

ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
MILITARY AND
VETERANS' AFFAIRS**

FISCAL YEAR

2005 - 2006

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-12, C-20, C-28, C-33;
D-293 to D-306

Fiscal Summary (\$000)

	Expended FY 2004	Adjusted Appropriation FY 2005	Recommended FY 2006	Percent Change 2005-06
State Budgeted	\$82,021	\$87,702	\$86,730	(1.1)%
Federal Funds	24,594	31,867	34,339	7.8%
<u>Other</u>	<u>37</u>	<u>2,285</u>	<u>2,285</u>	<u>0.0%</u>
Grand Total	\$106,652	\$121,854	\$123,354	1.2%

Personnel Summary - Positions By Funding Source

	Actual FY 2004	Revised FY 2005	Funded FY 2006	Percent Change 2005-06
State	1,247	1,293	1,459	12.8%
Federal	152	158	181	14.6%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,399	1,451	1,640	13.0%

FY 2004 (as of December) and revised FY 2005 (as of September) personnel data reflect actual payroll counts. FY 2006 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 610,500 veterans and their families while also directing New Jersey's National Guard units and their 8,375 service members. The department operates three nursing homes, maintains 33 armories housing National Guard units (38 armories in total) 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 General Fund appropriation of \$86.7 million is recommended for the Department of Military and Veterans' Affairs in FY 2006, down \$972,000 or 1.1 percent from the FY 2005 adjusted appropriation of \$87.7 million. Direct state services funding — recommended at \$85.0 million — is \$980,000, or 1.2 percent greater than the FY 2005 adjusted appropriation of \$84.0 million. The department's capital construction funding is recommended at only \$175,000, down from the FY 2005 adjusted appropriation of \$2.6 million. A \$1.5 million Grants-In-Aid appropriation is recommended for FY 2006, up \$500,000 over the FY 2005 adjusted appropriation.

Federal funding is projected to rise 7.8 percent, to \$34.3 million, while other funds are anticipated to remain stable at \$2.3 million.

- ! The FY 2006 Budget recommends an additional \$1.7 million to provide funding for the full operation of the reconstructed Vineland Veterans' Memorial Home. Scheduled to open in the summer of 2005, the new facility's rated capacity will increase by 68 beds, bringing the total number of beds at Vineland to 300.
- ! An additional \$455,000 is recommended in FY 2006 to fund the fully operational Old Glory Wing at the Menlo Park Veterans' Memorial Home. This Special Needs/Alzheimer's Unit opened in April 2004. With the opening of this wing, the number of beds at Menlo Park rose 40, from 272 to 312.
- ! A \$500,000 increase in Grants-In-Aid is recommended to fund an expansion of the Post Traumatic Stress Disorder program. Currently, 250 veterans are on a waiting list for these counseling services. This additional appropriation would help reduce or eliminate this waiting list and provide services for returning military personnel and their families. It would also extend the length of the program for those individuals who have a continued need for counseling. Counseling sessions are anticipated to increase from 5,500 to 7,000. If approved, total Grants-In-Aid funding for Post Traumatic Stress Disorder counseling would rise from \$300,000 to \$800,000.
- ! This budget recommends \$175,000 in capital construction funds to replace four obsolete heating and air conditioning systems at the Paramus Veterans' Memorial Home. This State appropriation will generate \$373,000 in federal matching funds. FY 2005 funding of \$627,000 for renovations and improvements to various facilities throughout the State and \$2 million for the World War II Memorial are discontinued in FY 2006.
- ! FY 2006 federal funding for the Brigadier General Doyle Memorial Cemetery Building Project is projected at \$8.5 million, an increase of \$1.7 million over the FY 2005 adjusted appropriation of \$6.9 million.
- ! The collection of Medicare Part A receipts for resident care and operational costs at the three veterans' nursing homes are projected to rise by \$622,000, to \$4.5 million, primarily due to the opening of the reconstructed facility in Vineland which is now Medicare eligible.

