

ANALYSIS OF THE NEW JERSEY
FISCAL YEAR 1998 - 1999 BUDGET



DEPARTMENT OF MILITARY AND
VETERANS' AFFAIRS

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

APRIL 1998

NEW JERSEY STATE LEGISLATURE

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

Robert E. Littell (R), 24th District (Sussex and parts of Hunterdon and Morris), *Chairman*
Peter A. Inverso (R), 14th District (Parts of Mercer and Middlesex), *Vice Chairman*
Anthony R. Bucco (R), 25th District (Part of Morris)
Walter J. Kavanaugh (R), 16th District (Parts of Morris and Somerset)
Bernard F. Kenny, Jr. (D), 33rd District (Part of Hudson)
Joseph M. Kyrillos, Jr. (R), 13th District (Parts of Middlesex and Monmouth)
Wynona M. Lipman (D), 29th District (Parts of Essex and Union)

GENERAL ASSEMBLY APPROPRIATIONS COMMITTEE

Richard H. Bagger (R), 22nd District (Parts of Middlesex, Morris, Somerset and Union), *Chairman*
Leonard Lance (R), 23rd District (Warren and parts of Hunterdon and Mercer), *Vice Chairman*
Francis J. Blee (R), 2nd District (Part of Atlantic)
Joseph Charles, Jr. (D), 31st District (Part of Hudson)
Steve Corodemus (R), 11th District (Part of Monmouth)
Clare M. Farragher (R), 12th District (Part of Monmouth)
John C. Gibson (R), 1st District (Cape May and parts of Atlantic and Cumberland)
Guy R. Gregg (R), 24th District (Sussex and parts of Hunterdon and Morris)
John V. Kelly (R), 36th District (Parts of Bergen, Essex and Passaic)
Joseph R. Malone, III (R), 30th District (Parts of Burlington, Monmouth and Ocean)
William D. Payne (D), 29th District (Parts of Essex and Union)
Nellie Pou (D), 35th District (Part of Passaic)
Louis A. Romano (D), 33rd District (Part of Hudson)
Joseph Suliga (D), 20th District (Part of Union)
Bonnie Watson Coleman (D), 15th District (Part of Mercer)
Joel M. Weingarten (R), 21st District (Parts of Essex and Union)

OFFICE OF LEGISLATIVE SERVICES

Alan R. Kooney, *Legislative Budget and Finance Officer*
Allan Parry, *Assistant Legislative Budget and Finance Officer*

Glenn E. Moore, III, *Director, Central Staff*
Eleanor H. Seel, *Section Chief, Human Services Section*

This report was prepared by the Human Services Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Caroline L. Joyce.

Questions or comments may be directed to the OLS Human Services Section (Tel. 609 292-1646) or the Legislative Budget and Finance Office (Tel. 609 292-8030).

DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... D-239 to D-249; E-30 to E-31; G-12
to G-13

Fiscal Summary (\$000)

	Expended FY 1997	Adjusted. Appropriation FY 1998	Recommended FY 1999	Percent Change 1998-99
State Budgeted	\$57,188	\$58,664	\$60,957	3.9%
Federal Funds	14,275	15,057	14,251	(5.4)%
<u>Other</u>	<u>12</u>	<u>213</u>	<u>735</u>	<u>245.1%</u>
Grand Total	\$71,475	\$73,934	\$75,943	2.7%

Personnel Summary - Positions By Funding Source

	Actual FY 1997	Revised FY 1998	Funded FY 1999	Percent Change 1998-99
State	1,223	1,202	1,230	2.3%
Federal	151	159	150	(5.7)%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,374	1,361	1,380	1.4%

FY 1997 and revised FY 1998 personnel data reflect actual payroll counts. FY 1999 data reflect the number of positions funded.

Introduction

The Department of Military and Veterans' Affairs operates three veterans' nursing homes, provides services necessary to meet the needs of the veteran population in New Jersey and provides command, control and services to the members of New Jersey National Guard units.

Key Points

- ! Direct State Services appropriations for Military Services, which consists of Central Operations and National Guard Programs Support, are recommended to increase 8.5 percent, from a FY 1998 adjusted level of \$9.6 million to \$10.5 million in FY 1999. The majority of this increase is due to newly recommended State funding for the New Jersey National Guard Challenge Youth Program (\$618,000), which had previously been a 100 percent federally funded program but now requires a 25 percent State match. In addition,

