

Mr. Chairman and members of the Assembly Budget Committee:

Thank you for the opportunity to appear before you today to discuss and review the fiscal year 2006 budget for the Department of Military and Veterans' Affairs (DMAVA). To begin, let me introduce the members of my staff who have joined me for this presentation.

First and foremost, the Department has taken the lead in fiscal accountability. Numerous reductions have occurred since January 2002. Most importantly, I must emphasize that we have reduced our unclassified managerial employee staff by 21 employees, 21% less, resulting in cumulative salary savings of more than \$3.9 million over the last three years. We have reduced our motor vehicle fleet by 4 sedans, 15% and 2 SUVs, 29%. Additionally, five of the remaining sedans are federally funded. Prior to Acting Governor Codey's State Travel Ban, we voluntarily reduced travel expenses for myself and the Department's senior staff to include all Division Directors. My staff and I continue to

seek economies and savings throughout all of the Department's operations.

Over the past year DMAVA has been very challenged by our commitment to the Global War on Terrorism. The opstempo of our federal mobilizations have been historic for the New Jersey Army National Guard. More than 1,500 are currently serving in Operation Iraqi Freedom. Over 2,000 were mobilized over the past year. Coupled with Air National Guard mobilizations since September 11, 2001, the mobilization level rises to 6,000 soldiers and airmen in the past 3½ years for operations both here in the U.S. as well as many locations overseas. Because we have so many Guard members in our civilian state employee ranks, the impact on our Department's state operations has been enormous. All total, 232 state personnel in DMAVA have been activated to serve in the Global War on Terrorism. Nevertheless, we have met every tasking. This is due to the tremendous commitment our staff has to our mission of serving and supporting our soldiers, airmen, their families and our veterans. And it has been inconsequential

whether the staff member is a civilian, or one with a military background. We feel that our dedication to serving the citizens of New Jersey is unmatched.

Our Department intimately knows we are a nation at war. And over the past year, we have been tested as an organization with the terrible consequences that are part of that responsibility. We have had more than 450 injuries, 30 purple hearts awarded and, as all of you know, we lost four of our soldiers in two separate IED (improvised explosive device) incidents last June. This Memorial Day weekend we will be dedicating a New Jersey National Guard Global War on Terrorism monument, funded completely by private donations from individual soldiers and airmen in the National Guard, to the memories of SSG Timoteo, SSG Carvill, SPC Duffy, and SGT Doltz. I invite you all to attend our ceremony scheduled for Saturday, May 28, 2005 at 2:00 p.m. We are also very proud of the fact that our New Jersey Guard members are the recipients of numerous awards for their service overseas, including 34 Bronze Stars.

Now I would like to talk about our State accomplishments. In homeland security, DMAVA has been a national leader and the recent TOPOFF exercise highlighted that New Jersey is particularly at risk to a Weapons of Mass Destruction (WMD) event. We are on schedule for the certification and validation of the WMD Civil Support Team (WMD-CST) first assigned to New Jersey one year ago. We expect that process to be final in the fall. The CST is a wonderful federal asset, valued at over \$12 million in federal resources that we worked very hard to procure our first two years in office.

Since opening two years ago, our Joint Operations Center (JOC) has been extremely busy responding to numerous taskings. In 2003, we responded to seven major taskings, including Operation Liberty Shield, the August power outage, Hurricane Isabel, and snowstorm support both in February and December. Also in December 2003 we stood up to support Operation Winter Talon, a specific threat to the New Jersey/New York crossings and the nuclear power plants. Winter Talon continued into January

2004. Snowstorm support was also required in February 2004 as well as participation in a weeklong exercise with 1st Army called Heartland Response in March. We responded to an elevated alert over the Easter holiday, the floods in 2004 (both July and September), followed quickly by the elevated (orange) alert in the financial sectors this summer. Since 1 August, we have had a fully operational JOC (24/7) through the Republican National Convention, the election and the inauguration. We participated fully in an exercise of the Reserve Strategic Stockpile in October in preparation for TOPOFF. We were required to remotely support the G8 Summit in June and the Democratic National Convention in July. In addition to a fully operational JOC, National Guard Bureau requires us to be able to respond with a company-sized element within 4 hours and a battalion-sized element within 24 hours. This has necessitated a cross leveling of our forces with all of our mobilizations but we are fully capable of meeting that requirement. Most recently, we responded to the February snowstorm, and floods in April while simultaneously participating in the TOPOFF

exercise. From 2003 to 2004, our mission tasking increased from 7 to 12 and we continue to be fully operational today. And the missions outlined here do not reflect all the requirements that the JOC has been tasked to support. There have been countless warning orders published for storms or threats that failed to materialize but which required the attention of our Command Cell and the full time support staff.

