

ANALYSIS OF THE NEW JERSEY
FISCAL YEAR 2000 - 2001 BUDGET



DEPARTMENT OF MILITARY AND
VETERANS' AFFAIRS

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

APRIL 2000

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-11; C-19; C-26; D-313 to D-326

Fiscal Summary (\$000)

	Expended FY 1999	Adjusted. Appropriation FY 2000	Recommended FY 2001	Percent Change 2000-01
State Budgeted	\$64,651	\$74,457	\$79,814	7.2%
Federal Funds	14,121	20,293	50,442	148.6%
<u>Other</u>	<u>59</u>	<u>1,242</u>	<u>1,213</u>	<u>(0.9)%</u>
Grand Total	\$78,831	\$95,992	\$131,469	37.0%

Personnel Summary - Positions By Funding Source

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change 2000-01
State	1,210	1,270	1,338	5.4%
Federal	149	147	159	8.2%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,359	1,417	1,497	5.6%

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

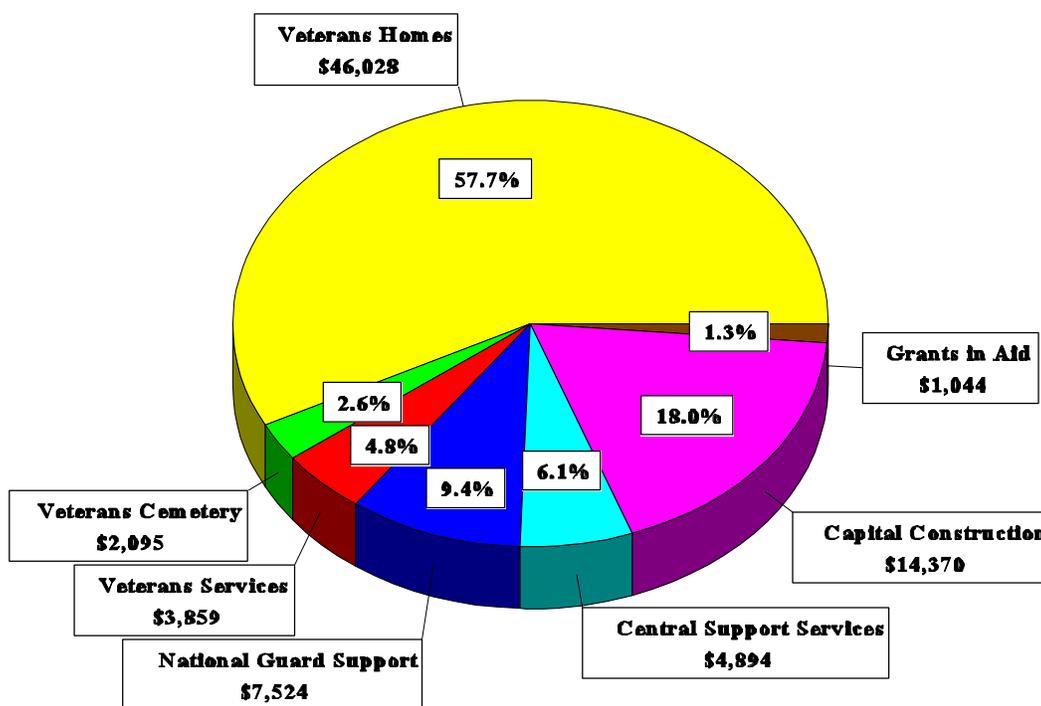
Introduction

The Department of Military and Veterans' Affairs provides services and programs directed to New Jersey's estimated 735,000 veterans and their families and oversees the New Jersey Army and Air National Guard. The department operates three nursing homes, maintains 33 active armories and a cemetery, and provides outreach and assistance to veterans. In its role as a State militia, the National Guard responds to emergencies within the State. The National Guard also remains on call to support missions in the interest of national defense.

Key Points

- ! A total appropriation of \$79.8 million in State funds is recommended for the Department of Military and Veterans' Affairs in FY 2001, an increase of \$5.4 million, or 7.2 percent, over the FY 2000 adjusted appropriation of \$74.4 million. Direct state services funding — recommended at \$64.4 million — is \$1.1 million, or 1.7 percent, over the FY 2000 adjusted appropriation of \$63.3 million. The department's capital funding is recommended at \$14.4 million. Federal and other funds are anticipated at \$50.4 million and \$1.2 million, respectively.

Department of Military and Veterans Affairs
FY 2001 Recommended State Funds Appropriation (\$ in Thousands)



Key Points (Cont'd)

- ! The Governor recommends \$14.4 million in capital construction funds for the department, an increase of \$4.3 million, or 42 percent, over its \$10.1 million FY 2000 adjusted appropriation. Included in the total is \$9.3 million to begin construction of a replacement facility for the Vineland veterans' nursing home, a project that received funding of \$3.6 million for the design phase in FY 2000. This project is anticipated to generate almost \$24 million in federal funds in FY 2001, would increase bed capacity from 282 to 332 when completed, and include an Alzheimer's unit as well as an assisted living complex.
- ! In addition to the \$9.3 million recommended for the Vineland nursing home, the budget recommends capital construction funding of \$2.7 million to make improvements to existing armories, training centers, and other nursing homes, and \$2.4 million for the rehabilitation of the department's headquarters building.
- ! A new appropriation of \$250,000 is recommended to cover the department's costs in hosting the National Guard Association annual conference in August 2000. Held in Atlantic City, the conference is expected to attract 4,000 participants from around the country.
- ! An increase of \$125,000, from \$762,000 in FY 2000 to \$887,000 in FY 2001, is recommended in the Joint Federal State Operations and Agreements (State Share) accounts. The additional funding is for increased maintenance and environmental costs related to Air National Guard units at both Atlantic City and McGuire Air Force base.
- ! The Governor's budget recommends \$462,000 for Honor Guard support services to assist at burial services for any veteran requesting such a service at any cemetery throughout the State. Funding for this service was previously provided by the federal Department of Veterans Affairs, but has been discontinued.
- ! The recommended budget includes a new appropriation of \$136,000 to establish a new State Benefits Bureau in the department. This appropriation would fund three positions to determine veterans' eligibility and status. At present, the Departments of Personnel and Treasury perform this service.
- ! An appropriation of \$864,000, an increase of \$123,000, is recommended for the State-matching share of the federally funded New Jersey National Guard Challenge Youth Program. The State matching share will rise from 30 percent in FY 2000 to 35 percent in FY 2001. Challenge Youth is a 22-week residential program for at-risk youth 16 to 18 years of age that provides education, life skills, leadership and employment training.
- ! A new \$150,000 State appropriation is recommended for the maintenance of new lawn crypts at the Brigadier Doyle Cemetery, which are designed to facilitate burials during the winter months.
- ! Total federal funding is anticipated to increase by 149 percent, from \$20.3 million in FY 2000 to \$50.4 million in FY 2001. Most of the anticipated \$30 million increase — \$23.9 million — would be used for reconstruction of the Vineland Veterans' Home. The other major increases are \$3 million for construction of the new lawn crypts cited above and an increase of \$3 million for National Guard Program Support, from \$16.5 million to \$19.5 million.

