

ANALYSIS OF THE NEW JERSEY  
FISCAL YEAR 2001 - 2002 BUDGET



DEPARTMENT OF MILITARY AND VETERANS'  
AFFAIRS

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

APRIL 2001

## NEW JERSEY STATE LEGISLATURE

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Questions or comments may be directed to the OLS Law and Public Safety Section (Tel. 609 984-0231) or the Legislative Budget and Finance Office (Tel. 609 292-8030).

# DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-11; C-19; C-25 to C-26; C-29;  
D-353 to D-367

## Fiscal Summary (\$000)

	Expended FY 2000	Adjusted. Appropriation FY 2001	Recommended FY 2002	Percent Change 2001-02
State Budgeted	\$73,263	\$83,811	\$79,260	(5.4)%
Federal Funds	16,845	50,587	62,459	23.5%
<u>Other</u>	<u>90</u>	<u>1,213</u>	<u>1,543</u>	<u>27.2%</u>
Grand Total	\$90,198	\$135,611	\$143,262	5.6%

## Personnel Summary - Positions By Funding Source

	Actual FY 2000	Revised FY 2001	Funded FY 2002	Percent Change 2001-02
State	1,279	1,294	1,333	3.0%
Federal	145	150	175	16.7%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,424	1,444	1,508	4.4%

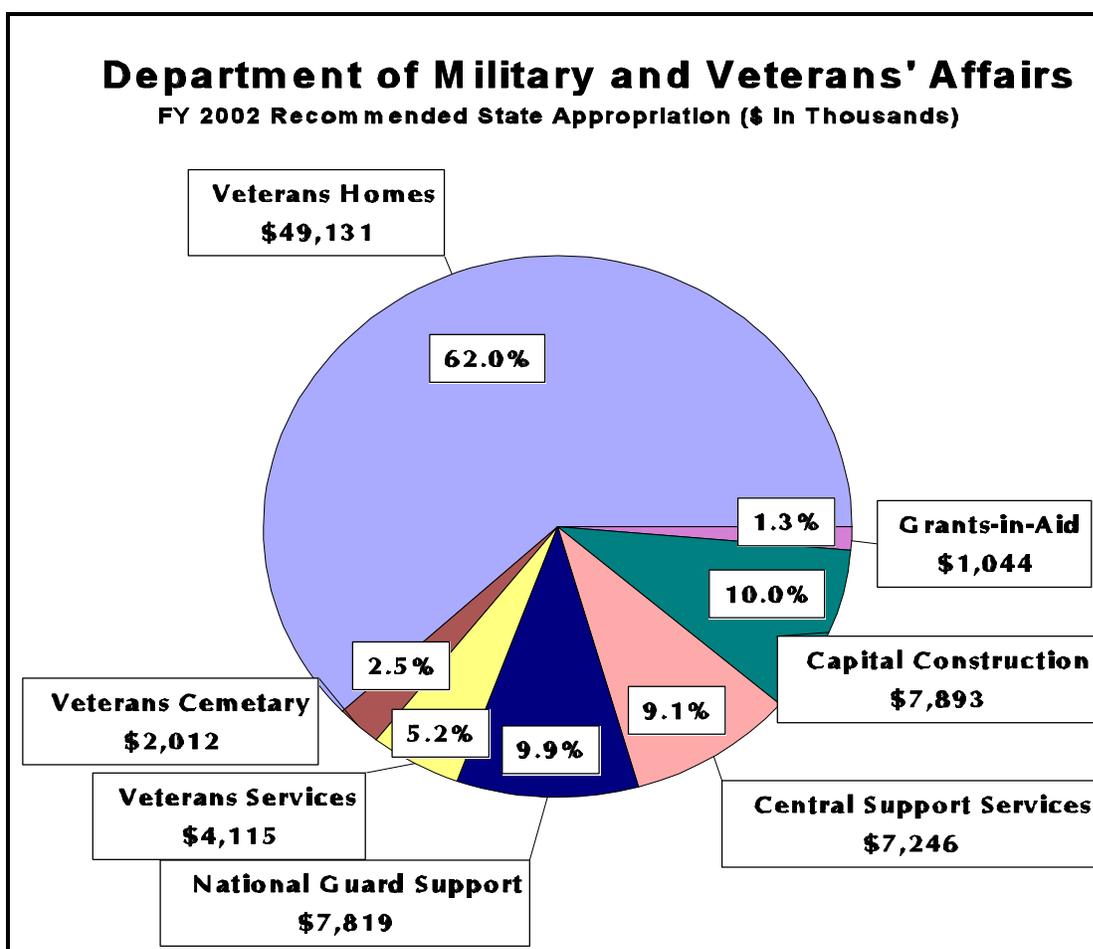
FY 2000 (as of December) and revised FY 2001 (as of September) personnel data reflect actual payroll counts. FY 2002 data reflect the number of positions funded.

## Introduction

The Department of Military and Veterans' Affairs provides services and programs directed to New Jersey's estimated 750,000 veterans and their families while also directing New Jersey's National Guard units and their 10,000 service members. 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

An appropriation of \$79.3 million in State funds is recommended for the Department of Military and Veterans' Affairs in FY 2002, a decrease of \$4.5 million, or 5.4 percent, from the FY 2001 adjusted appropriation of \$83.8 million. Direct state services funding — recommended at \$70.3 million — is \$2.1 million, or 3.1 percent, over the FY 2001 adjusted appropriation of \$68.2 million. The department's capital construction funding is recommended at \$7.9 million, a decrease of \$6.5 million, or 45 percent, below the FY 2001 adjusted appropriation of \$14.4 million. Federal and other funds are anticipated at \$62.5 million and \$1.5 million, respectively.



