

Mr. Chairman and members of the Senate Budget Committee:

Thank you for the opportunity to appear before you today to discuss and review the fiscal year 2008 budget for the Department of Military and Veterans' Affairs. Please let me introduce the members of my staff who have joined me for this presentation.

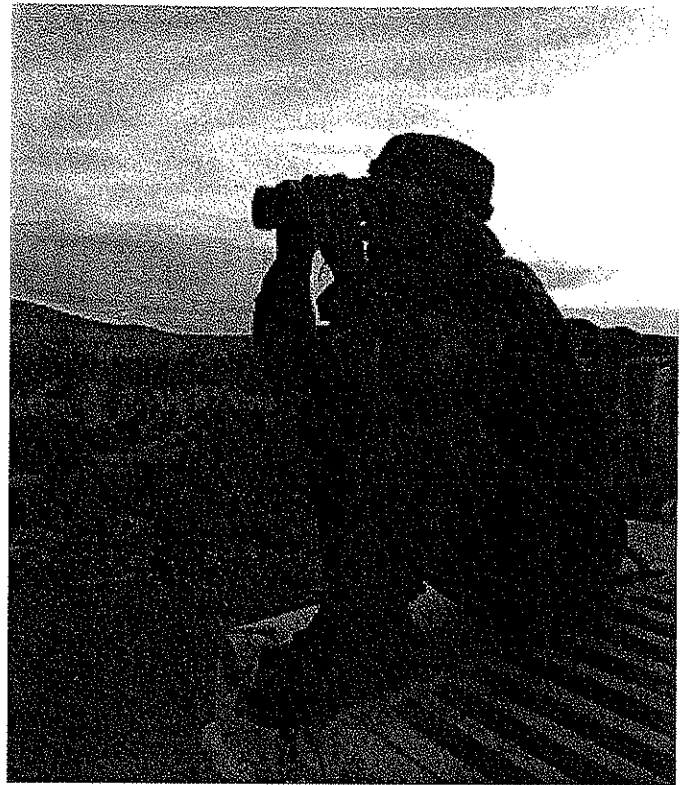


DMAVA continues to be team players when it comes to fiscal responsibility. Last year I spoke to you about the nearly \$5 million in savings the Department has enacted since January 2002. Those savings were possible through the reduction of unclassified managerial staff and other positions; and the conversion of a number of armory support positions to federally funded slots. The Department also led the vehicle reduction initiative by cutting 23 vehicles from our fleet, a twenty percent savings.

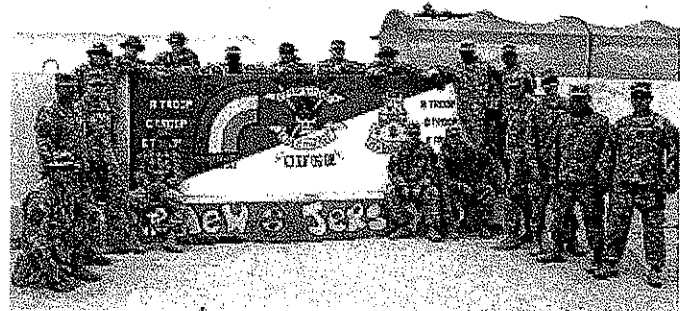
In the current fiscal year, I have implemented other management efficiencies, saving the State an additional \$777,000. To accomplish this I have further decreased our position count by 8 personnel thru retirements or the elimination of funded vacancies while still maintaining quality services for our Veterans. Additionally, I have streamlined numerous programs, reducing inefficient processes and maximizing federal resources.

Lastly, I have implemented an Energy Savings program throughout the Department aimed at saving an additional \$150,000 in FY 2008.

I must stress that any further reductions in the departments budget could have an adverse impact on the 592,000 veterans that live in the state. I would have to consider the closing of a wing in one of the three veteran's homes in order to extract additional significant savings and that would be extremely detrimental to our veterans' community.

