

Discussion Points

Department of Military and Veterans' Affairs FY 2005-2006

FEDERAL INITIATIVES

1. In August 2004, the federal government adopted new regulations concerning how overtime pay is applied, particularly with respect to nursing personnel at State institutions. Under the provisions of these new regulations, certain health care employees may now have to be paid for overtime even if they are salaried employees.

Question: What financial impact have these new federal regulations had on overtime expenditures at the State veterans homes?

Answer: The Fair Labor Standards Act revisions to the White Collar Exemptions became effective on 23 August 2004. At present, it appears that the federal regulation changes have not impacted the Veteran Memorial Homes (VMHs) and do not effect the negotiated overtime provisions in the contracts. The VMHs are adhering to current guidance under the Administrative Code, N.J.A.C. 4A per guidance received from the Governor's Office of Employee Relations.

2. Federal enactment and federal budget proposals often impact significantly on State programs and fiscal resources. The President's FY 2006 Federal Budget has several proposals that, if implemented, may have an effect on many New Jersey veterans as well as the State's ability to operate its three veterans long-term care facilities. Part of the President's proposal would be to suspend federal per-diem payments to state-operated nursing homes for certain veterans.

Question: (a) What is the projected loss in federal revenue to the three State-operated veterans' nursing homes should the federal FY 2006 budget be enacted as currently proposed? Could the veterans' homes maintain their required 75 percent Veterans Administration eligible census under these new federal guidelines? If not, why?

Answer: (a) The potential for loss to the Homes would be approximately \$12,761,509 per fiscal year. This is based on restricting the veterans' eligibility to Priority Categories I-III with partial Category IV. Currently, veterans are admitted under all eight Priority Categories.

Currently, the three VMHs have a resident population of 812 veterans in all categories. The proposed President's Budget would cut that population to 159 residents; a net loss of 653 residents. This would equate to a population of 20% the current bed fill. A rate of 75% bed fill at current capacity would equate to 609 residents. The difference between that target and our current population of Categories III/IV would equal 450 new residents from the selected categories. There is no waiting list; there are veterans and their eligible spouses in various stages of the admissions process (including deferred admission). The loss of 653 equates to the entire population of two of our facilities. The rate of 450 residents would be equal to filling one and a quarter of our facilities.

Finally, under this proposal, the Veteran Memorial Homes would not meet the criteria for federal matching funds for construction. This means the State of New Jersey would have to reimburse the Federal Government for the cost of construction at the customary rate of 65% Federal to 35% State matching funds. This re-imbusement to the Federal Government for Vineland would be \$32.8 million (65% of the \$50.0 million total construction costs). The reimbursement for the Menlo Park Home would be \$20.5 million (65% of total construction cost of \$41.5 million prorated for 7 years of occupation). The total cost for construction re-imbusement to the Federal Government would then be \$53.3 million.

MILITARY SERVICES

3. The FY 2006 Budget proposes a State funding increase of 139 positions (page H-71) for the Department of Military and Veterans' Affairs primarily due to hiring still to be done as a result of the FY 2005 expansion for the Menlo Park Veterans' Home and the opening of the new Vineland Veterans' Home. A total of 94 of these new positions would be in the Domiciliary and Treatment program class for the three nursing homes, including 38 and Menlo Park, 17 at Paramus, and 39 at Vineland.

The FY 2006 Budget recommends the continued appropriation of \$250,000 for the Nursing Initiative (page D-297). Beginning in FY 2003, this funding was used to help recruit and retain registered nurses, licensed practical nurses and certified nurses' aides. Through the use of this appropriation, the department was able to hire a health professional recruiter to attract registered nurses, licensed practical nurses and other direct care staff for each of the three veterans' nursing homes.

Question: (a) Will the department be able to fill these 94 direct care positions, especially the 38 at Menlo Park and 39 at Vineland in a timely fashion or do you anticipate delays that may hinder the full operation of one or both of these facilities? How will the department fund the projected 17 new direct care positions at the Paramus home with no recommended increase in the Salaries and Wages appropriation?

Answer:

The Department expects to be able to fill all direct care positions.

The Paramus Veterans Home did not require a recommendation increase to fund the 17 direct care positions. The positions were part of the funded FTE last fiscal year.

Question: (b) Please itemize the expenses that the \$250,000 Nursing Initiative will have funded in FY 2005. Which of the three veterans' homes is experiencing the most difficulty in attracting and retaining direct care staff? Does the department view the Nursing Initiative as a temporary program and if so, when will the need for this program expire?

Answer: Of the \$250,000, approximately \$70,000 is for the recruiter salary, \$35,000 is for advertising to recruit nurses for nurse scholarships/tuition reimbursement, and \$125,000 is for nurse education bonuses, longevity bonuses, and scholarships/tuition reimbursement.