Background Papers

Veterans' Nursing Homes
World War II Memorial

page 17
page 19

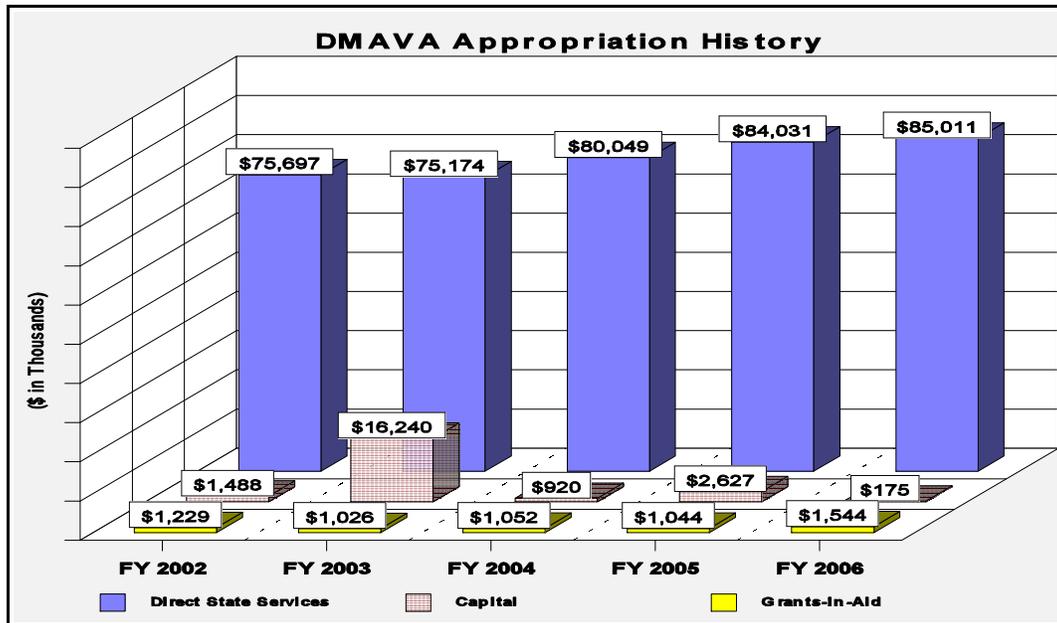
Program Description and Overview

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 General Fund State appropriation of \$86.7 million is recommended in FY 2006. This represents a decrease of approximately \$972,000 or 1.1 percent, from the department's adjusted appropriation of \$87.7 million in FY 2005. This decrease is due primarily to \$1 million reduction in Direct State Services funding to the Jersey City Armory and a \$2.6 million reduction in Capital Construction funding for the Paramus nursing home and the WWII Memorial.



Note: For the chart above, FY 2002 - FY 2004 show expended amounts; FY 2005 is the adjusted appropriation; and FY 2006 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 81 percent of the 7,600 authorized Army National Guard and 95 percent of the 2,338 authorized Air National Guard positions will be filled in FY 2006.

The department will maintain 38 armories in FY 2006, five of which do not have resident National Guard units. Compared to FY 2005, use days at the armories, also known as Interactive Community Resource Centers, are expected to decline slightly to 24,491 in FY 2006. Making armories available for non-National Guard functions is anticipated to generate over \$1 million in revenues in FY 2006.

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 rated capacity of 948 beds.
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. Assuming full federal funding of the expansion and improvements outlined in the Cemetery Master Plan, the cemetery will have 215,000 burial spaces, with 33,820 anticipated to be filled by the end of FY 2005 and 2,800 new interments projected in FY 2006.
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 41,500 veterans and process 4,500 claims in FY 2006.

The department also provides community-based services through third-party contracts for transportation and post-traumatic stress disorder counseling.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2004	Adj. Approp. FY 2005	Recom. FY 2006	Percent Change	
				2004-06	2005-06
<u>General Fund</u>					
Direct State Services	\$80,049	\$84,031	\$85,011	6.2%	1.2%
Grants-In-Aid	1,052	1,044	1,544	46.8%	47.9%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	920	2,627	175	(81.0)%	(93.3)%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$82,021	\$87,702	\$86,730	5.7%	(1.1)%
<u>Property Tax Relief Fund</u>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Sub-Total	\$0	\$0	\$0	0.0%	0.0%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$82,021	\$87,702	\$86,730	5.7%	(1.1)%
Federal Funds	\$24,594	\$31,867	\$34,339	39.6%	7.8%
Other Funds	\$37	\$2,285	\$2,285	6075.7%	0.0%
Grand Total	\$106,652	\$121,854	\$123,354	15.7%	1.2%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2004	Revised FY 2005	Funded FY 2006	Percent Change	
				2004-06	2005-06
State	1,247	1,293	1,459	17.0%	12.8%
Federal	152	158	181	19.1%	14.6%
All Other	0	0	0	0.0%	0.0%
Total Positions	1,399	1,451	1,640	17.2%	13.0%

FY 2004 (as of December) and revised FY 2005 (as of September) personnel data reflect actual payroll counts. FY 2006 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	60.7%	57.5%	50.3%	---	---
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2005</u>	<u>Recomm.</u> <u>FY 2006</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**

Jersey City Armory	\$1,000	\$0	(\$1,000)	(100.0)%	D-297
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The FY 2005 Appropriations Act provided \$1 million to the Department of Military and Veterans' Affairs earmarked for the Jersey City Armory (this funding was not part of the Governor's budget recommendation). This appropriation will fund the installation of an indoor track and renovate the restroom facilities. An additional \$250,000 from the Property Tax Assistance and Community Development Grants account (Interdepartmental Accounts) was transferred to this account to fund the lighting replacement component of the indoor track project.

**Retention of U.S.
Military Infrastructure
in New Jersey**

\$150	\$0	(\$150)	(100.0)%	D-297
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This FY 2005 appropriation funded The Governor's Commission to Support and Enhance New Jersey's Military and Coast Guard Installations as established by Executive Order No. 106 of 2004. The Commission was charged with the duty to gather information about the status Base Realignment and Closure (BRAC) and to act as liaison between communities and businesses that can assist and support New Jersey's Military and Coast Guard installations. The Commission is set to expire on December 31, 2005.

Capital Construction**Renovations and
Improvements,
Statewide**

\$627	\$0	(\$627)	(100.0)%	D-297
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This FY 2005 capital construction appropriation was used to generate approximately \$1.4 million in federal Department of Veterans Affairs matching funds plus a \$135,000 pledge from a local non-profit veterans' organization to construct a 5,000 square foot all purpose room for daily activities at the Paramus Veterans' Memorial Nursing Home.

