

ANALYSIS OF THE NEW JERSEY  
FISCAL YEAR 1999 - 2000 BUDGET



DEPARTMENT OF MILITARY AND  
VETERANS' AFFAIRS

Prepared By

Office of Legislative Services

New Jersey Legislature

April 1999

# NEW JERSEY STATE LEGISLATURE

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# DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-10, C-18, C-25, D-291 to D-303;  
E-13 to E-14.

## Fiscal Summary (\$000)

	Expended FY 1998	Adjusted. Appropriation FY 1999	Recommended FY 2000	Percent Change 1999-00
State Budgeted	\$60,530	\$63,037	\$66,487	5.5%
Federal Funds	18,562	16,650	17,203	3.3%
<u>Other</u>	<u>125</u>	<u>1,118</u>	<u>1,219</u>	<u>9.0%</u>
Grand Total	\$79,217	\$80,805	\$84,909	5.1%

## Personnel Summary - Positions By Funding Source

	Actual FY 1998	Revised FY 1999	Funded FY 2000	Percent Change 1999-00
State	1,205	1,209	1,292	6.9%
Federal	149	149	150	0.7%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,354	1,358	1,442	6.2%

FY 1998 (as of December) and revised FY 1999 (as of September) personnel data reflect actual payroll counts. FY 2000 data reflect the number of positions funded.

## Introduction

The Department of Military and Veterans' Affairs is responsible for administering services and programs specifically related to veterans and their dependents. The department is also responsible for supporting the New Jersey National Guard. The department operates three veterans' nursing homes, supports operations at 38 National Guard armories; and provides other services necessary to meet the needs of the veteran population in New Jersey, as well as to provide command, control and services to members of the National Guard units.

## Key Points

- ! The Governor's budget recommends an overall increase of approximately \$3.5 million, or 5.5 percent, for the Department of Military and Veterans' Affairs' State funded budget, which would rise from an adjusted appropriation of \$63.0 million in FY 1999 to a recommended \$66.5 million in FY 2000. Recommended direct state services funding of \$62 million is \$2.4 million, or 4 percent, over the FY 1999 adjusted appropriation of \$59.6 million. The department's FY 2000 capital budget would increase by \$950,000, from \$2.45 million in FY 1999 to \$3.4 million in FY 2000, a 39 percent increase.
- ! The Governor's budget recommends a \$1.1 million increase in funding to expand the Menlo Park Veterans' Memorial Home, from \$14.2 million in FY 1999 to \$15.3 million in FY 2000. The home provides nursing home care for New Jersey veterans with chronic disabilities and for those who need rehabilitative services to return to the community. The capacity of this facility has been expanded from 318 beds to 332 beds, which will allow its average daily population to increase from 250 to a projected 310 patients in FY 2000. A significant portion of the recommended increase would fund additional staff hired for the treatment and care of these patients. Continuation funding is recommended in FY 2000 for the Paramus Veterans' Memorial Home and the Vinelands Veterans' Memorial Home.
- ! The Governor's budget recommends additional funding of \$340,000 in the National Guard program class for maintenance and upgrading of department armories, from \$580,000 in FY 1999 to \$920,000 in FY 2000. In recent years, other state agencies and community organizations have used space in the armories as interactive community resource centers and for activities such as blood drives, voting, filmmaking, antique shows and scouting.
- ! A new special purpose appropriation of \$145,000 is recommended for departmental document storage and retrieval. This funding would allow the department to use electronic imaging equipment and the capability to scan documents into files for digital retrieval.
- ! An appropriation of \$250,000 is recommended for New Jersey's contribution to the World War II National Memorial. The memorial, expected to open on Veterans Day 2000, will be the first national memorial dedicated to all who served during World War II. The memorial will honor all military veterans of the war, the citizens on the home front and the nation at large. In 1993, Congress passed legislation authorizing the construction of this memorial in Washington, D.C.
- ! An appropriation of \$1.46 million is recommended for burial services in FY 2000, a \$250,000 increase over FY 1999 funding of \$1.21 million. This program provides for the burial of eligible New Jersey veterans, their spouses and dependents at the Brigadier General Doyle Memorial Cemetery. The additional funding in FY 2000 reflects an estimated increase in new interments, from 2,058 in FY 1999 to 3,000 in FY 2000.
- ! The budget recommends \$3.4 million in capital funding for the department, an increase of 39 percent, or \$950,000, over FY 1999 funding of \$2.45 million. According to information contained in the Governor's Budget in Brief, this total funding would allow for life safety and preservation projects at various armories and an electrical upgrade at the department's headquarters.
- ! The recommended budget indicates the department's federal funding would increase from \$16.7 million in FY 1999 to \$17.2 million in FY 2000, a 3.3 percent increase. According to the department, this is primarily attributable to an expected increase in federal funding for domiciliary and treatment services at the Menlo Park Veterans' Memorial Home.

## Program Description and Overview

The Department of Military and Veterans' Affairs was formed in 1988 through the merger of the Department of Defense and the Division of Veterans' Programs and Special Services in the Department of Human Services. The mission of the department is to provide quality care and services to New Jersey's veterans while concurrently supporting existing National Guard State and federal programs.

The department's State military role is to provide individuals and troop units that are trained, equipped and organized in the proper manner to preserve peace, order and public safety in New Jersey. 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 support and coordination of veterans' affairs within New Jersey is the other major responsibility of the department and includes: long-term care services, burial services and outreach and assistance.

