

ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
MILITARY AND
VETERANS' AFFAIRS**

FISCAL YEAR

2007 - 2008

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-11, C-19, C-27, C-31, C-33,
D-316 to D-329

Fiscal Summary (\$000)

	Expended FY 2006	Adjusted. Appropriation FY 2007	Recommended FY 2008	Percent Change 2007-08
State Budgeted	\$91,579	\$93,150	\$93,115	(0.04%)
Federal Funds	26,052	62,479	33,847	(45.8%)
<u>Other</u>	<u>5</u>	<u>2,190</u>	<u>2,420</u>	<u>10.5%</u>
Grand Total	\$117,636	\$157,819	\$129,382	(18.0%)

Personnel Summary - Positions By Funding Source

	Actual FY 2006	Revised FY 2007	Funded FY 2008	Percent Change 2007-08
State	1,346	1,337	1,432	7.1%
Federal	154	151	214	41.7%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Positions	1,500	1,488	1,646	10.6%

FY 2006 (as of December) and revised FY 2007 (as of September) personnel data reflect actual payroll counts. FY 2008 data reflect the number of positions funded

Key Points

- The proposed FY 2008 Governor's Budget recommends an increase of \$1 million for support services for returning veterans to assist their transition back into civilian life. It is estimated that the number of New Jersey military veterans served by all of the department's outreach and assistance programs will total 85,000 in FY 2008.
- The proposed FY 2008 Governor's Budget recommends a \$1 million appropriation for capital construction of the World War II Memorial in Trenton. This would increase total State funding for the project to \$3.6 million.
- The proposed FY 2008 Governor's Budget recommends an increase of \$500,000 to fund the increase in the demand for Post Traumatic Stress Disorder (PTSD) counseling. According to the Governor's Budget, over the past three years, New Jersey has experienced an increase of 161 percent in the demand for these services.

Key Points (Cont'd)

- The proposed FY 2008 Governor's Budget recommends a \$350,000 increase in the New Jersey National Guard Youth Challenge Academy (NJYCA) program. According to the FY 2007-2008 Budget in Brief, this augmentation would expand the number of program participants per year from 200 to 350. This would bring the total State funding for the NJYCA up to \$1.27 million.
- The proposed FY 2008 Governor's Budget requests \$165,000 to replace a 19 year-old fire alarm system that has exceeded its useful life expectancy at the Paramus Veterans Memorial Hospital. This level of State funding would generate a federal match totaling \$310,000. For purposes of clarification, this item was inadvertently labeled as a roof replacement in the budget.
- The proposed FY 2008 Governor's Budget recommends an allocation for heating ventilation, and air conditioning systems at the Paramus facility from a \$10 million Energy Efficiency Projects appropriation in the Interdepartmental Accounts section of the budget (pages D-485 and D-488). While it is not clear what the specific allocation would be, the Commission on Capital Budgeting and Planning endorsed the department's request for \$175,000 for this purpose which would generate a Federal match of \$375,000.
- The proposed FY 2008 Governor's Budget recommends an increase of \$105,000 to fund three clerical positions; one clerical position for each of the three Veterans' Memorial Homes at \$35,000 per position. These positions were created to process Medicare Part D claims.
- The proposed FY 2008 Governor's Budget recommends continuing the \$2.9 million FY 2007 appropriation for New Jersey National Guard security services at the power generating stations.
- The proposed FY 2008 Governor's Budget recommends a continued State appropriation of \$590,000 for Veterans Haven, a transitional housing program for homeless New Jersey veterans designed to help reintegrate them into society.

Background Paper

New Jersey Youth Challenge Academy
Post Traumatic Stress Disorder

Page 15
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Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2006	Adj. Approp. FY 2007	Recom. FY 2008	Percent Change	
				2006-08	2007-08
General Fund					
Direct State Services	\$89,468	\$89,016	\$88,906	(0.6%)	(0.1%)
Grants-In-Aid	1,450	1,544	3,044	110.0%	97.2%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	661	2,590	1,165	76.3%	(55.0%)
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$91,579	\$93,150	\$93,115	1.7%	(0.04%)
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	\$91,579	\$93,150	\$93,115	1.7%	(0.04%)
Federal Funds	\$26,052	\$62,479	\$33,847	29.9%	(45.8%)
Other Funds	\$5	\$2,190	\$2,420	—%	10.5%
Grand Total	\$117,636	\$157,819	\$129,382	10.0%	(18.0%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2006	Revised FY 2007	Funded FY 2008	Percent Change	
				2006-08	2007-08
State	1,346	1,337	1,432	6.4%	7.1%
Federal	154	151	214	39.0%	41.7%
All Other	0	0	0	0.0%	0.0%
Total Positions	1,500	1,488	1,646	9.7%	10.6%

FY 2006 (as of December) and revised FY 2007 (as of September) personnel data reflect actual payroll counts. FY 2008 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	55.6%	61.9%	57.4 %	—	—
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2007</u>	<u>Recomm. FY 2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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MILITARY SERVICES**Direct State Services****New Jersey National
Guard Youth
Challenge Program**

	\$920	\$1,270	\$350	38.0%	D-320
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According to the FY 2007-2008 Budget in Brief, this proposed increase is recommended to expand the number of participants in the New Jersey National Guard Youth Challenge Academy (NJYCA) program from 200 to 350.