The remaining \$20,000 is used to purchase retention items for direct care (i.e. RNs, LPNs, CNAs) personnel. These items are used in conjunction with recognition programs at each Home.

The most challenging home to recruit and retain quality nurses is the Paramus Home. The primary reason is the State's salary guide. The facility is in a high cost of living area and has much competition in the immediate area from the many health care facilities in close proximity to the Paramus home. It is imperative that this nursing recruitment program continue. There will always be a need to recruit and retain direct care personnel due to the nationwide nursing shortage. The only way to ensure that the Memorial Homes always have the quality staff required is to retain a highly qualified and successful recruiter on staff.

4. In FY 2005, the Legislature appropriated \$2 million for the construction of a World War II Memorial. However, the department estimates total design and construction costs at \$4 million. The memorial will be located in Trenton at Veterans Park, across the street from the State House and is scheduled to open on Veterans' Day 2005. Newspaper accounts report that the Casino Reinvestment and Development Authority may contribute \$1 million towards the cost of the memorial.

Question: What other sources of funding for the World War II Memorial have been identified or secured? Has the Casino Reinvestment and Development Authority formally approved the \$1 million pledged to this project? If not, what is the process to secure this funding? Is the memorial still on schedule for a Veterans' Day 2005 opening?

Answer: The current estimated design cost of the WWII Memorial is \$4.8 million. In addition to the two million dollar state appropriation, the Department received a pledge from CRDA for one million dollars. Their board of directors has approved this amount and must hold a public hearing. The funds will be transferred to the Department following the hearing.

The Governor signed legislation on March 28, 2005, which gives the Department the authority to assist the NJ World War II Commission in raising the estimated \$2 million needed to complete the project and we have begun corporate, organizational, and individual solicitations by mail. The goal of dedicating the memorial on Veterans Day 2005 was an ambitious plan that assumed we would have received fund raising authority sooner we did. Assuming that fund raising goes well, we are hoping to dedicate the memorial on Memorial Day 2006.

5. The FY 2006 Budget recommendation includes only \$175,000 for Capital Construction projects. This recommendation would fund the replacement of four HVAC systems at the Paramus Veterans' Memorial Home. However, for FY 2006, the department had requested \$4.7 million for eight projects. This request included \$2.3 million for roof replacements at several armories and the chapel of the General Doyle Cemetery, various buildings at Sea Girt and at Veterans Haven. Although Budget language appropriates receipts derived from the rental and use of armories for the operation and maintenance of those facilities, these receipts are generally not used for Capital Construction improvements.

Question: (a) Does the FY 2006 Budget recommend sufficient funding for capital construction projects? Is any federal funding available for these capital construction projects?

What other funding sources has the department identified that could be used to finance capital construction projects?

Answer: The New Jersey Capital Planning Commission fiscal 2006 capital recommendation was \$2,650,000; comprised of \$2,325,000 for roof replacements, \$175,000 for replacement of the HVAC at the Paramus Veterans Memorial Home, and \$150,000 for fire alarm upgrades also at the Paramus Home. The final fiscal 2006 budget recommendation is \$175,000 for the replacement of the HVAC system at the Paramus Veterans Memorial Home. With the exception of dedicated projects (WWII Memorial and Paramus All Purpose Addition), the Department currently has virtually no capital monies to support major repairs to the armories.

The Department conducted a survey in November 2003 that identified and ranked 40 facilities with roof leaks. A program was implemented to address the 10 worst facilities to accomplish roof replacements and initiate design contracts with architectural firms. Funding requests were submitted during the last two budget cycles to obtain roof replacement funding. The facilities identified include funding ratios of 75% federal/25% state match (Toms River, Cape May, Sea Girt, Lawrenceville), 50% federal/50% state (Atlantic City, Teaneck) and 100% state (Veterans Haven, BG Doyle Cemetery).

The replacement of existing flat roofs with pitched standing seam metal roofs at armories are funded at a ratio of 75% federal/25% state. The replacement of existing flat roofs in kind are funded at a ratio of 50% federal/50% state. National Guard logistics facilities (which does not include armories) are funded at 100% federal.

The Department has identified the potential use of armory rental monies to support state match to capital projects.

The Department has approved applications to the VA for 65% of the costs for fire alarm system replacement at Paramus, HVAC replacement at Paramus, All Purpose Room at Paramus and emergency generator at Vineland. The Department received a grant from the VA for the electrical upgrade at Veterans Haven.