To support these activities, the Governor's budget recommends an overall increase of approximately \$3.5 million, or 5.5 percent, for the department's State funded budget, which would rise from an adjusted appropriation of \$63.0 million in FY 1999 to a recommended \$66.5 million in FY 2000.

### MILITARY SERVICES

The department is responsible for the support and coordination of the activities of the Army National Guard and Air National Guard in New Jersey. The table on the following page details statistical data of the strengths of the army and air national guard and armory usage and details recommended funding for Military Services in FY 2000.

The department expects to maintain 38 armories in FY 2000, 32 of which would house National Guard units. As shown in the following table, use days of the armories, or Interactive Community Resource Centers, is anticipated to slightly increase in FY 2000. The strength of the Army National Guard and the Air National Guard is estimated at 96 percent and 97 percent, respectively, for FY 2000.

The FY 2000 direct state services recommendation for military services is \$11.5 million, an increase of \$836,000, or 7.8 percent, from the FY 1999 adjusted appropriation. This increase is largely due to a \$340,000 recommended increase for the maintenance and upgrading of department armories; \$233,000 in additional funding for the required State matches for the New Jersey National Guard Challenge Youth Program grant and Joint Federal-State Operation and Maintenance contracts; and \$145,000 in new funding for departmental document storage and retrieval. A grant-in-aid of \$35,000 is recommended for the Civil Air Patrol, an increase of \$10,000 over FY 1999. A total of \$3.4 million is recommended for capital construction for military services, an increase of \$950,000 over the FY 1999 adjusted appropriation. Federal funding is estimated to decrease by \$120,000, or less than one percent, from \$14.87 million in FY 1999 to \$14.75 million in FY 1999.

The budget recommendations indicate a total of 296 funded positions for military services, of which 152 are State supported and 144 are federal positions.

## Program Description and Overview (Cont'd)

## STATISTICAL DATA

	Actual FY 1998	Revised FY 1999	Estimated FY 2000
Authorized Strength, Army National Guard	7,448	7,318	7,318
Strength of Army National Guard, June 30	96.0%	95.7%	95.7%
Authorized Strength, Air National Guard	2,488	2,448	2,500
Strength of Air National Guard, June 30	94.7%	96.3%	97.4%
Facilities:			
Armories	39	38	38
Other	190	190	190
Military Use of Facilities (days)	13,800	13,800	13,800
Other State Agencies Using Facilities (days)	2,050	1,500	1,600
Public/Private Users of Facilities (days)	11,500	11,000	11,000

The recommended FY 2000 General Fund appropriation for **Military Services** is as follows (\$000):

	<u>Adjusted Approp.</u> <u>FY 1999</u>	<u>Recommended</u> <u>FY 2000</u>	<u>Percent Change</u> <u>FY 1999-00</u>
Direct State Services:	<u>\$10,699</u>	<u>\$11,535</u>	<u>7.8%</u>
Central Operations	4,817	4,968	3.1%
Nat'l Guard Programs Support	5,882	6,567	11.7%
Grants-In-Aid:	<u>25</u>	<u>35</u>	<u>40%</u>
Nat'l Guard Programs Support	25	35	40%
Capital Construction:	<u>2,450</u>	<u>3,400</u>	<u>38.8%</u>
<b>TOTAL</b>	<b>\$13,174</b>	<b>\$14,970</b>	<b>13.6%</b>

## Program Description and Overview (Cont'd)

### SERVICES TO VETERANS

The department's responsibilities also include the support and coordination of veterans' affairs within New Jersey. Primary tasks concerning veterans' affairs are as follows:

(1) Long-Term Care Services. Long-term care services are currently being provided through the operation of the State's three veterans' nursing homes located in Menlo Park, Paramus and Vineland. These facilities provide nursing home care for eligible veterans, veterans' spouses, and spouses and parents of military members killed in action. Eligibility requirements include honorable discharge from last enlistment and residence in the State for at least two years preceding the date of application. There is a total rated capacity of 984 patients at the three facilities in FY 2000. The capacity of the Menlo Park Veterans' Home increased from 318 in FY 1998 to 332 in FY 1999 due to the completion of the construction of the new facility.

(2) Burial services are provided to veterans in New Jersey at the Brigadier General William C. Doyle Veterans' Memorial Cemetery. The cemetery has a rated capacity of approximately 110,000 and currently has 18,904 interments with 3,000 new interments estimated in FY 2000 .

(3) Veterans Outreach and Assistance. This program supports field services through the operation of Veterans' Affairs Services Offices located throughout the State and through the operation of various programs designed to meet the specialized needs of the State veteran population. Through the operation of the Veterans' Service Offices, the department assists veterans and their dependents in securing State and federal veteran entitlements. The budget recommendations indicate the department will continue to support 15 Veterans' Services Offices in FY 2000, serve an estimated 39,000 veterans, an increase of 700 over FY 1999, and process 3,800 claims, an increase of 100 over FY 1999.

Community-based services are also provided through third-party contracts for transportation and post-traumatic stress disorder counseling. In FY 2000, the number of trips provided in the transportation program is estimated to increase from 19,900 in FY 1999 to 20,200, and the number of counseling sessions provided is estimated at 6,000, an increase of 735. The department will also continue to fund grants for the paraplegic, hemiplegic, and blind veterans' allowance programs and various education programs.