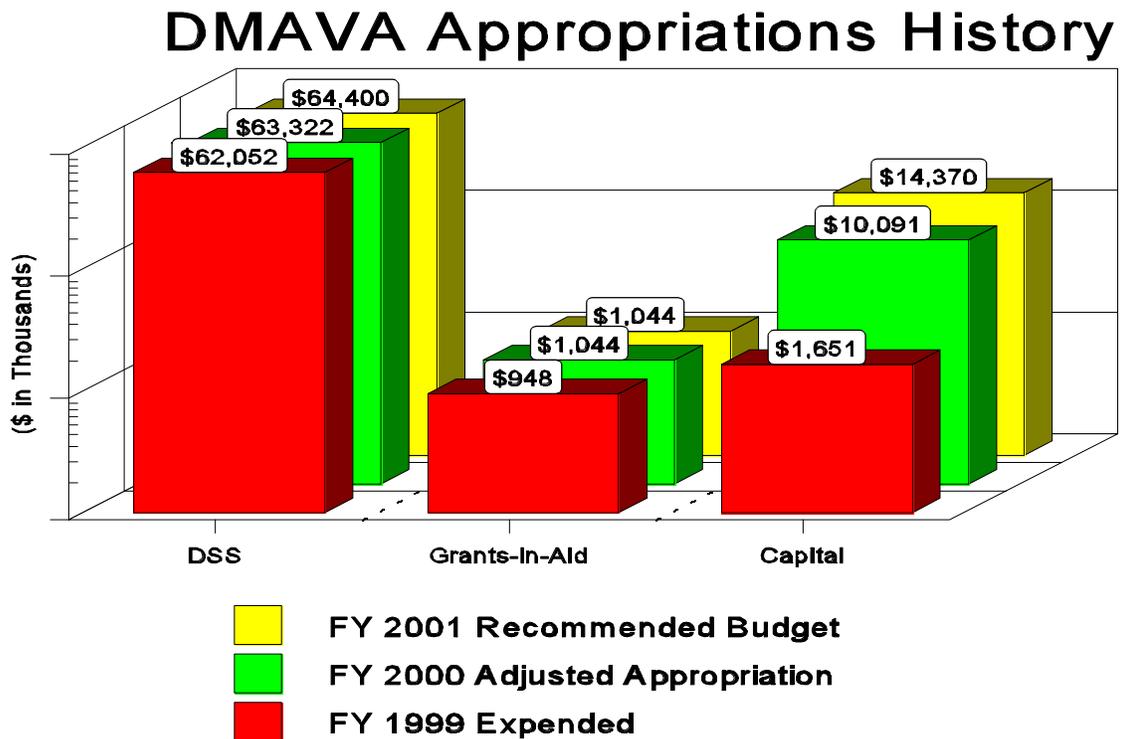
Program Description and Overview

The New Jersey Department of Military and Veterans Affairs, under the direction of the Adjutant General of New Jersey, is responsible for supporting the New Jersey Army and Air National Guard and administering veterans programs and services. The department was formed in 1988 through the merger of the Department of Defense and the Division of Veterans' Programs in the Department of Human Services.

In its role as a State militia, the National Guard responds to emergencies within the State upon the declaration of a state of emergency by the Governor. 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 department operates veterans nursing homes at Paramus, Menlo Park (Edison Township) and Vineland; Veterans Haven, a transitional housing program for homeless veterans; and the Brigadier General William C. Doyle Veterans Memorial Cemetery in Arneytown. The department also operates 15 veterans service offices throughout the State that provide outreach and assistance.

To support these activities, the Governor's budget recommends a total appropriation of \$79.8 million in FY 2001. This represents an overall increase of approximately \$5.4 million, or 7.2 percent, over the department's adjusted appropriation of \$74.5 million in FY 2000. The department expended \$64.7 million in FY 1999. As the chart below describes, the largest rate of growth has been in the capital construction category.



Program Description and Overview (Cont'd)

MILITARY SERVICES

The Department of Military and Veterans' Affairs is responsible for the support and coordination of Army and Air National Guard activities in New Jersey. The department estimates that 96 percent of the 7,500 authorized Army National Guard and 100 percent of the 2,450 authorized Air National Guard positions will be filled in FY 2001.

The department will maintain 38 armories in FY 2001, five of which do not have resident National Guard units. Use days at the armories, also known as Interactive Community Resource Centers, are expected to remain stable in FY 2001 compared to FY 2000. Making armories available for use for non-National Guard functions is anticipated to generate \$625,000 in revenues in FY 2001, up \$25,000 over the FY 2000 anticipation, according to budget data (budget page C-19). The table on the next page presents data on the strengths of the army and air national guard as well as the number of armory use days from FY 1999 to FY 2001.

As indicated in the table, the FY 2001 direct state services recommendation for Military Services is \$12.4 million, an increase of \$270,000, or 2.2 percent, over the FY 2000 adjusted appropriation of \$12.1 million. A total increase of \$248,000 is recommended for two federal/state match programs: an additional \$123,000 for the New Jersey National Guard Challenge Youth Program grant, and an additional \$125,000 for the joint federal-State operations and maintenance contracts for environmental oversight at the Atlantic City and McGuire air bases. A recommended new appropriation of \$250,000 would cover costs associated with the State's hosting of the National Guard Association of the United States Annual Conference, scheduled for August 2000 in Atlantic City. Offsetting these increases are a reduction of \$145,000 recommended for document storage and Retrieval and a \$78,000 reduction in the Materials and Supplies account.

