

ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
MILITARY AND
VETERANS' AFFAIRS**

FISCAL YEAR

2006 - 2007

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-14, C-22, C-30, C-33, C-35;
D-303 to D-316

Fiscal Summary (\$000)

	Expended FY 2005	Adjusted. Appropriation FY 2006	Recommended FY 2007	Percent Change 2006-07
State Budgeted	\$86,433	\$89,999	\$90,545	.6%
Federal Funds	34,205	61,569	40,970	(33.5%)
<u>Other</u>	<u>323</u>	<u>2,285</u>	<u>2,190</u>	<u>(4.2%)</u>
Grand Total	\$120,961	\$153,853	\$133,705	(13.1%)

Personnel Summary - Positions By Funding Source

	Actual FY 2005	Revised FY 2006	Funded FY 2007	Percent Change 2006-07
State	1,306	1,356	1,437	6.0%
Federal	151	154	190	23.4%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,457	1,510	1,627	7.7%

FY 2005 (as of December) and revised FY 2006 (as of September) personnel data reflect actual payroll counts. FY 2007 data reflect the number of positions funded

Key Points

- A one-time capital construction appropriation of \$2 million is recommended for renovations at Veterans Haven to provide 30 additional beds for homeless veterans. This request would increase the number of beds for homeless veterans at the campus from 54 to 84.
- The FY 2007 budget recommends a \$1.9 million reduction in Direct State Services funding, primarily attributable to the discontinuance of a \$1.2 million FY 2006 appropriation for improvements at the Jersey City Armory.
- A salary reduction of \$435,000 is recommended for Military Services. Of this amount, \$202,000 is due to eliminating funding for positions that are currently vacant and are expected to remain vacant or be abolished in FY 2007. In addition, \$233,000 in salary costs will be assumed in available federal funding by re-classifying the duties of 11 positions.

Key Points (Cont'd)

- A \$590,000 Capital Construction appropriation is recommended for the installation of fire suppressions systems at Bordentown, Flemington, Hammonton, and Tuckerton Armories.
- FY 2007 Direct State Services funding for the three veterans nursing homes — Menlo Park, Paramus and Vineland — is recommended at a combined \$63.7 million, approximately even with the FY 2006 adjusted appropriation.
- The FY 2007 budget recommends raising \$4.4 million in new revenue by assessing the power plant facilities in this State that use State Police and State National Guard personnel for added security. Of this new revenue total, it is anticipated that \$2.9 million would offset National Guard security detail expenditures.

Background Paper

Veterans Haven

page 10

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2005	Adj. Approp. FY 2006	Recom. FY 2007	Percent Change	
				2005-07	2006-07
General Fund					
Direct State Services	\$84,217	\$88,280	\$86,411	2.6%	(2.1%)
Grants-In-Aid	1,073	1,544	1,544	43.9%	0.0%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	1,143	175	2,590	126.6%	1380.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$86,433	\$89,999	\$90,545	4.8%	0.6%
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Sub-Total	\$0	\$0	\$0	0.0%	0.0%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$86,433	\$89,999	\$90,545	4.8%	0.6%
Federal Funds	\$34,205	\$61,569	\$40,970	19.8%	(33.5%)
Other Funds	\$323	\$2,285	\$2,190	578.0%	(4.2%)
Grand Total	\$120,961	\$153,853	\$133,705	10.5%	(13.1%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2005	Revised FY 2006	Funded FY 2007	Percent Change	
				2005-07	2006-07
State	1,306	1,356	1,437	10.0%	6.0%
Federal	151	154	190	25.8%	23.4%
All Other	0	0	0	0.0%	0.0%
Total Positions	1,457	1,510	1,627	11.7%	7.7%

FY 2005 (as of December) and revised FY 2006 (as of September) personnel data reflect actual payroll counts. FY 2007 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	57.5%	50.8%	56.5%	—	—
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2006</u>	<u>Recomm.</u> <u>FY 2007</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**

Salaries and Wages	\$7,683	\$7,248	(\$ 435)	(5.7%)	D-307
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This reduction will be accomplished by re-classifying 11 armorer positions from fully State supported to partially supported by federal funds for an estimated savings of \$233,000 and by eliminating funding for vacant central office positions for an estimated savings of \$202,000.

Jersey City Armory	\$1,200	\$0	(\$1,200)	(100.0%)	D-307
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This FY 2006 appropriation was added by the Legislature to fund the completion of upgrades begun in FY 2005 to the indoor track and lighting at the armory. This appropriation funded the installation of a center court scoreboard, construction of new men's and women's locker rooms, and rehabilitation of the existing men's and women's restrooms on the second floor. Recommended budget language would permit any funds not expended in FY 2006 to carry forward into FY 2007 for the same purpose.