## Key Points (Cont'd)

- ! An appropriation of \$1.1 million, an increase of \$256,000, is recommended for the State-matching share of the federally funded New Jersey National Guard Challenge Youth Program. This increase in State funding is attributable to a 5 percentage point rise in the State match, from 35 percent to 40 percent of total program costs. This 40 percent level is the maximum State match for the Challenge Youth program, with future funding increases driven solely by program costs. 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.
- ! An appropriation of \$1.1 million, an increase of \$165,000, is recommended for the Joint Federal State Operations and Maintenance Contracts (State Share) accounts. This represents an 18.6 percent increase over the FY 2001 adjusted appropriation of \$887,000. This increase in funding represents the State's 25 percent match for an estimated \$495,000 in federal dollars for maintenance and repair projects throughout New Jersey National Guard facilities.
- ! A new appropriation totaling \$2.8 million is recommended for the department's "Information Technology Initiative," including \$1.9 million in direct state services and \$910,000 in capital construction. This recommended appropriation would fund the implementation of the department's "Information Technology Strategic Plan," which provides for hiring IT support staff, upgrading and replacing the department's technology infrastructure, facilitating department-wide access to the Internet, supporting a website manager, and replacing existing computer hardware and software. This initiative complies with the "State of New Jersey IT Strategic Plan" developed by the Office of Information Technology and with the U.S. Department of Defense National Guard Bureau e-government mandate.
- ! No specific funding is recommended for the "Veterans' Outreach and Assistance" account, which was funded at \$140,000 in FY 2002. However, budget language provides that 40 percent of the receipts in excess of the amount anticipated by the department that is derived from resident contributions and federal reimbursements be appropriated to the department, which is the same language that authorized the funding for this account in FY 2001.
- ! A new appropriation of \$45,000 is recommended for first year maintenance costs on the newly established Korean Veterans War Memorial, located along the boardwalk in Atlantic City. This memorial was dedicated in November 2000.
- ! Additional funding of \$46,000 is recommended to pay for contractual services of representing New Jersey before the federal government's Base Realignment and Closure Commission (BRAC), up 22 percent from the \$205,000 expended for this contract in FY 2001. This increase is required in the current service contract. BRAC makes recommendations on the economic and military viability of existing Department of Defense installations within New Jersey. This funding would allow New Jersey to develop a strategic plan and maintain proper representation before BRAC.

## Key Points (Cont'd)

- ! Several grants-in-aid, provided as the result of legislative initiatives in FY 2001, are not recommended for funding in FY 2002. These include grants to the Family Service, Mount Holly - Veterans' Homeless Housing (\$25,000); Garden State Veterans Shelter (\$25,000); Women Veterans' Memorial Garden, Holmdel (\$50,000); and the Vietnam Veterans' Memorial Foundation, Inc. – Distance Learning Program (\$90,000).
- ! An increase of \$230,000 over the FY 2001 combined adjusted appropriation of \$13.9 million is recommended for the Menlo Park Veterans Memorial Home "Salary and Wages" and "Services Other Than Personnel" accounts. This additional funding would allow the department to hire contract nurses in order to schedule every other weekend off for regular staff members, as required by a recent court decision. Because the department does not anticipate filling weekend coverage with current staff, \$200,000 of the recommended increase is in the "Services Other Than Personnel" account to hire contract workers.
- ! An increase of \$287,000 is recommended in the Vineland Veterans Memorial Home "Services Other Than Personnel" account to fund contract costs associated with physical therapy and ambulatory services. This represents a 53 percent increase over the \$552,000 FY 2001 adjusted appropriation for the "Services Other Than Personnel" account.
- ! The recommended budget includes \$7.9 million in capital construction funds for the department, a decrease of \$6.5 million, or 45 percent, below the \$14.4 million FY 2001 adjusted appropriation. This decrease is largely attributable to a \$5.5 million reduction, from \$9.3 million to \$3.8 million, in funding for a replacement facility for the Vineland veterans' nursing home. The expected completion date for the new Vineland facility is the Fall of 2003. The other major capital funding reduction, approximately \$1 million, would occur in National Guard administration and support. This reduction in capital funds is due to the elimination of a \$2.4 million one time appropriation in FY 2001 to rehabilitate the department's headquarters building. That decrease would be partially offset by increases totaling \$1.9, including \$910,000 for the information technology initiative discussed above; \$456,000 for fire and life safety improvements statewide; and \$579,000 for renovations and improvements to various facilities.
- ! Total federal funding is anticipated to increase by 23.5 percent, from \$50.6 million in FY 2001 to \$62.5 million in FY 2002. A primary reason for this increase includes the anticipation of \$24.4 million for the first of three phases to design and construct a consolidated logistics and training facility at the Lakehurst Naval Engineering Station.

## BACKGROUND PAPER

Veterans' Homes Nursing Shortage

p. 24

## Program Description and Overview

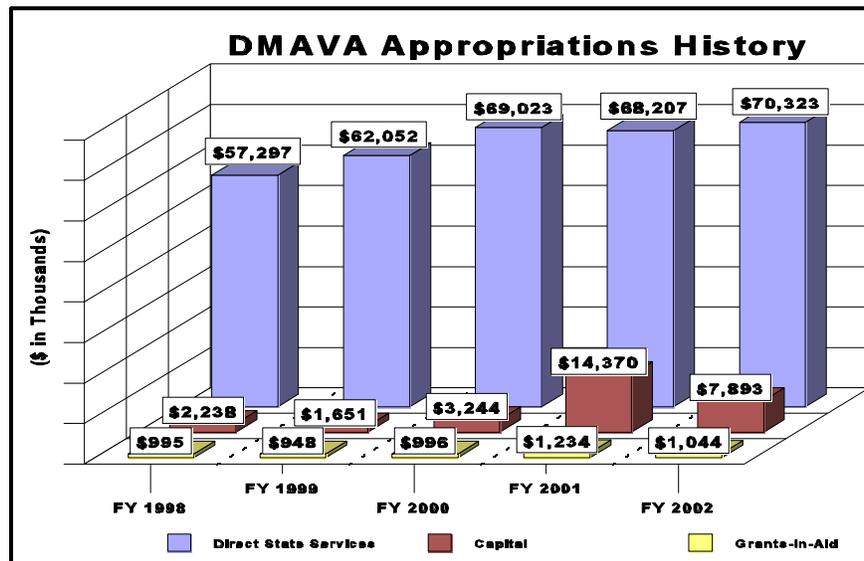
The New Jersey Department of Military and Veterans' Affairs, under the direction of the Adjutant General of New Jersey, is responsible for supporting the New Jersey Army and Air National Guard and administering veterans programs and services. The department was formed in 1988 through the merger of the Department of Defense and the Division of Veterans' Programs and Special Services within 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, a total State appropriation of \$79.3 million is recommended in FY 2002. This represents a decrease of approximately \$4.6 million, or 5.4 percent, from the department's adjusted appropriation of \$83.8 million in FY 2001. This decrease is due primarily to a recommended \$6.5 million reduction in funding for capital purposes.

The department's State budget has increased 38.5 percent, from \$60.5 million in FY 1998 to \$83.8 million in FY 2001. The department's recommended FY 2002 appropriation would decline 5.4 percent from the FY 2001 adjusted appropriation. The table below summarizes the department's State funding by major budget section from FY 1998 to the recommended amount for FY 2002.