The Governor's budget recommends an appropriation of \$280,000 for the Weapons of Mass Destruction program. This program, which received a supplemental appropriation of \$280,000 in FY 2000, provides research and training in the organization, detection and prevention of terrorist activities.

Almost \$5.1 million is recommended in capital construction appropriations for Military Services, down 7.8 percent from the FY 2000 adjusted appropriation of \$5.5 million and \$910,000 less than the department requested. An appropriation of \$2.4 million is recommended for rehabilitation of the departments headquarters building. Federal funding is anticipated to increase \$3.0 million, or 18.2 percent, to \$19.5 million in FY 2001 for a variety of programs including \$1.5 million for the National Guard communications agreement, \$700,000 for armory renovations and improvements, \$400,000 for the Hazardous Waste Environmental Protection Program, and for cost increases in a number joint federal-state contracts for operation of National Guard facilities.

The budget recommends a total of 320 funded positions for Military Services, of which 167 are State supported and 153 are federal positions.

Program Description and Overview (Cont'd)

MILITARY SERVICES STATISTICAL DATA

	Actual FY 1999	Revised FY 2000	Estimated FY 2001
Authorized Strength, Army National Guard	7,498	7,498	7,498
Strength of Army National Guard, September 30	96.2%	96.0%	96.0%
Authorized Strength, Air National Guard	2,488	2,450	2,450
Strength of Air National Guard, September 30	96.3%	98.0%	100.0%
Military Use of Armories (days)	14,927	15,300	15,300
Other State Agencies Using Armories (days)	1,695	1,700	1,700
Public/Private Users of Armories (days)	10,499	10,500	10,500

MILITARY SERVICES GENERAL FUND APPROPRIATION

(\$ in 000s)

	<u>Adjusted Approp.</u> <u>FY 2000</u>	<u>Recommended</u> <u>FY 2001</u>	<u>Percent Change</u> <u>FY 2000-01</u>
Direct State Services:	<u>\$12,148</u>	<u>\$12,418</u>	<u>2.2%</u>
Central Operations	5,035	4,894	(2.8)%
National Guard Programs	7,113	7,524	5.8%
Grant-In-Aid:	<u>35</u>	<u>35</u>	<u>0%</u>
Civil Air Patrol	35	35	0%
Capital Construction:	<u>5,500</u>	<u>5,070</u>	<u>(7.8)%</u>
TOTAL	\$17,683	\$17,523	(0.9)%

SERVICES TO VETERANS

The Department of Military and Veterans' Affairs is responsible for the support and coordination of various services to military veterans in New Jersey. These responsibilities include:

- (1) Long-Term Care Services. The department operates veterans nursing homes in Menlo Park, Paramus and Vineland. These facilities provide nursing home care for eligible veterans, their spouses, and parents of individuals killed in action. Eligibility requirements include an honorable discharge and two-year State residency preceding the date of application. The three nursing homes have a combined capacity of 950 patients.

Program Description and Overview (Cont'd)

- (2) Burial Services. The department provides New Jersey veterans, their spouses and dependents with burial services at the Brigadier General William C. Doyle Veterans' Memorial Cemetery. The cemetery has 110,000 burial spaces, with 21,093 filled and 2,424 burials projected in FY 2001.
- (3) Veterans Outreach and Assistance. The department operates 15 veterans affairs services offices throughout the State. These service offices assist veterans and their dependents in securing State and federal entitlements. Evaluation data indicates the department will serve an estimated 38,000 veterans and process 3,500 claims in FY 2001.

The department also provides community-based services through third-party contracts for transportation and post-traumatic stress disorder counseling. In FY 2001, the number of trips provided in the transportation program is estimated at 26,000, up 2,000 over the 24,000 in FY 2000. An estimated 4,700 counseling sessions will be provided in FY 2001, an increase of 200. A total appropriation of \$1 million is recommended in FY 2001 to fund grants-in-aid for the paraplegic, hemiplegic, and blind veterans allowance programs and various education programs, the same level of funding as in FY 2000.

The tables below provide detail budget and statistical information for the Services to Veterans category. As shown, funding for direct state services is recommended at almost \$52 million, up 1.6 percent over the \$51.2 million FY 2000 adjusted appropriation. Direct state services funding for the Menlo Park and the Paramus nursing homes is recommended to decrease slightly. Funding for the Vineland nursing home is recommended to increase \$91,000 to meet increased food service costs.

In addition, the Transitional Housing Program receives federal funding, which would be appropriated to the program through recommended budget language. This program provides housing and employment assistance to homeless veterans recovering from alcohol or drug abuse and has a capacity of 50 residents. The three veterans' nursing homes receive federal funding and Medicare reimbursements.

The budget recommends a total of 1,177 funded positions for FY 2001 in Services to Veterans programs, of which 1,171 are State supported and six are federally supported. In FY 2000, the payroll count of State funded positions as of September 1999 was 1,103. Position growth is expected for each program category including burial services and administration, and at each of the three veterans nursing homes.

SERVICES TO VETERANS GENERAL FUND APPROPRIATION

(\$ in 000s)

	<u>Adjusted Approp.</u> <u>FY 2000</u>	<u>Recommended FY</u> <u>2001</u>	<u>Percent Change</u> <u>FY 2000-2001</u>
Direct State Services:	\$51,174	\$51,982	1.6%
Veterans Program Support	5,219	5,954	14.1%
Menlo Park Memorial Home	15,347	15,338	-0.05%
Paramus Memorial Home	15,557	15,548	-0.05%
Vineland Memorial Home	15,051	15,142	0.6%
Grants-In-Aid:	1,009	1,009	0%
Veterans Program Support	1,009	1,009	0%
TOTAL	\$52,183	\$52,991	1.5%

Program Description and Overview (Cont'd)