Capital Construction

Fire and Life Safety, Statewide	\$0	\$590	\$ 590	—	D-308
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This recommended appropriation would fund the installation of fire suppression systems at Bordentown, Flemington, Hammonton, and Tuckerton Armories.

Infrastructure Projects, Statewide	\$175	\$0	(\$ 175)	(100.0%)	D-308
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This FY 2006 appropriation was to replace four obsolete heating, ventilation and air conditioning (HVAC) systems at the Paramus Veterans' Memorial Home. The State share of \$175,000 was expected to generate nearly \$375,000 in federal matching funds.

Federal Funds

Administration and Support Services	\$26,000	0	(\$26,000)	(100.0%)	D-308
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This FY 2006 federal appropriation represented estimated funding for the proposed design and construction of the Consolidated Logistics and Training Facility at Lakehurst Naval Engineering Station. This estimated \$72.4 million federal project would result in the construction of a 619,000 square foot training and maintenance facility. To date, however, no federal funds have been received by the department.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2006</u>	<u>Recomm. FY 2007</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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SERVICES TO VETERANS

Direct State Services

Salaries and Wages	\$4,463	\$4,369	(\$ 94)	(2.1%)	D-310
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This reduction eliminates funding for positions currently vacant that will remain unfilled or be abolished in FY 2007.

Capital Construction

**Capital Improvements
for Sheltering**

Homeless Veterans	\$0	\$2,000	\$ 2,000	—	D-311
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This recommended appropriation would fund renovations to the Veterans Haven campus at Ancora Psychiatric Hospital, to provide for an additional 30 beds for homeless veterans. Upon completion of this project, bed capacity would rise to 84.

Federal Funds

Burial Services	\$8,500	\$12,000	\$ 3,500	41.2%	D-311
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This recommendation represents the continuation of federal funding to implement the Master Plan for the continued development of the Brigadier General William C. Doyle Veterans' Memorial Cemetery.

VETERANS' MEMORIAL NURSING HOMES

Direct State Services

**Additions,
Improvements and
Equipment**

\$254	\$114	(\$ 140)	(55.1%)	D-313
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FY 2006 supplemental funding to the Menlo Park Veterans' Memorial Home of \$140,000 is not recommended to continue in FY 2007. These funds were generated from excess receipts that the home earned in FY 2005 and were used to purchase medical devices. This supplemental funding may re-occur in FY 2007 if the home earns excess receipts in FY 2006.

Language Provisions

2006 Appropriations Handbook

2007 Budget Recommendations

No comparable language

p. D-308

The unexpected balance at the end of the proceeding fiscal year, in the Jersey City Armory account is appropriated for the same purpose.

Explanation

This recommended FY 2007 budget language permits the department to carry-forward any unexpended balance from the FY 2006 appropriation to continue improvements at the Jersey City Armory.

Discussion Points

SERVICES TO VETERANS

1. The FY 2007 budget recommendation includes \$2 million in capital construction funding for renovations at the Ancora Psychiatric Hospital (Veterans Haven) to provide an additional 30 beds for homeless veterans, raising the total bed capacity at Veterans Haven to 84. However, this expansion is not reflected in budget evaluation data (page D-309) for FY 2007.

- **What is the projected opening date for these 30 additional beds? Please provide a description of the project scope and an itemization of the estimated costs for this project. Please also provide an itemized estimate of Veterans Haven operating costs after the project is completed.**

2. The FY 2007 budget proposes an increase in State-supported positions of 65 (pages D-312, D-313, and D-315) for the Department of Military and Veterans' Affairs nursing homes. This increase is primarily in the Domiciliary and Treatment program class for the three nursing homes, including 30 at Menlo Park, 12 at Paramus and 23 at Vineland. Budget evaluation data reflects a substantial increase in the average daily population only at the Vineland home, from 229 to 285 (page D-315).

- **What actions will the department implement in FY 2007 to fill these State funded, but vacant direct care positions? Is there a need for increase in staff at Menlo Park and Paramus? Does the department still contract with a recruiter for skilled nurse staff? If so, please detail the services provided by the nurse recruiter, the total cost and cost per nurse hired.**

3. In March 2006, the department transferred \$39,000 into the Post Traumatic Stress Disorder (PTSD) account to meet projected FY 2006 expenses. This transfer increased the budget authority of this account to \$839,000, which will be used to fund an estimated 7,500 counseling sessions. However, for FY 2007 the department estimate of 9,000 PTSD counseling sessions would be funded with a recommended appropriation of \$800,000.