The table on the following page details statistical and budget data for Services to Veterans. As shown, funding for Direct State Services is recommended to increase slightly, from \$48.9 million in FY 1999 to \$50.5 million in FY 2000. Direct State Services funding for the Paramus and Vineland Veterans' Memorial Homes is recommended to stay level, while funding for the Menlo Park Veterans' Home is recommended to increase \$1.1 million, or 8 percent, to provide for the increased capacity of the newly constructed facility.

In addition, the Transitional Housing Program receives per diem payments from the federal Department of Veterans' Affairs (VA), which would be appropriated to the program through recommended budget language. The VA also provides per diem payments to the three veterans' homes and the homes receive reimbursements through Medicare.

Program Description and Overview (Cont'd)

The budget recommendation indicates a total of 1,146 funded positions in FY 2000 in Services to Veterans, of which 1,140 are State supported and six are federally supported positions.

STATISTICAL DATA

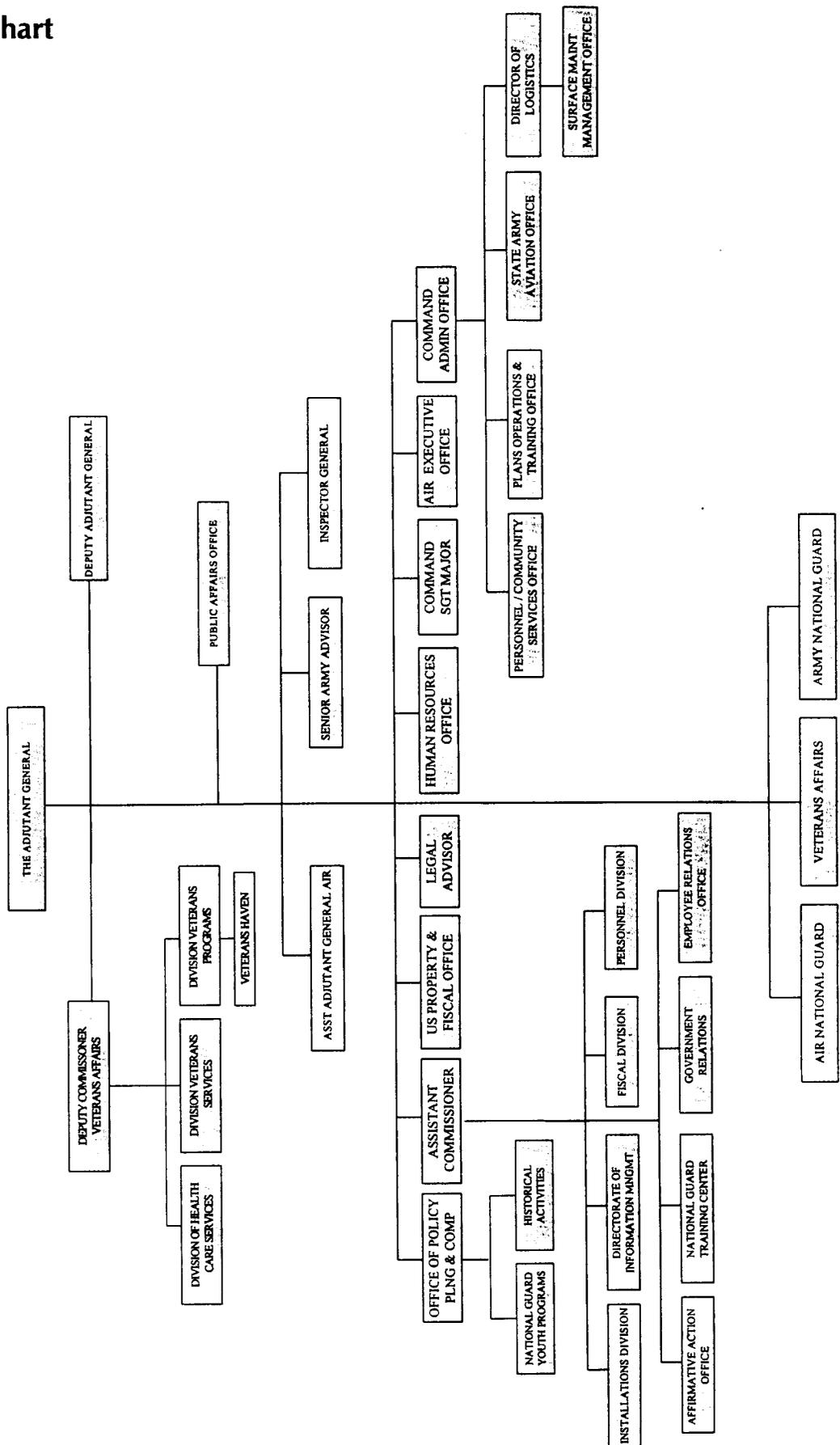
	Actual FY 1998	Revised FY 1999	Estimated FY 2000
Veterans Receiving Services at Field Offices	37,200	38,300	39,000
Number of Field Offices	15	15	15
Brigadier General Doyle Memorial Cemetery - Total Interments	16,746	18,804	21,804
Menlo Park Veterans' Memorial Home:			
Rated Capacity	318	332	332
Average Daily Population	235	250	310
Paramus Veterans' Memorial Home:			
Rated Capacity	352	352	352
Average Daily Population	326	326	331
Vineland Veterans' Memorial Home:			
Rated Capacity	300	300	300
Average Daily Population	275	280	280