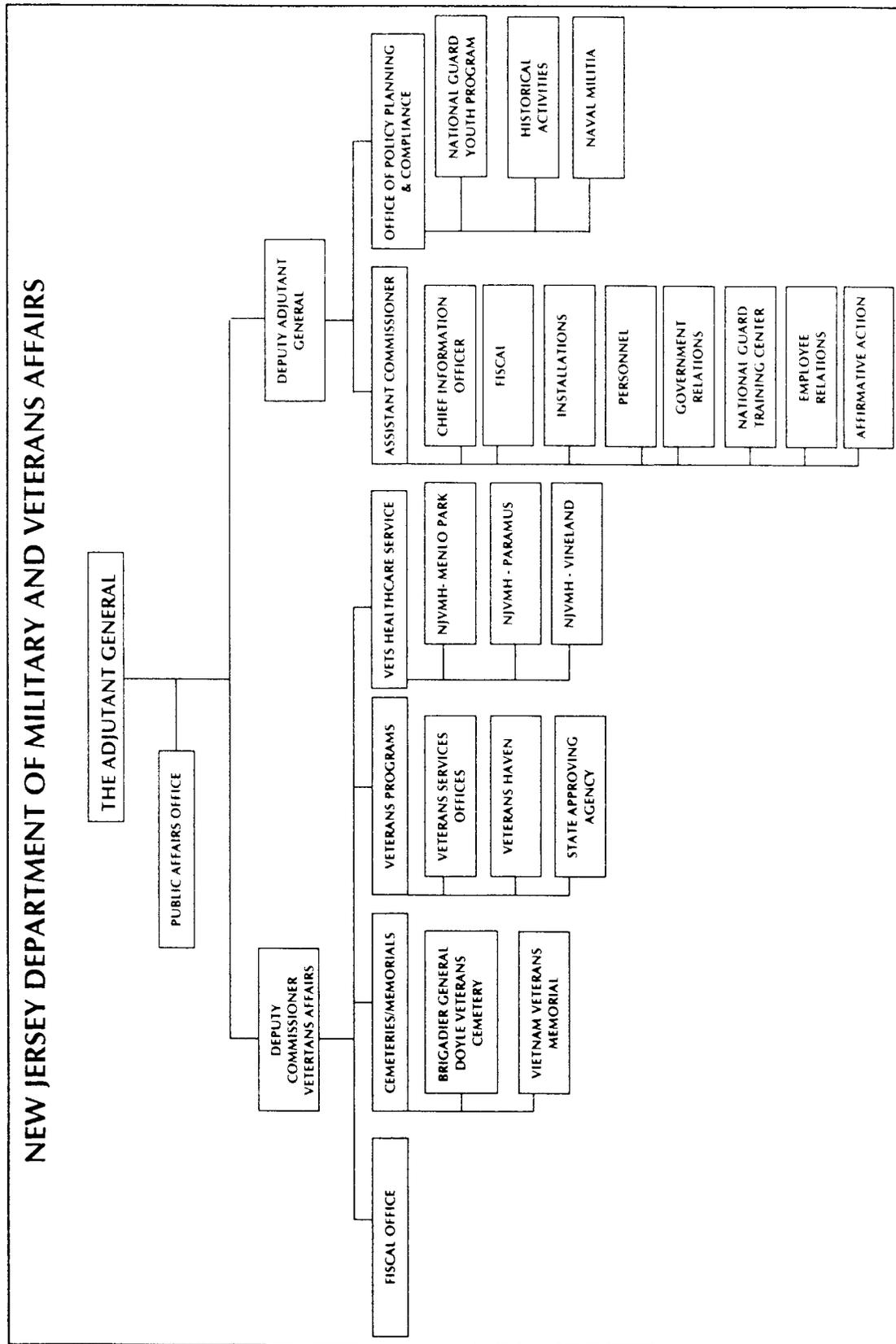
SERVICES TO VETERANS STATISTICAL DATA

	Actual FY 1999	Revised FY 2000	Estimated FY 2001
Veterans Receiving Services at Field Offices	38,300	38,000	38,000
Number of Field Offices	15	15	15
Brigadier General Doyle Memorial Cemetery - Total Interments	18,889	21,093	23,517
Menlo Park Veterans' Memorial Home:			
Rated Capacity	332	332	332
Average Daily Population	232	260	320
Paramus Veterans' Memorial Home:			
Rated Capacity	336	336	336
Average Daily Population	325	325	325
Vineland Veterans' Memorial Home:			
Rated Capacity	282	282	282
Average Daily Population	268	268	267

NURSING HOMES WAITING LIST
(As of March 7, 2000)

	Approved Veterans	Approved Non-Veterans	In Process Veterans	In Process Non-Veterans	TOTAL
Menlo Park	77	5	50	1	133
Paramus	29	10	52	3	94
Vineland	21	6	20	3	50
TOTAL	127	21	122	7	277

Organization Chart



Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 1999	Adj. Approp. FY 2000	Recom. FY 2001	Percent Change	
				1999-01	2000-01
General Fund					
Direct State Services	\$62,052	\$63,322	\$64,400	3.8%	1.7%
Grants - In - Aid	948	1,044	1,044	10.1%	0.0%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	1,651	10,091	14,370	770.4%	42.4%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$64,651	\$74,457	\$79,814	23.5%	7.2%
Property Tax Relief Fund					
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%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
Gubernatorial Elections Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$64,651	\$74,457	\$79,814	23.5%	7.2%
Federal Funds	\$14,121	\$20,293	\$50,442	257.2%	148.6%
Other Funds	\$59	\$1,242	\$1,213	1955.9%	-2.3%
Grand Total	\$78,831	\$95,992	\$131,469	66.8%	37.0%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change	
				1999-01	2000-01
State	1,210	1,270	1,338	10.6%	5.4%
Federal	149	147	159	6.7%	8.2%
All Other	0	0	0	0.0%	0.0%
Total Positions	1,359	1,417	1,497	10.2%	5.6%

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	56.3%	54.7%	52.7%	----	----
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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MILITARY SERVICES**Direct State Services****US National Guard
Association Annual
Conference**

	\$0	\$250	\$250	—	D-316
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The Governor recommends this \$250,000 appropriation to defray State costs of hosting the National Guard Association annual conference in Atlantic City in August 2000. This conference is expected to attract 4,000 participants. This appropriation would fund the following costs: \$90,000 for transportation and accommodation of host staff; \$50,000 for the Governor's reception; \$10,000 for the Adjutant General's reception; \$50,000 for contracted promotional services; \$40,000 to promote New Jersey as the host State; and \$10,000 for administrative support and services.

