

Discussion Points

SERVICES TO VETERANS

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

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

Answer: The \$2 Million recommendation for capital construction funding (for Veterans Haven) is a most welcome initiative undertaken by the Governor's Office and could not have been anticipated at the time the Department formulated and submitted its FY2007 budget. As the Department was only notified of the Governor's intentions immediately prior to his budget address (little more than 30 days ago), it is not reflected in the data initially submitted.

At present, the Department is diligently exploring the best and most economical use of these funds, including using them to leverage additional funding from a new Pilot Loan Program for Multifamily Transitional Housing for Homeless Veterans, recently announced by the US Department of Veterans Affairs. It is a given that, to keep increases in operational costs to a minimum, expansion of the existing facility at Ancora is preferable and desirable.

In house, we have drawn preliminary plans for a 20,072 square foot addition (to the existing Veterans Haven), that would provide individual rooms, bathrooms, laundry and common areas that would accommodate thirty-six (36) additional homeless veterans. Without state funds actually having been committed, and given that our exploration of federal funds is in its infancy, we cannot yet go to bid for any construction/renovation project, which also affects being able to provide a project cost or completion date.

Currently, the Transitional Housing Program at Veterans Haven is funded by a \$400,000 annual state appropriation, a HUD grant of \$354,313 requiring an additional \$94,000 in state match funds and USDVA per diem of \$24.99 per veteran, per day (\$511,511 in FY2005). At this juncture, the only additional future funding we can represent as secure would be the USDVA per diem paid for the prospective new residents ($\$24.99 \times 36 \times 365 = \$328,368.60$). It is entirely premature for the Department to assert that the anticipated additional food, utility and marginally increased personnel costs can be absorbed with only that additional income.

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

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

Answer: The Department will utilize the Health Professions Recruiter currently on staff to fill the vacancies. The current recruiter has been very successful in filling all vacancies for the Department. Plans are also being prepared to increase advertising for healthcare professionals. Yes. There is a need to fill all the positions delineated by the FY 2007 budget proposals. This is due to new requirements being enacted in 2007. The Center for Medicare/Medicaid Services (CMS) is requiring more extensive assessments of resident health conditions, named a Minimum Data Set (MDS). The CMS has also published new regulations requiring more stringent oversight of pain management, incontinence, and medications. All these require additional man-hours of work. Finally, Menlo Park and Paramus homes have been trying to cope with these increased requirements by utilizing temporary employment agencies which are more expensive than utilizing staff nurses. Vineland must also now comply and meet these requirements for Medicare reimbursements.

The Health Professions Recruiter is not contracted, but is a salaried position at \$73,700, through the Department's appropriated funds. The entire operational budget for nurse recruitment is \$250,000 annually. The Health Professions Recruiter is responsible for recruiting health care professionals for the three NJ Veterans Memorial Homes, as well as the Veterans Haven facility. Additionally, the operational budget funds advertising, a Nurse Scholarship Program, Nurse Education Incentive Program, a Retention Program, and the Health Professions Recruiter's salary. Note: The term nurse herein refers to Registered Nurses, Licensed Practical Nurses, and Certified Nursing Assistants.

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

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

Answer: This psychiatric disorder can occur following the experience of events related to military combat, violent assaults, natural disasters, terrorist incidents and any life threatening events. With this said, the State of New Jersey, DMAVA-DVS provides our veterans with a **Readjusting-Counseling Program**. This program is making a difference in our veteran's lives. Since the receipt of an additional \$500,000 (as of July 1, 2005) to expand the program's budget to \$800,000 we have been able to remove over 300 veterans from the waiting list. Currently the program provides services ranging from individual counseling, group counseling, biofeedback and medication dispensing to 2,533 New Jersey veterans and their families.

During FY2005, the program serviced 2,943 PTSD clients in 6,446 counseling sessions. At this time last year, there were 4,138 sessions held from July 2004 – February 2005. This year there has been a significant increase in sessions during the same period (July 2005 – February 2006), with 5,748 counseling sessions funded.