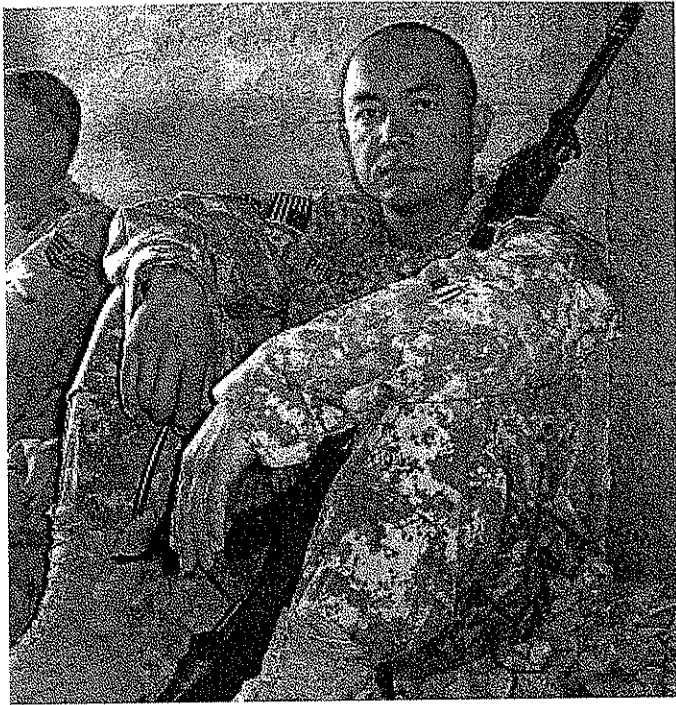


The New Jersey National Guard continues to play a major role both in the domestic and international theaters, providing security, natural disaster relief support, and humanitarian assistance while at the same time actively involved in the current war. DMAVA continues to be heavily involved in the Global War on Terrorism and the OPTEMPO of our federal mobilizations.



Right now 148 Soldiers are currently serving in Operation Iraqi Freedom; these Garden State Soldiers are attached to the Minnesota National Guard Brigade Combat team extended for 125 days as part of the Department of Defense's surge plan.

Since September 11, 2001, the New Jersey National Guard has mobilized more than 6,000 Soldiers and Airmen for operations both here within the U.S. and in countless locations throughout the world.



Our hometown heroes, the 83-hundred Soldiers and Airmen of New Jersey continue to train and prepare for possible future deployments, whether those mobilizations happen in the coming months or several years out.



We could easily double the 2004 historic high of more than 1700 deployed Citizen Soldiers and Airmen should the scheduled mobilization of 50th Infantry Brigade Combat Team occur in 2010. That deployment would see nearly 3600 men and women actively involved in defending America. The performance of the New Jersey Army and Air Guard continues to be exemplary and we should all be very proud of their service.

With the ongoing Global War on Terror and the involvement of so many New Jersey citizens, DMAVA is committed to addressing the needs of our returning combat Veterans, making sure that reconstitution process supports their needs.

The Department has developed and initiated our own state reconstitution process which has been recognized as one of the country's "best" by the National Guard Bureau. We have integrated state veteran's service officers, Employer Support of the Guard and Reserve, and chaplains into the reconstitution process, which occurs upon the immediate return of Soldiers and Airmen from Federal mobilization.

In addition, we are available when they report to their first drill 60 to 90 days post-deployment, a point at which they may need services such as counseling or medical assistance. While our National Guard Soldiers and Airmen are easily accessible to DMAVA, these services are also available to all branches of the military, both active and reserve.

In order to address the needs of our returning combat veterans, Governor Corzine proposed allocating an additional \$1,000,000 in FY 2008 for support services.



To comprehensively assess the needs of these service members I am appointing a Yellow Ribbon Commission which will include representatives from my Department, veterans' organizations, service providers, returning combat veterans and family members. This diverse panel will review current programs and make recommendations concerning how to address the complex issues facing New Jersey's returning combat veterans. These proposals will provide the impetus for determining the allocation of dedicated assistance monies.

In order to inform our veterans of their benefits and entitlements DMAVA instituted an aggressive Veterans Outreach program, some of the initiatives include:

Once a month our Information kiosk staffed with vet-

eran service officers brings information on entitlements to the center courts of shopping malls around the State.

We continue to provide a toll free Veterans Hotline – 1-888-8NJ-VETS - which provides benefit information to veterans and their dependents.

A video detailing the departments' benefits to the veterans' community was distributed on DVD's to all the service organizations.

Additionally, we are working with our federal legislators on legislation that would force the Department of Defense to notify us on a monthly basis when active duty and reserve Service members return to New Jersey so we can ensure they are aware of all programs available.



