

ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
MILITARY AND
VETERANS' AFFAIRS**

FISCAL YEAR

2011 - 2012

NEW JERSEY STATE LEGISLATURE

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This report was prepared by the State Government Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Kimberly McCord Clemmensen. Tracey Pino Murphy was the primary author of the Background Papers.

Questions or comments may be directed to the OLS State Government Section (609-292-9106) or the Legislative Budget and Finance Office (609-292-8030).

DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-7, C-15, C-23, C-26, C-28,
D-265 to D-277

Fiscal Summary (\$000)

	Expended FY 2010	Adjusted Appropriation FY 2011	Recommended FY 2012	Percent Change 2011-12
State Budgeted	\$94,569	\$94,725	\$93,253	(1.6%)
Federal Funds	\$48,386	\$89,607	\$90,385	.9%
<u>Other</u>	<u>\$487</u>	<u>\$3,356</u>	<u>\$3,202</u>	<u>(4.6%)</u>
Grand Total	\$143,442	\$187,688	\$186,840	(.5%)

Personnel Summary - Positions By Funding Source

	Actual FY 2010	Revised FY 2011	Funded FY 2012	Percent Change 2011-12
State	1,313	1,306	1,319	1.0%
Federal	152	174	181	4.0%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,465	1,480	1,500	1.4%

FY 2010 (as of December) and revised FY 2011 (as of January) personnel data reflect actual payroll counts. FY 2012 data reflect the number of positions funded.

Link to Website: <http://www.njleg.state.nj.us/legislativepub/finance.asp>

Highlights

- The Department of Military and Veterans' Affairs, under the direction of the Adjutant General of New Jersey, is responsible for supporting the New Jersey Army and Air National Guard, administering veterans' program and services for the 712,000 veterans living in New Jersey, and managing and operating three veteran's memorial homes: Menlo Park Veterans' Memorial Home, Paramus Veterans' Memorial Home, and Vineland Veterans' Memorial Home. The FY 2012 Governor's Budget recommends total funding for the operation and support of the department \$186.840 million: \$93.253 million in State funds, \$90.385 million in federal funds, and \$3.202 million in other funds. This represents a reduction of \$1.472 million in State funds; an increase of \$778,000 in federal funds; and a reduction of \$154,000 in other funds.
- The department is responsible for the support and coordination of Army and Air National Guard activities in New Jersey. The National Guard responds to emergencies within the State upon the declaration of a State emergency by the Governor. The department's federal military responsibility is to provide trained and qualified individuals and troop units in the support of the Army and Air Force of the United States. The department estimates that as of June 30, 2011 that the Army National Guard will be at 102 percent of its authorized strength of 6,026 and projects that it will be at 100 percent in FY 2012.
- The department supports and coordinates various services to military veterans in New Jersey including outreach and assistance, Veterans Haven, and burial services. The department operates over 16 veteran affairs outreach and assistance services offices throughout the State. These offices assist veterans and their dependents in securing State and federal entitlements. Evaluation data indicates that the department will serve an estimated 151,250 veterans in FY 2012, which is 13,759, or 10 percent more than those served in FY 2011.
- The FY 2012 Governor's Budget includes a reduction of \$1.472 million in supplemental funding for the three Veterans' Memorial Homes: Menlo Park (\$428,000), Paramus (\$851,000), and Vineland (\$193,000). The reduction represents a recurring supplemental appropriation based upon the prior year's revenues from the U.S. Department of Veterans Affairs per diems and resident contributions. Budget language provides that the department may receive forty percent of the receipts from these sources that are in excess of the amount anticipated in the preceding fiscal year. The department uses the supplemental appropriation for veterans' program needs for medical supplies and equipment at the three veterans' homes. The three homes will operate at 98 percent of their rated capacity in FY 2012, with an average daily population of 927 patients.
- The FY 2012 Governor's Budget recommends an increase of \$778,000, or 1.6 percent, from a FY 2011 adjusted appropriation of \$49.247 million to a FY 2012 recommended appropriation of \$50.025 million federal funding to support the U.S. National Guard programs operated and administered by the New Jersey National Guard.