This is a 28% increase over the same period during the preceding fiscal year and, if this rate continues, will result in 8,622 sessions through June 30, 2006. As a result, we transferred \$39,000 into the PTSD Program on 8 March 2006, in order to cover this increased demand for counseling. In addition, we have received concessions from providers, who will provide continue to offer counseling sessions free of charge, if funds are exhausted before year end.

Since the beginning of FY06 the PTSD program has accepted 276 new participants. The majority of these recipients are Vietnam and Iraqi veterans and their families. Our providers are extremely qualified and have provided exceptional services to our veterans and their families and have addressed the problems encountered when reintegrating into civilian life. It is important to recognize the stressors and traumas of these combat veterans, raise awareness of civilians on the home front and meet the clinical needs of our veterans.

All this considered, it is not unreasonable to project that a potential 9,500 counseling sessions will be required in FY 2007. Somewhat needless to say, this is not an exact science, as the

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encounters of our troops in the field will dictate the level of psychological trauma they will experience. Clearly, if the counseling sessions required does rise to this level, additional funding will be required. Not all our affected troops will require individual counseling sessions. Many will be well served in group therapy, which will positively impact our counseling costs. Counselors are paid on a per session basis, whether they are moderating a group or treating an individual. We are involved in discussions with the NJ Army National Guard, toward having them absorb some or all of our current administrative costs (hopefully using federal dollars), which are detailed in the next paragraph. This would help defray the cost of additional counseling sessions.

On July 1, 2005, UMDNJ and NJDMAVA initiated a 24/7 "Hot Line" which, since inception (through 2/06), has assisted 1,017 veterans and family members. This equates to 125 calls handled per month. NJDMAVA is contracted with UMDNJ to provide administrative services as well as counseling services until 30 June 2006. The fixed cost of providing the administrative/hotline services is \$100,000 for the contract period. Counseling services are billed on an hourly basis.

The following is a synopsis of the call activity since October 2005 (just prior to NJANG troops returning from overseas in November)

October 2005		November 2005		December 2005	
Total:	55	Total:	73	Total:	106
OIF:	9	OIF:	12	OIF:	67
Vietnam:	8	Vietnam:	10	Vietnam:	9
Korean:	7	Korean:	1	Korean:	1
WWII:	2	WWII:	4	WWII:	5
Gulf:	1	Gulf:	0	Gulf:	0
Benefits Info:	20	Benefits Info:	30	Benefits Info:	25
Sessions Booked:	5	Sessions Booked:	16	Sessions Booked:	12
Ref To VSO:	4	Ref To VSO:	5	Ref. To VSO:	1
Other:	26	Other:	22	Other info:	68

January 2006		February 2006		March 2006	
Total:	96	Total:	131	Total:	170
OIF:	61	OIF:	45	OIF:	51
Vietnam:	5	Vietnam:	17	Vietnam:	19
Korean:	2	Korean:	4	Korean:	3
WWII:	7	WWII:	5	WWII:	12
Gulf:	4	Gulf:	0	Gulf:	5
Benefits Info:	27	Benefits Info:	35	Benefits Info:	59
Sessions Booked:	5	Sessions Booked:	4	Sessions Booked:	4-
Ref To VSO:	2	Ref To VSO:	2	Ref. To VSO:	4
Other:	62	Other:	90	Other info:	103

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Note:

"Other" calls consist of:

- *Contacting returning veterans by phone checking on their status
- *Veterans looking for Federal VA phone number
- *East Orange information
- *Location of local VSO office
- *MGI Educational benefits
- *Complaints about army

To date UMDNJ has 28 active clients

In addition, NJDMAVA is contracted with 9 other providers throughout the state. NJDMAVA only contracts with licensed mental health professionals in the State of New Jersey and Mental Health Agencies approved by the State of New Jersey under the certificate of need process and staffed in accordance with N.J.S.A. 30:9A-1 to 30:9A-11.