**Infrastructure Projects,
Statewide**

\$0	\$175	\$175	—	D-298
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This recommended appropriation would replace four obsolete heating, ventilation and air conditioning (HVAC) systems at the Paramus Veterans' Memorial Home. The State share of \$175,000 will generate \$373,000 in federal matching funds.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2005</u>	<u>Recomm. FY 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
World War II Memorial	\$2,000	\$0	(\$2,000)	(100.0)%	D-298

This FY 2005 capital construction appropriation provides funding for the design and construction of a World War II memorial. Located at Veterans Park on West State Street in Trenton, directly across the street from the front entrance of the State House, the site was dedicated on November 10, 2004.

SERVICES TO VETERANS

Grants-In-Aid

Post Traumatic Stress Disorder	\$300	\$800	\$500	166.7%	D-301
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The Governor recommends a \$500,000 increase in this Grants-In-Aid account to address a waiting list of about 250 veterans in need of treatment and therapy for disorders related to combat and military service. The increase would also fund longer participation in the program for those individuals who need to receive counseling services for an extended period of time. It also provides services for returning military personnel and their families as well as for those who have lost a family member in combat. Based on prior military conflicts, approximately 15 to 25 percent of the returning veterans and their families will experience some form of Post Traumatic Stress Disorder.

Federal

Burial Services Brigadier General Doyle Memorial Cemetery Building Project	\$6,900	\$8,500	\$1,600	23.2%	D-301
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This recommendation represents the continuation of federal funding to implement the Master Plan that establishes a 20 year time-line for continued development of the cemetery. For FY 2006, the appropriation authority would fund a new Administration and Maintenance Complex.

MENLO PARK VETERANS' MEMORIAL HOME

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2005</u>	<u>Recomm. FY 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<u>Direct State Services</u>					
Salaries and Wages	\$16,182	\$16,564	\$382	2.4%	D-302
Materials and Supplies	\$2,209	\$2,253	\$44	2.0%	D-302
Services Other Than Personal	\$1,582	\$1,589	\$7	0.4%	D-302
Maintenance and Fixed Charges	\$253	\$265	\$12	4.7%	D-302
Additions, Improvements, and Equipment	\$104	\$114	\$10	9.6%	D-302

This recommended \$455,000 increase in Direct State Services funding to the Menlo Park Veterans' Memorial Home reflects the annualized cost to operate the home following the April 2004 opening of the Old Glory Wing, a Special Needs/Alzheimer's Unit. The opening of the Old Glory Wing increased the rated capacity of the Menlo Park facility by 40 beds or 15 percent, from 272 beds to 312 beds.

VINELAND VETERANS' MEMORIAL HOME

<u>Direct State Services</u>					
Salaries and Wages	\$16,029	\$17,029	\$1,000	6.2%	D-305
Materials and Supplies	\$1,800	\$1,846	\$46	2.6%	D-305
Services Other Than Personal	\$1,945	\$2,500	\$555	28.5%	D-305
Maintenance and Fixed Charges	\$275	\$314	\$39	14.2%	D-305
Additions, Improvements and Equipment	\$89	\$124	\$35	39.3%	D-305

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2005</u>	<u>Recomm. FY 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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The Governor recommends a \$1.675 million funding increase for the reconstructed Vineland Veterans' Memorial Home scheduled to open in the summer of 2005. This increase reflects annualized funding for the operation of the state-of-the-art facility. Vineland will have a rated capacity of 300 beds, an increase of 30 percent (68) in the number of beds available.

Federal Funds

Domiciliary and Treatment Services	\$128	\$750	\$622	485.9%	D-306
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This increase in federal funds reflects the collection of Medicare Part A receipts. The reconstructed Vineland facility is now Medicare eligible and will begin collecting Medicare funds when it opens in the summer of 2005.

Language Provisions

2005 Appropriations Handbook

2006 Budget Recommendations

p. D-298

No comparable language.

The unexpended balance at the end of the preceding fiscal year, in the Retention of U.S. Military Infrastructure in New Jersey account is appropriated for the same purpose.

Explanation

This recommended language would allow any unexpended balances in the Retention of U.S. Military Infrastructure in New Jersey account at the close of FY 2005 to carry forward and be available in FY 2006. This appropriation funded The Governor's Commission to Support and Enhance New Jersey's Military and Coast Guard Installations as established by Executive Order No. 106 of 2004. The Commission was charged with the duty to gather information about the status of the Base Realignment and Closure (BRAC) commission and to act as liaison between communities and businesses that can assist and support New Jersey's Military and Coast Guard installations. The Commission is set to expire on December 31, 2005. As of March 30, 2005, approximately \$140,000, or 93 percent, of the \$150,000 appropriation was uncommitted.



2005 Appropriations Handbook

2006 Budget Recommendations

p. B-146

The amount appropriated hereinabove for Nuclear Facilities Security Detail is chargeable to receipts derived from the 9-1-1 System and Emergency Response Assessment pursuant to P.L.2004, c.48.

No comparable language.