**Materials and
Supplies**

	\$1,257	\$1,107	(\$150)	(11.9%)	D-320
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This proposed reduction represents the department's unallocated Management Efficiency requirement. The department indicates that it will achieve \$150,000 in energy efficiencies by implementing its lights off strategy, i.e., turning off excess lights.

Capital Construction**World War II
Memorial**

	\$0	\$1,000	\$1,000	---	D-321
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This proposed increase is recommended to supplement funding for capital construction of the World War II Memorial in Trenton which would provide a total of \$3.6 million in State funds for the project. Originally, the cost of the World War II memorial was estimated to be \$5 million, with a projected opening date of Veterans' Day 2005. To fund the memorial, \$2 million was appropriated by the State in FY 2005. The Casino Reinvestment and Development Authority (CDRA) pledged a contribution of \$1 million and \$65,000 was raised from private donors. Since that time, however, the CDRA has stated that its portion of the funding is no longer available. It is currently estimated that the total cost of the memorial may be as high as \$6.5 million due to rising costs. Consequently, the projected opening of the memorial has been delayed.

**Fire and Life Safety,
Statewide
Renovations and
Improvements,
Statewide**

	\$590	\$0	(\$590)	---	D-321
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This reduction represents a discontinuation of one-time funding from the FY 2007 Appropriations Act that funded the installation of fire suppression systems at the Bordentown, Flemington, Hammonton, and Tuckerton Armories.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2007</u>	<u>Recomm. FY 2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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Federal Funds

Administration and Support Services	\$22,200	\$0	(\$22,200)	---	D-321
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These funds were appropriated last year in the FY 2007 Appropriations Act to provide funding for the design and construction of the Consolidated Logistics and Training Facility at Lakehurst Naval Engineering Station (Lakehurst project). No funding is recommended in the proposed FY 2008 Governor's Budget. The Army Transformation initiative has changed some of the ways that the department will conduct its business, specifically in equipment needs and training services. Hence, the plans for the Lakehurst project have been revised causing a delay in the appropriation and encumbrance of federal funds. Once the plans are revised, the department will be able to request an appropriation and encumber the federal funds to complete the project.

New Jersey National Guard Support Services	\$21,919	\$25,137	\$3,218	14.7%	D-321
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Proposed program changes within this item include increases in federal funding for federal support contracts, administration, and modernization/renovation improvements and decreases in household operations, transportation, the Hazardous Waste Environmental Protection Program (Hazmat), the Army National Guard sustainable range program, and the National Guard communication program.

SERVICES TO VETERANS

Grants-in-Aid

Support Services For Returning Veterans	\$0	\$1,000	\$1,000	---	D-324
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This proposed augmentation is recommended to fund the increase in demand for veterans' support services. The proposed FY 2008 Governor's Budget indicates that the estimated number of veterans served in FY 2008, 85,000, will remain the same as in FY 2007. Increased funding may provide a broader array of services to veterans returning from duty in the Middle East than they would otherwise receive.

Post Traumatic Stress Disorder	\$800	\$1,300	\$500	62.5%	D-324
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This proposed increase is recommended to fund growth in demand for Post Traumatic Stress Disorder services. According to the proposed FY 2008 Governor's Budget, the demand for these services has increased by 161 percent over the past three years.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2007</u>	<u>Recomm. FY 2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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Capital Construction

**Capital Improvements
For Sheltering**

Homeless Veterans	\$2,000	\$0	(\$2,000)	—	D-324
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This reduction represents a discontinuation of one-time funding from the FY 2007 Appropriations Act that funded renovations to provide additional capacity at the Veterans' Haven campus at the Ancora Psychiatric Hospital.

Federal Funds

Burial Services	\$12,000	\$2,000	(\$10,000)	(83.3%)	D-324
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Under the Master Plan for continued development of the Brigadier General William C. Doyle Veterans' Memorial Cemetery, the department estimates which projects in the Master Plan will be ready for construction in each budget year. This request represents a reduction in the number of projects anticipated to be ready for construction in FY 2008. The proposed FY 2008 Governor's Budget estimates that it will need \$2 million to fund construction of the Public Information Center. Last year, the FY 2007 Appropriations Act appropriated \$12 million to fund various projects that were anticipated to be ready for construction; however, the department was only able to expend \$3.7 million on the Section R crypt field.