Key Points

- a \$200,000 increase is recommended in personal services accounts to assume funding for expired federal contracts.
- ! Direct State Services appropriations for Veterans' Program Support, which encompasses Veterans' Outreach and Assistance and Burial Services, are recommended to stay virtually level, with \$4.5 million recommended in FY 1999 compared to a FY 1998 adjusted appropriation of \$4.6 million. The decrease is due to two FY 1998 supplemental appropriations, for the Alternative Long Term Health Care Initiative (\$33,000) and the Agent Orange/Desert Storm Commission account (\$44,000), for which no specific amount is recommended in FY 1999. These supplementals were appropriated pursuant to FY 1998 budget language that provided for 40 percent of excess receipts from resident contributions and federal reimbursements to be appropriated for veterans' program initiatives. That same language is recommended for FY 1999, thus providing potential funding for veterans' program initiatives.
 - ! Recommended funding for the Paramus Veterans' Memorial Home and the Vineland Veterans' Memorial Home are unchanged from FY 1998 adjusted levels, \$14.2 million and \$14.4 million, respectively. Funding for the Menlo Park Veterans' Memorial Home is recommended to increase 9.0 percent, from \$12.8 million to \$14.0 million. This recommended increase, which is spread across various operating accounts and will allow for additional personnel to be hired, reflects funding for the newly expanded Menlo Park Veterans' Home. Construction is anticipated to be finished in the fall of 1998 and the home will gradually reach its full capacity of 332 residents, from its current capacity of 240 residents, by the beginning of FY 2000.
 - ! Grants-In-Aid funding for the department is recommended to decrease 4.8 percent, from \$1.0 million to \$969,000, as two FY 1998 legislative initiative grants, Women in Military Service for America (\$34,000) and the Joint Veterans' Alliance of Burlington County (\$15,000), are not recommended to be continued.
 - ! Funding for capital construction is recommended to increase 22.5 percent, from \$2 million in FY 1998 to \$2.5 million in FY 1999. This funding is recommended for various fire and life safety, preservation, and renovations and improvements projects in Central Operations.
 - ! Federal funding is estimated to remain virtually the same as FY 1998 levels, with the exception of the Challenge Youth Program which now requires a State match and thus federal funding is estimated to decrease from \$2.3 million to \$1.7 million. Total federal funding is estimated at \$14.3 million in FY 1999 compared to the adjusted FY 1998 level of \$15.1 million.
 - ! Other funds, comprised of armory rental revenues, federal Department of Veterans' Affairs payments and resident contributions to the Transitional Housing program, and plot interment allowances, which are appropriated to their given programs, are anticipated to decrease from \$1.2 million to \$735,000. This is due to an estimated decrease in receipts from armory rentals from \$803,000 in FY 1998 to \$275,000 in FY 1999.

Program Description and Overview

The Department of Military and Veterans' Affairs was formed in 1988 through the merger of the Department of Defense and the Division of Veterans' Programs and Special Services within the Department of Human Services. The mission of the department is to provide quality care and services to New Jersey's veterans while concurrently supporting existing National Guard State and federal programs.

The department's State military role is to provide individuals and troop units that are trained, equipped and organized in the proper manner to preserve peace, order and public safety in New Jersey. The department's federal military responsibility is to provide trained and qualified individuals and troop units in the support of the Army and Air Force of the United States.

The support and coordination of veterans' affairs within New Jersey is the other major responsibility of the department and includes: long-term care services, burial services and outreach and assistance.

To support these activities, the FY 1999 Direct State Services recommendation for the department is \$57,538,000; an increase of \$1,892,000, or 3.4 percent, from the FY 1998 adjusted appropriation.

MILITARY SERVICES

The department is responsible for the support and coordination of the activities of the Army National Guard and Air National Guard in New Jersey. The table of the following page details statistical data on the strengths of the army and air national guard and armory usage and details recommended funding for Military Services in FY 1999.

The department will maintain seven armories not housing National Guard units and 32 armories housing National Guard units in FY 1999. As shown, use days of the armories, or Interactive Community Resource Centers, is anticipated to decrease somewhat in FY 1999. The actual strength of the Army National Guard and the Air National Guard are estimated at 95.65% and 97.61%, respectively, for FY 1999.

The FY 1999 Direct State Services recommendation for military services is \$10.5 million, an increase of \$818,000, or 8.5 percent, from the FY 1998 adjusted appropriation. This increase is largely due to the \$618,000 recommended for the newly required State match for the New Jersey National Guard Challenge Youth Program. Grants-In-Aid appropriations are unchanged from FY 1998 levels, with \$25,000 recommended for the Civil Air Patrol. A total of \$2.45 million is recommended for capital construction in Central Operations, an increase of \$450,000 over the FY 1998 adjusted appropriation. Federal funding is estimated to decrease by \$816,000, or 5.7 percent, from \$14.2 million in FY 1998 to \$13.4 million in FY 1999.

The budget recommendations indicate a total of 293 funded positions for military services, of which 149 are State supported and 144 are federal positions. The total number of positions is virtually unchanged from FY 1997 payroll counts, although the number of State positions is increasing while the number of federal positions is decreasing.

Program Description and Overview

STATISTICAL DATA

	Actual FY 1997	Revised FY 1998	Estimated FY 1999
Authorized Strength, Army National Guard	7,726	7,448	7,318
Strength of Army National Guard, June 30	91.4%	96.0%	95.7%
Authorized Strength, Air National Guard	2,505	2,485	2,507
Strength of Air National Guard, June 30	95.0%	93.8%	97.6%
Facilities:			
Armories	39	39	39
Other	190	190	190
Military Use of Facilities (days)	13,800	13,800	13,800
Other State Agencies Using Facilities (days)	2,006	2,050	1,500
Public/Private Users of Facilities (days)	13,129	11,500	11,000

The recommended FY 1999 General Fund appropriation for **Military Services** is as follows (\$000):