Note: For the chart above, FY 1998 - FY 2000 show expended amounts; FY 2001 is the adjusted appropriation, and FY 2002 is the recommended budget appropriation.

## 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 95 percent of the 7,500 authorized Army National Guard and 95 percent of the 2,464 authorized Air National Guard positions will be filled in FY 2002.

The department will maintain 39 armories in FY 2002, six of which do not have resident National Guard units. Compared to FY 2001, use days at the armories, also known as Interactive Community Resource Centers, are expected to remain stable at 28,800 in FY 2002. Making armories available for non-National Guard functions is anticipated to generate \$925,000 in revenues in FY 2002, \$300,000 over the FY 2001 anticipation, according to budget data (budget page C-19). However, receipts have averaged \$100,000 per month through the first eight months of FY 2001. 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 2000 to FY 2002.

As indicated in Table II on the following page, the FY 2002 direct state services recommendation for Military Services is \$19.2 million, up \$1.1 million, or 5.9 percent, over the FY 2001 adjusted appropriation of \$18.1 million. A total increase of \$421,000 is recommended for two federal-State match programs: an additional \$256,000 for the New Jersey National Guard Challenge Youth Program grant, and an additional \$165,000 for the joint federal-State operations and maintenance contracts for environmental maintenance and repair projects throughout New Jersey National Guard facilities.

A recommended \$2.8 million appropriation would fund the department's "Information Technology Initiative." This proposal would implement the Governor's on-line directive to State agencies and the Department of Defense National Guard Bureau requirement that state National Guard units perform services in an "e-business" environment. When complete, this information technology initiative will increase the department's ability to use State of New Jersey Office of Information Technology services; standardize departmental software and databases; replace outdated infrastructure, computers and printers; and help create a secure network and a virtual private network.

The Governor's budget recommends \$4.1 million in capital construction appropriations for Military Services, down 19.6 percent from the FY 2001 adjusted appropriation of \$5.1 million. The department requested \$7.4 million in capital funds.

Federal funding is anticipated to increase \$26.2 million, or 135 percent, to \$45.6 million in FY 2002 primarily due to an anticipated \$24.4 million appropriation for a combined logistics training facility at Lakehurst.

## Program Description and Overview (Cont'd)

## I. MILITARY SERVICES STATISTICAL DATA

	Actual FY 2000	Revised FY 2001	Estimated FY 2002
Authorized Strength, Army National Guard	7,250	7,498	7,498
Strength of Army National Guard, June 30	97%	95%	95%
Authorized Strength, Air National Guard	2,450	2,464	2,464
Strength of Air National Guard, June 30	93%	95%	95%
Military Use of Armories (days)	16,455	16,500	16,500
Other State Agencies Using Armories (days)	1,297	1,600	1,600
Public/Private Users of Armories (days)	10,682	10,700	10,700

 II. MILITARY SERVICES GENERAL FUND APPROPRIATION  
 (\$ in 000s)

	<u>Adjusted Approp.</u> <u>FY 2001</u>	<u>Recommended</u> <u>FY 2002</u>	<u>Percent Change</u> <u>FY 2001-02</u>
Direct State Services:	<u>\$13,002</u>	<u>\$15,065</u>	<u>15.9%</u>
Central Operations National	5,300	7,246	36.7%
National Guard Programs	7,702	7,819	1.5%
Grants-In-Aid:			
New Jersey National Guard	<u>35</u>	<u>35</u>	<u>0%</u>
Support Services	35	35	0%
Capital Construction:	<u>5,070</u>	<u>4,075</u>	<u>(19.6)%</u>
	5,070	4,075	(19.6)%
<b>TOTAL</b>	<b>\$18,107</b>	<b>\$19,175</b>	<b>5.9%</b>

## Program Description and Overview (Cont'd)

### 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 for veterans include an honorable discharge and two-year State residency preceding the date of application. The three nursing homes have a combined capacity of 946 patients.
- (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 154,000 burial spaces, with 23,579 anticipated to be filled by the end of FY 2001 and 2,645 burials projected in FY 2002.
- (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 35,500 veterans and process 2,600 claims in FY 2002.

The department also provides community-based services through third-party contracts for transportation and post-traumatic stress disorder counseling. In FY 2002, the number of trips provided in the transportation program is estimated at 26,200, up 200 over the 26,000 in FY 2001. An estimated 4,700 counseling sessions will be provided in FY 2002, an increase of 200. A total appropriation of \$1 million is recommended in FY 2002 to fund grants-in-aid for the paraplegic, hemiplegic, blind veterans allowance and post traumatic stress disorder programs, and various education programs, the same level of funding for these programs as in FY 2001. Four items totaling \$190,000 added by the Legislature are not continued.

The tables below provide budget and statistical information for the Services to Veterans category. As shown in Table III, funding for direct state services is recommended at almost \$55.3 million, slightly more than the \$55.2 million FY 2001 adjusted appropriation. Direct state services funding for the Menlo Park nursing home is recommended to increase \$11,000, Paramus facility funding is recommended to remain level, and funding for the Vineland nursing home is recommended to increase \$292,000 to meet contracted physical therapy and ambulatory 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 51 residents. The three nursing homes receive Medicare reimbursements and other federal funding.

The budget recommends a total of 1,175 funded positions for FY 2002 in Services to Veterans programs, of which 1,169 are State supported and six are federally supported. This represents a 4.8 percent increase in State-funded positions for Services to Veterans from the FY 2001 payroll count of 1,115. Seven new positions of the total number of funded positions are included in the \$1.9 million funding recommendation for the Information Technology Initiative.