VETERANS' MEMORIAL NURSING HOMES

Direct State Services

**Menlo Park Veterans'
Memorial Home
Additions,
Improvements and
Equipment**

	\$529	\$114	(\$415)	(78.5%)	D-326
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This reduction represents a supplemental appropriation for excess revenue contributions from the three Veterans' Memorial Homes operated by the Department. These revenues include the US Department of Veterans Affairs per diem, resident contributions, and Medicare Part A receipts. Budget language provides that the department may receive "forty percent of the receipts in excess of the amount anticipated derived from resident contributions and federal reimbursements at the end of the preceding fiscal year." The amount of excess revenues for budget purposes is calculated by subtracting the projected revenue from the actual revenue collected in the prior year. The department receives 40 percent of these excess revenues for veterans' program initiatives at the three Veterans' homes.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2007</u>	<u>Recomm. FY 2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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Capital Construction

**Paramus Veterans'
Memorial Home
Administration and
Support Services**

	\$0	\$165	\$165	—	D-327
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This proposed increase is recommended to provide funding to replace the fire alarm system at the Paramus Veterans' Memorial Home. For purposes of clarification, it was inadvertently labeled a roof replacement in the FY 2008 Governor's Budget.

Federal Funds

**Domiciliary and
Treatment Services**

	\$1,550	\$1,900	\$350	22.6%	D-329
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This proposed increase provides additional funding to the Vineland Veterans' Memorial Home for Medicare Part A receipts for resident care and operational costs.

Language Provisions

2007 Appropriations Handbook

2008 Budget Recommendations

There are no recommended changes to the Department of Military and Veterans' Affairs language provisions.

Discussion Points

1.a. According to the United States Department of Veterans' Affairs, National Center for Post Traumatic Stress Disorder (NCPTSD), PTSD is an anxiety disorder that can occur following the experience or witnessing of a life-threatening, traumatic event. In the military, PTSD in veterans is a result of engaging in combat. Prior to its designation as a mental health disorder, PTSD was known as "soldier's heart" in the United States Civil War, "shell shock" in World War I, and "combat fatigue" in World War II. Other terms used to describe PTSD include "war neurosis" and "operational fatigue."

From 1986-1988, the National Vietnam Veterans Readjustment Survey (NVVRS) was conducted to assess how prevalent PTSD was among Vietnam veterans. The NVVRS estimated that "the lifetime prevalence of PTSD among American Vietnam theatre veterans is 30.9 percent for men and 26.9 percent for women. An additional 22.5 percent of men and 21.2 percent of women have had partial PTSD at some point in their lives. Thus, more than half of all male Vietnam veterans and almost half of female Vietnam veterans - about 1.7 million Vietnam veterans in all - have experienced clinically serious stress reaction symptoms." NCPTSD estimates that 10 percent of the veterans of the Gulf War, 6 to 11 percent of the veterans of the war in Afghanistan, and currently 12 to 20 percent of the veterans who served in Iraq had or have PTSD.

- **Questions:** What is number of veterans in New Jersey and how many served in each of the following in each of the following: World War II, the Korean Conflict, the Vietnam Conflict, the Gulf War, the War in Afghanistan, the Global War on Terror? How many New Jersey service members are on active duty in each branch of the Armed Forces? What percentage of New Jersey veterans are being treated for PTSD? Of the number of veterans being treated for PTSD, how are these veterans distributed by war-time service? What percentage of current active servicemen and women does the department estimate will need and seek PTSD counseling services when they return from the current theater of operation?

1. b. The proposed FY 2008 Governor's Budget recommends an additional \$500,000 to fund an increase in the demand for Post Traumatic Stress Disorder (PTSD) counseling. According to the Governor's Budget, over the past three years, New Jersey has experienced an increase of 161 percent in the demand for these services. The department indicates that the increase in the demand for services reached 40 percent in FY 2007. PTSD counseling sessions have increased from 6,446 in FY 2005 to an estimated 16,848 in FY 2008. At the same time, funding to support the higher demand increased from \$300,000 in FY 2005 to \$800,000 in FY 2006 and FY 2007, and is proposed to increase to \$1.3 million in FY 2008.

- **Questions:** What are the principal causes of the increase in the demand for PTSD services over the past three years? What level of service will the \$1.3 million proposed appropriation fund? Is the level of State funding sufficient to meet the anticipated demand? What portion (in dollars and percent) of the Federal Mental Health Veterans' Affairs budget is allocated to the State for PTSD? Is the State maximizing its access to federal funding for PTSD? If not, what does the State have to do to increase its share of available federal funding? Are any federal funds in jeopardy due to federal budget constraints? What are the greatest barriers to access for PTSD services for New Jersey service personnel?

Discussion Points (Cont'd)

1.c. According to the NCPTSD the length and duration of PTSD varies. It can start immediately following a traumatic incident or it can be delayed. Some people experience waves of PTSD symptoms that come and go while others have continuous and severe symptoms. There are effective treatments for PTSD such as psychotherapy, pharmacotherapy (medication), and cognitive-behavioral therapy (CBT). Early detection and treatment of symptoms may prevent PTSD from becoming a long-term chronic issue for people.