	<u>Adj. Approp.</u> <u>FY 1997</u>	<u>Recommended FY</u> <u>1998</u>	<u>Percent Change</u> <u>FY 1997-98</u>
Direct State Services:	<u>\$9,641</u>	<u>\$10,459</u>	<u>8.5%</u>
Central Operations	4,735	4,830	2.0%
Nat'l Guard Programs Support	4,906	5,629	14.7%
Grants-In-Aid:	<u>25</u>	<u>25</u>	<u>0%</u>
Nat'l Guard Programs Support	25	25	0%
Capital Construction:	<u>2,000</u>	<u>2,450</u>	<u>22.5%</u>
Central Operations	2,000	2,450	22.5%
TOTAL	\$11,666	\$12,934	10.9%

Program Description and Overview

SERVICES TO VETERANS

The department's responsibilities also include the support and coordination of veterans' affairs within New Jersey. Primary tasks concerning veterans' affairs are as follows:

(1) Long-Term Care Services. Long-term care services are currently being provided through the operation of the State's three veterans' nursing homes located in Menlo Park, Paramus and Vineland. These facilities provide nursing home care for eligible veterans, veterans' spouses, and spouses and parents of military members killed in action. Eligibility requirements include honorable discharge from last enlistment and residence in the State for at least two years preceding the date of application. There is a total rated capacity of 984 patients at the three facilities in FY 1999, with an estimated average daily population among all three facilities of 881. The capacity of the Menlo Park Veterans' Home will increase in FY 1999 due to the completion of the construction of the new facility.

(2) Burial services are provided to veterans in New Jersey at the Brigadier General William C. Doyle Veterans' Memorial Cemetery. The cemetery has a rated capacity of approximately 110,000 and currently has 16,688 interments with 1,976 new interments estimated in FY 1999 .

(3) Veterans Outreach and Assistance. This program supports field services through the operation of Veterans' Affairs Services Offices located throughout the State and through the operation of various programs designed to meet the specialized needs of the State veteran population. Through the operation of the Veterans' Service Offices, the department assists veterans and their dependents in securing State and federal veteran entitlements. The budget recommendations indicate the department will continue to support 15 Veterans' Services Offices in FY 1999, serve an estimated 40,500 veterans, an increase of 1,900 over FY 1998, and process 3,800 claims, an increase of 375 over FY 1998.

Community-based services are also provided through third-party contracts for transportation and post-traumatic stress disorder counseling. In FY 1999, the number of trips provided in the transportation program is estimated to remain level at 19,000, and the number of counseling sessions provided is estimated at 5,000, a decrease of 500. The department will also continue to fund grants for the paraplegic, hemiplegic, and blind veterans' allowance programs and various education programs.

The table on the following page details statistical and budget data for Services to Veterans. As shown, Direct State Services funds for Veterans' Program Support is recommended to decrease slightly, due to two supplemental appropriations made in FY 1998 that are not continued. Direct State Services funding for the Paramus and Vineland Veterans' Memorial Homes is recommended to stay level and funding for the Menlo Park Veterans' Home is recommended to increase \$1.2 million, or 9.0%, to provide for the opening and increased capacity of the newly constructed facility. Grants-In-Aid funding is recommended to decrease slightly due to the elimination of one-time legislative initiatives funded in FY 1998.

Federal funding for veterans' program support is estimated to stay virtually level, with \$857,000 anticipated in FY 1999. The anticipated funding for FY 1999 is for the Transitional Housing Program (\$350,000) and the Veterans Education Program Approval Authority (\$507,000). In addition, the Transitional Housing Program receives per diem payments from the federal Department of Veterans' Affairs (VA), which would be appropriated to the program through recommended budget language.

Program Description and Overview

The VA also provides per diem payments to the three veterans' homes and the homes receive reimbursements through Medicare. Revenues received from these per diem payments, Medicare reimbursements, and from resident contributions are anticipated to be \$21.2 million in FY 1999, an increase of \$919,000 over FY 1998 anticipated revenues. Of this amount for FY 1999, \$21.0 million is anticipated as general State revenue and \$173,000 will be appropriated to the veterans' homes.

The budget recommendations indicate a total of 1,087 funded positions in FY 1999 in Services to Veterans, of which 1,081 are State supported and six are federal positions. This represents a 2.1 percent increase in funded positions for Services to Veterans from FY 1998 payroll counts, with a growth in State funded positions at the Menlo Park Veterans' Home due to its expanded operations in FY 1999 and a reduction in State supported positions at the Paramus Veterans' Home.

STATISTICAL DATA

	Actual FY 1997	Revised FY 1998	Estimated FY 1999
Veterans Receiving Services at Field Offices	36,750	38,600	40,500
Number of Field Offices	15	15	15
Brigadier General Doyle Memorial Cemetery - Total Interments	14,768	16,688	18,664
Menlo Park Veterans' Memorial Home:			
Rated Capacity	318	318	332
Average Daily Population	238	238	270
Paramus Veterans' Memorial Home:			
Rated Capacity	352	352	352
Average Daily Population	333	331	331
Vineland Veterans' Memorial Home:			
Rated Capacity	300	300	300
Average Daily Population	280	279	280

The recommended FY 1999 General Fund appropriation for Services to Veterans is as follows (\$000):