Explanation

This budget language charged the \$3.180 million appropriated for Nuclear Facilities Security Detail to receipts derived from the "9-1-1 System Assessment and Emergency Response ," P.L.2004, c.48. This law imposes a monthly fee of 90 cents per phone number. The FY 2006 Budget recommends continuing this funding through a direct state services appropriation.



Language Provisions (Cont'd)**2005 Appropriations Handbook****2006 Budget Recommendations****p. B-147**

The unexpended balance as of June 30, 2004, No comparable language.
in the Korean Veterans Memorial account is
appropriated for the same purpose.

Explanation

Almost the entire appropriation for the Korean War Memorial Maintenance Program account is expended each year. Thus, minimal if any unexpended balances are projected to be available to carry forward from FY 2005. This language is no longer required.

2005 Appropriations Handbook**2006 Budget Recommendations****p. B-148**

The unexpended balances as of June 30, 2004 No comparable language.
in the Menlo Park Veterans' Memorial Home
accounts are appropriated for the same
purpose.

Explanation

In FY 2004, approximately \$1.8 million in supplemental funding was appropriated to cover costs associated with a late FY 2004 opening of the Old Glory Wing at the Menlo Park Veterans' Memorial Home. This language allowed any unexpended balances in Menlo Park accounts at the close of FY 2004 to carry forward and be available in FY 2005. The FY 2006 Budget recommends funding for Menlo Park on a fully-operational basis, therefore, this language is no longer required.

Discussion Points

FEDERAL INITIATIVES

1. In August 2004, the federal government adopted new regulations concerning how overtime pay is applied, particularly with respect to nursing personnel at State institutions. Under the provisions of these new regulations, certain health care employees may now have to be paid for overtime even if they are salaried employees.

! Question: What financial impact have these new federal regulations had on overtime expenditures at the State veterans homes?

2. Federal enactment and federal budget proposals often impact significantly on State programs and fiscal resources. The President's FY 2006 Federal Budget has several proposals that, if implemented, may have an effect on many New Jersey veterans as well as the State's ability to operate its three veterans long-term care facilities. Part of the President's proposal would be to suspend federal per-diem payments to state-operated nursing homes for certain veterans.

! Question: (a) What is the projected loss in federal revenue to the three State-operated veterans' nursing homes should the federal FY 2006 budget be enacted as currently proposed? Could the veterans' homes maintain their required 75 percent Veterans Administration eligible census under these new federal guidelines? If not, why?

MILITARY SERVICES

3. The FY 2006 Budget proposes a State funding increase of 139 positions (page H-71) for the Department of Military and Veterans' Affairs primarily due to hiring still to be done as a result of the FY 2005 expansion for the Menlo Park Veterans' Home and the opening of the new Vineland Veterans' Home. A total of 94 of these new positions would be in the Domiciliary and Treatment program class for the three nursing homes, including 38 at Menlo Park, 17 at Paramus, and 39 at Vineland.

The FY 2006 Budget recommends the continued appropriation of \$250,000 for the Nursing Initiative (page D-297). Beginning in FY 2003, this funding was used to help recruit and retain registered nurses, licensed practical nurses and certified nurses' aides. Through the use of this appropriation, the department was able to hire a health professional recruiter to attract registered nurses, licensed practical nurses and other direct care staff for each of the three veterans' nursing homes.

! Question: (a) Will the department be able to fill these 94 direct care positions, especially the 38 at Menlo Park and 39 at Vineland in a timely fashion or do you anticipate delays that may hinder the full operation of one or both of these facilities? How will the department fund the projected 17 new direct care positions at the Paramus home with no recommended increase in the Salaries and Wages appropriation?

! Question: (b) Please itemize the expenses that the \$250,000 Nursing Initiative will have funded in FY 2005. Which of the three veterans' homes is experiencing the most difficulty in attracting and retaining direct care staff? Does the department view the Nursing Initiative as a temporary program and if so, when will the need for this program expire?

Discussion Points (Cont'd)

4. In FY 2005, the Legislature appropriated \$2 million for the construction of a World War II Memorial. However, the department estimates total design and construction costs at \$5 million. The memorial will be located in Trenton at Veterans Park, across the street from the State House and is scheduled to open on Veterans' Day 2005. Newspaper accounts report that the Casino Reinvestment and Development Authority may contribute \$1 million towards the cost of the memorial.

! Question: What other sources of funding for the World War II Memorial have been identified or secured? Has the Casino Reinvestment and Development Authority formally approved the \$1 million pledged to this project? If not, what is the process to secure this funding? Is the memorial still on schedule for a Veterans' Day 2005 opening?

5. The FY 2006 Budget recommendation includes only \$175,000 for Capital Construction projects. This recommendation would fund the replacement of four HVAC systems at the Paramus Veterans' Memorial Home. However, for FY 2006, the department had requested \$4.7 million for eight projects. This request included \$2.3 million for roof replacements at several armories and the chapel of the General Doyle Cemetery, various buildings at Sea Girt and at Veterans Haven. Although Budget language appropriates receipts derived from the rental and use of armories for the operation and maintenance of those facilities, these receipts are generally not used for Capital Construction improvements.