- **Questions:** What are the State's diagnosis and treatment guidelines? Are federal PTSD diagnosis and treatment guidelines more or less stringent than the guidelines in New Jersey? Please describe the principal differences between the federal and State PTSD diagnosis and treatment guidelines. How long is the average PTSD treatment period and are there any periodic follow-up treatments? What is the average PTSD counseling cost per participant and per session? What are the costs to New Jersey for untreated PTSD?

2. a. The proposed FY 2008 Governor's Budget recommends a continued State appropriation of \$590,000 for Veterans Haven, a transitional housing program for homeless New Jersey veterans designed to reintegrate them back into society. Last year, the FY 2007 Annual Appropriations Act provided \$2 million to fund renovations to Veterans Haven that would increase its capacity from approximately 54 to 84 beds.

- **Questions:** How will the proposed FY 2008 \$590,000 continuing appropriation be allocated? What are the increased operating costs to support the increased capacity? Please discuss the status of the \$2 million capital improvements to the Veterans Haven program provided for in the FY 2007 Annual Appropriations Act. Has the facility increased its resident population to 84?

2. b. The United States Department of Veterans' Affairs estimates that there are between 7,000 and 8,000 homeless veterans in New Jersey.

- **Questions:** Please describe the service background of the homeless veterans in New Jersey. What factors led to veteran homelessness in New Jersey? What other non-State programs and services (private sector, not for profit, local) exist with the mission to reduce the number of homeless veterans in New Jersey? How many of the State's 7,000 to 8,000 homeless veterans are served by these programs? Are there any federal funds or programs available to supplement the State's efforts? If yes, what is the federal funding formula?

2. c. The Veterans Haven program is comprised of three phases: treatment, self-reclamation, and community reintegration. Each phase takes approximately three to six months to complete. During their stay, the veterans receive counseling, vocational training assistance, and job search assistance (resume workshops, computer training, etc). According to the department, the Veterans Haven program has experienced a 73 percent success rate since its inception in 1995. This means that 73 percent of the veterans who entered the program graduated and went on to permanent housing. Over the past year, 86 percent of the veterans who entered the program, graduated and went on to permanent housing.

- **Questions:** Does the State provide transportation services for the veterans in the Veterans Haven program? What processes, programs, and services were not available in the past to capture and prevent veterans from becoming homeless? What

Discussion Points (Cont'd)

processes, programs, and services have been implemented more recently to identify those with a propensity to become homeless and to prevent it? What additional processes, programs, and services should be established?

3. a. Upon discharge from active duty a service member goes through a process to assist their transition back into civilian life. Prior to returning to their "home of record" in New Jersey, an active duty service member including those in the New Jersey Air and Army National Guard, go through the federal demobilization/redeployment process. It provides medical screening, personnel administration, and briefings on federal health and employment benefits and services.

After completing federal demobilization, a new veteran is released to go "home." If the new veteran is a member of the New Jersey Air or Army National Guard, then the released new veteran is required to go through the New Jersey reconstitution process. The State's reconstitution process provides medical screening, job placement, and extensive education about the benefits and services available to New Jersey veterans in addition to federal benefits. However, if the new veteran is not a member of the New Jersey Air or Army National Guard but is from New Jersey, there are no federal/State communication and notification procedures in place for the State to capture and process these New Jersey veterans through the our reconstitution process. Hence, a large population of New Jersey veterans is lost and not able to access the services and benefits they need in order to reintegrate into civilian life successfully unless the State's Outreach Program finds them.

- **Questions:** Please discuss the "Reconstitution Process" in detail. Are there any barriers to accessing state and federal healthcare and employment benefits and services? How does the department work with the federal Department of Veterans' Affairs to provide new veterans with information about accessing healthcare benefits and services? How does the department work with the State Department of Labor, U.S. Department of Labor and the Employer Support of the Guard and Reserve (ESGR) to create and protect jobs for returning veterans? Once reintegrated into community, are there any periodic follow-up meetings with veterans to ensure long term reintegration? What steps are the State taking to find unidentified New Jersey veterans?

3. b. The proposed FY 2008 Governor's Budget states that the number of New Jersey military veterans served has increased from 37,000 to an estimated 85,000 in FY 2008. The proposed Governor's Budget recommends an increase of \$1 million for support services for returning veterans "to assist their transition from the battlefield back into the community."

- **Questions:** Please discuss how the proposed \$1 million increase will be allocated. With an increased number of veterans returning from service in the Global War on Terror, which programs in the Support Services for Returning Veterans Program are experiencing higher levels of demand? Is this increase an estimate of the amount necessary to meet the demand for services for New Jersey Air and Army National Guard or does it include sufficient funding to provide services to all New Jersey veterans?

3. c. According to the department, a Yellow Ribbon Commission will examine the increased needs in Services to Veterans and how to meet those needs.

Discussion Points (Cont'd)

- **Questions:** What is the Yellow Ribbon Commission? Has it been established and under what authority? What is the mission of the commission and how is it funded? Will the commission work to resolve the disconnect between the State and federal government with regard to sharing personnel information?