	Adj. Approp. FY 1997	Recommended FY 1998	Percent Change FY 1997-98
Direct State Services:	<u>\$46,005</u>	<u>\$47,079</u>	<u>2.3%</u>
Veterans Program Support	4,574	4,497	- 1.7%
Menlo Park Memorial Home	12,831	13,982	9.0%
Paramus Memorial Home	14,218	14,218	0%
Vineland Memorial Home	14,382	14,382	0%
Grants-In-Aid:	<u>993</u>	<u>944</u>	<u>-4.9%</u>
Veterans Program Support	993	944	-4.9%
TOTAL	\$46,998	\$48,023	2.2%

BLANK PAGE: Organization Chart Not Reproduced Electronically

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 1997	Adj. Approp. FY 1998	Recom. FY 1999	Percent Change	
				1997-99	1998-99
<u>General Fund</u>					
Direct State Services	\$54,953	\$55,646	\$57,538	4.7%	3.4%
Grants - In - Aid	978	1,018	969	-0.9%	-4.8%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	1,257	2,000	2,450	94.9%	22.5%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$57,188	\$58,664	\$60,957	6.6%	3.9%
<u>Property Tax Relief Fund</u>					
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%
Sub-Total	\$0	\$0	\$0	0.0%	0.0%
<u>Casino Revenue Fund</u>	\$0	\$0	\$0	0.0%	0.0%
<u>Casino Control Fund</u>	\$0	\$0	\$0	0.0%	0.0%
State Total	\$57,188	\$58,664	\$60,957	6.6%	3.9%
<u>Federal Funds</u>	\$14,275	\$15,057	\$14,251	-0.2%	-5.4%
<u>Other Funds</u>	\$12	\$1,213	\$735	6025.0%	-39.4%
Grand Total	\$71,475	\$74,934	\$75,943	6.3%	1.3%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 1997	Revised FY 1998	Funded FY 1999	Percent Change	
				1997-99	1998-99
State	1,223	1,202	1,230	0.6%	2.3%
Federal	151	159	150	-0.7%	-5.7%
All Other	0	0	0	0.0%	0.0%
Total Positions	1,374	1,361	1,380	0.4%	1.4%

FY 1997 and revised FY 1998 personnel data reflect actual payroll counts. FY 1999 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	51.7%	51.5%	51.7%	---	---
------------------------	-------	-------	-------	-----	-----

Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 1998</u>	<u>Recom.</u> <u>FY 1999</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	---------------------------------	--------------------------------	---------------------------------	------------------------------

MILITARY SERVICESDirect State Services

Special Purpose:

New Jersey National
Guard Challenge Youth
Program

	\$0	\$618	\$618	—	D-241
--	-----	-------	-------	---	-------

The New Jersey National Guard Challenge Youth Program is a residential, 22-week program for at-risk youths 16 to 18 years of age located at Fort Dix that provides education, life skills, leadership and employment training. The program had been 100 percent federally funded since its inception in FY 1995; however, it now requires a State match. This amount represents the 25 percent State match for the program, with total funding for FY 1999 anticipated to be \$2.3 million.

Other Funds

Physical Plant and
Support Services

	\$803	\$275	(\$528)	(65.8)%	D-242
--	-------	-------	---------	---------	-------

These funds represent revenues from armory, or Interactive Community Resource Center, rentals, as well as lease overtime. Budget language provides for these receipts to be appropriated for the operation and maintenance of the armories. The armories are rented for use by State agencies and other public and private users, including commercial rentals. The department estimates that overall receipts from these rentals will decrease 65.8 percent in FY 1999.

Capital Construction

Central Operations:
Management and
Administration

	\$2,000	\$2,450	\$450	22.5%	G-12
--	---------	---------	-------	-------	------

FY 1998 adjusted appropriations and FY 1999 recommended appropriations for capital construction are shown on the following page:

Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 1998</u>	<u>Recom.</u> <u>FY 1999</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	---------------------------------	--------------------------------	---------------------------------	------------------------------

<u>Capital Construction (\$000)</u>	<u>FY 1998</u>	<u>FY 1999</u>
Fire and Life Safety, Statewide	\$1,000	\$1,000
Major Maintenance & Life Safety - Newark, Jersey City and West Orange Armories	\$500	
Headquarters, Replace Electrical Transformer		\$450
Preservation of Existing Structures	\$500	\$500
Renovations and Improvements, Statewide		\$500

Federal Funds

New Jersey National Guard Support Services	\$4,108	\$3,460	(\$648)	(15.8)%	D-242
---	----------------	----------------	----------------	----------------	--------------

This estimated reduction in federal funds is largely due to the \$624,000 (27.3 percent) reduction in federal funds for the New Jersey National Guard Challenge Youth Program, as 25 percent of the funding is now required to be provided by a State match.

SERVICES TO VETERANSDirect State Services

Special Purpose:

Alternative Long-Term Health Care Initiative	\$33	\$0	(\$33)	(100.0)%	D-244
---	-------------	------------	---------------	-----------------	--------------

Special Purpose:

Agent Orange/Desert Storm Commission	\$44	\$0	(\$44)	(100.0)%	D-244
---	-------------	------------	---------------	-----------------	--------------

Both of these programs received funding through a supplemental appropriation in FY 1998. This appropriation was made through language providing that receipts in excess of 40 percent of the amount derived from resident contributions and federal reimbursements be appropriated for veterans' programs initiatives. This language is also recommended in FY 1999. The Alternative Long-Term Health Care Initiative funds may be redirected to a demonstration employment/education program for veterans with a history of long term unemployment that is related to post traumatic stress disorder. The \$44,000 for the Agent Orange/Desert Storm Commission was appropriated for a contracted birth defects study.

Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 1998</u>	<u>Recom.</u> <u>FY 1999</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Women in Military Service for America	\$34	\$0	(\$34)	(100.0)%	E-30
Joint Veterans' Alliance of Burlington County	\$15	\$0	(\$15)	(100.0)%	E-30

Funding for these grants was added by the Legislature in FY 1998. Funding is not recommended to be continued in FY 1999.

Menlo Park Veterans' Memorial Home	\$12,831	\$13,982	\$1,151	9.0%	D-245
---	-----------------	-----------------	----------------	-------------	--------------

This recommended increase provides funds necessary for the opening of the newly constructed home, scheduled for completion in the fall of 1998. The current facility has a capacity of 240 residents and the capacity will gradually increase over FY 1999 to reach its new capacity of 332 residents. The average daily population of Menlo Park is estimated to be 270 residents in FY 1999, compared to 238 in FY 1998. This additional funding would also provide for increased staffing in the home. Funding is recommended to increase among the three program classes as follows:

Menlo Park Veterans' Memorial Home (\$000)	FY 1998	FY 1999	% Change
Domiciliary and Treatment Services	\$9,412	\$10,100	7.31%
Physical Plant and Support Services	\$2,110	\$2,545	20.62%
Management and Administration	\$1,309	\$1,337	2.14%

Language Provisions

1998 Appropriations Handbook

1999 Budget Recommendations

p. B-172

The unexpended balance as of June 30, 1997 in the Guardianship Program for Veterans account is appropriated for the same purpose. No comparable language.

Explanation

P.L.1993, c.281 created a program in DMAVA to assist eligible family members being appointed the guardian of veterans who are in or will be in a New Jersey veteran's memorial home. The law also appropriated \$50,000 for this purpose. The entire amount of this appropriation was carried forward into FY 1995 and FY 1996, and in FY 1996 the \$50,000 was reverted. As none of these funds remain, there is no longer need for this language.

1998 Appropriations Handbook

1999 Budget Recommendations

p. D-246

No comparable language.

Fees charged to participants and Department of Veterans Affairs per diem for the Veterans Adult Day Care program at Menlo Park and the unexpended balance of such receipts as of June 30, 1998, are hereby appropriated for the same purpose.

Explanation

The newly constructed Menlo Park Veterans' Memorial Home will have an adult day care program. This language provides that fees charged to the participants in the program and federal Department of Veterans' Affairs per diem payments made on behalf of the participants be appropriated for use by the adult day care program.

Language Provisions

1998 Appropriations Handbook

No comparable language.

1999 Budget Recommendations

p. D-249

Fees charged to residents for personal laundry services provided by the veterans homes are hereby appropriated to supplement the operational and maintenance costs of these laundry services.

Explanation

This language would appropriate the fees charged to residents for personal laundry services for the operational and maintenance costs of these laundry services. The department anticipates receiving revenue from this fee only at the Menlo Park home in FY 1999 in the amount of \$60,000.



1998 Appropriations Handbook

No comparable language.

1999 Budget Recommendations

p. D-249

A portion of the revenue received by the veterans homes as a result of reimbursed Medicare Part B expenses and Medicare Part A expenses formerly classified as Medicare Part B, as determined by the Director of the Division of Budget and Accounting, and the unexpended balance of such receipts as of June 30, 1998, are hereby appropriated for resident care and operational costs associated with the change in Medicare billing regulations as expressed in the federal Balanced Budget Act of 1997 and published by the Health Care Financing Administration, subject to the approval of the Director of the Division of Budget and Accounting of a detailed expense listing as shall be submitted by the Adjutant General of the Department of Military and Veterans' Affairs.

Explanation

This language addresses new federal Health Care Financing Administration regulations which are to go into effect July 1, 1998. These regulations would require the veterans' homes to bill Medicare for vendor's services related to Medicare Part B, as opposed to the vendor billing Medicare directly for their service. This recommended language provides for a portion of the revenues received from these reimbursed Medicare expenses to be appropriated for resident care and operational costs

Language Provisions

associated with this change in regulations, subject to the approval of the Director of the Division of Budget and Accounting. According to the Office of Management and Budget, \$173,000 of these revenues would be appropriated for this purpose in FY 1999, \$30,000 to Menlo Park and \$143,000 to Paramus.



Discussion Points

MILITARY SERVICES

1. The FY 1999 budget recommends an increase of \$200,000 in personal services accounts in Military Services as the department is assuming some funding for expired federal contracts.

! *Question:* What contracts expired and how many positions will be funded as a result of the increase?

2. Armory rental lease revenues are appropriated for the operation and maintenance of the armories, or Interactive Community Resource Centers, pursuant to budget language. In FY 1998, \$803,000 is anticipated from these revenues, however only \$275,000 is anticipated in FY 1999, a decrease of 65.8 percent. Although Direct State Services appropriations for Physical Plant and Support Services are recommended to increase by \$105,000, or 2.3 percent, when armory rental revenues, "Other Funds," are added to these operating accounts, funding for Physical Plant and Support Services would decrease from \$5.3 million in FY 1998 to \$4.9 million in FY 1999, or 8.0 percent.