The recommended FY 2000 General Fund appropriation for Services to Veterans is as follows (\$000):

	<u>Adjusted Approp.</u> <u>FY 1999</u>	<u>Recommended FY</u> <u>2000</u>	<u>Percent Change</u> <u>FY 1999-2000</u>
Direct State Services:	<u>\$48,884</u>	<u>\$50,508</u>	<u>3.3%</u>
Veterans Program Support	4,827	5,327	10.4%
Menlo Park Memorial Home	14,171	15,295	7.9%
Paramus Memorial Home	15,254	15,254	0%
Vineland Memorial Home	14,632	14,632	0%
Grants-In-Aid:	<u>979</u>	<u>1,009</u>	<u>3.1%</u>
Veterans Program Support	979	1,009	3.1%
<b>TOTAL</b>	<b>\$49,863</b>	<b>\$51,517</b>	<b>3.3%</b>

Organization Chart

NEW JERSEY DEPARTMENT OF MILITARY AND VETERANS AFFAIRS ORGANIZATIONAL CHART



## Fiscal and Personnel Summary

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

	Expended FY 1998	Adj. Approp. FY 1999	Recom. FY 2000	Percent Change	
				1998-00	1999-00
<b>General Fund</b>					
Direct State Services	\$57,297	\$59,583	\$62,043	8.3%	4.1%
Grants - In - Aid	995	1,004	1,044	4.9%	4.0%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	2,238	2,450	3,400	51.9%	38.8%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$60,530</b>	<b>\$63,037</b>	<b>\$66,487</b>	<b>9.8%</b>	<b>5.5%</b>
<b>Property Tax Relief Fund</b>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$60,530</b>	<b>\$63,037</b>	<b>\$66,487</b>	<b>9.8%</b>	<b>5.5%</b>
<b>Federal Funds</b>	<b>\$18,562</b>	<b>\$16,650</b>	<b>\$17,203</b>	<b>-7.3%</b>	<b>3.3%</b>
<b>Other Funds</b>	<b>\$125</b>	<b>\$1,118</b>	<b>\$1,219</b>	<b>875.2%</b>	<b>9.0%</b>
<b>Grand Total</b>	<b>\$79,217</b>	<b>\$80,805</b>	<b>\$84,909</b>	<b>7.2%</b>	<b>5.1%</b>

## PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 1998	Revised FY 1999	Funded FY 2000	Percent Change	
				1998-00	1999-00
State	1,205	1,209	1,292	7.2%	6.9%
Federal	149	149	150	0.7%	0.7%
All Other	0	0	0	0.0%	0.0%
<b>Total Positions</b>	<b>1,354</b>	<b>1,358</b>	<b>1,442</b>	<b>6.5%</b>	<b>6.2%</b>

FY 1998 (as of December) and revised FY 1999 (as of September) personnel data reflect actual payroll counts. FY 2000 data reflect the number of positions funded.

## AFFIRMATIVE ACTION DATA

Total Minority Percent	54.5%	53.0%	49.9%
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**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 1999</u>	<u>Recomm.</u> <u>FY 2000</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**Maintenance and Fixed Charges**

	\$713	\$1,053	\$340	47.7%	D-294
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This recommended increase is in the National Guard program class and would increase the appropriation for the maintenance and upgrading of armories from \$579,000 to \$919,000 in FY 2000. The use of armories by other state agencies, community groups and private organizations for interactive community resource centers and for activities such as blood drives, voting, filmmaking, antique shows and scouting has increased the need for maintenance at these facilities, according to the department. In FY 1998, funding was used for critical life safety projects and to correct code violations at these armories.

**New Jersey National Guard Challenge Youth Program**

	\$618	\$741	\$123	19.9%	D-294
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This recommended increase reflects the required state match in FY 2000 for federal funding of this program. The program was 100 percent federally funded from its inception in FY 1995 to FY 1998. In FY 1999, however, a 25 percent state matching share was required. The State is required to increase its matching share 5 percent per year until a level of 40 percent is reached. Therefore, the FY 2000 state match, \$741,000, represents a 30 percent state match for total program funding of approximately \$2.5 million. The New Jersey National Guard Challenge Youth Program is a 22-week residential program at Fort Dix for at-risk youth 16 to 18 years of age that provides education, life skills, leadership and employment training.

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

	\$568	\$678	\$110	19.4%	D-294
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This recommended increase represents additional funding required for three contracts the State has with the federal government to operate air force bases at McGuire and Atlantic City, as well for army services as part of the National Guard. According to the Office of Management and Budget (OMB), the total cost of each contract is increasing. The federal government provides 80 percent of the funding for the Atlantic City Air Force contract and 75 percent of funding for the Army Services and the McGuire Air Force contracts.

**Document Storage and Retrieval**

	\$0	\$145	\$145	—	D-295
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A new special purpose appropriation of \$145,000 is recommended for departmental document storage and retrieval. This funding would allow the department to improve information

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

<u>Budget Item</u>	<u>Adj. Approp. FY 1999</u>	<u>Recomm. FY 2000</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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management by purchasing electronic imaging equipment to scan documents into files for digital retrieval.

**Capital Construction**

<b>Fire and Life Safety, Statewide</b>	<b>\$1,000</b>	<b>\$1,500</b>	<b>\$500</b>	<b>50.0%</b>	<b>E-13</b>
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This recommended increase would fund the installation of fire suppression systems in the Westfield, West Orange and Vineland armories and at the Vineland Veterans' Home. According to the department's request to the Commission on Capital Budgeting and Planning, statewide fire and life safety projects would require an additional \$5.2 million to complete.