4. The cost of the World War II memorial was originally estimated to be \$5 million, with a projected opening date of Veterans' Day 2005. To fund the memorial, \$2 million was appropriated by the State in FY 2005. The Casino Reinvestment and Development Authority (CRDA) was expected to contribute \$1 million. However, the CDRA has stated that its portion of the funding is no longer available. Additional funds from private donors total \$65,000. Due to rising costs, the total cost of the memorial may be as high as \$6.5 million. As a result, the projected opening of the memorial has been delayed. The FY 2008 Governor's Budget proposes an increase of \$1 million in funding for capital construction of the World War II Memorial in Trenton, "bringing the State's total commitment to this project to \$3.6 million."

- **Questions:** How much additional funding is currently needed before ground can be broken on this project? What phase of development is the project in? How much of the appropriated funds has been expended and for what purpose? How will the department acquire the remaining funds needed to start the construction phase of the project? When does the department anticipate construction to begin?

5. a. The proposed FY 2008 Governor's Budget recommends a \$350,000 increase in the New Jersey National Guard Youth Challenge Academy (NJYCA) program which would bring the total State funding for the NJYCA up to \$1.27 million. The NJYCA program is part of the United States National Guard Youth Challenge program.

- **Questions:** Please describe how the NJYCA program will be expanded. Please describe the federal funding formula. Is the State required to match any portion of the federal funds? At this time, are we maximizing the federal funding for this program?

5. b. The NJYCA states that "the mission of the NJYCA is to provide a highly disciplined environment fostering academics, leadership development, physical training and personal growth to educate and train unemployed youth who ceased to attend high school. The goal of this program is to educate and produce youth who will become productive members of society after graduation." To accomplish this, the NJYCA's educational aspect focuses on eight core areas of concentration: academic excellence; life coping skills; job skills; health and hygiene; responsible citizenship; service to the community; leadership/followership; and physical fitness. The program consists of a 22 week residential phase at Fort Dix during which the cadets are taught and trained in the eight core areas of concentration and a 12 month post graduate, post residential phase during which the participants are matched with a mentor who will develop a caring relationship with them and be a constant and positive role model. In order to graduate from the program, each cadet must complete each concentration in the residential phase successfully. Academics are an integral component of the NJYCA program. The cadets are tested and are able to earn their New Jersey State High School diploma by the authority of the New Jersey Department of Education. Cadets are required to take courses in Math, Science, Reading, English, History, and Computer Applications. The NJYCA has been reported as a highly successful program earning three national awards for the most progressive program in 2003, for health and hygiene in 2004, and for academic excellence in 2005 and 2006.

Discussion Points (Cont'd)

- **Questions:** Please describe some of the benefits of this program: the number and percentage of graduates since 1994 who have earned their New Jersey State High School diploma; the number of graduates who have joined the workforce; the number of graduates who have joined the military; the number of graduates who have continued their education; an estimate of the savings to the juvenile justice system; the number of hours of community service volunteered by program participants; and savings in educational costs. Please describe the role of the mentors who are matched with participants at graduation.

6. The Brigadier General William C. Doyle Memorial Cemetery, located in Arneytown, North Hanover Township, Burlington County, was first dedicated on May 30, 1986 by Governor Thomas H. Kean. The facility was funded jointly by the State and federal governments and is managed by the Department of Military and Veterans Affairs. Since then, the cemetery has become the nation's busiest state veterans' cemetery, with approximately fifteen burials occurring each business day. Maintenance of the cemetery, and funding for burials is provided by both State appropriations and the US Department of Veterans Affairs Plot Internment Allowance. There is no cost to an eligible veteran for burial at Doyle Cemetery. According to the proposed FY 2008 Governor's Budget, the department is expected to move into the newly constructed, federally funded, \$6.2 million administrative-maintenance complex located at the cemetery. In addition, the proposed FY 2008 Governor's Budget states that the department will begin construction on the new, federally funded, Section R crypt field, which will provide in excess of 5,000 new gravesites. Within a two year period, expanded operations at the Doyle Cemetery will "bring in over \$11 million of federal dollars into New Jersey's economy."

- **Questions:** What is the total estimated cost of the Section R crypt field? What portion of the total cost to construct the Section R crypt field is funded by the State and what portion is funded with federal funds? How much is recommended to be appropriated in FY 2008? Are any federal funds in jeopardy due to constraints in the federal budget? How will the expanded operations at the Doyle Cemetery "bring in over \$11 million of federal dollars into New Jersey's economy?" Has, or when will, the department take possession of the new administrative-maintenance complex?

7. The Administrative Procedure Act (52:14B-1 et. seq.) and the procedural requirements established by the Office of Administrative Law provide for State agencies to issue rules and regulations to implement legislative enactments. Adopted rules are codified in the New Jersey Administrative Code. According to the proposed FY 2008 Governor's Budget, the department recently updated the New Jersey Administrative Code 5A:5 regarding New Jersey Veterans' Facilities. The proposed Governor's Budget states that "as a result, New Jersey veterans' facilities are expanding services and bringing costs and allowable deductions in line with current fiscal practices."