## Program Description and Overview (Cont'd)

## III. SERVICES TO VETERANS GENERAL FUND APPROPRIATION

(\$ in 000s)

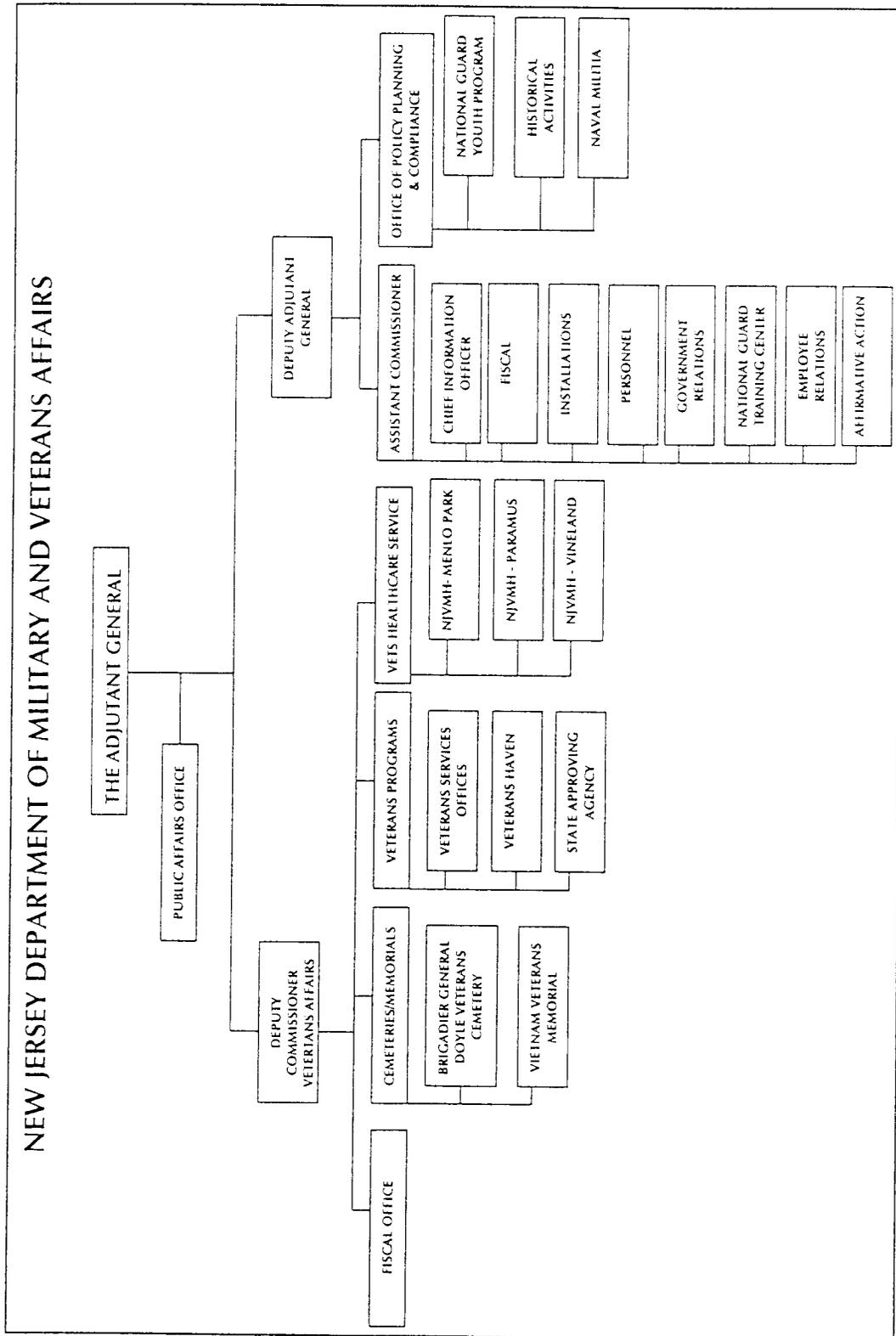
	<u>Adjusted Approp.</u> <u>FY 2001</u>	<u>Recommended FY</u> <u>2002</u>	<u>Percent Change</u> <u>FY 2001-2002</u>
Direct State Services:	<u>\$55,205</u>	<u>\$55,258</u>	<u>0.1%</u>
Veterans Program Support	6,377	6,127	(3.9)%
Menlo Park Memorial Home	16,420	16,431	0.1%
Paramus Memorial Home	16,384	16,384	—
Vineland Memorial Home	16,024	16,316	1.8%
Grants-In-Aid:	<u>1,199</u>	<u>1,009</u>	<u>(15.8)%</u>
Veterans' Outreach and Assistance	1,199	1,009	(15.8)%
Capital Construction:	<u>\$9,300</u>	<u>\$3,818</u>	<u>(58.9)%</u>
Vineland Memorial Home	\$9,300	\$3,818	(58.9)%
<b>TOTAL</b>	<b>\$65,704</b>	<b>\$60,085</b>	<b>(8.6%)</b>

## IV. SERVICES TO VETERANS STATISTICAL DATA

	Actual FY 2000	Revised FY 2001	Estimated FY 2002
Veterans Receiving Services at Field Offices	37,200	37,000	35,500
Number of Field Offices	15	15	15
Brigadier General Doyle Memorial Cemetery - Total Interments	21,134	23,579	26,224
Menlo Park Veterans' Memorial Home:			
Rated Capacity	332	328	332
Average Daily Population*	259	320	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	264	268	268

\* Note: For calendar year 2000, the daily population at the Menlo Park nursing home has averaged 263.

Organization Chart



**Fiscal and Personnel Summary**

**AGENCY FUNDING BY SOURCE OF FUNDS (\$000)**

	Expended FY 2000	Adj. Approp. FY 2001	Recom. FY 2002	Percent Change	
				2000-02	2001-02
<b>General Fund</b>					
Direct State Services	\$69,023	\$68,207	\$70,323	1.9%	3.1%
Grants-In-Aid	996	1,234	1,044	4.8%	(15.4)%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	3,244	14,370	7,893	143.3%	(45.1)%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$73,263</b>	<b>\$83,811</b>	<b>\$79,260</b>	<b>8.2%</b>	<b>(5.4)%</b>
<b>Property Tax Relief Fund</b>					
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%
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Gubernatorial Elections Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$73,263</b>	<b>\$83,811</b>	<b>\$79,260</b>	<b>8.2%</b>	<b>(5.4)%</b>
<b>Federal Funds</b>	<b>\$16,845</b>	<b>\$50,587</b>	<b>\$62,459</b>	<b>270.8%</b>	<b>23.5%</b>
<b>Other Funds</b>	<b>\$90</b>	<b>\$1,213</b>	<b>\$1,543</b>	<b>1614.4%</b>	<b>27.2%</b>
<b>Grand Total</b>	<b>\$90,198</b>	<b>\$135,611</b>	<b>\$143,262</b>	<b>58.8%</b>	<b>5.6%</b>

**PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE**

	Actual FY 2000	Revised FY 2001	Funded FY 2002	Percent Change	
				2000-02	2001-02
State	1,279	1,294	1,333	4.2%	3.0%
Federal	145	150	175	20.7%	16.7%
All Other	0	0	0	0.0%	0.0%
<b>Total Positions</b>	<b>1,424</b>	<b>1,444</b>	<b>1,508</b>	<b>5.9%</b>	<b>4.4%</b>

FY 2000 (as of December) and revised FY 2001 (as of September) personnel data reflect actual payroll counts. FY 2002 data reflect the number of positions funded.