Question: (b) Please provide a breakdown of the receipts the department has collected in the past five fiscal years through rental of the armories. Have rental receipts been used for any Capital Construction projects at the armories and if so, what types of projects were funded from these receipts?

Answer: Prior to January 2002, armory rental monies were used to fund additional FTE. Since March 2002, DMAVA used armory rental receipts in accordance with existing appropriation language. Attached is the lease payment by location for each of the past five years. In summary, the amount paid to date for FY05 is \$954,947; for FY04 was \$1,321,085; for FY03 was \$1,273,827; for FY02 was \$1,067,531; for F01 was \$1,118,810 and for FY00 was \$1,089,030. The Department has averaged approximately \$1,170,000 over the past five years in rental revenue. **(See Attached Lease Payment Summary)**

Based on a review of the expenditures in FY03, FY04 and FY05, there were three occasions where revenue funding was used on projects.

In FY03, there was a \$95,000 expenditure for a fire suppression system at Cape May. In FY04, there was a \$300,000 expenditure to replace the windows and repair the parking lot at Toms River. In FY05, there was \$200,000 to replace the rear deck (leaking roof area over the basement) at the headquarters.

6. The FY 2006 Budget recommends the realization of \$500 million in revenues from the sale of State assets. The Department of Military and Veterans' Affairs maintains 38 armories (33 housing National Guard units) throughout the State.

Question: Has the department determined which armories are still useful and productive and which armories may be considered for sale? If so, which armories, if any, has the department recommended for possible sale? Please provide an estimate of revenue that would be raised through the sale of each of these armories. Would the federal government be entitled to a reimbursement for previous expenses incurred should the State sell surplus armory facilities? If so, what is the estimated amount the federal government would be entitled too? What, if any, is the estimated costs for environmental cleanup of armory property as a condition of sale?

Answer: There are 31 armories housing National Guard units. The Adjutant General established an Armory Realignment and Closure (ARAC) Working Group in December 2003 chartered for savings and efficiencies in operations of National Guard armories. The ARAC considered state mission requirements, age of facilities, demographics, reversion clauses, force protection, affordability, fire and life safety requirements and joint use of facilities with the Army Reserve.

The ARAC established an objective rating methodology that considered the following factors:

- (1) Installation Status Report (a federal program identifying the condition of facilities) that rated 16 common building components (site, parking, facility exterior, loading dock, lobby, administrative areas, stairs, corridors, bathrooms, utilities, arms vault, kitchen, supply storage, classrooms, assembly hall and vehicle maintenance.
- (2) Revenue and Operating Costs
- (3) Recruiting
- (4) Force Protection
- (5) Site size
- (6) Code compliance
- (7) Joint use
- (8) Environmental
- (9) Sale Value

The ARAC Group met several times and ranked all of the National Guard armories considering the factors outlined above. A recommendation was made to the TAG in April, 2004 for the closure of seven armories phased over a three year period.

There are ten properties owned by the Department containing reverter clauses. The deeds provide for a return of the property to the grantor when the property is no longer being used for military purposes.

The first year closure list identified the armories located at Pitman, Phillipsburg and Plainfield.

Pitman has a reverter clause for the property and is currently being processed by the Statehouse Commission. The Department is currently doing environmental monitoring of the site as a result of the removal of underground fuel oil tank. The Department is considering the application of in-situ chemical oxidation to ultimately obtain a No Further Action required letter from the NJDEP. It is anticipated the cost of the treatment will be approximately \$100,000. There is no payback anticipated to the federal government for facility construction or improvements.

Phillipsburg also has a reverter clause and has been appraised with a fair market value of \$895,000 for improvement. Phillipsburg is currently conducting its own appraisal of the facility. The Department has remediated the hazards associated with radon gas at the facility but will require monitoring. Sampling is required on a bi-annual basis at a cost of \$1,400 per testing cycle. There is no payback anticipated to the federal government for facility construction or improvements.

Plainfield was appraised with a fair market value of \$1,000,000 in September, 2004. The removal of site contamination was previously completed and it is anticipated a "No Further Action" letter will be obtained from the NJDEP upon submittal of the final closure report (estimated to cost \$4,000). There is no payback anticipated to the federal government for facility construction or improvements. The Department will be submitting a real property request to the Statehouse Commission for excess disposition shortly.

The closure list for the second year (Newton and Woodstown) and for the third year (Burlington and Newark) has been held in abeyance pending a review of the force structure changes for the NJ Army National Guard. It is anticipated the force structure review and subsequent stationing plan will be completed by the end of the year.

7. In January 2004, the Department of Defense began gathering information about its installations as part of the 2005 round of Base Realignment and Closure (BRAC). The department will use BRAC to reduce unnecessary infrastructure and to increase military capability and effectiveness.