**New Jersey National
Guard Challenge Youth
Program**

	\$741	\$864	\$123	16.6%	D-317
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This recommended increase reflects the increased State match required in FY 2001 for \$1.6 million in federal funding of this program. The New Jersey National Guard Challenge Youth program was 100 percent federally funded from its inception in FY 1995 to FY 1998. In FY 1999, however, a 25 percent State matching share was required. The State is required to increase its matching share 5 percentage points per year until a level of 40 percent is reached in FY 2002. Challenge Youth is a 22-week residential program for at-risk youth 16 to 18 years of age that provides education and life skills, leadership and employment training. After the residential phase, each student is assigned a mentor for one year. These mentors provide guidance and advice while charting each student's progress in the working world or in the next phase of education. Since its inception, 837 cadets have graduated from the program.

**Joint Federal-State
Operations and
Maintenance Contracts
(State Share)**

	\$762	\$887	\$125	16.4%	D-317
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This recommended increase is for additional funding required for contracts the State has with the federal government for maintenance and environmental costs related to Air National Guard units at Atlantic City and McGuire Air Force bases. The department indicates that both the dollar value of the contracts and the number of maintenance contracts have increased. The number of maintenance contracts has increased primarily because of new buildings at these bases.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Document Storage and Retrieval	\$145	\$0	\$0	(100.0)%	D-317

This one-time appropriation allowed the department to improve information management through the purchase of electronic imaging equipment that scans documents into files for digital retrieval.

Capital Construction

Sea Girt Training Center - Multiple Agency Projects	\$400	\$0	(\$400)	(100.0)%	D-317
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This appropriation was used to fund improvements made to training facilities at the Sea Girt Training Center, including the outdoor range, driving pad, ammunition bunker and running track, according to the department.

Fire and Life Safety, Statewide	\$1,500	\$750	(\$750)	(50.0)%	D-317
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This capital appropriation would be used to fund such projects as fire suppression systems and fire alarm controls. The department requested \$1,460,000 for this purpose.

Preservation of Existing Structures	\$1,000	\$550	(\$450)	(45.0)%	D-317
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This recommended appropriation would be used to refurbish, convert and upgrade outdated armory facilities in Atlantic City, Jersey City, Morristown, Teaneck, West Orange and Jersey City.

Infrastructure Projects, Statewide	\$0	\$400	\$400	—	D-317
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This capital appropriation would be used to fund the repaving of roads and parking lots at the Paramus nursing home (\$300,000) and the replacement of windows at armories (\$100,000). The department had asked the Commission on Capital Budgeting and Planning to recommend \$900,000 for this purpose.

Environmental Projects, Statewide	\$0	\$500	\$500	—	D-317
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This appropriation would fund asbestos removal and PCB monitoring, testing and removal. The department had submitted a request of \$1.9 million to the Commission on Capital Budgeting and Planning for this purpose.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Rehabilitation of Headquarters Building	\$0	\$2,420	\$2,420	—	D-317

This appropriation would be used to rehabilitate this structure in Lawrenceville and bring it into compliance with building codes. This project includes replacing the heating/air conditioning system, installing a fire suppression system, fitting the building to meet federal Americans with Disabilities Act requirements, and correcting structural damage.

Mobilization and Training Equipment Site (MATES) - Lakehurst - Design Study

	\$2,100	\$0	(\$2,100)	(100.0)%	D-317
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The FY 2000 supplemental appropriation (P.L.1999, c.405) funded the architecture and engineering study for construction of a mobilization and training equipment site (MATES) at Lakehurst Naval Air Warfare Center for use by the New Jersey National Guard. The facility would replace an existing one at Fort Drum, New York, that had been used by the New Jersey National Guard, but was transferred to the New York National Guard in October 1999. The department indicates that funding for the project will be 65 percent federal and 35 percent State. Additional State funding for construction would not be needed until FY 2002, as the engineering and design phase will continue in FY 2001.

SERVICES TO VETERANS

Direct State Services

Veterans' State Benefits Bureau

	\$0	\$136	\$136	—	D-320
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This appropriation would fund three new positions to determine whether applicants qualify as veterans or as disabled veterans for purposes of eligibility for civil service preference, veterans' retirement benefits, the purchase of military service credit, and other veterans benefits. Presently, the Departments of Personnel and Treasury perform this service.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2000</u>	<u>Recomm.</u> <u>FY 2001</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Honor Guard Support Services	\$0	\$462	\$462	—	D-320

This appropriation would fund the salaries of seven positions and related costs of a unit which provides honor guards at burial services of veterans whose families request this service. The honor guard service was previously funded by the federal Department of Veterans Affairs. That department has discontinued funding, but mandated that states continue to provide this service to veterans. Personnel would include an administrator and six honor guards.

Additions, Improvements and Equipment	\$26	\$170	\$144	553.8%	D-320
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This recommended appropriation includes \$150,000 to equip lawn crypts at the Brigadier General Doyle Veterans' Memorial Cemetery. These crypts, to be constructed with federal funds, will facilitate burials during the winter months. Slight decreases in other minor objects account for the net increase of \$144,000 in this line-item.

Capital Construction

Brigadier General Doyle Veterans' Memorial Cemetery Improvements	\$991	\$0	(\$991)	(100.0)%	D-320
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This FY 2000 supplemental appropriation funded the architectural and engineering design for a new interment office at the cemetery and the pre-placing of burial lawn crypts. The design study was a prerequisite to qualify for federal funding from the Department of Veterans Affairs. The project qualified for \$3 million in federal funding.

Federal Funds

Burial Services	\$0	\$3,000	\$3,000	—	D-320
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This federal funding is for construction of lawn crypts at the Brigadier General Doyle Memorial Cemetery. In FY 2000, the State appropriated \$991,000 for the architectural and engineering design for this project. The lawn crypts are intended to facilitate burials during the winter months.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
MENLO PARK VETERANS' MEMORIAL HOME					
Materials and Supplies	\$2,206	\$1,961	(\$245)	(11.1)%	D-322
Services Other Than Personal	\$842	\$1,097	\$255	30.3%	D-322

These apparent changes are due to an accounting decision. The \$245,000 appropriated in the materials and supplies account in FY 2000 is recommended in the services other than personal account for FY 2001.