! Question: (a) Does the FY 2006 Budget recommend sufficient funding for capital construction projects? Is any federal funding available for these capital construction projects? What other funding sources has the department identified that could be used to finance capital construction projects?

! Question: Please provide a breakdown of the receipts the department has collected in the past five fiscal years through rental of the armories. Have rental receipts been used for any Capital Construction projects at the armories and if so, what types of projects were funded from these receipts?

6. The FY 2006 Budget recommends the realization of \$500 million in revenues from the sale of State assets. The Department of Military and Veterans' Affairs maintains 38 armories (33 housing National Guard units) throughout the State.

! Question: Has the department determined which armories are still useful and productive and which armories may be considered for sale? If so, which armories, if any, has the department recommended for possible sale? Please provide an estimate of revenue that would be raised through the sale of each of these armories. Would the federal government be entitled to a reimbursement for previous expenses incurred should the State sell surplus armory facilities? If so, what is the estimated amount the federal government would be entitled too? What, if any, is the estimated costs for environmental cleanup of armory property as a condition of sale?

7. In January 2004, the Department of Defense began gathering information about its

Discussion Points (Cont'd)

installations as part of the 2005 round of Base Realignment and Closure (BRAC). The department will use BRAC to reduce unnecessary infrastructure and to increase military capability and effectiveness. The department's list of base closure and realignment recommendations will be submitted to the independent BRAC Commission no later than May 16, 2005, as required by law. At that time, the Secretary of Defense must publish in the Federal Register and transmit to congressional defense committees and the Commission, a list of the military installations that the Secretary recommends for closure or realignment.

By September 8, 2005, the Commission must transmit to the President "a report containing its findings and conclusions based on a review and analysis of the Secretary's recommendations." The President would transmit to the Commission and to the Congress "a report containing the President's approval or disapproval of the Commission's recommendations" on or before September 23, 2005.

Within its boundaries, New Jersey has eight major military bases and one major contracting facility (Lockheed Martin's Naval Electronics and Surveillance Systems - Surface Systems plant near Moorestown, New Jersey). Military spending in New Jersey contributes to over 98,000 jobs and \$4 billion in income to State residents, a recent Rutgers University report found.

For the past several years New Jersey has retained the services of a private consultant to represent the State before the BRAC commission and the United States Congress. Additionally, the Governor's Commission to Support and Enhance New Jersey's Military and Coast Guard Installations was established to help in this effort.

! Question: Please detail the actions that the consultant and Commission have taken over the past year to help New Jersey protect each of its eight major military installations. How would the department describe the State's readiness to represent itself before BRAC commission? Which military installation is the most vulnerable to closure? Please provide a summary of the activities the consultant performed on behalf of New Jersey in FY 2003 and FY 2004 and the amounts billed for these services. What is the estimated amount that the State will expend in FY 2005 for these consultant services? How much is recommended in the FY 2006 Budget to retain this consultant?

8. Budget evaluation data (page D-296) indicates the total number of "person days" of training at the Joint Training Center in Sea Girt will decrease to 183,100 in FY 2006, down 10.6 percent from the 204,814 person days in FY 2005. In addition to being a facility for 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.

! Question: Please explain the reasons for this anticipated decline. What rates are charged by the department for use of the training facility and how are the rates determined? Please provide a summary of revenues derived or projected from use of the facility from FY 2002 through FY 2005. How are these revenues used?

Discussion Points (Cont'd)

9. Budget evaluation data (page D-295) indicate that only 81 percent of the authorized strength of the Army National Guard will be filled in FY 2005 and FY 2006. In prior years, it was not uncommon to have over 90 percent of the authorized strength filled.

The United State General Accountability Office (GAO) found that as of January 19, 2005, more than 192,000 National Guard and Reserve component members were mobilized by the Department of Defense. About 85 percent of these personnel were members of the Army National Guard or the Army Reserve. The Department of Defense has indicated that the availability of reserve component forces will continue to play an important role in the success of future missions, and it has projected that over the next three to five years, more than 100,000 reserve component members will be mobilized on a continuous basis.

! Question: What actions has the Department of Military and Veterans' Affairs taken to recruit and retain qualified soldiers? Are there personnel vacancies in critical areas? How have long-term Global War on Terrorism missions, which have created uncertainties for reserve component members concerning the likelihood of their mobilizations, the length of service commitments and overseas rotations, affected the department's retention and recruiting efforts? Does the FY 2006 Budget recommend an adequate amount in State funds for the department to undertake an Army National Guard recruitment campaign?

SERVICES TO VETERANS

10. Total Direct State Services funding for the three State veterans' homes is projected to increase by \$7.4 million or 13.7 percent from FY 2004 to FY 2006 (displayed on the chart below). This increase in funding follows a \$9.6 million, or nearly 24 percent, rise from FY 1998 (\$40.1 million) through FY 2003 (\$49.7 million). In addition, over the past several years, the State provided matching Capital Construction funds for the reconstruction of the new Vineland home, scheduled to open this summer.

Budget evaluation data indicates that although the average daily population at the Paramus facility is estimated at 320, greater than the average daily population at both Menlo Park (304) and Vineland (285), funding for Paramus is lower than either Menlo Park or Vineland.