Highlights (Cont'd)

- The Department projects a two-thirds increase in the capacity of Veterans Haven, a transitional housing facility for homeless veterans in the Spring of 2011.
- The Department anticipates a 25 percent expansion in the capacity of the Brigadier General William C. Doyle Veterans Cemetery if full federal funding of its Cemetery Master Plan is realized. Funding for the expansion pursuant to the master plan is prioritized by the federal State Cemetery Grants Program, based primarily on the most critical need nationwide. Therefore, it is difficult to give an exact timeline as to when all planned improvements/expansion projects at Doyle will be completed. In addition, because of the priority process, funding will fluctuate from year to year. The FY 2012 Governor's budget anticipates \$7 million in federal funding for the cemetery, the same amount as in FY 2011.

Background Papers

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Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2010	Adj. Approp. FY 2011	Recom. FY 2012	Percent Change	
				2010-12	2011-12
General Fund					
Direct State Services	\$89,390	\$91,651	\$90,179	0.9%	(1.6%)
Grants-In-Aid	\$2,616	\$3,074	\$3,074	17.5%	0.0%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	\$2,563	0	0	(100.0%)	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$94,569	\$94,725	\$93,253	(1.4%)	(1.6%)
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Sub-Total	\$0	\$0	\$0	0.0%	0.0%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$94,569	\$94,725	\$93,253	(1.4%)	(1.6%)
Federal Funds	\$48,386	\$89,607	\$90,385	86.8%	0.9%
Other Funds	\$487	\$3,356	\$3,202	557.5%	(4.6%)
Grand Total	\$143,442	\$187,688	\$186,840	30.3%	(0.5%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2010	Revised FY 2011	Funded FY 2012	Percent Change	
				2010-12	2011-12
State	1,313	1,306	1,319	0.5%	1.0%
Federal	152	174	181	19.1%	4.0%
All Other	0	0	0	0.0%	0.0%
Total Positions	1,465	1,480	1,500	2.4%	1.4%

FY 2010 (as of December) and revised FY 2011 (as of January) personnel data reflect actual payroll counts. FY 2012 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	59.5%	61.8%	61.5%	---	---
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2011</u>	<u>Recomm.</u> <u>FY 2012</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
MILITARY SERVICES					
<u>Federal Funds</u>					
New Jersey National Guard Support Services	\$49,247	\$50,025	\$ 778	1.6%	D-269

The New Jersey National Guard Support Services appropriation includes changes in federally funded National Guard programs. The FY 2012 Governor's Budget recommends an increase in the appropriation of \$778,000, or 1.6 percent, from a FY 2011 adjusted appropriation of \$49.247 million to a FY 2012 recommended appropriation of \$50.025 million. The most significant changes reflect a \$2.626 million increase in federal funding for these programs comprised of a \$2.000 million, or 28.5 percent, increase in the National Guard Facilities Support Contract and a \$626,000, or 26.6 percent, increase in the National Guard Challenge Youth Program. These increases in federal funding are offset by approximately \$1.848 million in reductions including: a \$623,000 reduction to the Army Facilities Support Contract; a \$500,000 reduction to the Armory Renovations & Improvements contract; a \$425,000 reduction to the Air National Guard Agreement for Maguire Air Force Base; \$210,000 in reductions to the Atlantic City National Guard Security Agreement and the Atlantic City Airbase Contracts; and other various offsetting net reductions totaling \$90,000. The FY 2012 projected federal funding for each of the National Guard Support Service contracts is set forth below.

FY 2012 New Jersey National Guard Support Services Federal Funding			
Federal Funds(\$000s)	FY 2011 Adjusted Appropriation	FY 2012 Recommended Appropriation	FY 2011- FY 2012 \$ Change
Household Security/Dining Room Ops.	200	150	-50
Army NG Sustainable Range Program	150	100	-50
NG Natural and Cultural Resources Management	5	5	0
Federal Distance Learning Program	185	180	-5
Administrative Services Activities	60	60	0
Training and Equipment Pool Sites	500	550	50
Army Training and Technology Lab	950	950	0
McGuire Operations and Maintenance	140	135	-5
National Guard Communications	900	950	50
National Guard Statewide Security Agreement	700	600	-100
Hazmat EPA Program	800	800	0
National Guard Facilities Support Contract	7,000	9,000	2,000
Army Facilities Support Contract	3,500	2,877	-623
Atlantic City Airbase Contracts	2,800	2,700	-100
McGuire Airbase Service Contracts	3,200	3,165	-35
Atlantic City Air NG Security Agreement	810	700	-110