**AFFIRMATIVE ACTION DATA**

Total Minority Percent	54.5%	54.8%	54.8%	----	----
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**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2001</u>	<u>Recomm.</u> <u>FY 2002</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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*MILITARY SERVICES*Direct State Services

<b>Air National Guard – Expanded Recruitment</b>	<b>\$100</b>	<b>\$0</b>	<b>(\$100)</b>	<b>(100.0)%</b>	<b>D-356</b>
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This appropriation funded television and radio public service announcements encouraging enlistment in the Air National Guard. A report detailing the accomplishments of this advertising campaign is scheduled for release in April, 2001. This item was added to the FY 2001 Appropriations Act by the Legislature.

**US National Guard  
Association Annual  
Conference**

	<b>\$250</b>	<b>\$0</b>	<b>(\$250)</b>	<b>(100.0)%</b>	<b>D-356</b>
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This one-time appropriation defrayed State costs of hosting the National Guard Association annual conference in Atlantic City in August 2000. This conference attracted approximately 4,000 participants.

**New Jersey National  
Guard Challenge Youth  
Program**

	<b>\$864</b>	<b>\$1,052</b>	<b>\$188</b>	<b>21.8%</b>	<b>D-357</b>
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This recommended funding reflects the increased State match required in FY 2002 for \$1.6 million in federal funding for this program. The New Jersey National Guard Challenge Youth program was 100 percent federally funded from its inception in FY 1995 through FY 1998. In FY 1999, however, a 25 percent State matching share was required. The required State matching share has since increased 5 percentage points each year and will reach the maximum 40 percent level in FY 2002. Any further increases in future fiscal years, if any, will match a corresponding federal funds increase. 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. Approximately 95 percent of Challenge Youth graduates earn the high school equivalence during the program. Since its inception, 1,005 cadets have graduated from the program.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Joint Federal-State Operations and Maintenance Contracts (State Share)</b>	<b>\$887</b>	<b>\$1,052</b>	<b>\$165</b>	<b>18.6%</b>	<b>D-357</b>

This increase is recommended to provide the State's required 25 percent match for an anticipated \$4.2 million in federal funding for maintenance and repair projects at New Jersey National Guard facilities.

<b>Information Technology Initiative</b>	<b>\$0</b>	<b>\$1,851</b>	<b>\$1,851</b>	<b>—</b>	<b>D-357</b>
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This recommended appropriation would fund the implementation of the department's "Information Technology Strategic Plan." This project would entail the hiring of IT support staff, upgrading and replacing of the department's technology infrastructure, providing department-wide access to the Internet, supporting a website manager, and replacing existing computer hardware and software. This initiative complies with the "State of New Jersey IT Strategic Plan" developed by the Office of Information Technology and with the U.S. Department of Defense National Guard Bureau e-government mandate. Seven new positions are budgeted in the recommended amount.

**Capital Construction**

<b>Fire and Life Safety, Statewide</b>	<b>\$750</b>	<b>\$1,206</b>	<b>\$456</b>	<b>60.8%</b>	<b>D-357</b>
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This recommended appropriation would fund items categorized as fire / life safety that are outside the scope of the renovations and improvements program. These projects include the installation of fire suppression systems at nine armories: Bordentown, Burlington, Cape May, Dover, Mt. Holly, Phillipsburg, Riverdale, Sea Girt, and Woodbridge. Funding to install a fire alarm at the Paramus Veterans' Memorial Home and to correct various fire code violations is also included in this appropriation.

<b>Renovations and Improvements, Statewide</b>	<b>\$450</b>	<b>\$1,029</b>	<b>\$579</b>	<b>128.7%</b>	<b>D-357</b>
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This recommended capital appropriation would fund various general improvement, modernization and rehabilitation projects. These projects would include rehabilitation of kitchens at the Atlantic City, Jersey City, Morristown and West Orange armories.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Preservation of Existing Structures</b>	<b>\$550</b>	<b>\$930</b>	<b>\$380</b>	<b>69.1%</b>	<b>D-357</b>

This recommended appropriation would fund roof replacements at the Mount Holly and Lawrenceville armories and at the Sea Girt training center. Other projects include the replacement of heating, ventilation and air conditioning (HVAC) controls at the Paramus nursing home and the replacement of boiler piping at the transitional housing facility.

<b>Infrastructure Projects, Statewide</b>	<b>\$400</b>	<b>\$0</b>	<b>(\$400)</b>	<b>(100.0)%</b>	<b>D-357</b>
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This FY 2001 appropriation funded the replacement of roads and parking lots at the Paramus nursing home (\$300,000) and the replacement of windows at various armories (\$100,000). The department had requested \$920,000 under this category in FY 2002 for window replacements at the Bordentown, Cape May, Mt. Holly and Phillipsburg armories and at the Vineland nursing home administrative building.

<b>Environmental Projects, Statewide</b>	<b>\$500</b>	<b>\$0</b>	<b>(\$500)</b>	<b>(100.0)%</b>	<b>D-357</b>
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This one time appropriation in FY 2001 funded asbestos removal and PCB monitoring, testing and removal at various DMAVA facilities.

<b>Rehabilitation of Headquarters Building</b>	<b>\$2,420</b>	<b>\$0</b>	<b>(\$2,420)</b>	<b>(100.0)%</b>	<b>D-358</b>
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This FY 2001 appropriation is funding the rehabilitation of the department's Lawrenceville headquarters building, bringing 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. It is expected to be completed in the Fall of 2002.

<b>Information Technology Initiative</b>	<b>\$910</b>	<b>\$910</b>	<b>\$0</b>	<b>0.0%</b>	<b>D-358</b>
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This recommended appropriation represents the capital budget portion of the department's \$2.8 million "Information Technology Initiative." As discussed above, the remaining \$1.9 million would be appropriated from direct state services for this project to implement and department's "Information Technology Strategic Plan."

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2001</u>	<u>Recomm.</u> <u>FY 2002</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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**Federal Funds**

<b>Administrative and Support Services</b>	\$0	\$24,400	\$24,400	—	D-358
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This anticipated federal appropriation would fund the first phase of a project to design and construct a consolidated logistics and training facility at the Lakehurst Naval Engineering Station. This \$58.6 million federal project would result in the construction of a 619,000 square foot training and maintenance facility. During phase I, the logistics facility would be constructed. This would be followed by the construction of the training facility in phase II and the vehicle maintenance garage during phase III.