<b>Headquarters - Replace Electrical Transformer</b>	<b>\$450</b>	<b>\$0</b>	<b>(\$450)</b>	<b>(100.0)%</b>	<b>E-13</b>
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Funding for this project is not recommended for FY 2000.

<b>Preservation of Existing Structures</b>	<b>\$500</b>	<b>\$1,000</b>	<b>\$500</b>	<b>100.0%</b>	<b>E-13</b>
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This recommended increase would fund the continuation of preservation and critical repair projects at various department facilities. According to the department, these projects at the various sites would: (1) reestablish building moisture protection; (2) repair and modify plumbing, mechanical and electrical systems; (3) install energy-saving windows and doors; and (4) repair interior walls, floors, ceilings, roads, parking lots and fences. The department also indicates that the project would include preventative elements of facility improvement, including roof membrane coatings and repainting. The projects are expected to eventually decrease certain operating expenses, such as energy costs, although the department is unable to estimate actual savings until installation is complete.

<b>Sea Girt Training Center - Multiple Agency Projects</b>	<b>\$0</b>	<b>\$400</b>	<b>\$400</b>	<b>—</b>	<b>E-13</b>
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This new appropriation would improve training areas at the Sea Girt Training Center, including the outdoor range, driving pad, ammunition bunker and running track, according to the department. The National Guard Training Center is located at the center, as well as the New Jersey National Guard and Militia Museum. The department indicates that this project will be coordinated with a number of other State agencies that use the training center, including the State Police, the Department of Corrections and the Division of Criminal Justice.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 1999</u>	<u>Recomm.</u> <u>FY 2000</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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***SERVICES TO VETERANS*****Direct State Services**

<b>Salaries and Wages</b>	<b>\$3,783</b>	<b>\$3,963</b>	<b>\$180</b>	<b>4.8%</b>	<b>D-297</b>
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This recommended increase would be used to hire six additional staff to handle an estimated increase in burial services at the Brigadier General Doyle Memorial Cemetery, from 2,058 in FY 1999 to a projected 3,000 in FY 2000. Revenues from burial services (budget page C-18) are expected to increase from \$205,000 in FY 1999 to \$256,000 in FY 2000.

**World War II National  
Memorial - New Jersey  
Share**

	<b>\$0</b>	<b>\$250</b>	<b>\$250</b>	<b>—</b>	<b>D-297</b>
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An appropriation of \$250,000 is recommended for New Jersey's contribution to the World War II National Memorial. The memorial, expected to open on Veterans Day 2000, will be the first national memorial dedicated to all who served during World War II--military veterans, citizens on the home front and the nation at large. In 1993, Congress passed legislation authorizing the construction of this memorial in Washington, D.C.

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

<b>Salaries and Wages</b>	<b>\$11,392</b>	<b>\$11,954</b>	<b>\$562</b>	<b>4.9%</b>	<b>D-299</b>
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This increase would fund 28 additional positions to provide treatment and nursing home care at the home. In October 1998, the department began moving residents from the old Menlo Park home to the newly renovated facility. The capacity of this facility has been expanded from 318 beds to 332 beds, which will allow its average daily population to increase from 250 in FY 1999 to a projected 310 residents in FY 2000.

<b>Materials and Supplies</b>	<b>\$1,644</b>	<b>\$2,206</b>	<b>\$562</b>	<b>34.2%</b>	<b>D-299</b>
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Of this recommended increase, \$287,000 represents increase food and medical costs for veterans with chronic disabilities and those who need rehabilitation at the Menlo Park Veterans' Memorial Home. The remaining \$275,000 represents increases in administrative costs, including fuel and utilities; printing and office supplies and household clothing for the facility, which is expected to accommodate an increased population in FY 2000.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 1999</u>	<u>Recomm.</u> <u>FY 2000</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
<u>Federal Funds</u>					
Domiciliary and Treatment Services	\$349	\$949	\$600	171.9%	D-300

The Menlo Park Veterans' Memorial Home is expected to be certified to meet Medicare Part A standards by the Department of Health and Senior Services in FY 2000. This recommended increase is due to an anticipated increase in Medicare reimbursements. The Menlo Park facility formerly was certified for Medicare Part B billing. The renovated facility is expected to be certified for Medicare Parts A and B.

All Other Funds

Domiciliary and Treatment Services	\$50	\$100	\$50	100.0%	D-300
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Presently, the veterans nursing homes charge on an ability-to-pay basis for personal laundry services that are provided by an outside contractor. This recommended increase reflects an anticipated increase in resident payments for laundry services at the Menlo Park Veterans' Memorial Home.

## Language Provisions

### 1999 Appropriations Handbook

No comparable language.

### 2000 Budget Recommendations

p. D-295

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

### Explanation

A new special purpose appropriation of \$145,000 is recommended for a document storage and retrieval project to allow the department's headquarters complex in Lawrenceville to improve information management by using electronic imaging equipment to scan documents into files for digital retrieval. This language would authorize the reallocation of such funds in the event that imaging equipment for all State agencies is purchased through a central vendor, thus reducing the unit purchase price.

### 1999 Appropriations Handbook

No comparable language.