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2011</u>	<u>Recomm.</u> <u>FY 2012</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Air National Guard Agreement McGuire		575		150	-425
Firefighter/Crash Rescue Svc Coop Funding		1,900		2,000	100
Army National Guard Security System		200		100	-100
Training Site Facilities		80		70	-10
McGuire AFB Environmental		95		90	-5
Atlantic City Ops and Maintenance		150		150	0
Atlantic City Environmental		100		90	-10
Warren Grove Coyle Field		70		70	0
Warren Grove Sustainment and Modern.		7		7	0
Anti-terrorism Program Manager Atlantic City		90		110	20
Sustainment/Restoration/Modernization		700		750	50
Coyle Field Atlantic City		30		40	10
Armory Renovations & Improvements		5,000		4,500	-500
NJ National Guard Challenge Youth Program		2,350		2,976	626
Medical Clinic Sea Girt		16,000		16,000	0
Total Federal Funds		\$49,247		\$50,025	\$778

All Other Funds**New Jersey National
Guard Support
Services**

\$2,064	\$1,910	(\$ 154)	(7.5%)	D-269
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This appropriation comprises dedicated revenues from various sources to supplement funding for certain National Guard programs such as: (1) the Distance Learning Center that is supported by private donations (\$50,000), in addition to federal funds; (2) the National Guard Challenge Youth program supported by Six Flags (\$10,000); (3) the National Guard Summer Youth Camp (\$100,000); and (4) other National Guard Support Services, consisting primarily of receipts from armory rentals (\$1.904 million). The decrease represents a \$154,000, or 8 percent, reduction in the appropriation for other National Guard Support Services from \$1.904 million to \$1.750 million. Funding for the Distance Learning, Challenge Youth, and the National Guard Summer Youth Camp programs remain unchanged.

Veterans' Memorial Homes

The department operates veterans nursing homes in Menlo Park, Paramus, and Vineland, New Jersey. These facilities provide nursing home care for eligible veterans their spouses, and parents of individuals killed in action. Eligibility requirements for the veterans include an honorable discharge and a two-year State residency preceding the date of application. The three nursing homes have a combined rated residential capacity of 948 patients.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2011</u>	<u>Recomm.</u> <u>FY 2012</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
<u>Direct State Services</u>					
Menlo Park Veterans' Memorial Home	\$25,303	\$24,875	(\$ 428)	(1.7%)	D-273
Paramus Veterans' Memorial Home	\$25,042	\$24,191	(\$ 851)	(3.4%)	D-275
Vineland Veterans' Memorial Home	\$27,086	\$26,893	(\$ 193)	(.7%)	D-276

This reduction represents a recurring supplemental appropriation for prior year revenues from the U.S. Department of Veterans Affairs per diems and resident contributions. Budget language provides that the department may receive forty percent of the receipts from these sources that are in excess of the amount anticipated in the preceding fiscal year. The department uses the supplemental appropriation for veterans' program needs, mostly medical supplies and equipment at the three veterans' homes.

Significant Language Changes

Vietnam Veterans' Memorial Fund

Deletion

2011 Handbook: p. B-150
2012 Budget: p.—

~~The unexpended balance at the end of the preceding fiscal year in the Vietnam Veterans' Memorial account is appropriated.~~

Explanation

The Vietnam Veterans' Memorial Fund was created to receive monies from donations and income tax designations to fund the memorial. P.L.1994, c.139 established a tax check-off providing each taxpayer with the opportunity to indicate on the taxpayer's New Jersey gross income tax return that a portion of the taxpayer's tax refund or an enclosed contribution be deposited in the Vietnam Veterans' Memorial Fund. The FY 2012 Governor's Budget recommends deleting the language providing for the continuous appropriation of fund balances because, at present, the money in the fund is exhausted, and because other budget language concerning dedicated funds will achieve the same result should additional revenues be credited to the fund.

Menlo Park Veterans' Memorial Home-Adult Day Care Center

Deletion

2011 Handbook: p. B-152
2012 Budget: p.—

~~In addition to the amount hereinabove appropriated for the Menlo Park Veterans' Memorial Home, such sums received from the U.S. Department of Veterans Affairs, New Jersey Department of Health and Senior Services, and the New Jersey Assistance for Community Care Giving are appropriated for the Menlo Park Adult Day Care program, subject to the approval of the Director of the Division of Budget and Accounting.~~

Explanation

The FY 2012 Governor's Budget recommends deleting the language providing for the appropriation of funds from the U.S. Department of Veterans Affairs, the New Jersey Department of Health and Senior Services, and the New Jersey Assistance for Community Care Giving for the Menlo Park Adult Day Care Center because the Adult Day Care Center was closed due to funding and regulatory compliance issues. As such, the need for the language has been obviated.