**All Other Funds**

<b>New Jersey National Guard Support Services</b>	\$648	\$948	\$300	46.3%	D-358
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This anticipated increase in "other funds" primarily represents an estimated rise in armory rental receipts in FY 2002. The department rents available space in its 33 armories to other governmental agencies and community organizations for uses ranging from community activities to commercial ventures. These rental revenues are appropriated to the department by budget language (page D-358) for the operation and maintenance of the armories. For the first eight months of FY 2001, receipts averaged approximately \$100,000 per month.

**SERVICES TO VETERANS****Direct State Services**

<b>Veterans' Outreach and Assistance</b>	\$140	\$0	(\$140)	(100.0)%	D-360
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These funds, allocated pursuant to FY 2001 budget language, represent 40 percent of receipts in excess of the amount anticipated from resident contributions and federal reimbursements. The department is permitted to use these funds for veterans' program initiatives. Similar budget language is recommended for FY 2002 (page D-367).

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Korean War Memorial Maintenance Program</b>	\$0	\$45	\$45	—	D-360

This new appropriation is recommended for maintenance of the Korean War Memorial in Atlantic City, dedicated in November 2000. The Casino Reinvestment and Development Authority contributed \$1 million toward the \$3 million project and donations are being solicited to cover the remaining construction costs. The Memorial is engraved with the names of the 822 New Jerseyans who were killed or missing in action in that war.

<b>Additions, Improvements and Equipment</b>	\$170	\$20	(\$150)	(88.2)%	D-360
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In FY 2001, \$150,000 in this account was to construct lawn crypts at the Brigadier General Doyle Veterans' Memorial Cemetery to facilitate winter burials. The reduction in this account reflects the completion of that project.

**Grants-In-Aid**

<b>Family Service, Mount Holly — Veterans' Homeless Shelter</b>	\$25	\$0	(\$25)	(100.0)%	D-361
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This legislative initiative funded an assessment of homeless veterans needs in Burlington County and surrounding communities.

<b>Garden State Veterans Shelter</b>	\$25	\$0	(\$25)	(100.0)%	D-361
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This legislative initiative funded a statewide study of homelessness among veterans.

<b>Women Veterans' Memorial Garden, Holmdel</b>	\$50	\$0	(\$50)	(100.0)%	D-361
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This appropriation, provided as the result of a legislative initiative, funded a memorial garden at the New Jersey Vietnam Veterans Memorial in Holmdel, recognizing the service of women in the Vietnam war.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Vietnam Veterans' Memorial Foundation, Inc. — Distance Learning Program	\$90	\$0	(\$90)	(100.0)%	D-361

This appropriation, provided as the result of a legislative initiative, funded a distance learning program at the New Jersey Vietnam Veterans Memorial in Holmdel to give schools access to the memorial via the Internet.

**Federal Funds**

Veterans' Outreach and Assistance	\$1,631	\$1,451	(\$180)	(11.0)%	D-361
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This decrease in funding to the transitional housing program, Veterans' Haven, is scheduled under the terms of a grant from the federal Department of Housing and Urban Development that supported the purchase of several vehicles. Federal funds help to support outreach to veterans, case management, transportation, life skills training, substance abuse counseling, employment assistance and training, and health-related services.

Burial Services	\$3,145	\$4,700	\$1,555	49.4%	D-361
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This increase in federal funding would support the construction of a new interment office, burial lawn crypts and a maintenance building at the Brigadier General Doyle Veterans' Memorial Cemetery.

**MENLO PARK VETERANS' MEMORIAL HOME****Direct State Services**

Services Other Than Personal	\$1,097	\$1,297	\$200	18.2%	D-363
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This recommended appropriation would fund contract nurses to provide additional weekend staffing at the Menlo Park nursing home. The contract nurses would permit the department to schedule every other weekend off for regular staff members, as required by a recent court decision.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Adult Day Care Receipts</b>	<b>\$219</b>	<b>\$0</b>	<b>(\$219)</b>	<b>(100.0)%</b>	<b>D-363</b>

The Menlo Park nursing home does not yet operate an adult day care facility. Therefore, this \$219,000 supplemental appropriation has not yet been enacted. Should the Menlo Park adult day care program begin operations in FY 2001, budget language authorizes the funds received from the program to support adult day care operations up to \$219,000 contingent upon approval of the federal Department of Veterans Affairs of a reimbursement for an adult day care program. The same language is recommended for FY 2002.

**Federal Funds**

<b>Domiciliary and Treatment Services</b>	<b>\$1,083</b>	<b>\$1,766</b>	<b>\$683</b>	<b>63.1%</b>	<b>D-363</b>
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This appropriation represents increased federal Medicare reimbursements to the Menlo Park nursing home. These Medicare payments are expected to increase as the number of Medicare-eligible residents at the Menlo Park facility rises. At present, Menlo Park has approximately 265 residents and has a resident capacity of 328.

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

<b>Services Other Than Personal</b>	<b>\$552</b>	<b>\$844</b>	<b>\$292</b>	<b>52.9%</b>	<b>D-366</b>
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This recommended increase would fund contract costs associated with physical therapy and ambulatory services at the Vineland nursing home.

**Capital Construction**

<b>Administrative and Support Services</b>	<b>\$9,300</b>	<b>\$3,818</b>	<b>(\$5,482)</b>	<b>(58.9)%</b>	<b>D-366</b>
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This recommendation has been reduced because construction of the replacement facility for the Vineland veterans nursing home is nearing completion. This project was expected to be completed and require no further State funding in FY 2002. However, due to unanticipated costs arising from federal design changes, hazardous materials remediation and needed equipment, the appropriation of \$3.8 million is recommended for FY 2002.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2001</u>	<u>Recomm.</u> <u>FY 2002</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
<b><u>Federal Funds</u></b>					
<b>Administration and Support Services</b>	<b>\$23,953</b>	<b>\$7,217</b>	<b>(\$16,736)</b>	<b>(69.9)%</b>	<b>D-367</b>

This appropriation represents federal funding for the construction of a new Vineland nursing home. Recent design changes increased the overall cost of this project by \$10.9 million. This \$7.2 million in federal funds would be matched by a \$3.8 million State appropriation in FY 2002 to fund these increased construction costs. The 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. Federal funding for the design and construction of the new Vineland Veterans' Memorial Home totals \$31.1 million. Upon its expected completion date in the Fall of 2003, bed capacity of the nursing home would be increased from its current 282 to 332 and include an Alzheimer's unit as well as an assisted living complex.