The department's list of base closure and realignment recommendations will be submitted to the independent BRAC Commission no later than May 16, 2005, as required by law. At that time, the Secretary of Defense must publish in the Federal Register and transmit to congressional Defense committees and the Commission, a list of the military installations that the Secretary recommends for closure or realignment.

By September 8, 2005, the Commission must transmit to the President "a report containing its findings and conclusions based on a review and analysis of the Secretary's recommendations." The President would transmit to the Commission and to the Congress "a report containing the President's approval or disapproval of the Commission's recommendations" on or before September 23, 2005.

Within its boundaries, New Jersey has eight major military bases and one major contracting facility (Lockheed Martin's Naval Electronics and Surveillance Systems - Surface Systems plant near Moorestown, New Jersey). Military spending in New Jersey contributes to over 98,000 jobs and \$4 billion in income to State residents, a recent Rutgers University report found.

For the past several years New Jersey has retained the services of a private consultant to represent the State before BRAC and the United States Congress. Additionally, the Governor's Commission to Support and Enhance New Jersey's Military and Coast Guard Installations was established to help in this effort.

Question: Please detail the actions that the consultant and Commission have taken over the past year to help New Jersey protect each of its eight major military installations. How would the department describe the State's readiness to represent itself before BRAC? Which military installation is the most vulnerable to closure? Please provide a summary of the activities the consultant performed on behalf of New Jersey in FY 2003 and FY 2004 and the amounts billed for these services. What is the estimated amount that the State will expend in FY 2005 for these consultant services? How much is recommended in the FY 2006 Budget to retain this consultant?

Answer: Work with each military community to ensure each is organized and prepared

- a. To retain the military base (keep it off the closure list);
- b. To identify and address risks to the military base;
- c. To identify and pursue opportunities to strengthen/expand the base before and as a result of BRAC; and
- d. To develop re-use strategies in the event of closure or realignment.

Snapshot of FY 2005 Activities:

- Daily collaboration with Governor's Office, Governor's Commission, community groups and communities to develop relevant strategies, base-specific PowerPoint presentations to the Pentagon, and talking points.
- Visited all seven communities, met with military council leaders, and provided them an outline of how and motivation to organize to prepare for BRAC.
- Continuous telephonic and electronic follow-up with each community.
- Disseminated information on BRAC activities to all community group and Congressional representatives, including Commission nomination updates, relevant legislative activity, and Pentagon actions that may affect individual communities.
 - Successful in establishing base support groups at each of New Jersey's military installations.
- Reviewed base closure criteria, reviewed excess base infrastructure study, and spoke with each military council leader to discuss and assess risks.
- Continuous telephonic and electronic follow-up with each community.
- Disseminated information on BRAC activities to all community group and Congressional representatives, including Commission nomination updates, relevant legislative activity, and Pentagon actions that may affect individual communities.

- Rhoads continues to hold quarterly all-hands on deck Congressional MLA meetings to discuss statewide strategies and stress collaborative communication and activity.
- Spoke to meeting of all members of the NJ Congressional delegation on the status of NJ in BRAC 2005, and continue to have daily/weekly follow-up with members and their staff.
- Assisted in prioritization of state-wide and individual community MilCon.
- Assist communities with Washington contacts/Pentagon visits, and trips when requested.
- Serve as liaison between all members and the Pentagon.
- Coordinate Congressional support of NJ's statewide efforts, including, but not limited to,
 - Highlands legislation
 - In-state military-friendly legislation (tuition bill, etc)
 - Atlantic City Air Guard lease concerns
 - Warren Grove incident
 - Air Guard statutory BRAC limitations
- Vetted community briefings through Hill offices, and often served as intermediary between community groups and Member's offices
- Successfully encouraged Members to advocate for bases not specifically in their districts (i.e. Saxton- Monmouth)
- Worked with individual members to determine press and community reaction to any possible closure.
- Suggested questions for hearings related to BRAC and excess capacity hearings.
- Assist communities with Washington contacts/Pentagon visits, and trips when requested.
- Serve as liaison between all members and the Pentagon, specific highlights include successful visits by Picatinny and Monmouth community groups to Phil Grone, Deputy Undersecretary of Defense for Installation and Environment, and Director of Industrial Base Policy (at-time) B.J. Penn; and Assistant Secretary of Army Geoff Prosch.
- Review ongoing personnel changes and appointments, and analyze relevance to New Jersey efforts and installations.
- Specific focus on BRAC Commissioner appointments and BRAC staff appointments in 2005, including suggesting Commissioners, vetting backgrounds and New Jersey ties with state and Congressional reps.
- Suggested hearing questions for BRAC Commissioners hearings.
- Regular interaction with Admiral Gaffney, Pat Brannigan, and Wayne Girardet to stay abreast of evolving BRAC issues, and coordinate with ongoing community activities.
- Provided Governor advice on key issues/strategies for Governor's BRAC Commission.
 - Assisted in the communication, legislation, and organization of the appointments to NJ BRAC Commission
 - Attended all Commission meetings, and briefed Commissioners on activities in Washington, including those in coordination with Governor's office and community groups.
 - Regular coordination meetings and phone calls with Commissioners, and Commission Chair Admiral Gaffney
 - Serve in ex-officio capacity on Governor's Commission, consulting on commission activities; advising on potential actions; and reviewing all documents for strategy, accuracy, consistency, and "play in Washington".