- **Questions:** Please explain why the Administrative Code needed to be updated. Which sections were revised? How will the revised Administrative Code provide for expanded services and bring cost reductions and allowable deductions in line with current fiscal practices? Please identify which facilities are expanding services, what services are being expanded, and which costs and allowable deductions are being brought into line with current fiscal practices. Please explain the differences in the

Discussion Points (Cont'd)

former and current fiscal practices and quantify any savings associated with the revision of the Administrative Code.

8. The enacted FY 2007 budget anticipated savings from management efficiencies (\$50 million), information technology efficiencies (\$20 million) and procurement efficiencies (\$15 million). These savings, while reflected in the Interdepartmental Accounts section of the budget, were to be obtained from executive agency budgeted appropriations, presumably in direct correlation with identified efficiency improvements.

- **Questions:** What amount of the department's original FY 2007 appropriations were reallocated to Interdepartmental Accounts as savings from management efficiencies, information technology efficiencies and procurement efficiencies, respectively? What specific efficiencies were achieved by the department that correlate to the reallocations? What adverse impacts, if any, on the output and outcomes of department programs and services resulted or will result from these funding reallocations, in the current fiscal year and as projected for FY 2008?

Background Paper: New Jersey Youth ChalleNGe Academy

Budget Pages.... D-320

Background

In 1993, Congress authorized a pilot program for at-risk youth, the National Guard Youth ChalleNGe Academy. The program is a community-based initiative to lead, train and mentor at-risk youth. To date, approximately 70,000 at-risk youth have graduated.

The Academy is administered by the National Guard Bureau on behalf of the Department of Defense. There is no military obligation for participation. There are 30 program sites located in 25 states and Puerto Rico.

The New Jersey Youth ChalleNGe Academy was started in 1994. It is located at Fort Dix. Its mission is to provide a highly disciplined environment fostering academics, leadership development physical training and personal growth to educate and train unemployed youth who have stopped attending high school.

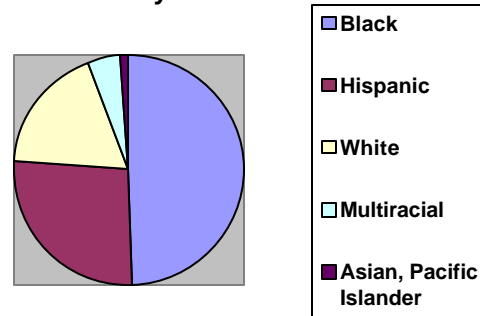
Program Participants

The academy is open to males and females between the ages of 16 and 18 who are high school dropouts or potential dropouts and unemployed or underemployed. Applicants must be citizens or legal residents of the United States and the State of New Jersey. They must not have an ongoing involvement with the legal system, including probation, parole or any pending court matters. Use of tobacco products is not allowed and the applicant must be free from the use of drugs or alcohol; drug tests and inspections are performed. They must also be physically and mentally capable to participate in the program with reasonable accommodation for physical and other disabilities.

Participation in the academy is voluntary; however, cadets can be expelled if they do not cooperate, fight or are caught with drugs. Cadets who no longer want to participate may withdraw from the academy without penalty.

According to the 2005 National Guard Youth ChalleNGe Program Annual Report, of the then recent classes in New Jersey, 82% of the participants were male and 18% were female; 44% were 16 when they entered the program, 42% were 17, and 15% were 18; and 50% were Black, 27% were Hispanic, 18% were White, 5% were Multiracial and 1% were Asian/Pacific Islander.

Ethnicity of recent classes



Program Content

Approved applicants, called cadets, must successfully complete eight core components to graduate from the academy. The core components of the program include Academic Excellence GED classes, Life Coping Skills, Job Skills, Health and Hygiene, Responsible Citizenship, Service to the Community, Leadership/followership Skills, and Physical Fitness. In addition to the core components, cadets receive training and certification in CPR/First Aid, Automated External Defibrillator, and Microsoft Office. Female cadets also participate in female focus groups designed to address problems that are unique to them.

Background Paper: New Jersey Youth ChalleNGe Academy (Cont'd)

The academy offers cadets the opportunity to earn a New Jersey State High School Diploma. Those who do not do so are encouraged to enroll in a GED center in their home town when they return.

The program lasts 17 ½ months, with almost six months in residence and 12 months in the post-residential phase.

There is no cost to the participant. Meals, housing and uniforms are all provided. Cadets live in the barracks at Fort Dix.