The goal of the Outreach Program is to encourage veterans and their family members to contact the nearest veteran's service officer for assistance in filing appropriate claims and applying for every benefit they are eligible to receive.

DMAVA continues to see a large increase in demand for PTSD treatment. Our toll free, mental health Veterans Helpline focusing on post traumatic stress disorder (PTSD) is available 24/7 for veterans or their family members. The helpline provides referrals for services ranging from confidential individual and group counseling, biofeedback and medication dispensing to New Jersey veterans and their families.

There is a \$500,000 increase included in the FY2008 budget that will enable us to provide these services to an

estimated 624 Soldiers, an increase of 155% over the last 3 years. This program has become critical component in the long term mental health for service members returning from Iraq and Afghanistan as well as veterans of previous conflicts.

New Jersey remains only 1 of 3 States that provides additional PTSD services for Soldiers and is the ONLY State that provides these services to family members. This is certainly a good news story and I thank you for appropriating the additional funds in fiscal year 2008 to make this essential service available for our returning veterans.



The Brigadier General Doyle Cemetery remains the 10th busiest veterans' cemetery in the country and the most active State operated veteran's cemetery in the nation. During 2006, the department interred 2,728 veterans, spouses and eligible family members. We anticipate this number to increase over the next couple of years as the mortality rate for World War II veterans reaches its peak. Please allow me to share with you the progress of projects at the cemetery.



Construction on the new administration and maintenance building has been completed and we received the certificate of occupancy on December 16, 2006. As part of

our Memorial Day Services on May 26th we will dedicate the building; I invite everyone to attend.

In November we broke ground for construction of Section R crypt field, this \$3,700,000 project is fully federally funded and will provide an additional 5,700 gravesites.

We are also working with the Veterans Administration on federal funding for future projects including renovating the cemetery entrance, a new outdoor committal shelter, a 2,700 niche columbarium and a public assembly area.

As you can see we remain committed to ensuring that our Veterans are laid to rest with the dignity and honor befitting the sacrifices they made on behalf of our nation.

Governor Corzine's FY 2008 budget request also includes an additional appropriation of \$1,000,000 for the World War II Memorial. This allocation brings the total of State appropriation to \$3,000,000 and it is estimated that this is about half the amount needed to complete the project.



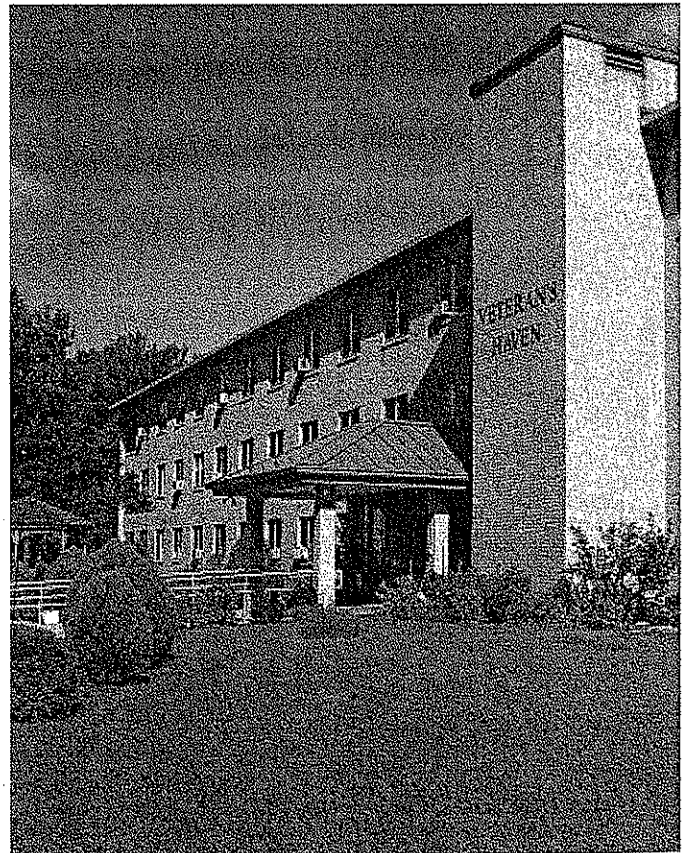
On Dec 8th 2006, the Governor expanded the WWII Commission with the intent of generating additional private donations to help offset the cost of the project. Design of the memorial is complete and noted sculptor Thomas J. Warren has been commissioned to complete the bronze statues.