- Disseminate Commission recommendations to key Hill and Pentagon staff.
- Advised Governor's staff and Commission on BRAC delay issue.
- Serve as key liaison between Governor's office, Commission, and all Hill staff.
- Produced specific advice for proactive activities for Governor on New Jersey's R&D installations
- Collaborating on confidential plans for reaction and rebuttal, should any of New Jersey's bases be on the BRAC closure list

Commission actions over the past year

The Governor's Commission to Support and Enhance New Jersey's Military and Coast Guard Installations was created to protect the state's military infrastructure during the 2005 Department of Defense Base Realignment and Closure (BRAC) process. This body proposed a number of important initiatives. Several of these resulted in three important bills which were signed recently by Acting Governor Codey that enhance the state's commitment to its military personnel and facilities:

- 1) **S2207:** Requires localities to consult with base commanders on any land use decisions near a military facility, such as zoning changes or development decisions. This critical piece of legislation will ensure that all of New Jersey's bases continue to remain unencroached and able to handle current and expanded missions in the twenty-first century.
- 2) **A3705:** Expands the definition of resident for the purposes of State tuition aid grant eligibility to include a dependent child whose parent or guardian has been transferred to a military base in New Jersey. This law grants those dependents immediate residency status so that they can be eligible for in-state tuition grants to New Jersey's many outstanding educational institutions, supporting our new military families and increasing educational opportunities.
- 3) **S2206:** Expands the mission and membership of the New Jersey Council on Armed Forces and Veterans Affairs. The Council has worked steadily for many years to promote cooperation and support for our military communities.

This measure expands its mission to include maximizing quality of life for military personnel and their dependants and facilitating coordinated planning and expedited review of military permits and other requests. It also expands the involvement of state government officials, community leaders, and military support groups to increase the Council's effectiveness.

- Developed a comprehensive set of strategies which resulted in legislation dealing with land use around bases, residency for military dependents, and expansion of the mission of the NJ Armed Forces Council
- Published a detailed study highlighting the relative merits of New Jersey's workforce
- Fostered a highly cooperative effort between government, business, and communities to retain NJ bases

State readiness for BRAC

The state has made a very credible effort over a relatively short period of time to demonstrate New Jersey's commitment to its military infrastructure and personnel.

Military installations most vulnerable to closure

We have initially focused on Lakehurst, Picatinny, and Monmouth because their missions primarily involve research & development activities. Most analysts expect that these installations will face special scrutiny during the 2005 Base Realignment and Closure [BRAC] process and provide a disproportionate amount of the closure recommendations.

As a result, this category of installation is especially at risk. Our consultant has worked specifically with these installations to produce seamless PowerPoint documents, strategic outlooks, talking points, pivot points, and community group organizations that we believe will prove essential to keeping these jobs within New Jersey. Accordingly, these presentations have been provided to appropriate Pentagon officials.

Consultant activities in FY 2003 and 2004

- Developing in late 2002 a comprehensive strategic document for each of NJ's seven BRAC-affected installations, which examined the assets, strengths, and weaknesses of each base; the missions that are vulnerable to be moved during BRAC, and ways to combat these weaknesses.
- Lobby's for military construction dollars for all seven of the state's major installations.
- Developing concept and successful alignment of McGuire, Lakehurst, and Fort Dix in 2003-4 to create the Joint Installation Partnership (JIP).
- Supporting and supplementing efforts of Rutgers University study of the economic impact of military installations on the State of New Jersey.
- Participating in State House and NJDMVA meetings on BRAC issues, including developing a targeted strategy for each of the state's R&D bases.
- Developed initiatives state government must address to assist the military; e.g., allowing military dependents to continue their education at state colleges and universities at in-state resident rates if a military parent is transferred. Such action led to the March 2005 passage of "military-friendly" legislation.