UMDNJ functions in support of the VETS NJ4U mission of providing confidential telephonic support and counseling. They receive telephone requests for services and are knowledgeable in veteran's issues; in addition, they refer veterans to our VSO locations throughout the state. The service also refers veterans and family members to our current list of PTSD providers and submits the Contract Service Authorization (CSA).

We are starting to see an influx of sessions with our Operation Iraqi Freedom and Operation Enduring Freedom soldiers. In addition, since March 2004 over 4,500 veterans have contacted the USDVA Vet Centers in New Jersey; 12% of those reporting symptoms consistent with psychological trauma.

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

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

Answer: There is a current lawsuit filed as Scalfo Electric versus NJDMAVA, docket number MER-L-2356-04. One of the items in dispute was a claim by the contractor in the amount of \$699,122 for the low voltage wiring in support of automatic temperature controls. The Scheduling Order from the Case Management Conference addressed this issue. Upon the advice of counsel on the merits of the claim, the matter was negotiated and a settlement in the amount of \$543,000 was approved.

The Vineland Home received additional funding in fiscal 2005 and 2006 in anticipation of full years worth of increased operating costs associated with the opening of the new Vineland facility. The new facility was operational in December 2005. Due to the delayed opening

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sufficient funds are available to fund the subject settlement and other costs more directly associated with the operation of the new veterans home.

MILITARY SERVICES

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

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

Answer: First the strength figure of 8,660 is inaccurate and may represent old duplicate reporting due to remobilizations. The current strength of the New Jersey Army National Guard is 7,883 which will decrease to 6,021 as a result of federally mandated transformation. This reorganization is part of the Army Plan for transitioning its forces from its legacy - cold war era structure to the future modular force structure concept. In your comments in paragraph 1, you state that the department is projecting a decline of 910 members for the Army National Guard. This is not a true statement. The Army National Guard will lose 910 positions, not members. Current assigned strength is 5,979, placing the Army Guard at 99% manning strength when compared against the TY-07 Force Structure Allocation total of 6,021. This is actually good for New Jersey, in that future force structure, equipment, funding, and any potential for force structure growth in the future will be based on the State's ability to man the force. Funding allocation for TY - 07 will be on the increase due to the fact that our new force structure will require all new equipment, vehicles, and reclassification training for our soldiers. The projected increase in funding allocation is to offset these requirements. I do predict a cut-back in Full time support funding in TY-07 (a 5% cut-back

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over the next 3 years) as a result of NGB full time support manpower allocation requirements. I cannot project \$ amounts as we do not receive insight as to what our operating budget will look like until at least August.

In regard to the Air National Guard, the proposals by DOD to the BRAC Committee were subsequently modified when BRAC became law. Specifically, the 108 Air Refueling Wing was initially proposed by DOD to divest all aircraft; however, the unit will instead convert from 16 "E" model KC135 Tankers to 8 "R" model Tankers. The 177 Fighter Wing will not only upgrade to Block 30 F-16s, but gain an additional 3 aircraft.

The BRAC related pluses/minuses of aircraft at both wings (177FW and 108ARW) suggest a net New Jersey Air National Guard manpower reduction; however, USAF has subsequently (post BRAC) expressed definitive interest in establishing two additional non-flying units/missions that would effectively utilize any potential reduction in BRAC related manpower losses. We are currently in discussion with National Guard Bureau and USAF for both new units/missions. Our expectation is to retain the current New Jersey Air National Guard manpower authorization.

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

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

Question: Does the New Jersey Army National Guard have the types and quantities of equipment to respond to any future State mission that the Governor may call to active duty status? Does the New Jersey Army National Guard have a sufficient number of service members to respond to a large-scale State mission? Has the Department of Military and Veterans' Affairs made a formal request to the Department of the Army to re-equip the quantities and types of equipment our State sent overseas? If so, what has been the response to this request?