Addressing the issue of homeless veterans remains a

priority of the Department. The Federal Veterans' Administration estimates that New Jersey has 7,500 to 8,000 homeless veterans.



Veteran's Haven is a transitional housing program designed to re-integrate homeless veterans into the community. This program, which houses 55 residents, located on the grounds of Ancora Psychiatric Hospital, has been in existence since January 1995. Of the 611 veterans that have been enrolled, 72% have successfully completed the program.



Last year the Department received a \$2,000,000 appropriation to expand the current program by 36 additional residents. Realizing that the expansion would require

supplementary funding the Department applied for a grant with the US Department of Veterans Affairs that was ultimately denied. As a result, DMAVA has teamed with the Department of Community Affairs to fund the remaining expansion costs. There will be a marginal operating cost increase associated with the 36 resident expansion that will be offset somewhat by Federal VA per diem reimbursement.

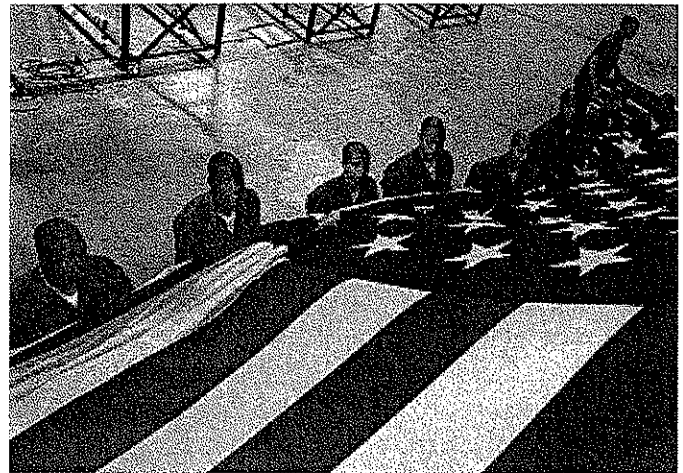
We are also looking at creating a second Veterans Haven site in the central part of the State. With the closure of Fort Monmouth, property on the former Army installation may be available to meet that need. Initial costs for establishing a new facility if approved would be with federal dollars.

The Department also continues to support "Stand Downs" to assist homeless veterans in New Jersey. Last year the two events were attended by a total of 530 veterans in need. The "Stand Downs" provide social service and community organizations the opportunity to intervene in the cycle of homelessness for these veterans and their families. This year, "Stand Downs" are scheduled for September in Camden and Newark. I would like to invite the members of the Legislature and their staff members to attend.



In November we dedicated the new wing of the Vineland Veterans Memorial home, and with the completion of this state of the art facility DMAVA now has a rated capacity to provide long term care for 948 residents. There is an additional appropriation of \$105,000 recommended in FY2008 to fund 3 Medicare billing clerks. These new positions will manage the Medicare part D billings and ensure that overall Medicare revenues are maximized in the three homes. Through the efforts of our Nursing Healthcare professional recruiter we continue to reduce the reliance on expensive agency nursing costs and im-

prove continuity of care for our residents.



One of the best "good news" stories for the Department is the New Jersey Youth ChalleNGe Academy, located on Fort Dix. It is a voluntary, educational program that provides at-risk 16-18 year old high school dropouts the opportunity to undergo an intense 22-week structured residential program in a military environment. The educational goal is to prepare cadets for the GED exam and raise academic mathematics and reading scores a minimum of two grade levels. ChalleNGe cadets are mentored for one-year post graduation as they pursue employment, college, vocational school or military service.

Our Youth ChalleNGe Academy has been highly successful and has exceeded national standards. New Jersey's academy has received three national awards, the most recent for "Academic Excellence" in 2005.



After visiting the program and learning first hand how ChalleNGe changes the future for countless young people, the Governor recommended an additional \$350,000 in appropriations to expand the Academy. This amount will leverage an additional \$900,000 in federal funds for the

program. This increased funding will enable the Department to increase its annual target goal from 200 cadets to 300 cadets. Since 1994 there have been 2,017 graduates of the program.

The Office of Military Affairs continues to take a proactive role in the State's military related issues that have long-term economic impacts on New Jersey.