Direct State Services Funding — Veterans' Memorial Nursing Homes

	Expended FY 2004	Adjusted Appropriation FY 2005	Recommended FY 2006	Percent Change 2004-06
Menlo Park	\$17,639	\$20,330	\$20,785	17.8%
Paramus	19,008	19,312	19,312	1.6%
Vineland	<u>17,826</u>	<u>20,138</u>	<u>21,813</u>	<u>22.4%</u>
Grand Total	\$54,473	\$59,780	\$61,910	13.7%

! Question: What is the projected opening date of the new Vineland Veterans' Memorial Home? Does the recommended appropriation for Vineland reflect funding for a fully

Discussion Points (Cont'd)

operational facility for the entire fiscal year? How much time will it take after the opening to have the facility fully operational? Please explain why the recommended funding for the Paramus nursing home is lower than the recommended funding for either of the two other nursing homes. Can the department assure the Legislature that the FY 2006 recommended appropriations are adequate to fully fund the three veterans' homes for the entire fiscal year?

11. The FY 2006 Budget recommends \$500,000 (page D-301) in additional funding for Post Traumatic Stress Disorder counseling services, from \$300,000 to \$800,000. The "Budget in Brief" (page 10) explains that the new funding would help clear an existing waiting list of approximately 250 veterans and provide services for returning military personnel and their families.

! Question: Is the waiting list on the increase or has it been in decline? Why has the department failed to notify the Legislature of this waiting list prior to the release of the FY 2006 Budget? Approximately how much time does an individual spend on the waiting list before counseling sessions commence? How has mobilization of the New Jersey National Guard for the Global War on Terrorism impacted the need for these services? Is federal funding available to supplement State appropriations? Does the federal government provide a similar service to which the department could refer veterans?

12. On March 7, 2005, the Assembly Military and Veterans' Affairs Committee held a hearing to receive testimony on the resources available to veterans, especially those with difficulty finding housing or who are homeless. A representative from the United States Department of Veterans Affairs testified that on any given night there are over 8,000 homeless veterans in shelters and on the streets in New Jersey.

Some witnesses who testified before the committee suggested that the location of Veterans Haven makes it difficult for residents to enroll in job training programs due to the lack of public transportation service to the facility.

! Question: Is the demand for services to homeless veterans on the increase or decline? How does the department plan to address the transportation needs of Veterans Haven residents? Please identify any funding sources that would be used in FY 2006 to provide transportation for these residents.

13. The FY 2006 Budget recommends the appropriation of \$8.5 million in federal funds for burial services at the Brigadier General Doyle Memorial Cemetery (page D-301). This represents an increase of \$1.6 million over the FY 2005 adjusted appropriation.

! Question: Please discuss the expansion and other improvements that are currently under construction or planned for the cemetery.

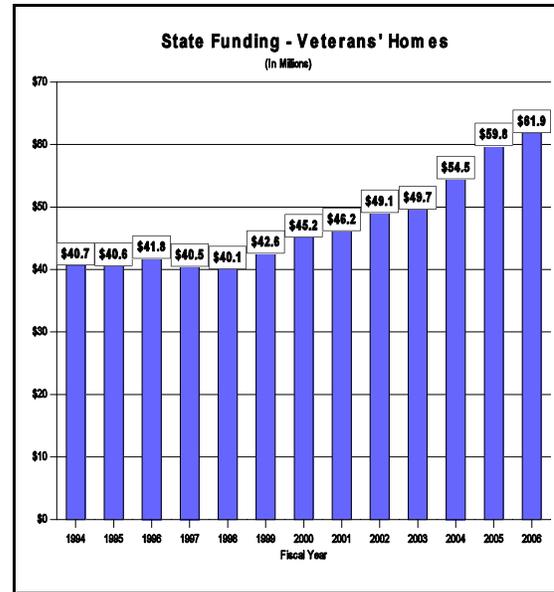
Background Paper: Veterans' Nursing Homes

Budget Pages.... D-293 to D-306

The Department of Military and Veterans' Affairs, Division of Veterans Healthcare Services provides long term care and respite care for veterans, and members of the National Guard and reserve components of the armed forces of the United States. The three long term care homes are located in north, central, and southern New Jersey. Admission to a State veterans' facility is considered on the basis of the financial and qualified medical needs of: veterans who served on active or reserve duty and were honorably discharged; and veterans' spouses, and spouses and parents of members of the military who were killed in action during a period of war (Gold Star Parent). A spouse or widow/widower must have been married to the veteran for a period of not less than 10 years. Preference is given to applicants who were State residents for at least two years immediately prior to applying for admission, or were a citizen of the State at the time of entrance into the active military service.

The chart "State Funding - Veterans' Homes" displays the cumulative Direct State Services funding for the three homes, which are located in Paramus, Menlo Park (Edison Township) and Vineland.

From FY 1994 through FY 1998 funding to the homes remained relatively stable, at approximately \$40.5 million per year. Beginning in FY 1999, with an increase to \$42.6 million, a steady rise in annual State funding was seen through FY 2003. During this time period, funding for the three homes rose by an additional \$7.1 million or 16.7 percent, to \$49.7 million.