! *Questions:* What accounts for this decrease in projected revenues from armory rentals? How will this overall decrease in funding for Physical Plant and Support Services affect armory maintenance and operation?

3a. The New Jersey National Guard Challenge Youth Program is a 22-week residential program at Fort Dix for youth ages 16 to 18 years old who are high school dropouts. The goal of the program is to provide these individuals education, life skills and leadership training, and employment training. The program began in FY 1995 as a 100 percent federally funded pilot program and has generally provided two classes per fiscal year with enrollments of about 100 students. However, full federal funding for this program has ended and the FY 1999 budget recommends a special purpose appropriation of \$618,000 for the newly required 25 percent State match. Federal funding for this program is projected to be \$1.7 million in FY 1999, compared to \$2.3 million in FY 1998.

! *Questions:* Please provide projected enrollment figures for this program in FY 1999. Is the State match requirement expected to increase in future years and, if so, by how much? Is there a commitment by the National Guard Bureau to continue some level of federal funding for this program and for how many years?

3b. A February 26, 1998 article in the *Asbury Park Press* discussed a recent federal National Guard Bureau assessment of the New Jersey Challenge Youth Program where the program was cited for various deficiencies including financial controls, standards of conduct, organizational discipline and student accountability. The article also discussed allegations of verbal and physical abuse and theft in the program.

! *Question:* What actions is the department taking to address the deficiencies cited by the National Guard Bureau and the allegations of abuse? Will the department have an active role in oversight of this program now that State funds are required?

4. The FY 1999 budget recommends \$2.45 million for capital construction in DMAVA, an increase of 22.5 percent over the FY 1998 adjusted appropriation of \$2.0 million. These funds are recommended for the following projects in Central Operations:

Discussion Points

Fire and Life Safety, Statewide - \$1,000,000
Headquarters - Replace Electrical Transformer - \$450,000
Preservation of Existing Structures - \$500,000
Renovations and Improvements, Statewide - \$500,000.

The department, however, requested a total of \$6.45 million in Central Operations for the same projects.

! *Question:* How will this difference in requested versus recommended funding affect these projects and the operation and maintenance costs of the armories? How much of the FY 1998 appropriation for capital construction will be carried forward into FY 1999?

5. The Secretary of Defense's Defense Reform Initiative calls for two more rounds of base realignment and closures, in 2001 and 2005, with projected federal long-term savings of \$3 billion per year. The State FY 1999 budget recommends continued funding of \$150,000 for consulting services related to the national Base Closure and Realignment Commission's activities in support of protecting currently active New Jersey military facilities from downsizing or closure.

! *Question:* What is the status of the strategic plan these funds are being used to support? When does the department anticipate the next round of base realignments or closures to occur? Is funding for the consultant contract expected to continue annually?

SERVICES TO VETERANS

6a. The department's FY 1999 capital budget request included as its top priority \$3.6 million for the Vineland Home - Demolition and Reconstruction. This project would involve the complete replacement of the present facility with a new 332-bed facility, a 32-bed Alzheimer's wing and an Assisted Living complex. The current facility has a rated capacity of 300 residents, according to Budget evaluation data. The department has stated that the present facility, built in the 1960s and 1970s, does not meet State fire, construction, federal ADA and Veterans' Administration codes and criteria. Necessary repairs to existing electrical and plumbing systems are also such that installation of a new system would be more cost-effective. The total seven-year cost was estimated to be \$36 million, of which the State share is \$12.6 million and the federal share is \$23.4 million

! *Questions:* What is the likelihood that this project would receive federal VA support? The proposed new Vineland home would have an increased capacity, compared to its current capacity, which would help to alleviate potential increased demand for veterans' nursing home beds. What are the department's projections for demand for nursing home services among the veteran population in New Jersey in future years?

6b. The Vineland Veterans' Home is currently not certified to receive Medicare Part A reimbursements, although both the Menlo Park and Paramus homes are, or will be. The department has suggested that the improvements that would need to be made to the Vineland home for it to receive Medicare Part A certification are so extensive that certification may not be cost effective.

! *Questions:* Are there currently any plans to have Vineland certified for Medicare Part A? Would the construction of a new facility be such that it would receive Medicare certification and, if so, how much revenue could be anticipated through Medicare Part A reimbursements?

Discussion Points

7. Budget language provided in FY 1998 and recommended in FY 1999 provides for 40 percent of receipts in excess of those anticipated from resident contributions and federal reimbursements to be appropriated for veterans' program initiatives, subject to an itemized plan by the Adjutant General and the approval of the Director of the Division of Budget and Accounting. In FY 1998, a portion of these funds was used for a contracted Birth Defects Study related to the Agent Orange Commission (\$44,000) and the second phase of the Alternative Long-Term Health Care Initiative study conducted by Rutgers University (\$33,000).

! *Questions:* What are the plans for expenditure of excess funds in FY 1999 for projects within Veterans' Program Support? As of this writing, none of the \$33,000 appropriated for the Alternative Long-Term Health Care Study have been expended or committed. What is the plan for expenditure of these funds?