VINELAND VETERANS' MEMORIAL HOME**Direct State Services**

Materials and Supplies	\$1,502	\$1,616	\$114	7.6%	D-325
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The bulk of the increase in this appropriation would fund food, utility and materials and supplies costs which are anticipated to rise by \$100,000.

Capital Construction

Architectural and Engineering Design Study	\$3,600	\$0	(\$3,600)	(100.0)%	D-325
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This one-time appropriation funded the architectural and engineering design of the new Vineland nursing home. Construction is anticipated to begin in FY 2001.

Construction of Replacement Facility	\$0	\$9,300	\$9,300	—	D-325
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This appropriation would provide the State match for \$23.9 million in federal funds to construct a new 332-bed Vineland nursing home. The new facility would include a 32-bed wing for patients with Alzheimers disease and an assisted living complex. The present facility, three buildings with 282-beds, was constructed in the 1960s and 1970s.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2000</u>	<u>Recomm.</u> <u>FY 2001</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
<u>Federal Funds</u>					
Administrative and Support Services	\$0	\$23,953	\$23,953	—	D-325

This appropriation represents federal funding for the construction of a new Vineland nursing home. Plans are to construct a single, new nursing home and to raze the existing structures after the nursing home population is transferred to the new facility.

Language Provisions

MILITARY SERVICES

2000 Appropriations Handbook

2001 Budget Recommendations

B-110

To the extent that the costs of imaging projects are reduced, funds appropriated to individual departments for the purchase of imaging related projects may be available for reallocation to a centralized function, as the Director of the Division of Budget and Accounting shall determine.

No comparable language.

Explanation

In FY 2000, the department received a one-time appropriation of \$145,000 to improve information management by purchasing equipment to scan documents into files for digital retrieval. The language authorized the reallocation of these funds in the event that imaging equipment for all State agencies was purchased through a central vendor, thus reducing the unit purchase price. Since this was a one-time appropriation, similar language is not necessary for FY 2001.

2000 Appropriations Handbook

2001 Budget Recommendations

B-110

In addition to the amount hereinabove, there is appropriated an amount not to exceed \$280,000 for a Weapons of Mass Destruction program contingent upon federal designation of New Jersey as a Weapons of Mass Destruction site, as the Director of Budget and Accounting shall determine.

No comparable language.

Explanation

The Weapons of Mass Destruction (WMD) program involves planning, training and response efforts related to the potential for terrorist use of weapons of mass destruction within the State. Under this program the National Guard will train fire, police and other emergency personnel on techniques and procedures for dealing with a WMD incident. The department received a \$280,000 supplemental appropriation for this program in FY 2000 and the Governor's budget recommends \$280,000 for the WMD program in FY 2001. Therefore, this language is no longer necessary.

Language Provisions (Cont'd)

VETERANS' PROGRAM SUPPORT

Explanation2000 Appropriations Handbook2001 Budget Recommendations

B-111

The unexpended balance as of June 30, 1999 in the Transitional Housing account is appropriated for the same purpose.

Funds received for Veterans' Transitional Housing from the federal Department of Veterans' Affairs and the individual residents are appropriated for the same purpose.

Funds received for Veterans' Transitional Housing from the federal Department of Veterans' Affairs and the individual residents, and the unexpended balances as of June 30, 2000, are appropriated for the same purpose.

Explanation

The recommended FY 2001 budget language combines the two language provisions of the FY 2000 Appropriations Handbook. The Transitional Housing program provides employment assistance to homeless veterans recovering from alcohol or drug abuse and is anticipated to maintain a residency level of 50 veterans in FY 2001.

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 VINELAND VETERANS' MEMORIAL HOME
2000 Appropriations Handbook2001 Budget Recommendations

B-113

Unexpended balances as of June 30, 1999 in the Equipment for Alzheimer's Facility Zone account for each veterans' home are appropriated for the same purpose.

No comparable language.

Explanation

This language was used in the previous three fiscal years to carry forward funds from a special purpose account that was created to establish Alzheimer's disease units at the three nursing homes. These units are now operational and fully funded in the FY 2001 budget. Therefore, this language is no longer necessary.

Discussion Points

MILITARY SERVICES

1. Joint Training Center, Sea Girt

Budget evaluation data (page D-315) indicates the number of "person days" at the Joint Training Center in Sea Girt is anticipated to increase to 124,400 in FY 2001, up 17.2 percent over the 106,100 person days projected for FY 2000. In addition to being a facility for the training of National Guard troops, the center is used by State and local agencies to train State troopers, municipal police officers, Division of Criminal Justice investigators, and corrections officers. The largest anticipated increase is in the State Police Recruit Training, which will go to 26,000 person days in FY 2001 compared to none in FY 2000.

- !** *Question:* What impact will this increase in the number of individuals using the Training Center have on the facilities? Has DMAVA forecast the number of use days at the Training Center beyond FY 2001 and, if so, does it anticipate that the number of use days will continue to rise? Please provide information on the amount of reimbursements received for use of this facility by other agencies in FY 2000 and the anticipated reimbursements in FY 2001.

2. Joint Federal-State Operations and Maintenance Contracts (State Share)

The cost of the Joint Federal-State Operations and Maintenance Contracts (State Share) is anticipated to increase \$125,000, from \$762,000 in FY 2000 to \$887,000 in FY 2001, a 16.4 percent increase. The rate of inflation in calendar 1999 was just above 2 percent.

- !** *Question:* Please explain why the State share of these contracts is increasing at such a rate of change? Does DMAVA anticipate that future costs will continue to increase at this rate?

3. Weapons of Mass Destruction Program

In FY 2000 the department received a supplemental appropriation of \$280,000 for a Weapons of Mass Destruction (WMD) program to provide research and training in the organization, detection and prevention of terrorist activities. A similar appropriation is recommended for FY 2001.

- !** *Question:* Please provide a detailed explanation of the WMD program, including how this program differs from the anti-terrorist unit in the Department of Law and Public Safety, the number of positions in the program, and the types of equipment purchased to carry out the program's mission.