Consultant billings

FY 2003 (7/1/02-6/30/03)	\$198,000
FY 2004 (7/1/03-6/30/04)	\$252,000
FY 2005 (7/1/04-6/30/05)	\$288,000
FY 2006 (7/1/05-12/15/05)	\$144,000

8. Budget evaluation data (page D-296) indicates the total number of "person days" of training at the Joint Training Center in Sea Girt will decrease to 183,100 in FY 2006, down 10.6 percent from the 204,814 person days in FY 2005. In addition to being a facility for training of National Guard troops, the center is used by State and local agencies to train State Police troopers, municipal police officers, Division of Criminal Justice investigators, and corrections officers.

Question: Please explain the reasons for this anticipated decline. What rates are charged by the department for use of the training facility and how are the rates determined? Please provide a summary of revenues derived or projected from use of the facility from FY 2002 through FY 2005. How are these revenues used?

Answer:

- (a) The budget evaluation data on page D-296 incorrectly identifies "person days" at the New Jersey Challenge Youth Program training at the National Guard Center at Sea Girt. The correct FY 2005 "person days" is 172,114. The correct estimated days for FY 2006 "person days" is 148,100; down 13.9% from 2005.
- (b) Careful review of FY 2006 budget estimate shows the New Jersey State Police reducing 5,927 "person days"; 15.1%. The Division of Criminal Justice shows a decrease of 65 "person days"; <1%. The Juvenile Justice Commission increased 178 "person days"; 2%. The Department of Corrections reduced 12,960 "person days"; 32%. The Department of Transportation, Division of Highway Safety increased 620 "person days"; 35%. All others (soccer, youth programs, festivals, etc.) reduced 5,867 "person days"; 15%.
- (c) The current rate is \$7.15 per square foot based actual costs, due to an increase in utility costs, the Fiscal 2006 proposed rate is \$7.20 per square foot.
- (d) Summary of revenues from FY2002 through FY2005:

1. FY2002	\$ 907,000.
2. FY2003	990,535.
3. FY2004	1,114,000.
4. FY2005	1,125,634. (estimated)
- (e) Revenues are used for the following: salaries, fuel & utilities, household supplies, telephone and IT, refuse removal, extermination service, building and grounds maintenance, equipment maintenance, snow removal and environmental compliance.

9. Budget evaluation data (page D-295) indicate that only 81 percent of the authorized strength of the Army National Guard will be filled in FY 2005 and FY 2006. In prior years, it was not uncommon to have over 90 percent of the authorized strength filled.

The United State General Accountability Office (GAO) found that as of January 19, 2005, more than 192,000 National Guard and Reserve component members were mobilized by the Department of Defense. About 85 percent of these personnel were members of the Army National Guard or the Army Reserve. The Department of Defense has indicated that the availability of reserve component forces will continue to play an important role in the success of future missions, and it has projected that over the next three to five years, more than 100,000 reserve component members will be mobilized on a continuous basis.

Question: What actions has the Department of Military and Veterans' Affairs taken to recruit and retain qualified soldiers? Are there personnel vacancies in critical areas? How have long-term Global War on Terrorism missions, which have created uncertainties for reserve component members concerning the likelihood of their mobilizations, the length of service commitments and overseas rotations, affected the department's retention and recruiting efforts? Does the FY 2006 Budget recommend an adequate amount in State funds for the department to undertake a Army National Guard recruitment campaign?

Answer: Prior to January 2002, the Department consistently erroneously reported its true strength. In fact, the Department was listed in the December 2001 USA today expose on “ghost soldiers”. The true number after removing greater than 11% of the non available soldiers, was 79%.

a. What actions has the Department of Military and Veterans' Affairs taken to recruit and retain qualified soldiers?

- (1) The Department has hired the most successful Recruiter in the history of the New Jersey National Guard, as a Principal Staff Officer II, reporting directly to the Deputy Adjutant General.
- (2) Increased the recruiting force and assigned additional retention personnel directly to units
- (3) Expanded the opportunities for reenlistment to include a wider reenlistment window and increased bonus amounts for reenlistment
- (4) Focused recruiting efforts on accessible markets such as high school students and college students
- (5) Relaxed reenlistment standards to allow opportunities for older non-prior service applicants to enlist and for non-High school graduates to serve
- (6) Increased market exposure with direct mailings, print advertising, and event participation
- (7) Implemented the Freedom Salute Campaign and welcome home ceremonies to recognize deploying soldiers
- (8) Changed the National Guard message from one of "one weekend a month and two weeks a year" to a message focusing on serving the State and Nation

- (9) Requested new force structure to better provide for the defense of NJ and to provide additional career opportunities for our soldiers
- (10) Created 9 Family Assistance Centers and resourced 34 unit Family Readiness Groups to provide for soldiers' families
- (11) Created a Senior Strength Team consisting of senior leaders to keep the focus on recruiting and retention
- (12) TAG published a diversity policy and program to have the force reflect the demographics of the State
- (13) Dedicated additional resources to Employer Support to the Guard and Reserve (ESGR).

b. Are there personnel vacancies in critical areas?