8a. The Budget in Brief states that the Transitional Housing Program, a program providing housing and employment assistance to homeless veterans recovering from alcohol or drug abuse, will increase its population and operate at its full capacity of 50 residents in FY 1999, an increase of 10 residents (25 percent) over revised FY 1998 evaluation data. Funding for this program is recommended to increase 5.6 percent as follows:

Transitional Housing	FY 1998	FY 1999
State General Fund	\$400,000	\$400,000
Federal Funds	\$350,000	\$350,000
Resident Contributions	\$9,000	\$12,000
Federal DVA Per Diem	\$193,000	\$243,000
TOTAL	\$952,000	\$1,005,000

! *Questions:* Please discuss how a 5.6 percent increase in funding accounts for a 25 percent growth in residents served?

8b. The recommended budget anticipates a line-item of \$350,000 in federal funds for the Transitional Housing Program. However, this amount was also anticipated in FY 1997 and FY 1998 and has not yet been realized.

! *Questions:* What is the exact source of these funds and are they likely to be realized in FY 1999?

9. Evaluation data in the Governor's Budget show an estimated increase in the number of new interments in the Brigadier General Doyle Memorial Cemetery, from 1,920 in FY 1998 to 1,976 in FY 1999. Although this is only a 3 percent increase, revenues from plot interment allowances, which are appropriated for the perpetual care and maintenance of burial plots and grounds of the cemetery, are projected to decrease, from \$208,000 in FY 1998 to \$205,000 in FY 1999.

! *Questions:* Why are revenues from interment fees not projected to increase

Discussion Points

proportionately with the projected increase in new interments, given that the fee is remaining the same?

10a. The FY 1999 recommended budget includes an increase of \$1.15 million, or 9.0 percent, for State appropriations for the Menlo Park Veterans' Home. This increase is spread among various operating accounts, including salary accounts to allow for additional personnel to be hired, as construction of the new Menlo Park facility is scheduled to be finished in the fall of 1998 and the home will begin to increase its capacity to its new capacity of 332 residents, compared to the current capacity of 240 residents. As full capacity is not expected to be reached until FY 2000, State appropriations will likely need to increase further in FY 2000. Evaluation data in the budget show an average daily population of 238 residents in FY 1998 and an estimated average daily population of 270 residents in FY 1999, an increase of 13.4 percent. The new facility will also be certified for Medicare Part A.

! *Question:* Please provide a more detailed time frame for anticipated completion of the facility, information on how gradually the home will increase its population and when it is expected that the home will reach its full capacity, and when the home will begin to receive Medicare Part A reimbursements.

10b. Projected revenues from resident contributions among the Menlo Park, Paramus, and Vineland Memorial Veterans' Homes are estimated to increase 3.8 percent, 4.8 percent, and 7.2 percent, respectively, from FY 1998 to FY 1999.

! *Question:* Given that Menlo Park is the only home anticipating a significant increase in its population, why is the estimated increase in resident contributions for that facility lower than the other two homes?

11. The Governor's Budget recommends a new language provision providing that fees charged to residents for personal laundry services provided by the homes be appropriated to supplement the costs of these laundry services. Only one of the three veterans' homes, Menlo Park, is anticipating revenue from these fees in FY 1999, in the amount of \$60,000.

! *Questions:* When will residents begin to be charged a fee for laundry services and will this fee be based on a resident's ability to pay? Are there plans to charge these fees at the Paramus and Vineland Veterans' Homes as well?

12. The newly constructed Menlo Park Veterans' Home includes an Adult Day Care Facility and recommended budget language provides that the fees charged to participants of the adult day care program and Department of Veterans' Affairs per diem payments for the program be appropriated for that purpose.

! *Questions:* Is this program anticipated to be self-supporting through participant contributions and per diem payments or will a portion of the home's appropriation be used for this purpose? What services will this program provide, when is it expected to start and how many individuals are expected to participate? Will priority be given to people currently on the waiting list for admission to the home?

13a. New recommended budget language provides for a portion of the revenue received by the veterans' homes for reimbursed Medicare Part B expenses to be appropriated for resident care costs and costs associated with the change in Medicare billing regulations published by the Health Care

Discussion Points

Financing Administration (HCFA), subject to the approval of the Director of the Division of Budget and Accounting. The department's budget request requests a total of \$845,000 of these reimbursements to be appropriated in FY 1999 among the three homes; however, the budget recommends that only \$173,000 be appropriated, \$30,000 to Menlo Park and \$143,000 to Paramus.

- !** **Questions:** Please provide additional information on these new HCFA regulations. When are they anticipated to go into effect? Will the recommended amounts of Medicare Part B revenues to be appropriated to each home be adequate to cover necessary administrative costs given the larger amount requested by the department?

13b. Each of the three veterans' homes receives Medicare Part B reimbursements and the Paramus and Menlo park homes are or will be certified for Medicare Part A. Estimated revenues from Medicare reimbursements, which go directly to the General Fund, are \$1.4 million. However, the homes also incur additional costs in order to receive these revenues, such as for nurse consultants, billing consultants, equipment and occupational and physical therapy. In FY 1997, the department estimated total costs for Medicare initiatives at \$490,000. In both FY 1997 and anticipated in FY 1998, budget language providing for 40 percent of excess receipts to the three homes to be appropriated for veterans' program initiatives, subject to the approval of the Director of the Division of Budget and Accounting, provided the funding for these costs.