### 2000 Budget Recommendations

p. D-295

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

### Explanation

This language would authorize \$280,000 to be appropriated to the department from the General Fund in FY 2000 to support a Weapons of Mass Destruction (WMD) program (subject to federal designation of New Jersey as a WMD site). In August 1998, the Governor authorized the Adjutant General of the New Jersey National Guard to develop a long-range strategy for planning, training and response efforts related to the potential for terrorist use of weapons of mass destruction against the State. Such weapons are categorized as nuclear, biological or chemical. The department indicates that the National Guard's long-range strategy involves training fire, police and other emergency personnel on techniques and procedures for dealing with a WMD incident.

## Language Provisions (Cont'd)

1999 Appropriations Handbook2000 Budget Recommendations

No comparable language.

p. D-300

In addition to the amount hereinabove, there is appropriated an amount not to exceed \$219,000, as the Director of the Division of Budget and Accounting shall determine, contingent upon approval by the federal Department of Veterans Affairs of a reimbursement for an adult day care program.

Explanation

The newly-renovated Menlo Park Veterans' Home will include an adult day care facility. This language would authorize the appropriation of \$219,000 in start-up costs for the facility, including furniture and staffing costs, should it become operational in FY 2000. Once the program is fully operational, participant contributions and federal per diem reimbursements are anticipated to fund the entire program and eliminate the need for State funding, according to the department. The department indicates that continued funding for operations will also be required in FY 2001. The adult day care program would provide for physical and speech therapy for approximately 50 weekly participants, in addition to social and recreational activities. The department indicates that priority would be given to veterans who are on the waiting list for specialized health care, but who do not need long-term institutional care.

1999 Appropriations Handbook2000 Budget Recommendations

p. B-130

A portion of the revenue received by the veterans homes as a result of reimbursed Medicare Part B expenses and Medicare Part A expenses formerly classified as Medicare Part B, as determined by the Director of the Division of Budget and Accounting, and the unexpended balance of such receipts as of June 30, 1998, are hereby appropriated for resident care and operational costs associated with the change in Medicare billing regulations as expressed in the federal Balanced Budget Act of 1997 and published by the Health Care Financing Administration, subject to the approval of the Director of the Division of Budget and Accounting of a detailed expense listing as shall be submitted by the Adjutant General of the Department of Military and Veterans' Affairs.

No comparable language.

## Language Provisions (Cont'd)

### Explanation

This language provided for a portion of Medicare reimbursements to be appropriated in FY 1999 for resident care and operational costs associated with a change in federal Health Care Financing Administration regulations related to Medicare billing. The Office of Management and Budget indicates that this language is no longer necessary because federal reimbursements are expected to be sufficient to offset these costs in FY 2000.

## Discussion Points

### *Military Services*

1. Since FY 1993, authorized strength in the Army National Guard has declined 20 percent, from approximately 9,100 (FY 1993) to 7,300 (FY 2000 est), according to budget data. Air National Guard authorized strength has declined 17 percent during the same period, from about 3,000 to 2,500. A portion of the reduction reflects national restructuring and downsizing. Though three armories (Bridgeton, Lodi and Red Bank) have been closed, the number of operational Air and Army National Guard units has not been reduced despite the overall reduction in authorized strength, according to information provided by the department.

**!** **Question:** In view of the reduction in authorized troop strength between FY 1993 and FY 2000, can additional armories be closed? Can the number of operational Air and Army National Guard units be reduced through consolidation or elimination? How much would be saved by closing an additional armory or by reducing the number of Air and Army National Guard units?

2. The Governor's budget recommends additional funding of \$340,000 in the National Guard program class for maintenance and upgrading of department armories, from \$580,000 in FY 1999 to \$920,000 in FY 2000. In recent years, other state agencies and community organizations have used space in the armories as interactive community resource centers and for activities such as blood drives, voting, filmmaking, antique shows and scouting.

**!** **Question:** Please provide a breakdown of the receipts the department has collected in the past five fiscal years through rental of the armories. How much does the department expect to receive from such purposes in FY 2000? Why do the evaluation data (page D-293) suggest a decline in National Guard facility use days by other public and private groups?

3. a. The department's recommended budget includes \$176,000 for "governmental and public relations services and strategic planning assistance" in connection with the Base Realignment and Closure Commission (BRAC). Though the President's budget requests another round of base closings, Congress has rejected the President's last two requests for additional base closings.

**!** **Question:** Should funding for services related to BRAC be reduced or eliminated until such time that Congress authorizes another round of base closings?

3. b. Under the terms of the department's contract for "governmental and public relations services and for strategic planning assistance" related to BRAC, the vendor is to provide weekly "progress reports". Though the vendor has been paid by the State, no progress reports appear to have been submitted in FY 1999. Thus, it is not known what work, if any, the vendor has done for the State.

**!** **Question:** Does the department plan to request progress reports in connection with its contract with BRAC? If so, when would such reports be produced? What successes has New Jersey achieved, in terms of having plans for base closures canceled or mitigated, that are attributable to the work of the department's contract vendor?

4. The Challenge Youth Program provides education, life skills, leadership and employment training to dropouts between the ages of 16-18. Approximately 71 percent of the adolescents enrolled in the program obtain a GED. Many, if not all, of the dropouts are still enrolled in their former school districts, which receive State Aid on behalf of these students even though they are not providing an education. Redirecting a portion of the education State Aid provided schools to the

**Discussion Points (Cont'd)**

Challenge Youth Program would enable the recommended State appropriation for the program (\$741,000) to be reduced or eliminated. A similar shift was undertaken several years ago to fund services the Commission for the Blind and Visually Impaired provides school districts.