The capabilities of the center have been enormously helpful in facilitating our response and assuring sustainability. The JOC contains both secure and satellite communications and networks for federal military interactions, and we continue to add programs and software that assist our interoperability with the New Jersey State Police and other state agencies. During the most recent TOPOFF exercise we were able to simultaneously track the State Police SITREPS (Situation Reports) with ETeams as well as with various components of the military such as NORTHCOM and 1st Army through DSEL (Dynamic Synchronization Events Listing).

On our veterans' side, the construction of the new Veteran's Home at Vineland is proceeding and is now projected to open late summer in 2005. In addition to \$50.5 million in state and federal construction funding, nearly 1.7 million is within our FY06 request to fund the operating costs of the new facility. When complete, the new 300-bed state-of-the-art facility will provide residents increased living space, an increased capacity of 18 beds and facility access for residents and staff under one roof. Unlike the old facility, the new home will be eligible for Medicare Part A receipts that will be used to offset operational costs. Finally, the new Vineland Veterans' Memorial Home will be the first in the nation to provide assisted living care for veterans.

At the Paramus Veterans' Home the department's FY06 capital request of \$175,000 will match \$325,000 in federal funding and be used to replace the HVAC systems. Once complete, this will significantly improve residents' quality of life by ensuring comfortable and uniform temperatures throughout the facility.

You may recall that the Old Glory Wing at the Menlo Park Veterans' Memorial Home officially opened its doors last April. This wing is a specialized secure unit designed to care for residents with Alzheimer's and related dementias. This was a significant accomplishment since the Old Glory Wing had remained vacant since the opening of the new Veterans' Memorial Home at Menlo Park in 1999 due to a national and statewide nursing profession shortage. An aggressive nursing recruiting strategy has yielded proper staffing levels to enable the opening of the Old Glory Wing. I can tell you today that the wing is at 80% occupancy with full occupancy anticipated in the very near future.

As I stated, the shortage of nurses and other paraprofessional caregivers in New Jersey has had a significant impact on the New Jersey Veterans' Memorial Homes, but thanks to previous funding provided in our budget, our Nursing Healthcare Professional Recruiter continues to diligently address the problem. The success of our recruiter at all three homes will reduce our reliance on the expensive use of agency nursing personnel.

The Brigadier General Doyle Cemetery remains the busiest state veterans cemetery in the nation and the 10th busiest overall. During calendar year 2004, the department interred 2,669 veterans, spouses and eligible family members. We anticipate this number to increase every year through 2008, when 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.

The first phase of a \$35 million federal Veterans' Administration funded Expansion and Improvement Program were completed in 2003 and 2004 for grave liners. The second phase of the Expansion and Improvement Program was completed last September. This federally funded \$1.6 million project is the construction of the cemetery's first columbarium for the above ground committal of cremated remains. The two columbarium sections contains 1,680 niches. The third phase of the program began in the fall of 2004 and includes the construction of a new Administration/Maintenance Complex. When complete in the spring of 2006, this federally funded \$6.2 million complex will

provide a facility with sufficient office space, maintenance bays, and storage buildings throughout the projected life cycle of the cemetery. We remain committed to ensuring that our veterans are laid to rest with dignity and that the cemetery is being maintained as a shrine to their service. State funding for the cemetery is currently at \$1.9 million to fund perpetual care, maintenance, and honor guard operations.

On another veteran issue, the Department continues to assist some of our most needy veterans, those that are homeless. In many cases, these veterans have problems that include drug and/or alcohol abuse or lack skills or possess outdated ones that are no longer marketable. Currently, the federal veterans administration estimates that New Jersey has approximately 7,500 to 8,000 homeless veterans. We have been working to reduce this number through several programs and activities. Veterans' Haven is a transitional housing program designed to re-integrate homeless veterans into the community. The program opened its doors in January 1995. Veterans Haven is located on the grounds of Ancora

Psychiatric Hospital in Winslow Township. The building was constructed in the mid-1950s with no significant repairs since it was built. To address this issue, Veterans' Haven received a HUD Life Safety Grant for \$332,000 to replace the building electrical transformer to be completed this May. Last year we received a donation of nearly \$170,000 from a veterans' fraternity to replace all of the building's windows. This project will be completed this month. A contract has been let to remodel the 2nd and 3rd floor bathrooms. All of these efforts have enabled the department to provide safe and quality transitional housing to as many veterans as possible. From the inception of the program in 1995, a total of 523 veterans have been admitted and 469 veterans discharged into the community; of that number 68% have successfully completed their scheduled programs. Veterans Haven is a success story in dealing with our homeless veterans. In recent years, Veterans Haven has increased its capacity from 50 to 54 residents. Currently, the Veterans' Haven program receives \$470,000 in federal VA per diem reimbursement, \$494,000 in state funding,

\$94,000 of that amount is to provide state match funding to a HUD Supportive Housing Grant totaling \$353,000 which fund the operating costs of this program.