- **How will the department fund an additional 1,500 counseling sessions in FY 2007 with an appropriation that is lower than the FY 2006 adjusted appropriation? Please describe the operation of the PTSD program and the qualifications of the counselors. Has the department reached an agreement with the UMDNJ to provide a PTSD 24/7 hotline for returning veterans and their dependents' needs? If yes, what amount is UMDNJ charging the department for this service? How many calls does the hotline respond to on an annualized basis? Please provide details as to how the 24/7 hotline operates and whether the UMDNJ personnel are qualified counselors.**

4. In February 2006, the department transferred \$543,000 into the Vineland Veterans' Memorial Home improvements and equipment account to satisfy a settlement of services performed for electrical work on the new nursing home at Vineland.

- **Please describe the circumstances related to this settlement and the electrical work performed. How does the department plan on meeting FY 2006 expenses in the Services Other Than Personal account from which these funds were transferred?**

Discussion Points (Cont'd)

MILITARY SERVICES

5. Budget evaluation data (page D-306) indicate a substantial reduction in the authorized strength of the Army National Guard, from 8,660 in FY 2006 to 6,021 in FY 2007. The FY 2006 actual strength of the Army National Guard is at 80 percent of the authorized strength, or approximately 6,928 service personnel. Thus, the department is projecting a real decline of nearly 910 members of the Army National Guard from FY 2006 to FY 2007. At the same time, the authorized strength of the Air National Guard is projected to decrease by approximately 245, to a total of 2,092. It is not apparent from the FY 2007 budget that this reduction in authorized strength will reduce the amount of federal funds received for this program. For example, the FY 2007 budget recommends an appropriation of over \$21.9 million in federal funds for National Guard services, up slightly from the \$21.1 million in federal funds for the FY 2006 adjusted appropriation. It is also not apparent from budget evaluation data that this reduction in National Guard strength resulted in a corresponding reduction in the number of State supported positions in National Guard support services.

- **Please explain the reasons for the decreases in the authorized strength of the Army and Air National Guard. Did the Department of Military and Veterans' Affairs request that the federal Department of Defense approve this reduction? Please explain why the amount of federal funding is on the increase for FY 2007 for National Guard Services in the face of a reduction in force. Could this reduction in force result in a decrease in federal funding in future budget years? If so, how and by what amount? Please explain how the projected reduction of New Jersey Army and Air National Guard service personnel will be accomplished. Does the FY 2007 budget also reflect a corresponding reduction in National Guard support services staff? If not, why?**

6. Over the past four years, the Army National Guard has been called upon to play a significant role in supporting active Army forces overseas while, at the same time, taking on new homeland defense missions, such as protecting critical infrastructure — all of which require that the Army National Guard have sufficient quantities and types of equipment.

While deploying Army National Guard units have had priority for getting the equipment they needed, readying these forces has degraded the equipment inventory of the Guard's nondeployed units and threatens the Guard's ability to prepare forces for future missions at home and overseas. The Government Accountability Office found that nondeployed Guard units now face significant equipment shortfalls because (1) they have been equipped at less than war-time levels with the assumption that they could obtain additional resources prior to deployment and (2) current operations have created an unanticipated high demand for certain items, such as armored vehicles. Collectively, the Army National Guard estimates that since 2003 it has left more than 64,000 items, valued at more than \$1.2 billion, overseas to support operations. These missions may be stripping the National Guard of equipment and personnel needed to respond to hurricanes, floods and other emergencies our State may face.

- **Does the New Jersey Army National Guard have the types and quantities of equipment to respond to any future State mission that the Governor may call to active duty status? Does the New Jersey Army National Guard have a sufficient number of service members to respond to a large-scale State mission? Has the**

Discussion Points (Cont'd)

Department of Military and Veterans' Affairs made a formal request to the Department of the Army to re-equip the quantities and types of equipment our State sent overseas? If so, what has been the response to this request?

7. Budget data (page D-308) indicate that of the \$2 million appropriated by the Legislature for construction of the World War II Memorial, only \$420,000 was expended. In addition, the Casino Reinvestment and Development Authority pledged \$1 million for this project and Governor Codey signed legislation giving the department the authority to assist the New Jersey World War II Commission in raising the estimated \$2 million needed to complete the project.

- **Has the CRDA transferred to the department the \$1 million it pledged towards the World War II Memorial? If not, why has CRDA been slow to transfer these funds? What amount of funds have been raised by the commission from corporate, organizational and individual donations? Is the department still hoping for a Memorial Day 2006 dedication of the memorial?**

Background Paper: Veterans Haven

Budget Pages.... D-309 to D-311

There are approximately 7,000 to 8,000 homeless veterans in the State of New Jersey according to the Department of Military and Veterans' Affairs. The department has been operating a transitional housing program for homeless veterans, Veterans Haven, for a number of years. One of the Governor's initiatives in FY 2007 is to expand this program by an additional 30 beds with a recommended Capital Construction appropriation of \$2 million.