EXPLANATION: FY 2011 language not recommended for FY 2012 denoted by strikethrough.
Recommended FY 2012 language that did not appear in FY 2011 denoted by underlining.

Background Paper: Overview of Veterans' Memorial Homes

Budget Pages D-273 to D-277

The FY 2012 Governor's Budget recommends Direct State Services funding of \$76.124 million to fund long-term care services at the State's three veterans' nursing homes located in Menlo Park, Paramus, and Vineland. This represents a reduction of \$1.472 million, or 1.9 percent, from the FY 2011 adjusted appropriation of \$77.596 million.

Providing long-term health care represents almost three-fourths of the Department of Military and Veterans' Affairs Direct State Services budget. The total projected average daily population for the three homes in FY 2012 is 927. This is an increase of 0.5 percent from the average daily population for the three homes in FY 2011. The total projected staff positions for the three homes in FY 2012 remains the same as in FY 2011 at 1,157 positions. Staff positions for the three homes increased by 26 from 1,131 in FY 2010 to 1,157 in FY 2011. Of this amount, positions at Paramus increased by 13, positions at Menlo Park increased by 8, and positions at Vineland increased by 5.

The facilities are open to veterans who served on active duty and were honorably discharged, as well as to their spouses, and to the 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 New Jersey for the prior two years. Applicants must meet an asset test and residents must pay for services according to their ability to pay.

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. There is a dining area; however, food-tray service is available when necessary as are individually prescribed diets. Recreational activities are available to residents.

All three homes are Medicare Part B certified. This enables the facilities' physicians to bill for Medicare services. The department also enters into agreements with the United States Department of Veterans Affairs (VA) 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 State appropriations are from maintenance fees collected from the residents and grants for per diem allowances from the VA. The FY 2012 estimated revenue to be received from the VA is \$8.400 million, representing no change in the level of funding from FY 2011. The FY 2011 revenues of \$8.400 million represented a reduction of \$1.449 million, or 14.7 percent, from FY 2010.

In FY 2011, the homes experienced excess revenues due to a one-time increase in reimbursement for residents classified as 70% disabled or higher. The extra money was used to buy supplies for the homes, such as new dishwashers and beds. In addition, the homes receive donations from different veterans' organizations, such as the American Legion. The three

Background Paper: Overview of Veterans' Memorial Homes

nursing homes are inspected and licensed annually by the New Jersey Department of Health and Senior Services (DHSS) and the VA.

The homes have implemented the federal government's new electronic reimbursement system referred to as the minimum data set (MDS). The newer version (3.0) of MDS is reportedly more time consuming to administer. In fact, each nursing home is in the process of getting approvals to hire two more registered nurses to fill out and submit the necessary paperwork.

Department of Military and Veterans' Affairs

Comparison of Three Veterans' Nursing Homes

	FY2010 Expended	FY2011 Adjusted	FY2012 Estimate/Recom
Menlo Park Veterans' Memorial Home			
Appropriation	\$22,978,000	\$25,358,000	\$24,930,000
Average daily population	300	304	304
Total positions	370	378	378
Annual per capita cost	\$85,300	\$93,283	\$91,875
Paramus Veterans' Memorial Home			
Appropriation	\$22,175,000	\$25,097,000	\$24,246,000
Average daily population	321	324	326
Total positions	358	371	371
Annual per capita cost	\$82,978	\$85,793	\$82,656
Vineland Veterans' Memorial Home			
Appropriation	\$25,330,000	\$27,141,000	\$26,948,000
Average daily population	290	294	297
Total positions	403	408	408
Annual per capita cost	\$96,655	\$101,500	\$99,825

Menlo Park Veterans' Memorial Home

The FY 2012 Governor's Budget recommends an appropriation of \$24.930 million for the Menlo Park Veterans' Memorial Home. This amount represents a reduction of \$428,000, or 1.7 percent, from the FY 2011 adjusted appropriation of \$25.358 million, from the elimination of annually recurring supplemental funding from reimbursements from VA per diems and resident contributions. Expenditures in FY 2010 were \$22.978 million.

The nursing home was rebuilt in 1999 on 109 acres in Middlesex County. The 312-bed facility has a 95% occupancy rate and has a staff of 378 employees. It features a "town square" core with resident living spaces located around the perimeter.