- !** **Question:** Should budget language similar to that contained in the Commission for the Blind and Visually Impaired budget be incorporated into the department's budget to support Challenge Youth Program costs?

*Services to Veterans*

5. Since the beginning of FY 1999, the waiting list for admission to the Menlo Park, Paramus and Vineland veterans' homes has increased nearly 37 percent, according to information provided by the department, as follows:

	<u>July 2, 1998</u>	<u>January 13, 1999</u>
Menlo Park	56	88
Paramus	58	75
Vineland	<u>44</u>	<u>54</u>
	158	217

While the opening of new beds at Menlo Park should reduce the overall waiting list, a sizable waiting list at Paramus and Vineland will still exist. A review of vacant bed data at the two facilities indicates that since the beginning of FY 1999, Paramus and Vineland have averaged 11 and 12 vacant beds, respectively.

- !** **Question:** What steps are being taken to reduce the waiting list at Paramus and Vineland, particularly in view of the vacant beds present at both facilities?

6. One of the department's top capital requests for FY 2000 was for an appropriation of \$3.6 million to fund preparation of an architectural and engineering design for replacement of the Veterans' Memorial Home in Vineland. The present facility, which provides nursing and domiciliary care for New Jersey veterans of wars and armed conflicts, does not meet certain State fire and safety codes and is not in compliance with the Americans with Disabilities Act, according to the department's request to the Commission on Capital Budgeting and Planning. This design project would be the first step in replacing the present facility and is a prerequisite to qualifying for federal Department of Veterans Affairs (DVA) funding for a new home. In response to an OLS Discussion Point in FY 1999, the department indicated that this project is likely to receive favorable support from the DVA.

- !** **Question:** What is the total projected cost to replace the Veterans' Memorial Home in Vineland? If State funding is provided for a design project, are the prospects of securing federal money for replacing the facility still high? Is this project expected to be part of the department's FY 2001 request to the Commission on Capital Budgeting and Planning?

7. The Governor's budget recommends a \$1.1 million increase in funding to expand the Menlo Park Veterans' Memorial Home, from \$14.2 million in FY 1999 to \$15.3 million in FY 2000. The home provides nursing home care for New Jersey veterans with chronic disabilities and for those who need rehabilitative services to return to the community. The capacity of this facility has been expanded from 318 beds to 332 beds, which will allow its average daily population to increase from 250 to a projected 310 patients in FY 2000. A significant portion of the recommended increase would fund 65 additional positions for the treatment and care of these patients.

## Discussion Points (Cont'd)

**!** *Question:* When are the new beds at this facility expected to be occupied? Will all of the new positions recommended be filled for the entire fiscal year?

8. An appropriation of \$250,000 is recommended for New Jersey's contribution to the World War II National Memorial. In 1993, Congress passed legislation authorizing the construction of this memorial in Washington, D.C. The memorial, expected to open on Veterans Day 2000, will be the first national memorial dedicated to all who served during World War II. The memorial will honor all military veterans of the war, the citizens on the home front and the nation at large. Assembly Bill No. 2886 of 1999 would also appropriate \$250,000 for this purpose, while Senate Bill No. 1744 of 1999 would appropriate \$560,000 for New Jersey's contribution.

**!** *Question:* How many other states are contributing to this memorial? On what basis was the New Jersey contribution calculated? In view of the pending supplemental appropriation bills noted above, is there an additional need for the amount recommended in the FY 2000 budget?

9. Last year, the FY 1999 Budget in Brief stated that "the number of New Jersey veterans receiving services from this department is projected to expand...to almost 41,000 in fiscal 1999...." However, the program evaluation data in the FY 2000 budget (page D-296) show that the number of veterans receiving services in FY 1999 has been revised downward to 38,000. Moreover, the FY 1998 figure has been revised downward from last year as well, by 1,400 veterans. Still, the FY 2000 Budget in Brief now states that "the number of New Jersey veterans receiving services...is projected to expand to almost 39,000 in fiscal 2000..."

**!** *Question:* Is the department experiencing difficulty in meeting its client service projections? If so, is this difficulty believed to be related to budget and personnel constraints or to other factors?

**Background Paper: Overview of Veterans' Nursing Homes in N.J.**

Budget Pages.... D-299 to D-303

The Governor's budget recommends direct state services funding of \$45.2 million in FY 2000 to fund long-term care services at the State's three veterans' nursing homes located in Menlo Park, Paramus and Vineland. Providing long-term health care at the three homes is probably the most visible of the Department of Military and Veterans' Affairs' services to New Jersey veterans and represents almost three-fourths of its direct state services budget. The total projected average daily population for the three homes in FY 2000 is 921.

The facilities are open to veterans who served on active duty and were honorably discharged; to their spouses; and to spouses and parents of members of the military who were killed in action during a war. Preference is given to applicants who have resided in the State for the prior two years. Applicants must meet an asset test and residents must pay for services according to their ability.