- (1) No critical vacancies in Recruiting and Retention
- (2) Critical shortage of Company Grade Officers (specifically captains): 60% strength
- (3) Shortage of Chaplains throughout the force
- (4) Shortage of qualified E5/6 enlisted members is also affecting our current and future force.
- (5) Critical shortage of medical specialties, the fill rate breakdown is as follows: Physicians – 50%; Dental – 40%; Nurses – 59%; Physician Assistants – 59%; Optometrists – 0%.

c. How have long-term Global War on Terrorism missions, which have created uncertainties for reserve component members concerning the likelihood of their mobilizations, the length of service commitments and overseas rotations, affected the department's retention and recruiting efforts?

- (1) Uncertainty and rumors of increased/changing deployments creates stress on soldiers, families, and employers.
- (2) The combat deaths of four New Jersey Army National Guardsmen brought the war close to home; this has the effect of scaring applicants away but increasing retention as many soldiers are committed to their comrades
- (3) The GWOT changed the National Guard from a reserve force in which a soldier "might deploy" to an active force in which a soldier "will deploy, just when"
- (4) The GWOT narrowed the perceived differences between serving on Active Duty or joining the National Guard. Many applicants prefer the certainty of Active Duty to reserve service.

d. Does the FY 2006 Budget recommend adequate amount in State funds?

The Department's recruiting and retention program is fully funded by the National Guard Bureau (federal).

SERVICES TO VETERANS

10. Total Direct State Services funding for the three State veterans' homes is projected to increase by \$7.4 million or 13.7 percent from FY 2004 to FY 2006 (displayed on the chart below). This increase in funding follows a \$9.6 million, or nearly 24 percent, rise from FY 1998 (\$40.1 million) through FY 2003 (\$49.7 million). In addition, over the past several years, the State provided matching Capital Construction funds for the reconstruction of the new Vineland home, scheduled to open this summer. Budget evaluation data indicates that although the average daily population at the Paramus facility is estimated at 320, greater than the average daily population at both Menlo Park (304) and Vineland (285); funding for Paramus is lower than either Menlo Park or Vineland.

Direct State Services Funding — Veterans' Memorial Nursing Homes

Expended Appropriation Recommended Change

FY 2004 FY 2005 FY 2006 2004-06

Adjusted Percent

Menlo Park \$17,639 \$20,330 \$20,785 17.8%

Paramus 19,008 19,312 19,312 1.6%

Vineland 17,826 20,138 21,813 22.4%

Grand Total \$54,473 \$59,780 \$61,910 13.7%

Question: What is the projected opening date of the new Vineland Veterans' Memorial Home?

Does the recommend appropriation for Vineland reflect funding for a fully operational facility for the entire fiscal year? How much time will it take after the opening to have the facility fully operational? Please explain why the recommended funding for the Paramus nursing home is lower than the recommended funding for either of the two other nursing homes.

Can the department assure the Legislature that the FY 2006 recommended appropriations are adequate to fully fund the three veterans' homes for the entire fiscal year?

Funding for the VMHs is derived from a combination of VA funding, Medicare, resident fees, lottery revenues, and state appropriations.

Answer: Vineland – The funding in 2006 does include additional funding required for the new facility opening in late summer 2005. With the increase in the FY 05 base appropriation and the addition of \$1.675 million in FY 06 to that base (total \$3.35 million) the Vineland Home will be fully funded. The projected opening date is late summer 2005. The first group of residents is anticipated to move in on that date; with the total census being relocated within the following two weeks. The total relocation will be completed by early fall 2005.

During the beginning of September 2005, new applicants will be admitted until the list of applicants is exhausted or the facility is fully occupied. Based on the standard applicant rate for admittance and our current mortality rate, it is projected that it will take until late summer 2006 to get the 95% resident fill rate. There has been a significant increase in applications within the last six months and it would be safe to project that full occupancy will be attained by mid-winter 2006-2007.

Answer: Both Menlo Park and Vineland received additional appropriations because of expanding operations. Menlo Park opened a previously closed wing (Old Glory) and Vineland is in the process of receiving an entirely new facility, which will increase its resident's population. Paramus has not expanded its operations or resident population. Additionally, is allocating funds to the VMH, the DMAVA takes into account the total funding resource package for each Home. Currently, Paramus receives Medicare totaling \$2.4 million per annum. Menlo Park receives \$1.5 million annually, and Vineland (currently old facility) does not qualify for this funding. This was taken into account when funds were distributed to the three VMHs.