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Answer: The GAO is correct in its assessment that non-deployed Guard units face significant equipment shortfalls as a result of two scenarios: 1) equipping alerted units for war, and 2) shortage of new equipment required for the new force structure. An example of critical shortages:

Equipment	On/Hand	Required	% of fill
HMMWV Utility Vehicle	153	862	18% of required
5 Ton Cargo trucks	64	233	27% of required
5 Ton Wrecker Trucks	5	18	28% of required
5 Ton Tractor Trucks	16	54	30% of required
5 Ton Dump Truck	0	5	0% of required
HEMTT Fuel disbursing	17	39	44% of required
Improved Body Armor	331	5895	6% of required
Chemical Protective Suits	0	5895	0% of required
Chemical Alarms	219	316	69% of required
Night Vision Devices	521	3841	14% of required
SINCGARS Radio sets	437	951	46% of required
Reverse Osmosis Water Purification Systems	0	14	0% of required

However, the vehicles we do have are at a 97% Mission Capable level. Even with these noted shortages, the Army National Guard has the quantities and the right mix of personnel, and types of equipment to respond to traditional tasks historically assigned to New Jersey Army National Guard units; Military Support to Civilian Authorities and certain Emergency Support Functions (ESF). The Army National Guard can support:

ESF #1 Transportation: The NJARNG assists civilian authorities with public safety and area security, can move a limited amount of supplies.

ESF #2 Communications: The NJARNG assists NJSP OEM with communications and technical personnel to augment existing communications networks.

ESF #9 Law Enforcement: The NJARNG can assist law enforcement personnel with personnel and equipment to assist with maintaining law and public order and provide response services following a catastrophic event or other civil emergency or natural disaster.

With our new Military Police Structure and Infantry elements, can support and assist Law Enforcement personnel with traffic control, area disaster site or facility security, infrastructure security or provide troops to quell civil disturbance.

The New Jersey Army National Guard has taken three steps to acquire new equipment needed to equip the force:

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1. Cross-level of equipment from outgoing or reorganizing force structure to new and reorganizing force structure. To date we have rebalanced 3,083 pieces of equipment to new and reorganizing force structure from equipment within state.

2. We have requisitioned through the National Guard Bureau, New Jersey new equipment requirements that may be filled from other states that are losing force structure.

3. Have placed \$7 million dollars worth of equipment shortages on valid requisition to be filled by the Army and Department of Defense out of federal dollars.

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

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

Answer: Despite filing the appropriate request with the CRDA, and any representations to the contrary, their \$1 Million pledge has never materialized. As of our last contact with the Authority we were advised that the CRDA's funds for the foreseeable future and beyond have already been allocated.

The only expenditures against the original appropriation of \$2 Million (for the New Jersey World War II Memorial), have been for design and administrative costs and the design phase has been completed. The remaining funds (\$1,403,645) have since been transferred to the Department of the Treasury, which has been selected to act as the construction manager for this project.

While the Department was granted authority to raise funds for this project, it does not have, nor was it provided, the resources to mount a professional fundraising drive or for the kind of media purchases that would entail. Accordingly, our fundraising efforts and success have been, at best, modest. As of April 19, 2006, private donations received toward memorial construction total only \$61,779.31.

The Adjutant General has written the Governor and added his endorsement of the conclusion reached by the Transition Team: that a high profile fundraising committee, with statewide stature and access to captains of business and industry, needs to be appointed to bring this project to fruition. We are awaiting a response from the Governor's Office regarding this initiative. With rising costs, it is currently estimated that the project will now cost \$6,500,000 to build. As a result, \$5,000,000 in new private funding will be required to complete the

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memorial, which will take approximately one year to complete after construction starts. Accordingly, dedication of the memorial before Veterans Day 2007 would not be likely.