## Language Provisions

### 2001 Appropriations Handbook

No comparable language

### 2002 Budget Recommendations

#### D-358

In addition to the amount hereinabove, funds received for Distance Learning Program usage are appropriated for the same purposes, subject to the approval of the Director of the Division of Budget and Accounting.

#### Explanation

This recommended budget language would allow revenues received from various sources for using the Distance Learning Program, which gives schools access to the New Jersey Vietnam Veterans Memorial in Holmdel via the Internet, to be appropriated for the operation of this program.

### 2001 Appropriations Handbook

No comparable language.

### 2002 Budget Recommendations

#### D-364

In addition to the amount hereinabove for Menlo Park Adult Day Care, such sums received from the Federal Department of Veteran's Affairs, New Jersey Department of Health and Senior Services, and New Jersey Assistance for Community Care Giving are appropriated for the same purposes, subject to the approval of the Director of the Division of Budget and Accounting.

#### Explanation

The Menlo Park nursing home does not yet operate an adult day care facility. Should the Menlo Park adult day care program begin operations in FY 2001, this recommended budget language would appropriate the funds received for this program from the federal and State agencies cited in the language to support this program.

## Discussion Points

### MILITARY SERVICES

#### 1. Information Technology Initiative

The recommended budget provides \$2.8 million for the department's "Information Technology Initiative," including \$1.9 million in direct state services and \$910,000 in capital construction. This initiative complies with the "State of New Jersey IT Strategic Plan" developed by the Office of Information Technology and with the U.S. Department of Defense National Guard Bureau e-government mandate.

- !** *Question:* Kindly describe the scope of this information technology plan. What is the anticipated completion date? Is the FY 2002 recommended appropriation sufficient to complete this initiative, or would additional funds need to be appropriated in future budget years? Are federal funds available to help defray costs associated with upgrading the department's information technology to meet the National Guard Bureau's e-government mandate? Please provide a description of the positions that would be funded under this initiative.

#### 2. Joint Training Center, Sea Girt

Budget evaluation data (page D-355) indicates the number of "person days" of training at the Joint Training Center in Sea Girt will decrease to 94,800 in FY 2002, down 7.8 percent from the 102,810 person days in FY 2001. 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 Police troopers, municipal police officers, Division of Criminal Justice investigators, and corrections officers. The data indicates municipal police training days increasing from zero to 10,000, while Department of Corrections days decline from 34,000 to 17,000.

- !** *Question:* Please explain the reasons for these anticipated changes. Is the available space at Sea Girt adequate to meet demand? What rates are charged by the department for use of the training facility and how are these rates determined? Please provide a summary of revenues derived or projected from use of the facility from FY 1998 through FY 2002. For what purposes are these revenues used?

#### 3. Korean War Memorial

The budget recommends a new appropriation of \$45,000 for the "Korean War Memorial Maintenance Program." This \$3.3 million project was dedicated in November 2000. It received a \$250,000 State appropriation in FY 1999 to partially fund construction costs. In addition, the Atlantic City Casino Reinvestment and Development Authority contributed \$1 million toward the project and private donations were accepted to help cover remaining costs.

- !** *Question:* Will this recommended appropriation cover the entire estimated maintenance costs or is supplemental funding from other sources to be provided? Will the State be responsible for funding the maintenance of the Memorial in future years?

#### 4. U.S.S. New Jersey

The Home Port Alliance plans to spend about \$20 million refurbishing the U.S.S. New Jersey and to build a pier and complex for the battleship permanently docked on the Camden waterfront.

## Discussion Points (Cont'd)

- !** *Question:* What role will the Department of Military and Veterans' Affairs play in this project? Has the department committed any funds toward the battleship project? Please identify any funding in the FY 2002 recommended budget that will be used for this project.

### 5. BRAC Funding

Funding of \$251,000 is recommended in "Services Other Than Personnel" to pay for the services of a private consultant to represent New Jersey before the federal Base Realignment and Closure Commission (BRAC). This amount is \$46,000 (22 percent) over the \$205,000 allocated for this purpose in FY 2001.

- !** *Question:* Please provide a detailed summary of the activities the consultant performed on behalf of New Jersey in FY 2001 and the amount billed for these services. What additional services will this consultant provide in FY 2002 to justify the additional funding recommended?

### 6. Lakehurst Naval Engineering Station

The recommended FY 2002 budget anticipates \$24.4 million in federal funds for the first of three phases to design and construct a consolidated logistics and training facility at the Lakehurst Naval Engineering Station.

- !** *Question:* When is construction of this facility expected to be completed? Please describe how this facility will be used by the National Guard and any additional State costs which might be incurred.

## SERVICE TO VETERANS

### 7. Menlo Park Veterans Memorial Home Adult Day Care

Recommended budget language (page D-364) would appropriate an amount not to exceed \$219,000 and such sums as may be received from various other sources to the Menlo Park adult day care program. This program is not yet operational. The department's plan indicated the facility would open in FY 2000. The budget (page D-363) shows the receipt of \$219,000, as authorized by budget language, for the Menlo Park Adult Day Care program in FY 2001.

- !** *Question:* When is the Menlo Park adult day care program anticipated to begin operations and why has its opening been delayed? What services will this program provide and how many individuals will it serve? Will an annual State appropriation be needed to operate this program?

### 8. Nursing Home Waiting List

Data provided by the department indicates that the combined waiting list for its three nursing homes continues to rise. At the beginning of FY 1999 the waiting list totaled 158. By the middle of FY 2001 the waiting list had risen to 291, an 84 percent increase. As indicated on Table I below, waiting lists increased for each of the three nursing homes. As Table II indicates, none of the homes has managed to achieve the department's goal of 97 percent occupancy rate.

## Discussion Points (Cont'd)

Table I - Waiting List

Nursing Home	<u>July 2, 1998</u>	<u>January 2, 2001</u>
Menlo Park	56	123
Paramus	58	109
Vineland	44	59
<b>TOTALS</b>	<b>158</b>	<b>291</b>

Table II - Occupancy Rate (as of January 2, 2001)

Home	Bed Capacity	Vacant Beds	Occupancy Rate (%)
Menlo Park	328	64	80 percent
Paramus	336	18	95 percent
Vineland	282	22	92 percent

- ! **Question:** What steps are being taken to reduce the waiting list at each of these three facilities, particularly in view of the vacant beds present?