At present, the department is exploring the best and most economical use of this recommended funding, including using it to leverage additional funding from a new Pilot Loan Program for Multifamily Transitional Housing for Homeless Veterans, recently announced by the United States Department of Veterans Affairs (VA).

Veterans Haven was founded by the late Lieutenant Colonel (Retired) Steve Wilfing, who was then the director of the Division of Veteran Programs. Located in Winslow Township, Camden County on the grounds of Ancora Psychiatric Hospital, it opened its doors to homeless veterans in the early 1950's. It provides services for veterans from throughout New Jersey and has a staff comprised of professionals specializing in a range of counseling disciplines including, mental health, social services, addictions, nursing and vocational rehabilitation. To be eligible to enter Veterans Haven, applicants must be considered veterans by the standards set forth by the federal VA and must be eligible for veterans' benefits and specifically for medical care.

The 54 bed facility provides long term programs for psychological, social and vocational rehabilitation. It is a drug and alcohol free program with a zero tolerance

policy. Random drug and alcohol testing is routinely performed to ensure compliance. According to the Department of Military and Veterans' Affairs, the program has a high success rate with success measured by residents completing their recovery and returning to society as wage-earning, tax-paying citizens living on their own.

The program is divided into three phases — treatment, self-reclamation and community reintegration — with each phase lasting from three to six months. Every veteran receives a complete physical and is assigned a primary care physician. Those with a prior history of addictions or alcoholism are required to attend meetings as determined by the addictions counselors.

Each veteran is required to register and take a variety of tests with the New Jersey Division of Vocational Rehabilitation Services in the Department of Labor and Workforce Development. This qualifies most veterans for special programs, vocational training and, in some cases, schooling. After completing the vocational testing, a program plan is created to best suit their needs and interests as individuals. After veterans complete their program plans, the counselors provide assistance in readiness for employment. It is the intent of the Veterans Haven program that all veterans return to vocations, which will support them throughout their life. All veterans admitted to Veterans Haven are required to find and maintain employment within six months of enrolling at the facility.

Veterans Haven also requires veterans to attend a variety of group sessions during their stay at the facility. The sessions are designed to assist in preparing them for reentry into the workforce, as well as dealing with a range of issues, including, but not limited to,

Background Paper: Veterans Haven (Cont'd)

anger management, life skills, career groups, resume writing, computer training, money management, and health and hygiene.

The homeless veteran issue has for several years been a concern of the Department of Military and Veterans' Affairs and for the legislative veterans' committees. Veterans Haven is funded by the Department of Military and Veterans' Affairs, the federal VA, and the United States Department of Housing and Urban Development (HUD) as well as a wide variety of service organizations, community agencies, veterans groups and private citizens.

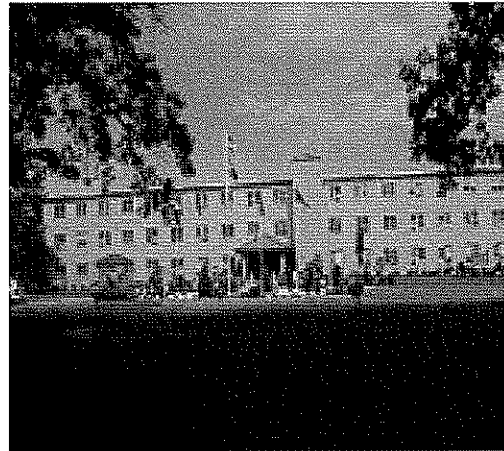
During fiscal year FY 2004 and FY 2005, over \$1.0 million in federal and State funds were expended at Veterans Haven. These funds were used to support maintenance and fixed costs, materials and supplies, and salaries and wages. This allowed Veterans Haven to obtain the services of staff members and offer programs better suited to residents' needs.

Veterans Haven receives approximately \$865,000 in federal funds on an annual basis. This total includes \$510,000 in VA per diem reimbursement and \$355,000 from HUD for operational expenses through a Supporting Housing Grant. \$94,000 of the State's Direct State Services appropriation is used as matching funds to the HUD grant.

The FY 2007 budget recommends continued Direct State Services funding of \$590,000 for Veterans Haven. It also anticipates continued federal funding of approximately \$865,000. In addition, the Governor's budget proposal includes \$2 million to fund building renovations to provide an additional 30 beds.

Preliminary plans are for a 20,072 square foot addition to the existing building, with individual rooms, bathrooms, laundry and common areas.

During this past year, Veterans Haven housed additional veterans and worked to update and modernize its facility and programs. It is in the process of upgrading its electrical system and obtaining televisions for its residents. There are also plans to replace windows and remodel bathrooms. They plan to continue to expand so that they can house more veterans and continue service offerings.



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Individuals wishing information and committee schedules on the FY 2007 budget are encouraged to contact:

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