In addition to Veterans' Haven, the department supports "Stand Downs" to further assist homeless veterans. At these "Stand Downs" several hundred homeless veterans and their family members receive assistance from a variety of social service and community organizations. Each year the department supports two "Stand Downs" and last year these two events were attended by a total of 487 homeless veterans. "Stand Downs" are scheduled again during September 2005 in Newark and Cherry Hill. As always, you and all members of the Legislature and your staffs are encouraged and welcome to attend.

In the area of Veterans Outreach, the success of the department's 21 Veterans Service Officers is measured one veteran at a time. In FY04, New Jersey veterans received nearly \$522 million in federal benefits. This represents an increase of \$50

million dollars of new awards through the efforts of our Veterans Services Officer.

Another successful DMAVA program that provides a necessary service to certain veterans that I would like to briefly discuss is the Post Traumatic Stress Disorder (PTSD) program. The PTSD program provides confidential individual and group counseling sessions to eligible veterans and their families. In FY04 we served 2,618 individuals in 3,788 individual counseling sessions and 1,339 group sessions. DMAVA has experienced an increase in the number of veterans requiring PTSD counseling as well as an increase in the length of counseling required. In fact, currently there is a waiting list of 375 individuals and growing. The average client remains on the waiting list for approximately 9-15 months before receiving treatment. With Vietnam, Desert Storm, and more recently Operations Iraqi Freedom and Enduring Freedom, the potential for the number of veterans seeking enrollment into the PTSD program to increase even further is a reality. I am pleased that the Governor's Budget recommendation

for the PTSD program reflects an increase of \$500,000 to enable the department to address the growing waiting list and the extended length of counseling sessions required by some of our veterans. The Governor's Task Force on Mental Health endorsed this request and I am confident that you will support this request to assist those individuals suffering from a combat service related disorder.

Another good news story within the Department of Military and Veterans Affairs is our ChalleNGe Youth Program. In January 2002 I received a letter from the National Guard Bureau advising me the New Jersey's ChalleNGe Youth Program was a "program in failure and that federal funding was to be withdrawn. I requested a delay in their decision to permit me to address the failure cause and implement changes. Under the direction of Brigadier General Maria Falca-Dodson, our Deputy Adjutant General, the ChalleNGe Youth Program was turned around for success, as it became a national award-winning program for the past two years. The department's National Guard ChalleNGe

Youth program located at Fort Dix is a voluntary, educational program that provides at risk 16-18 year old male and female high school dropouts the opportunity to undergo an intense 22-week structured residential program in a military environment. The educational goal is to raise their academic mathematics and reading scores a minimum of two grade levels. Our ChalleNGe Youth program has been highly successful and has exceeded national standards. Our most recent achievements are:

- Since its inception, the Challenge program has graduated 1,633 cadets who would otherwise be high school dropouts. In the recent graduating class #21, 76 cadets exceeded the National Guard Bureau standard for community service hours and had the highest retention rate (82%) in the nation. Class #21 had an 89% GED/High School Diploma pass rate. This percentage pass rate has increased with each class.
- In addition, our program received awards from the National Guard Bureau (NGB) in conjunction with the

United Service Organization (USO) in 2003 for the “Most Progressive Program” and in 2004 for “Excellence in Life Skills”. In October 2004, the National Guard Bureau auditors recognized NJ ChalleNGe as the model program in the nation.

- ChalleNGe cadets are followed for one-year post graduation and all of them are either placed in jobs, college, vocational school or the military. In fact, many of our ChalleNGe graduates are currently serving all over the world in the war on terrorism in all branches of the armed services.