Answer: FY-06 Funding - We should be able to operate the three VMHs based on current and projected revenues, funding, and expenditures for fiscal year 2006 (FY-06).

11. The FY 2006 Budget recommends \$500,000 (page D-301) in additional funding for Post Traumatic Stress Disorder consulting services, from \$300,000 to \$800,000. The "Budget in Brief" (page 10) explains that the new funding would help clear an existing waiting list of approximately 250 veterans and provide services for returning military personnel and their families.

Question: Is the waiting list on the increase or has it been in decline? Why has the department failed to notify the Legislature of this waiting list before the release of the FY 2006 Budget? Approximately how much time does an individual spend on the waiting list before consulting sessions commence? How has mobilization of the New Jersey National Guard for the Global War on Terrorism impacted the need for these services? Is federal funding available to supplement State appropriations? Does the federal government provide a similar service to which the department could refer veterans?

Answer: The waiting list has increased dramatically since the first rotation of NG/ANG troops began demobilizing in November of 2004. Our PTSD budget has not been increased since 1992.

The average client waits approximately 3 - 5 months before receiving treatment through one of our PTSD contractors. With the increase in our PTSD Grant through the state, the waiting time should no longer be a factor in FY 2006. The mobilization of National Guard personnel has put an additional strain on our PTSD budget and network of counselors. We have activated approximately 6,000 NJ Air and Army National Guard troops. The Department of Defense (DOD) has estimated that 20% of those serving in Iraq/Afghanistan will suffer PTSD related trauma. That will equate to over 1,200 potential clients requiring some degree of psychological treatment. These numbers do not reflect the number of regular and reserve service personnel from New Jersey that will require treatment under the same guidelines. There are no federal funds available to supplement State appropriations. We are currently in discussions with UMDNJ to provide a PTSD 24/7 hotline for returning veterans and their dependent's needs.

The federal government supplies referral service to our returning veterans. They also offer in-hospital treatment for returning veterans at VA facilities in E. Orange NJ and Coatesville PA.

12. On March 7, 2005 the Assembly Military and Veterans' Affairs Committee held a hearing to receive testimony on the resources available to veterans, especially those with difficulty finding housing or who are homeless. A representative from the United States Department of Veterans Affairs testified that on any given night there are over 8,000 homeless veterans in shelters and on the streets in New Jersey. Some witnesses who testified before the committee suggested that the location of Veterans Haven makes it difficult for residents to enroll in job training programs due to the lack of public transportation service to the facility.

Question: Is the demand for services to homeless veterans on the increase or decline? How does the department plan to address the transportation needs of Veterans Haven residents? Please identify any funding sources that would be used in FY 2006 to provide transportation for these residents.

Answer: The estimated homeless veterans population in New Jersey is 7,500 – 8,000. This number has remained consistent for the past few years. Accordingly, the demand for the type of services provided by Veterans Haven far exceeds our capacity. The Veterans Haven Staff provides transportation for residents to and from job training, interviews, medical appointments (at the Veterans Hospital in Philadelphia), or to public transportation (for trips outside the area) on a daily basis. Notwithstanding their homeless status, many clients do have their own vehicles. Any assertions to the contrary, we have not found transportation to be a major hindrance to our mission. In recent years, Veterans Haven has increased its capacity from 50 to 54 residents.

13. The FY 2006 Budget recommends the appropriation of \$8.5 million in federal funds for burial services at the Brigadier General Doyle Memorial Cemetery (page D-301). This represents an increase of \$1.6 million over the FY 2005 adjusted appropriation.

Question: Please discuss the expansion and other improvements that are currently under construction or planned for the cemetery.

Answer: More appropriately, the \$8.5 million represents a request for spending authorization, depending on the ultimate availability of federal monies to fund these projects. In many cases, the current request represents a duplication of that from prior years.

The current construction project (a new administration and maintenance complex) was originally scheduled for construction by the VA in 2007. Because of the high rate of burials at the cemetery (now the 10th busiest veterans cemetery in the country), the VA moved the project into 2004 and subsequently delayed the project until 2005. This erratic funding pattern by the VA has forced us to request spending authority for the same project in multiple years. In FY 2006 we expect the VA to fund a new public information center at a cost of approximately \$2.5 million. We have also requested the federal Veterans Administration to fund a second, in-ground, crypt field that exceeds \$5 million in cost. With our comprehensive master plan in place, ongoing capital improvements to the cemetery are anticipated and will include roadway modifications and repair, as well as future construction of new columbarium's and crypt fields.