### 9. Menlo Park Memorial Home Vacant Beds

As the tables indicate, the Menlo Park nursing home has the highest waiting list, at 123, and lowest occupancy rate, at 80 percent, of the three DMAVA facilities. Recent news articles suggest that Menlo Park's high vacancy rate reflects a shortage of nurses required to staff a 60-bed wing of the new facility, completed in the Fall of 1999. The department notes that it has had difficulty filling staff vacancies because the demand for nurses statewide is outstripping the supply. A possible shortage of as many as 14,000 nurses statewide in five years has been projected.

- ! **Question:** How many more nurses and nurse aides are required to fully staff the unoccupied 60-bed wing at the Menlo Park nursing home? Are these positions funded in the current budget recommendation? If not, what is the estimated cost to fund these positions? Does the department plan to offer recruitment incentives to attract qualified staff? Has the department estimated the cost of providing such incentives?

### 10. Federal Funding Nursing Homes

Federal funds for Domiciliary and Treatment Services are anticipated to increase in FY 2002 over the FY 2001 adjusted appropriation at each of the three nursing homes. Menlo Park's anticipated increase is \$683,000, the Paramus nursing home is anticipated to receive an additional \$320,000, while Vineland is expecting an increase of \$123,000.

- ! **Question:** Please explain the reasons for these increases in federal funding.

## Background Paper: Veterans' Homes Nursing Shortage

Budget Pages.... D-362 to D-364

### Overview

The Department of Military and Veterans' Affairs reports that 26 registered nurse and licensed practical nurse vacancies and 44 nurse assistant vacancies exist throughout the three nursing homes. The department notes that it has had difficulty filling staff vacancies because the demand for nurses statewide is outstripping the supply. A possible shortage of as many as 14,000 nurses statewide in five years has been projected.

A growing shortage of nurses nationwide generally is attributed to three main factors: (1) a growing demand for nursing care from an aging population; (2) fewer people entering the profession; and (3) more resignations arising from discontent over working conditions.

To recruit qualified nurses, the department's nursing homes must compete with hospitals, some of which offer \$2,000 to \$3,000 signing bonuses and tuition assistance. The department also has difficulty competing with hospitals because its pay scale is generally less than that of hospitals. The department's nursing homes offer starting salaries of \$20,302 for nurse's aides, \$27,441 for licensed practical nurses and \$36,205 for registered nurses. By comparison, the New Jersey Department of Labor reports that the statewide average starting salaries for licensed practical nurses and registered nurses was \$30,110 and \$42,940, respectively.

### Menlo Park

The situation is most pronounced at the Menlo Park Veteran's Memorial Home. Construction of the new, Menlo Park veterans' nursing home was completed in the Fall of 1999, increasing the facility's bed capacity from 240 to 328. However, the number of residents at the Menlo Park home has averaged only 263 over the past calendar year. Thus, the nursing home is operating at only 80 percent of capacity, well below the Department of Military and Veterans' Affairs stated goal of maintaining an occupancy rate of 97 percent. Menlo Park's low occupancy rate is primarily due to a shortage of nurses required to staff a 60-bed wing of this new facility.

The nursing shortage is less pronounced at the Paramus and Vineland facilities. The occupancy rate at these homes is 95 percent at Paramus which has 22 vacant beds and 92 percent at Vineland which has 18 vacant beds.

### Combined Waiting List

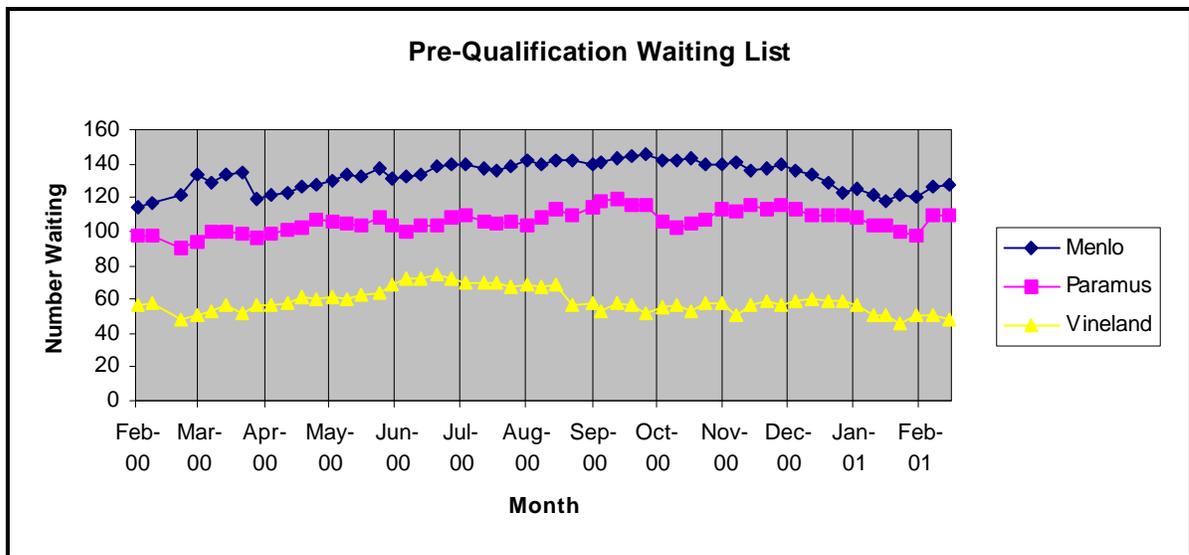
At the same time, however, demand for beds at the three homes remains relatively high and since July of 1998, has increased. As shown on the chart on the following page, on July 2, 1998 the list totaled 158. By the middle of FY 2001 the combined waiting list totaled 291, an 84 percent rise.

## Background Paper: Veterans' Homes Nursing Shortage (Cont'd)

Applicants Waiting Placement

Home	July 2, 1998	January 2, 2001
Menlo Park	56	123
Paramus	58	109
Vineland	44	59
<b>TOTALS</b>	<b>158</b>	<b>291</b>

However, through calendar year 2000, the waiting list has been relatively stable as shown in the following graph.



### Possible Solutions

Legislation to improve the department's ability to recruit and retain nurses has been introduced in the Assembly. Under the provisions of A 3294, for example, the department would create a pilot program to provide signing bonuses, tuition assistance and continuing education reimbursements for nursing personnel. The bill would appropriate \$348,000 to the department for these purposes.

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Individuals wishing information and committee schedules on the FY 2002 budget are encouraged to contact:

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