- !** **Questions:** How much is the department expecting to receive from this language in FY 1998 for veterans' home expenses related to Medicare? Are these Medicare related costs funded within the FY 1999 budget for the veterans homes or are they anticipated to be funded through excess receipts?

14. Recent newspaper articles have discussed potential budget shortfalls among federally-supported veterans' hospitals in the New Jersey and New York region. This is in the midst of the recent restructuring of the VA system into regional networks and new outpatient clinics.

- !** **Questions:** Is the department kept apprised of changes to the federal VA system by VA officials? If VA hospital budgets in New Jersey are significantly reduced, might there be an increased demand for State-supported services, including the veterans' nursing homes and other veterans programs?

15. Proposed rule amendments governing the New Jersey Veterans' Memorial Homes (29 N.J.R. 4215(b)) would have requested residents to apply for aid and assistance or other U.S. Department of Veterans' Affairs financial benefits, if eligible. If a resident refused to apply or became ineligible due to excess assets, the resident would be assessed a fee in the amount of what would have been received if the resident had applied or becomes ineligible. These amendments were to reduce State supported funding for veterans' home residents who can afford to pay for a greater portion of their care. However, the rules adopted on January 5, 1998 (N.J.A.C.5A:5) deleted this provision.

- !** **Questions:** Why was the proposed provision requiring residents to apply for all federal benefits for which they may be entitled not adopted? How much was this provision anticipated to save the State?

15a. The newly adopted rules governing the Veterans' Memorial Homes did change the fee that is assessed on residents for the welfare fund, an account that is spent for and on behalf of residents' programs, special events and services. This monthly fee was changed from 10 percent of a

Discussion Points

resident's monthly income balance to 12 percent of the balance or \$20.00, whichever is less (N.J.A.C.5A:5-5.1).

! *Question:* How will the change in the welfare fund fee affect individual residents?

Background Paper: Alternative Long-Term Health Care

Budget Pages.... D-244, D-246

Alternatives to nursing home care for the elderly, such as home-based care or community-based care, enable the elderly to remain in a setting familiar to them and their families for a longer period of time and may be less costly to the family than institutional care. As the veteran population ages, it is also likely that the number of veterans needing alternative health care will increase.

In FY 1996, \$720,000 was appropriated to the Department of Military and Veterans' Affairs for an Alternative Long-Term Health Care Initiative. Of this amount, \$73,000 was provided to Rutgers University's Center for Social and Community Development for a study on the health care needs of New Jersey's veterans, \$126,000 was made available to relieve a salary deficit and \$521,000 lapsed to the General Fund undesignated balance. As part of this study, the Center conducted a survey of veterans in New Jersey to determine their awareness, utilization and views on various issues related to health care. The study was completed in September 1996 and made the following recommendations regarding DMAVA's role in health care arrangements for New Jersey's veterans:

- ! Educate veterans about available elder care services prior to service need;
- ! Coordinate with other State and local agencies serving the elderly, including the New Jersey Easy Access Single Entry (EASE) program;
- ! Develop a more proactive approach to communication between DMAVA nursing home personnel and family members regarding nursing home placement for the veteran; and
- ! Develop a program that supports the care-giving efforts of family members.

As a result of these recommendations and through other departmental initiatives, DMAVA is undertaking the following activities regarding long-term care for New Jersey's veterans:

- ! The new Menlo Park Veterans' Memorial Home will contain an Adult Day Care Center, with the goal of providing integrated care to a maximum of 32 clients to assist them in attaining the functional levels of which they are capable and to protect their health and safety. The center will give clients the ability to remain living at home for a longer period of time and assist with integration into a long-term care facility. It is anticipated that individuals on the waiting list at the Menlo Park Veterans' Memorial Home will be given priority for participation in the center. The center will provide the following services: preventive, diagnostic, therapeutic, rehabilitative medical and social services to clients who do not require 24-hour inpatient health care; and dietary, nursing, patient activities, recreation, pharmaceutical, dental, laboratory, medical, nutrition counseling, occupational therapy, physical therapy, speech/language pathology, radiological and transportation services.

Enrollment in this new center will be phased in, beginning between January and June of 1999. The center will receive revenues through federal Department of Veterans' Affairs per diem payments and through fees charged to the participants, which, through proposed FY1999 budget language, would be appropriated for the expenses of the center. The FY 1999 recommended budget contains no specific appropriation for this program. Currently,

Background Paper: Alternative Long-Term Health Care

there are no plans to open a similar center at the Paramus or Vineland homes.

- ! The department has established a relationship with the US Department of Veterans' Affairs' New Jersey VA Health Care System in East Orange to refer eligible veterans to their home health care program. As this is a federally supported program through the VA hospital system, this coordination avoids duplication of services and does not cost the State additional funds.
- ! The department has begun quarterly educational programs at the Paramus Veterans' Memorial Home for veterans and their families in that area. In addition, the department is publishing a "New Jersey Veteran Journal" quarterly, for New Jersey's veterans, their families, friends and concerned individuals and groups, which can be used as a means to educate veterans in New Jersey on their long-term care options.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Staff Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 1999 budget are encouraged to contact:

Legislative Budget and Finance Office
State House Annex
Room 140 PO Box 068
Trenton, NJ 08625

(609) 292-8030

Fax (609) 777-2442