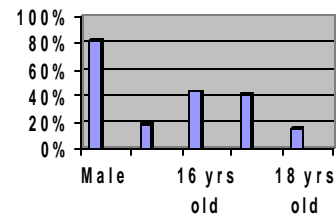
Program Phases

There are three phases to the program. Phase one, called Pre-ChalleNGe, is two weeks in length. It is a residential phase and a probationary period. Applicants are assessed to determine their potential for successfully completing the program. During this phase, applicants have an opportunity to adjust to the physical, mental, and social discipline of the program. The focus is on teamwork, close order drill, code of conduct, leadership and followership workshops, and physical fitness training. Approximately 90% of these cadets who complete phase one will successfully complete the entire program.

The second phase, lasting for twenty weeks, is called ChalleNGe. It is a residential phase and focuses on basic life style changes. During this phase, cadets focus on the eight core components. Emphasis is on self-discipline, self-esteem, education, and development of healthy life styles.

The third phase, lasting for 12 months, is called the Post-residential Phase. This phase is conducted within the cadet's community. During this phase, cadets and mentors meet regularly and work together to sustain the cadets' life-style changes.

Cadet Age and Gender Percentages



Mentors

The mentoring process begins while cadets are in residence when cadets and prospective mentors undergo mentor training. Following the required training, each cadet is matched with a responsible adult. The mentoring relationship begins at that point and continues for a period of one year following graduation. Mentors are required to have four monthly contacts with the cadet and one meeting in person.

The mentoring model is a "friendly match" wherein the cadet identifies someone who will be a friend and support system, to ensure that the mentors will play an ongoing role in the cadet's life.

Recognition

According to the 2005 annual report, the program has been recognized as one of the nation's most effective and cost efficient programs for targeting youth who are at the greatest risk for substance abuse, teen pregnancy, delinquency, and criminal activity. The report further states that the New Jersey Youth ChalleNGe Academy has earned awards in 2003 for the most progressive program, in 2004 for health and hygiene, and in 2005 for academic excellence. The Governor's budget proposal indicates that the New Jersey program also received an award for academic excellence in 2006.

Program Results

The Academy uses The Adult Basic Education test (TABE), to evaluate educational performance and progress. According to the 2005 annual report, of the

Background Paper: New Jersey Youth ChalleNGe Academy (Cont'd)

then recent classes in New Jersey, the average math TABE scores increased from 7.2 to 9.5 (maximum 12.9) and the average reading TABE score increased from 8.7 to 9.7 (maximum 12.9). The average cadet achieved a 1.4 grade increase in reading and a 1.7 increase in mathematics.

According to the 2005 annual report, 20 cadet classes have been conducted in New Jersey (two per year) with 1,699 cadets graduated and 884 academic credentials (GED's, high school diplomas, etc.) issued. The 2004 and 2005 residential classes, which had a target goal to graduate 200 cadets, actually graduated 142. Of the 142 graduated cadets, 129 received academic credentials. In addition, 96% were matched with mentors by graduation. Together the classes provided over 12,000 hours of community service hours to the community. Using the federal minimum wage, the community service hours have a monetary value of approximately \$64,000.

According to the 2005 annual report, on a national level, the average per day program cost is \$28.72 per youth, compared to \$178.00 for private military-style programs and \$174.00 for incarceration.

Funding

The program receives 60% federal funding and 40% State funding. During FY 2006 and FY 2007, \$2 million in federal funds and \$920,000 in State funds were expended for the New Jersey Youth ChalleNGe Academy. The FY 2008 budget recommends increased Direct State Services funding of \$1,270,000. It anticipates federal funding of approximately \$2.17 million dollars.

Background Paper: Post Traumatic Stress Disorder

Budget Pages.... D-324

Background

According to the National Center for Post Traumatic Stress Disorder and the Post Traumatic Stress Disorder Alliance, Post Traumatic Stress Disorder (PTSD) is a term for certain severe psychological consequences of exposure to, or confrontation with, stressful events that a person experiences as highly traumatic. Often, such events involve actual or threatened death, serious physical injury, or a threat to physical and/or psychological integrity, to a degree that usual psychological defenses are incapable of coping with the impact. The person's response to the event or to the threat involves intense fear, helplessness, and/or horror. The presence of a PTSD response is influenced by the intensity of the experience, its duration, and the individual person involved.

PTSD can be debilitating. The symptoms include anxiety, substance abuse, flashbacks, irritability, insomnia, emotional detachment, nightmares, clinical depression, avoidance of reminders and extreme distress when exposed to the reminders (triggers), loss of appetite, hypervigilance, excessive startle response, and memory loss about an aspect of the traumatic event.

PTSD is assessed by a variety of methods, including questionnaires, review of military and medical records, interviews with the individual and those who know him or her, and biological tests (i.e. measures of heart rate, blood pressure, and muscle tension).

Treatment for PTSD includes early intervention after the traumatic incident to reduce the effects of an incident and potentially prevent a full-blown occurrence of PTSD. Traditionally, PTSD is treated using a combination of psychotherapy

(group therapy, exposure therapy, and cognitive-behavioral therapy) and psychotropic drug therapy (anti-depressants or antipsychotics).