4. World War II Memorial

In FY 1999 the Legislature appropriated \$580,000 to the department for a contribution to the World War II Memorial Fund in Washington, D.C. States were requested to contribute \$1 for each resident who served during World War II. The American Battle Monuments Commission hopes to break ground on this memorial on Veterans Day 2000, after the design has been completed and approved, and all necessary funds have been secured. The campaign has more than \$70 million of the \$100 million needed to design, build and maintain the memorial.

- !** *Question:* How many other states contributed to the World War II Memorial Fund? How many of the contributing states followed the suggested contribution formula of \$1 for each resident of the state who served during World War II?

Discussion Points (Cont'd)

5. Korean War Memorial

In FY 1999 the Legislature appropriated \$250,000 toward the construction of the Korean War Veterans' Memorial. The plan is for the memorial to be dedicated on June 25, 2000, which will honor the 800 State residents who died on the battlefields of Korea. The \$2.5 million total cost is also being funded by a \$1.0 million contribution from the Casino Reinvestment Development Authority. However, a *Star-Ledger* article, of November 29, 1999, reported that the fund-raising campaign was at least \$500,000 short of its goal at that time.

- !** *Question:* Please provide an update on fund raising efforts for the Korean War Veterans' Memorial. What is the schedule for construction and dedication of the memorial?

6. U.S.S. New Jersey

The Navy recently determined that the battleship U.S.S. New Jersey should be permanently docked on the Camden waterfront. Tentative plans are to refurbish the battleship as a World War II museum.

- !** *Question:* Has the Department of Military and Veterans Affairs been requested to participate in the effort to convert the U.S.S. New Jersey into a museum? Please describe the experience and expertise the department might contribute toward this project. Would additional funding be required? If so, are federal funds available?

7. New Jersey National Guard Challenge Youth Program

The New Jersey National Guard Challenge Youth Program is a 22-week residential program at Fort Dix for youths 16 to 18 years of age who have dropped out of high school. Since its inception in FY 1995, 837 cadets have graduated from this State/federally funded program. The recommended FY 2001 appropriation for the State share of program costs is \$864,000, up 16.6 percent over the \$741,000 FY 2000 adjusted appropriation. The New Jersey Department of Human Services administers the allocation of funds under the Temporary Assistance to Needy Families (TANF) federal block grant which has an unexpended balance in excess of \$100 million. TANF funds may be used for a variety of programs to assist disadvantaged youth, some of which appear to be similar in purpose to the Challenge Youth Program.

- !** *Question:* Has the department explored the possibility of seeking TANF funding to defray at least a portion of the State's cost associated with the Challenge Youth Program?

8. Rehabilitation of Headquarters Building

The budget recommends a \$2.4 million capital appropriation to rehabilitate the DMAVA headquarters building, in Lawrenceville. The department indicates that this work will preserve the present facility and its equipment from deterioration and bring it into compliance with construction, fire and disability codes.

- !** *Question:* What is the schedule for the headquarters rehabilitation? Will any federal funding be available for this project? Will construction reduce the amount of armory rental receipts the department would normally expect to receive from the Lawrenceville location (\$11,000 in FY 1999)?

Discussion Points (Cont'd)

SERVICE TO VETERANS

9. Transitional Housing

The Transitional Housing program provides housing and employment assistance to homeless veterans recovering from alcohol or drug abuse. In FY 1999, \$801,000 was expended on the program. However, this program's funding was distributed into the overall operating accounts in FY 2000 and its FY 2001 recommended appropriation is not identifiable in the Governor's budget. The Budget In Brief stated that the Transitional Housing Program is projected to maintain a residency level of 50 veterans in FY 2001.

- ! **Question:** Please provide a summary of this program's operations over the past three years and projected FY 2001, including amounts and types of funds used and the number of veterans served.

10. Honor Guard Support Services

The Governor's budget recommends a new appropriation of \$462,000 to fund seven new positions for Honor Guard support services to assist at burial services for any veteran requesting such a service at any cemetery throughout the State. Funding for this service was previously provided by the federal Department of Veterans Affairs, but has been discontinued. However, the federal government, according to OMB, mandated that each state continue to provide this service to veterans.

- ! **Question:** Please provide an itemized budget detailing the projected expenditure of this recommended appropriation. How many funerals are expected to receive Honor Guard services in FY 2000 and how many are projected in FY 2001? What steps, if any, are being taken to restore federal funding for this program?

11. Veterans' State Benefits Bureau

The budget recommends \$136,000 in new funding for three, permanent positions to determine whether applicants meet the criteria for a veteran or a disabled veteran for purposes of eligibility and benefits. Presently, the Departments of Personnel and Treasury perform this service.

- ! **Question:** Please explain why this function is being assumed by the department? Have the budget recommendations of the Departments of Personnel and Treasury been reduced by a commensurate amount to account for the transfer of this responsibility to DMAVA?

12. Menlo Park Fully Operational

According to a department report, the number of vacant beds at the Menlo Park facility was 67 and the waiting list totaled 122, as of March 1, 2000. Construction of the new facility was completed in the fall of 1999. Budget evaluation data indicates bed capacity was expanded from 318 to 332 thereby allowing the average daily population to increase from 260 to a projected 320 patients. In FY 2000 funding for the Menlo Park salary account shows an increase of \$1.1 million over FY 1999 expended to operate the newly constructed home. However, the nursing home was not fully operational as of March 10, 2000.

- ! **Question:** When is the Menlo Park facility expected to become fully operational? Does the department anticipate a salary surplus due to opening of the new facility late in the fiscal year? Is a reduction in the waiting list anticipated when the nursing home becomes fully operational?

Discussion Points (Cont'd)

13. Nursing Home Waiting List

Data provided by the department indicates that the combined waiting list at each of the three nursing homes continues to rise. At the beginning of FY 1999 the waiting list totaled 158. By the middle of FY 2000 the waiting list totaled 260, a 65 percent increase.

- !** *Question:* Please explain the demographic trends that are driving the demand for nursing home beds. Will demand continue to outpace supply in the future? What intermediate steps can be taken to alleviate the problem?

14. Vineland Construction

A \$9.3 million capital appropriation is recommended for construction of a new nursing home at Vineland to replace the existing facility. This project is anticipated to generate almost \$24 million in federal funds. Bed capacity would increase from 282 to 332 when the new facility is completed, including an Alzheimer's unit and an assisted living complex. The new Vineland facility will "produce no net increase in operating costs because of Medicare eligibility," according to the Budget In Brief.