New Jersey is an active leading participant in the U.S. Department of Defense’s State Partnership Program (SPP). This federal initiative, begun in 1993, seeks to engage former Soviet/Communist countries in developing individual freedoms through democratic principles and government. Since January 2002, New Jersey has expanded the partnership from a specific military to military exchange. Military to civilian and civilian-to-

civilian engagements are growing. Military to civilian events include military support to civilian authorities plans and operations. Examples are disaster relief (floods, fires, hurricanes) and most recently the TOPOFF 3 exercise. Recent events had visiting Albania National Civil Officials interacting with New Jersey's Department of Environmental Protection and Department of Education. New Jersey Department of Environmental Protection Fire Fighting leaders in conjunction with the New Jersey Department of Military and Veterans Affairs successfully arranged a transfer of an obsolete, fully functioning fire truck and turn out equipment donated by the city of Garfield and Hamilton Township, respectively. We will continue our initiative of assisting them to obtain needed computer hardware and medical supplies and equipment. In February 2005, the Albanian Minister of Defense accompanied by the Chief of Staff of Albanian Military Forces, Albania's Defense Attaché and other senior staff conferred with my senior staff and me.

I would like to return now to the New Jersey National Guard role in the Global War on Terror. As I said at the beginning, since September 11, 2001, almost 6,000 New Jersey Army and Air National Guard members have been deployed over the past 3½ years, primarily for Operations Iraqi Freedom and Enduring Freedom in Afghanistan, although we have had soldiers and airmen assigned around the world in numerous other locations. Let me tell you about the major assignments and operations. Over the past year we have deployed 725 New Jersey Army National Guard soldiers to support detainee operations in Guantanamo Bay Cuba, 330 soldiers to the Sinai in Egypt, 250 in Germany and more than 2,000 soldiers to Iraq. And we continue to receive additional mobilization orders for the next rotations there for our remaining units. 250 soldiers provided security at Army and Air bases stateside as part of Operation Noble Eagle. In conjunction with the New Jersey State Police, we maintain a task force for security at both nuclear power plants. This does not include all those soldiers

who were placed on state active duty for floods, snowstorms, and national special security events (NSSEs).

The 177th Fighter Wing, New Jersey Air National Guard, deployed to Operation Iraqi Freedom for an AEF rotation last summer. The 108th Air Refueling Wing continues to support operations overseas and will deploy this June for an AEF rotation to Incirlik Turkey. Both units in the Air National Guard also continue to support Operation Noble Eagle with the combat air patrol mission here at home. All total the New Jersey Air National Guard has almost 15,000 flying hours and more than 3,500 sorties since September 11, 2001.

As our soldiers mobilize and then return from their deployments, it is incumbent upon the Department of Military and Veterans' Affairs to ensure that the transition meets their needs, the needs of their families and the needs of their civilian employers. Through the National Guard we are providing the services of 10 Family Assistance Centers and 34 Family Readiness Groups. To assist New Jersey's citizen-soldiers and their civilian

employers, the National Guard Bureau funds a full time contract employee to manage the Employer Support of the Guard and Reserve Committee (ESGR) at DMAVA's Headquarters in Lawrenceville. In March, a breakfast seminar for employers of guard and reserve members activated for a combat theater, titled "Operation Return Home", was co-hosted by ESGR, New Jersey Business and Industry Association and DMAVA. 60 New Jersey employers attended. Additionally, support from communities has been tremendous. We have had sendoff and welcome events, numerous fundraisers, countless letters, packages and phone cards sent by schools, volunteer and veterans organizations (Salvation Army and ARMS-American Recreational Military Services), community groups, and elected officials to name a few. It is this support that helps sustain our determination to successfully fulfill the many homeland security and homeland defense missions we have been called upon to perform.

A great news story is that units have begun to rotate home. We have demobilized or are in the process of demobilizing 1,420

soldiers from the Sinai, Guantanamo Bay Cuba, Iraq and the security mission stateside (Operation Noble Eagle). We have developed and initiated a Reconstitution process to augment the Active Army's re-deployment processing. We have integrated our veterans service officers, ESGR, and chaplains into the immediate reconstitution upon their return but also into their follow on drill 60 to 90 days post-deployment, at the point that they may need services—counseling or medical, especially for the returning combat veteran. We did this because it was the right thing to do for our soldiers and airmen and we believe our program is unmatched in the nation.

Today, we have more than 1,500 soldiers still serving in Iraq, 250 in Germany and many others in various locations. I started this presentation by saying how proud I am that we continue to meet all of our mission requirements to serve the citizens of our state and nation, respond to both the President and the Governor and continue to support our National Guardsmen, their families and our veterans, all during tight budgetary times. Until terrorism

is eliminated, we remain ready, willing and able to do everything in our power to make our nation and the world safe, secure, and free for our children and their children.

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.