Should the Legislature approve the FY 2006 recommended appropriation, funding to the veterans' homes will have increased by \$12.2 million or 24.5 percent from FY 2003 (\$49.7 million) to FY 2006 (\$61.9 million). This growth is primarily the result of facility expansion.

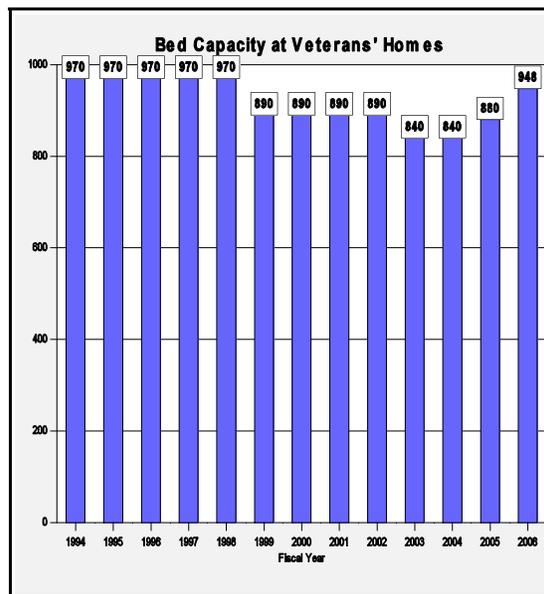
The FY 2006 Budget recommends an increase of \$2.1 million to expand capacity at the department's nursing homes. Specifically, an additional \$1.7 million is proposed to annualize funding for the operation of the reconstructed, state-of-the-art Vineland Veterans' Memorial Home. This facility, which is scheduled to open in the summer of 2005, will provide a rated capacity of 30 beds, an increase of 30 percent (68) in the number of beds.

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

Funding for the Menlo Park nursing home's Old Glory Wing, a special needs/Alzheimer unit increased by \$3.3 million since it opened in April 2004, including an additional \$455,000 recommended in FY 2006.

Bed capacity at the veterans' long-term care facilities dropped from 970 to 880 in the late 1990s during the reconstruction of the Menlo Park facility. However, the department had difficulty recruiting and retaining RNs and LPNs for several years after reconstruction was completed. The Old Glory Wing, originally designed as a 60 bed unit, remained vacant for a number of years due to the shortage of direct care staff. The department, recognizing demand for a special needs unit, redesigned the Old Glory Wing to care for Alzheimer patients.

Beginning in FY 2003, the Legislature appropriated a special purpose account totaling \$250,000 per year to assist the department in the recruitment of RNs and LPNs. This "Nursing Initiative" account allowed the department to obtain the services of a nurse recruiter and offer incentives for new hires. This special purpose funding has permitted the department to staff the Menlo Park facility at a level that facilitated the opening of the Old Glory Wing.



Prior to this increase in bed capacity at Menlo Park, reconstruction of the Vineland Veterans' Memorial Home commenced. Overall bed capacity declined to a low of 840 and, during this time, the number of applicants waiting for admission to a home continued to climb. For FY 2006, with the Old Glory Wing fully operational and the Vineland Home reconstruction completed, bed capacity is expected to rise by 68 beds, from 880 to 948, bringing the homes to their full complement of beds.

Direct State Services Funding — Veterans' Memorial Nursing Homes

	Expended FY 2004	Adjusted Appropriation FY 2005	Recommended FY 2006	Percent Change 2005-06
Menlo Park	\$17,639	\$20,330	\$20,785	2.2%
Paramus	19,008	19,312	19,312	0.0%
Vineland	17,826	20,138	21,813	8.3%
Grand Total	\$54,473	\$59,780	\$61,910	3.6%

Background Paper: World War II Memorial

Background

New Jersey's World War II Memorial will be located in Trenton at Veterans Park, across the street from the State House. The memorial will be 103 feet by 179 feet, and will feature a central sculpture called "Lady Victory." Encircling Lady Victory will be six service markers, representing the six branches of the military and the respective New Jersey Medal of Honor recipients. There will also be two story walls, to communicate the war effort on both the home front and the front lines. Along an outer circle will be panels depicting battle scenes from both the Atlantic and Pacific Theaters. There will also be an amphitheater with seating and informational kiosks. The World War II Memorial was designed by Robert Smith, who also designed the State's Korean War Memorial in Atlantic City.

History

Legislation creating a World War II Memorial Commission was originally enacted on December 8, 1999. P.L.1999, J.R.14 charged an 11 member commission with undertaking a study and advising the Governor and Legislature on a suitable memorial to the veterans of World War II. The commission recommended placement of the memorial on the site of the former New Jersey Naval Militia Armory in Jersey City. However, despite a supplemental appropriation of \$1 million on January 11, 2002, the commission's recommendation was not implemented due to budget shortfalls, and the commission itself expired.

On May 4, 2004, Governor James E. McGreevey issued Executive Order No.107, which established a new World War II Memorial Commission. The commission is comprised of 20 members, including two ex-officio members of the Department of Military and Veterans' Affairs, one of whom is the Deputy Commissioner of Veterans' Affairs, and one ex-officio member from the

Attorney General's office. All three of

the ex-officio members are non-voting members. There are also seventeen public members, appointed by the Governor, who are representatives of recognized veterans groups. In the Executive Order, the commission was directed to use, when appropriate, the work of the previous commission.