Medical and nursing care at the homes is provided by full-time physicians, registered nurses, licensed practical nurses and nursing assistants. Rehabilitative services, such as recreational and physical therapies, are provided under the direct supervision of licensed therapists. Other services, including dental, podiatric, psychiatric and dermatological care are also provided to residents. Resident accommodations are assigned based on care required and availability, and are either private, semi-private or four-bed rooms, each equipped with a nurse-call system. Tray service is available when necessary as are individually prescribed diets. Recreational activities available to residents include gardening; ceramics and other arts and crafts; cooking; bingo; shopping trips; music, art and pet therapy programs; movies; dinner trips; fishing excursions; billiards and trips to sporting events.

All three homes are Medicare Part B certified. This enables the facilities' physicians to bill Medicare for services. The department also enters into agreements with the U.S. Department of Veterans Affairs' to provide home health care support to veterans on the waiting lists of the homes in Menlo Park and Paramus. Revenue sources for the homes other than the State appropriation are from maintenance fees collected from the residents and grants for per diem allowances from the U.S. Department of Veterans Affairs (VA). The three nursing homes are inspected and licensed annually by the New Jersey Department of Health and Senior Services (DHSS) and the VA.

**Comparison of Three Veterans' Nursing Homes**

	FY 98 Expended	FY 99 Adjusted	FY 2000 Estimate/Recom.
<b>Menlo Park Veterans' Memorial Home</b>			
Appropriation	\$12,427,000	\$14,171,000	\$15,295,000
Average daily population	235	250	310
Total positions	280	283	348
Annual per capita cost	\$52,880	\$56,684	\$49,338
<b>Paramus Veterans' Memorial Home</b>			
Appropriation	\$14,718,000	\$15,254,000	\$15,254,000
Average daily population	326	326	331
Total positions	342	346	346
Annual per capita cost	\$45,147	\$46,791	\$46,084
<b>Vineland Veterans' Memorial Home</b>			
Appropriation	\$14,323,000	\$14,632,000	\$14,632,000
Average daily population	275	280	280
Total positions	349	336	345
Annual per capita cost	\$52,083	\$52,257	\$52,257

## Background Paper: Overview of Veterans' Nursing Homes in N.J. (Cont'd)

The Governor's budget recommends an appropriation of \$15.3 million for the Menlo Park Veterans' Memorial Home in FY 2000. This amount represents a \$1.1 million increase in funding to provide services for the occupants of additional bed space recently opened at the home. This 332-bed facility was renovated and re-occupied in October 1998. The facility features specialized areas for Alzheimer's residents and adult day care. Recommended budget language (page D-300) would authorize the appropriation of \$219,000 to defray start-up costs for this day care in FY 2000. In addition, a "town square" area was created with resident living spaces located around the perimeter.

The capacity of this facility has been expanded from 318 beds to 332 beds, which will allow its average daily population to increase from 250 in FY 1999 to a projected 310 patients in FY 2000. The department also expects an increase in federal funding for the home, which, after its renovation, is expected to be certified to meet Medicare Part A reimbursement standards by DHSS in FY 2000. The Menlo Park home is currently certified only for Medicare Part B reimbursement.

### Paramus Veterans' Memorial Home

Continuation funding of \$15.25 million is recommended in FY 2000 for the Paramus Veterans' Memorial Home. This facility, opened in 1986, has a staff of approximately 346 employees and two modern residential buildings with a capacity of 352 residents.

In 1995, the New Jersey Advisory Commission on Privatization recommended that the department turn operation of the home over to a qualified private contractor if one could be found which would reduce costs without sacrificing the quality of care. The commission concluded that \$3 million savings in operating expenses could be achieved by privatization of this home. After opposition to this proposal was voiced at a June 1995 public hearing before the Senate Senior Citizens, Veterans Affairs and Agriculture Committee, the Executive decided to study the issue further. Since then, the home has been able to reduce overtime costs and achieve other administrative savings and the proposal has not been revisited to date, according to the department.

Since the Paramus facility is presently the only veterans' home certified for Medicare Parts A and B reimbursement, DHSS has posted a "performance report" of the facility on its web site ([www.state.nj.us/health/lrc/hcfa](http://www.state.nj.us/health/lrc/hcfa)). These reports summarize the adequacy of nursing homes that accept such Medicare payments to ensure compliance with federal regulations and certification rules. Based on surveys conducted in October 1997 and December 1998, the Paramus facility ranked at or above the statewide average for all nursing homes subject to similar evaluation in the following categories: administration; food service; and environment. In the categories of nursing and resident rights, however, the facility ranked below the statewide average. Nursing homes are required to issue a plan of correction for each identified deficiency in the reports.

### Vineland Veterans' Memorial Home

The Vineland Veterans' Memorial Home, opened in 1900, is the State's oldest operating veterans home. It has three residential buildings with a capacity of 300 that is expected to serve an average daily population of 280 residents in FY 2000. The home's administration/recreation building, built in 1990, houses a VA Screening Clinic operated by the Wilmington VA Medical Center. The home is expected to have a staff of approximately 345 in FY 2000.

According to the FY 2000 capital budget request submitted to the Commission on Capital Budgeting and Planning, demolition and reconstruction of the Vineland Home is the department's number one capital priority. The total estimated cost is \$36 million with the federal government expected to contribute up to \$24 million. Included in the total estimated cost is \$3.6 million for design work on the project. The design portion of the project is a prerequisite to qualifying for federal VA funding. Legislation has been introduced that would provide funding for the design work.

## OFFICE OF LEGISLATIVE SERVICES

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Individuals wishing information and committee schedules on the FY 2000 budget are encouraged to contact:

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