As a result 2005 Base Realignment and Closing (BRAC) New Jersey is experiencing major gains and losses. The Picatinny Arsenal realignment establishes the installation as the armament, research, development and acquisition center for all military services. McGuire Air Force base, Fort Dix and Lakehurst Naval Air Engineering Center are in the process of merging to create the first ever Tri-Service Joint Base. Fort Monmouth, slated for closure in 2011, is beginning the process of developing a master plan addressing the future redevelopment of the base and economic revitalization of the area.

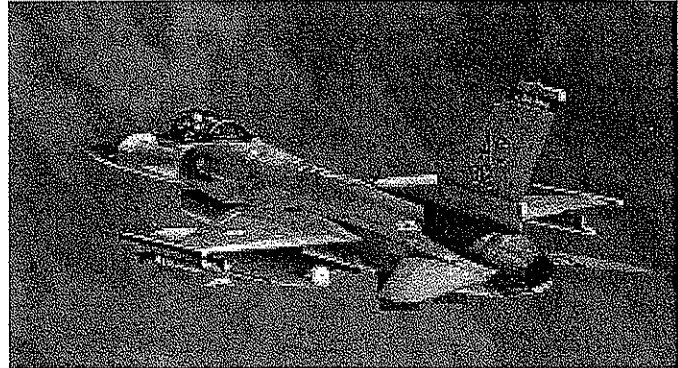


The New Jersey Air National Guard's 108th Air Refueling Wing will convert sixteen KC-135E's to eight KC-135R Tankers and continue its vital support to homeland security and the Global War on Terrorism. In addition the 108th is fortunate to gain two new critical missions including a contingency response group and an intelligence squadron.

The New Jersey Air National Guard's 177th Fighter Wing is in the process of upgrading to F-16's with newer engines and will receive three additional aircraft. The 177th will also gain a new mission with the assignment of an Air Support Operations Squadron to the base.

By direction of the Department of Army, the Army Na-

tional Guard is currently transforming its structure to become a more mobile, agile, self-sustaining force. This transformation will restructure the reserve component into a more modern operational force, paralleling the active component.



Ultimately, the transformation will provide a more appropriately equipped and manned Army National Guard, to secure and defend New Jersey, the traditional role as the state militia, which as we know is the core competency of the National Guard. New missions include military police, chemical, water purification and engineering.



All of these new missions for the Army and Air National Guard are vital to support the domestic response mission as well. Today, as everyday, the Soldiers and Airmen stand ready as military first responders for the state and are relevant force in the defense of the nation.

As our Soldiers and Airmen defend our freedoms, it is incumbent upon the Department of Military and Veterans' Affairs to ensure that the needs of our service members and their families are met before, during and after a deployment. Through National Guard funding, we are providing family support services at 10 Family Assistance Centers. These centers support the 'home front heroes' during unforeseen emergencies, financial hardships and

quality of life issues. They also coordinate with 34 unit Family Readiness Groups located throughout the state.



To assist New Jersey's reserve component service members and their civilian employers, the National Guard Bureau funds two fulltime contract employees to manage the Employer Support of the Guard and Reserve program. More than 100 volunteers make up the State ESGR Committee, who donated their time to educate employers on re-employment rights and mediate disputes between employees and service members.



Additionally, support from the communities has been tremendous. An example was the recent Welcome Home for the 50th Personnel Services Battalion, 250th Personnel Services Detachment and Afghan Embedded Training Team. Hundreds of residents and flag waving school children line the street as the Soldiers proudly march into the Lawrenceville Armory to end their year-long deployment to Afghanistan. This was an inspiring event that the Soldiers and their families will remember forever.

We are a community-base organization and it is heart warming to see our neighbors at sendoff and welcome home events, Freedom Salutes and numerous fundraisers. Then there are the countless letters, packages and phone cards sent by schools, civic and veterans organizations, the Salvation Army, American Recreational Military Services and elected officials to name a few. It is this support that helps sustain our Soldiers and Airmen to successfully fulfill the many homeland security and homeland defense missions they have been called upon to perform.

With your support, the Department of Military and Veterans Affairs will continue to ensure the security of New Jersey's citizens and provided services to our deserving veterans.

Thank you for the opportunity to make this presentation before your distinguished committee. My staff and I will be happy to answer any of your questions.

