Thank you, Chairman Sarlo, Vice Chairman Stack, and other esteemed members of this committee for the opportunity to testify before you today regarding the Department of Human Services proposed Fiscal Year 11 budget. This is my third year as Commissioner of the Department and it continues to be my deep honor to serve in this capacity.

Without question, the budget choices made this year were THE most difficult. Some will reshape and reform the way government operates; others will simply impose what I hope is temporary pain until we can turn our state's economy around.

As you know, DHS is the largest state agency with a gross budget of approximately $11 billion. We currently have 5 psychiatric hospitals and 7 developmental centers – and I'm certain the proposed closure of one facility and the consolidation of another will be part of our conversation today. We are also comprised of eight divisions: Developmental Disabilities, Mental Health Services, Medicaid, Addiction Services, Disability Services, Commission for the Blind and Visually Impaired, the Division of the Deaf and Hard of Hearing, and the Division of Family Development – which includes child care, child support, kinship care, welfare, and food stamps.

A host of reductions and eliminations in all of the divisions has been proposed this year – not without real caution on our part, however, to minimize the impact upon those whom these reductions will affect. At the risk of stating the obvious, these are unimaginably difficult times in NJ – in simply unprecedented ways – and critical choices needed to be made for the state to regain fiscal stability. Any one of the more painful decisions in this year's budget can beg the question: why this particular choice? When viewed in the larger context of an $11 billion budget deficit, however, it was clear to me that the toughest ones were among the least worst decisions.

Among them included eliminating the monthly cash benefit to those General Assistance clients who are considered "employable", increasing one's contribution to care in the DD system from 75 to 100%, eliminating the Part C benefit from ineligible spouses' SSI benefits, and eliminating the cash subsidy available under Family Support in order to support the waiting list – all of these choices reduce the cash available to very economically vulnerable populations. All were made after careful consideration of other, arguably much worse choices – and with every difficult decision, we attempted to blunt its impact in some way, if at all possible.

Suffice to say that our safety net has been stretched considerably. But with the Governor's support, we were able to maintain some very vital areas:
• We are still actively identifying and enrolling all eligible children into a subsidized health insurance program. DHS administers both Medicaid and NJ FamilyCare. And while we made the very difficult decision to freeze parent enrollment and eliminate coverage for resident aliens, we did so to preserve our ability to safeguard our successful program for children.

• On April 1st we increased eligibility for our Food Stamp program from 130% to 185% of the Federal Poverty Level – so we’ll be able to reach many more people. (monthly gross income for a family of four will increase from about $2300 to about $3400). As more families grapple with lost wages and unemployment, this particular modification to the program will prove especially useful.

• And, in accordance with the US Supreme Court’s Olmstead decision from 1999, we are continuing to move individuals with mental illness and developmental disabilities from institutions, into the community with support from families and provider agency partners.

To elaborate on this last point briefly: it is as a result of DDD’s and DMHS’ increasing efforts to advance our Olmstead plans that we continue to secure appropriate housing options for those leaving the Developmental Centers and Psychiatric Hospitals – and the census in both systems has declined considerably. Over the past 4 fiscal years (2006 – 2010), we have seen a 20% decrease in the census at our psychiatric hospitals and 12% decrease in the developmental center census from 2007 to today. Therefore, it was essential that we reconfigure our systems through consolidation and closure, while mindful to preserve geographic access statewide.

Not since 1998 when North Princeton Developmental Center and Marlboro Psychiatric Hospital each closed has NJ lived through the very difficult process of closures. Olmstead, in particular, has been the catalyst for that change, and Governor Christie is supportive of people living in the least restrictive environments. As you’re aware, this budget calls for both the closure of Hagedorn Psychiatric Hospital in Hunterdon County and the consolidation of West Campus of Vineland Developmental Center in Cumberland County by June 30, 2011.

Finally, I have spoken with many of you individually regarding some of these policy decisions, or with your offices when particular constituent issues arise – and I’m fully aware that this department’s budget decisions directly impact many individuals and families in your districts. What we do together affects real people and real lives – you certainly heard that message during the public budget hearings. We remain deeply committed – as do you – to weathering this economic storm, together.

I thank you again for the opportunity to testify before you today.