest Advocacy's adjusted appropriation had been spent. Budget evaluation data indicate that the division intends to double the number of positions from 9 to 18 in FY 2008.

- **Question:** Why has the Division of Public Interest Advocacy spent such a small portion of its FY 2007 appropriation? What increased activities is the division planning to undertake to justify the doubling of the workforce and the continuation of its budget at the FY 2007 adjusted appropriation level?

## Discussion Points (Cont'd)

### OFFICE OF THE CHILD ADVOCATE

5. The Office of the Child Advocate was appropriated \$2.5 million in FY 2007 for operational expenses. As of January 31, 2007, the office had spent \$300,000, or 12 percent of its total appropriation. Budget evaluation data indicate that the office intends to increase the number of positions from 10 filled positions to 25 funded positions, a 150 percent increase. The data also show that the Office's staff complement in FY 2006 was 23, more than double the level reported for FY 2007.

- **Question:** What is the estimated carry forward balance in this account into FY 2008? Why has the office spent such a small portion of its FY 2007 appropriation? What are the office's current priorities and goals under its new leadership? What specific activities is the office planning to undertake to justify the increase of the workforce and the continuation of its budget at the FY 2007 adjusted appropriation level? Should the Legislature be concerned that at reported FY 2007 staffing levels the office is falling short of fulfilling its statutory duties?

6. Medicaid administrative reimbursement has been obtained on behalf of certain agencies, such as the Public Guardian and the Ombudsman for the Institutionalized Elderly, based on a cost allocation plan that identifies the percentage of clients served by those agencies that are Medicaid eligible. It is highly likely that a significant percentage of the Child Advocate's work involves children who are Medicaid eligible and the receipt of federal Medicaid reimbursement would enable the State appropriation to be reduced.

- **Question:** Has the Office of the Child Advocate explored with the Medicaid program the possibility of obtaining Medicaid administrative reimbursement for a portion of its work? How many children would be eligible for this funding? How much Medicaid administrative reimbursement could be realized?

**Background Paper: Federal Medicaid Reimbursement for the Office of the Child Advocate**

Budget Page.... B-11, C-20, C-28, C-31, C-33, D-339 to D-344

Funding (\$000)	Expended FY 2006	Adj. Approp. FY 2007	Recomm. FY 2008
Child Advocate	\$1,798	\$2,523	\$2,523

**SUMMARY**

It may be possible to obtain federal Medicaid reimbursement for a portion of the work undertaken by the Office of the Child Advocate. Federal Medicaid reimbursements are currently obtained for some of the activities undertaken by the Division of Elder Advocacy, the Office of the Public Guardian and the county Offices on Aging.

The amount of Medicaid reimbursements that may be obtained cannot be determined pending an examination of financial and statistical data as to the amount of time the office spends on Medicaid related activities.

**BACKGROUND**

The FY 2008 budget recommends \$2.5 million for the Office of the Child Advocate. No federal reimbursement or revenues are reflected as part of the Office’s overall budget.

The Office investigates, reviews, monitors or evaluates all State agencies and service providers to ensure the safety of children. This broad mission would extend to the activities of the Division of Medical Assistance and Health Services in the Department of Human Services which administers the Medicaid and NJ Family Care programs.

At present, the State obtains federal Medicaid reimbursement for administrative activities undertaken by various State and county agencies with respect to the work those agencies undertake for the federal Medicaid program. Those agencies include: the Division of Elder Advocacy within the Department of the Public Advocate (with respect to the work the division does with respect to investigating abuse and neglect complaints affecting nursing homes), the Office of the Public Guardian within the Department of Health and Senior Services (with respect to the work the office does in providing various legal services to the elderly) and the 21 county Offices on Aging (with respect to the provision of various non-Medicaid services to persons who are otherwise Medicaid eligible).

How much federal Medicaid reimbursement it may be possible to obtain for the Office of the Child Advocate cannot be determined as no financial or statistical information has been provided as to the amount of work the Office undertakes that may benefit the Medicaid program. Such information is required in order to substantiate any claim for Medicaid reimbursement that is submitted to the federal government.

It is noted that of the \$2.6 million budget for the Office of the Public Guardian, approximately 37%, or nearly \$1 million represents Medicaid reimbursements.

**Background Paper: Federal Medicaid Reimbursement for the Office of the Child Advocate (Cont'd)****ANALYSIS**

As the State already obtains Medicaid administrative reimbursement for the work activities of various State and county agencies, it is highly likely that Medicaid administrative reimbursement can be obtained for a portion of the work conducted by the Office of the Child Advocate. To determine the amount of federal Medicaid reimbursement it may be possible to require the Office to provide financial and statistical information as to the amount of work the Office conducts that may benefit children who are Medicaid eligible.

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Individuals wishing information and committee schedules on the FY 2008 budget are encouraged to contact:

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