The commission has recommended the current design and placement of the memorial in Trenton, and will expire 30 days after the dedication of the memorial.

Funding

The total cost of the World War II Memorial is estimated to be \$5 million. Of that total, \$2 million was appropriated by the State in FY 2005. The Casino Reinvestment and Development Authority (CRDA) is expected to contribute \$1 million to the memorial.

The additional funds will be raised from private donors. Legislation to create a World War II Veterans' Memorial Fund and authorize the Adjutant General and the Deputy Commissioner of the Department of Military and Veterans' Affairs to solicit and accept donations or grants of money or property and to appropriate those funds for the memorial's construction was signed by the Governor on March 28, 2005.

Funding for the World War II Memorial is similar to that of the Korean War Memorial, which was completed in 2000 in Atlantic City. That memorial cost \$2.5 million, \$775,000 of which was funded by the State, \$1 million of which was contributed by the Casino Reinvestment and Development Authority, and the rest of which was to be funded by private donations. Unfortunately, sufficient private donations were not secured in a timely manner. The department ultimately received a loan from the General Fund to complete the Korean War Memorial, and continues to reimburse the General Fund

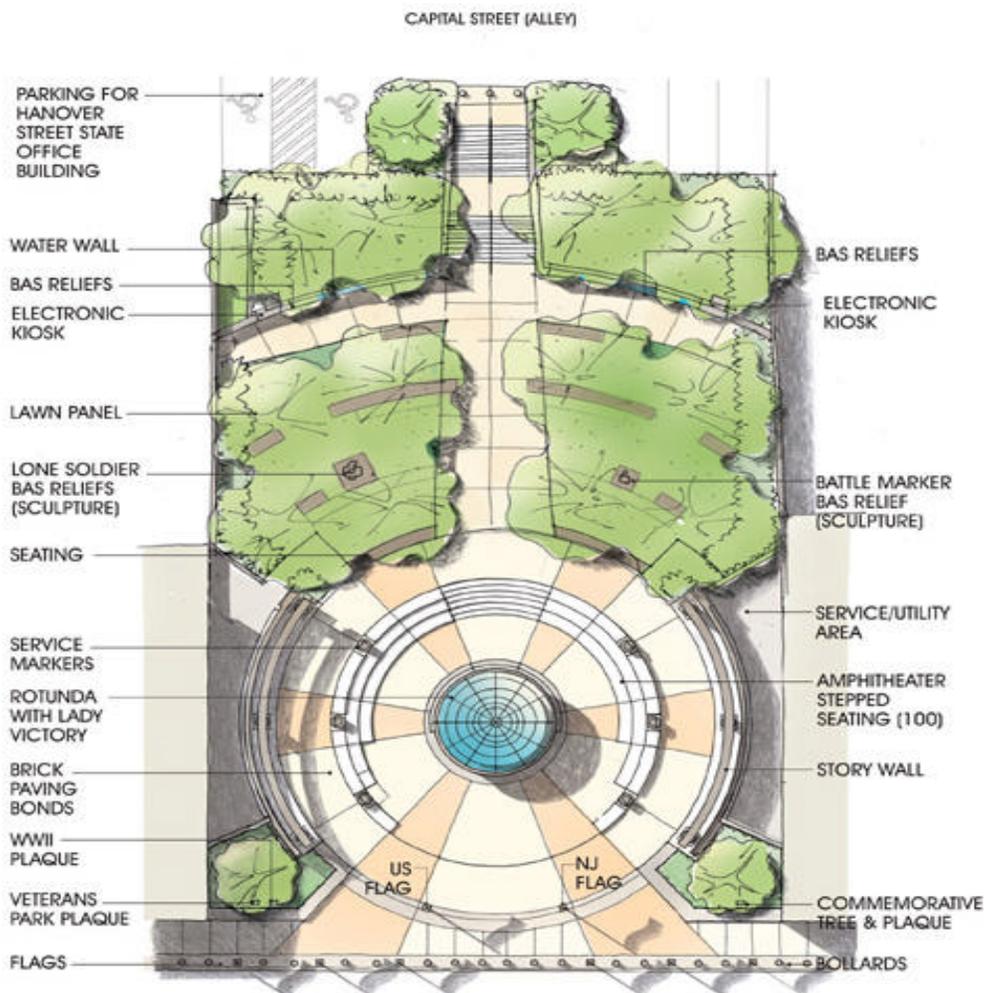
Background Paper: World War II Memorial (Cont'd)

for that loan.

Current Status

Currently, the efforts surrounding the memorial are focused on fund-raising. The Casino Reinvestment and Development Authority has preliminarily approved \$1 million in funding, but has not yet held a required public hearing in Trenton regarding the project. Additionally, upon the signing of P.L. 2005, c.59 granting the Department of Military and Veterans' Affairs the ability to engage in fund-raising, letters were sent out to solicit private donations. Once funding is secured, the project will be bid. After the contract is awarded, the actual construction of the memorial will last approximately eight months.

Although originally scheduled to be completed by Veterans Day 2005, the World War II Memorial is now projected to open by Memorial Day, 2006.



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Individuals wishing information and committee schedules on the FY 2006 budget are encouraged to contact:

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