- !** *Question:* When is construction of the new facility expected to begin and what is the projected opening date? Please explain the manner in which Medicare reimbursement will be increased when the facility is completed and an estimate of the amount of additional Medicare funding that may become available.

Background Paper: Armory Rental Revenues

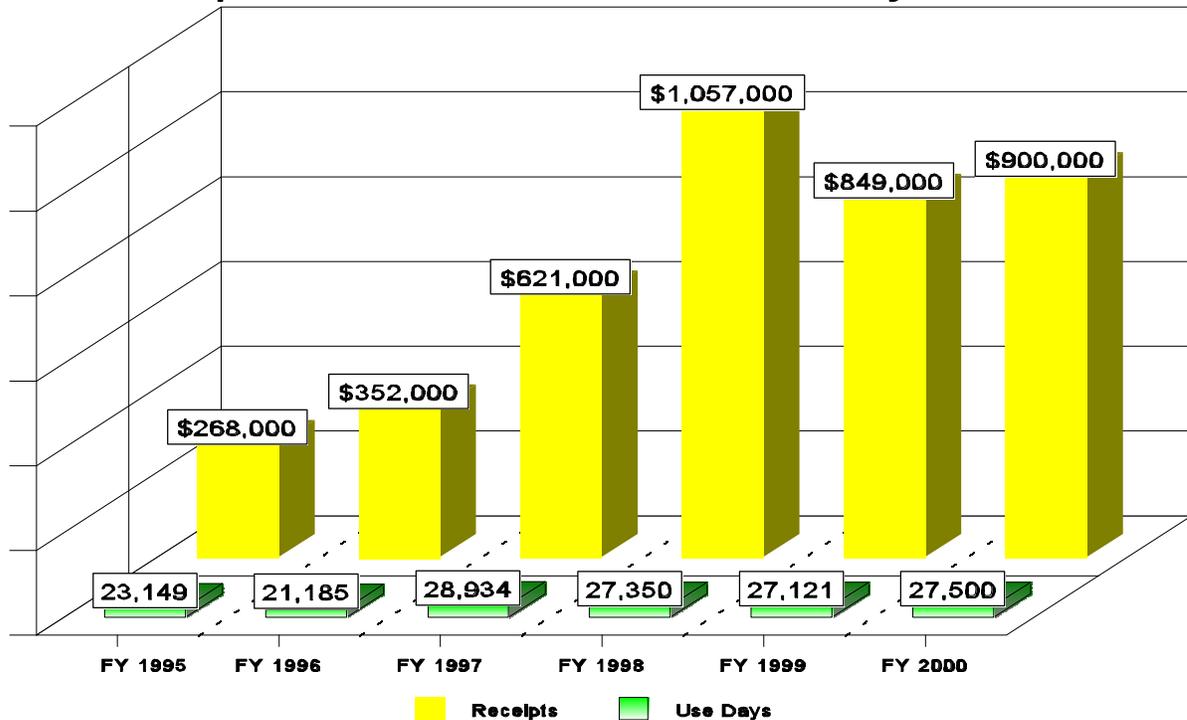
Budget Pages... D-315 to D-318

Background

The Department of Military and Veterans Affairs (DMAVA) operates 33 National Guard armories in 33 municipalities. When these armories are not being used for National Guard military purposes, DMAVA rents the space to other governmental agencies and community organizations. The uses of armory space range from community activities to commercial ventures. In the past year, armory leases were signed with a movie studio, indoor soccer league, various youth groups, craft shows, law enforcement agencies and veterans groups. Armory rentals are projected to generate \$900,000 in revenues in FY 2000. These revenues are appropriated to the department by budget language (page D-318) for the operation and maintenance of the armories.

This background paper discusses the use of National Guard armories by outside organizations and examines trends in use days and revenues.

Receipts Derived From Armory Rentals



Displayed above are actual rental receipts and "use days" for FY 1995 to FY 1999 and estimates for FY 2000. In FY 1999, the latest year for which actual data is available, \$849,000 was generated from the rental of 32 armories.

Background Paper: Armory Rental Revenues (Cont'd)

The chart on the previous page indicates that "use days" at the armories rose 18.8 percent from FY 1995 to FY 2000. Rental receipts trended higher, over the same time period, rising from \$268,000 in FY 1995 to an estimated \$900,000 in FY 2000, a 236 percent increase. The department attributes the unusually high receipts in FY 1998 to a long-term rental agreement at the Teaneck armory with a film company. Annual variations in rental receipts are not directly proportional to variations in use days because rental rates differ by armory, as noted below.

Armories are marketed primarily by word of mouth. A number of public and private sector organizations provide repeat business. Rental rates are based on the size of the facility, maintenance costs, utility costs and the duration of the lease.

The department states it would like to increase armory space rentals, subject to the factors that limit the availability of these facilities. Two major factors include the primacy of DMAVA's military mission and the aging of the facilities. Bringing the armories up to code is a department priority. Several of the more popular facilities are in need of renovation because of life safety concerns. Some of these buildings will be renovated in the near future, rendering them unavailable for rental for a period of time.

The table at right presents rental receipts by armory for FY 1999.

The total receipts depicted are slightly lower than those on the preceding graph because of differences in the reporting of security deposits.

FY 1999 Armory Rentals

Facility	Receipts
Atlantic City	\$ 4,451
Bordentown	11,414
Burlington	750
Cape May	1,275
Cherry Hill	5,914
Dover	10,175
Flemington	4,521
Franklin	31,005
Freehold	8,852
Hackettstown	220
Hammonton	105
Jersey City	24,897
Lawrenceville	11,062
Lodi	60,875
Mercer	2,047
Morristown	126,319
Mount Holly	18,851
Newark	21,212
Phillipsburg	50,805
Plainfield	9,035
Riverdale	13,095
Sea Girt	88,417
Somerset	1,612
Teaneck	156,083
Toms River	2,723
Tuckerton	10,522
Vineland	4,552
Washington	4,660
West Orange	70,067
Westfield	63,417
Woodbridge	9,571
Woodbury	735
FY 1999 TOTAL	\$ 829,239

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Individuals wishing information and committee schedules on the FY 2001 budget are encouraged to contact:

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