Members of the Military

Veterans of the military may have combat experiences that can lead to PTSD, such as being shot at, shooting at and/or killing someone, knowing someone who was killed, and handling the deceased. Non-combat forms of military-related trauma that can lead to PTSD include sexual assault, non-sexual physical assault, severe harassment, duties involving grave registration or morgue assignment, and accidents involving injury, death or near death experiences.

There have been reports for over 100 years of military veterans suffering from PTSD-like symptoms. For example, veterans of the US Civil War who suffered emotional problems were diagnosed as being afflicted with "soldier's heart", which included many symptoms like those of PTSD. "Shell shock" was a term used to describe the condition of veterans of World War I and in World War II, these symptoms were classified as "battle fatigue" or "combat fatigue". After the Vietnam Conflict, it was called the "Post Vietnam Syndrome".

According to the National Center for Post Traumatic Stress Disorder, it is estimated that one of every 20 World War II veterans suffered symptoms such as bad dreams, irritability, and flashbacks. News reports indicate that as many as 30% of US troops who fought in Korea, and still alive today, may be suffering from PTSD.

According to a 1986-1988 National Vietnam Veterans Readjustment Survey, 15.2% of male veterans (479,000 out of 3,140,000) and 8.1% of female veterans (610 out of 7,200) of the Vietnam conflict

Background Paper: Post Traumatic Stress Disorder (Cont'd)

were diagnosed with PTSD. The study also stated that almost half of all male Vietnam veterans suffering from PTSD had been arrested at least once and 34.2% more than once, and 11.5% had been convicted of a felony.

A 1999 study by the Journal of Consulting and Clinical Psychology found that the rates of PTSD in Gulf War veterans increased over time. The rates changed from 3% for men and 8% for women immediately upon returning from the war to 7% for men and 16% for women up to 24 months later. Approximately 697,000 service members were deployed to the Persian Gulf in the early 1990's.

News reports indicate that 18% (about 8,260) of 45,880 veterans who served in Afghanistan were diagnosed with psychological disorders, including 183 with PTSD. According to a 2005 United States Department of Veterans Affairs study, of 168,528 veterans who served in Iraq, 20% (about 33,650) have been diagnosed with psychological disorders, including 1,641 with PTSD. It should be noted that the recent military operations in Iraq and Afghanistan involve the first sustained ground combat undertaken by the United States since the conflict in Vietnam.

According to a 2005 report on the stress of battle on female military personnel, a Department of Defense study of combat troops returning from Iraq found that one in six soldiers and marines acknowledged symptoms of severe depression and PTSD, and six in 10 were unlikely to seek help because of fear of being stigmatized or hurting their careers. The report further stated that the fear of stigma or career damage is significant for women.

According to the United States Department of Veterans Affairs, in a listing of the ten "most prevalent disabilities at the end of fiscal year 2005", PTSD was 6th for

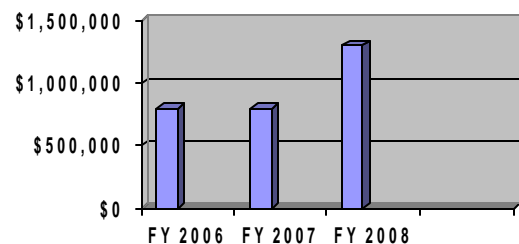
WWII veterans, 5th for Korean conflict veterans, and 2nd for Vietnam conflict veterans. PTSD was not listed in the top ten for Gulf War veterans. Operation Iraqi Freedom and Operation Enduring Freedom were not listed on the chart.

The incidence of mental problems was found to be the same among men and women and among different racial groups, but younger soldiers were more likely to be afflicted than older ones. Soldiers younger than 25 are also more likely to be assigned to combat units than older service members.

The majority of military personnel serving in Iraq and Afghanistan experience high-intensity guerilla warfare and the chronic threat of roadside bombs and improvised explosive devices. Some soldiers endure multiple tours of duty, many experience traumatic injury, and more of the wounded survive than before. Marines and Army veterans are more likely to report PTSD than Navy or Air Force veterans because of their greater exposure to combat situations. Additionally, unlike previous conflicts where women rarely used weaponry, they routinely do so now.

Funding

State Budgetary Changes



During fiscal years FY 2006 and FY 2007, \$800,000 in State funds were expended on PTSD counseling. The FY 2008 budget recommends Grants-In-Aid funding of \$1.3 million for PTSD counseling, an increase of \$500,000 to

Background Paper: Post Traumatic Stress Disorder (Cont'd)

address a 161% growth in the demand for PTSD counseling over the past three years. According to the Governor's budget proposal, counseling sessions have gone from 6,466 in FY 2005, to 9,951 in FY 2006, and to 12,912 in FY 2007, with further growth projected to 16,848 in FY 2008. The New Jersey Department of Veterans Affairs does not receive federal funding for PTSD counseling.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

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Individuals wishing information and committee schedules on the FY 2008 budget are encouraged to contact:

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