According to the federal Department of Health and Human Services, Center for Medicare/Medicaid Services federal assessment of nursing home performance (Medicare federal

Background Paper: Overview of Veterans' Memorial Homes

assessment) (www.medicare.gov/NHCompare), Menlo Park Veterans' Memorial Home scored one out of five stars in health inspections. The home had deficiencies in the following health inspections areas: quality care, resident rights, nutrition and diet, and environment. For example, inspectors determined that the nursing home failed to make sure that the living space was free of dangers that cause accidents. They were rated much higher in nursing and quality measures, five out of five stars and four out of five stars, respectively.

Paramus Veterans' Memorial Home

The FY 2012 Governor's Budget recommends an appropriation of \$24.246 million for the Paramus Veterans' Memorial Home. This amount represents a reduction of \$851,000, or 3.4 percent, from the FY 2011 adjusted appropriation of \$25.097 million, from the elimination of annually recurring supplemental funding from reimbursements from VA per diems and resident contributions. Expenditures in FY 2010 were \$22.175 million.

The facility was opened in 1986, and is located on 23 acres in northeastern Bergen County. It has a staff of 371 employees, and two residential buildings with a capacity of 336 residents. The facility has a 95% occupancy rate. The Paramus Home is currently being expanded and renovated. To date, new air conditioning and heating systems have been installed, fire and alarm systems have been updated, and a \$2 million multi-purpose room has been built. The facility is in need of a new roof and is in the process of acquiring federal and State funds for the repair.

Paramus is the only veterans' home that is certified for both Medicare Parts A and B reimbursement. According to the Medicare federal assessment, the Paramus facility earned a five out of five star overall rating, which includes a health inspection rating, quality measures rating, and staffing rating.

Vineland Veterans' Memorial Home

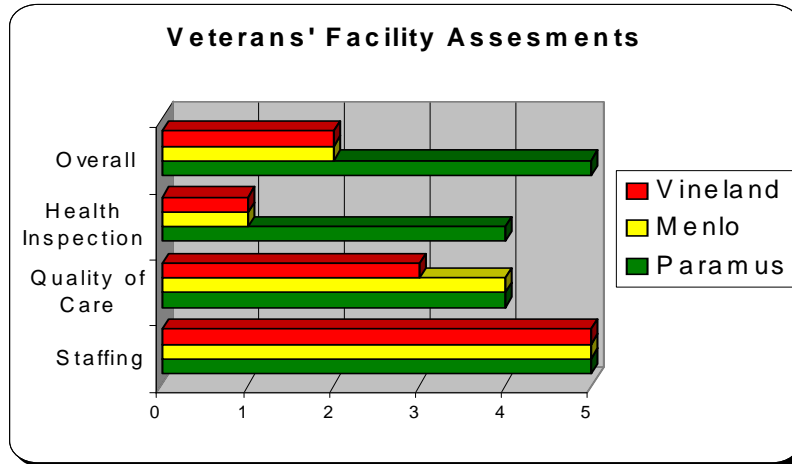
The FY 2012 Governor's Budget recommends an appropriation of \$26.948 million for the Paramus Veterans' Memorial Home. This amount represents a reduction of \$193,000, or 0.7 percent, from the FY 2011 adjusted appropriation of \$27,141 million, from the elimination of annually recurring supplemental funding from reimbursements from VA per diems and resident contributions. Expenditures in FY 2010 were \$25.330 million.

The Vineland Veterans' Memorial Home opened in 1899 and is the State's oldest operating veterans' home. Newly rebuilt in 2005, this nursing home services 300 residents with an occupancy rate of 97% in FY 2012. In FY 2012, the Vineland home is expected to have 408 staff.

According to the Medicare federal assessment, the Vineland facility earned a two out of five star overall rating, which includes a health inspection rating, quality measures rating, and staffing rating. The home scored one out of five stars in health inspections, having deficiencies in the quality care and environmental areas. They were rated higher in nursing and quality measures, five out of five stars and three out of five stars, respectively. The VA is planning to conduct an evaluation to explain why the Vineland home's annual per capita cost is higher than the other two homes.

Background Paper: Overview of Veterans' Memorial Homes

The chart below highlights the findings of the federal assessments.



Background Paper: Armory Rentals

The Department of Military and Veterans' Affairs (DMAVA) operates 36 National Guard armories in New Jersey. Of those 36, 30 are active military facilities and 6 are "unoccupied" meaning, there is no military presence at those locations and they are available for rent by DMAVA to other governmental agencies and community organizations. The uses of armory space have ranged from community activities to commercial ventures; a number of public and private sector organizations provide repeat business. DMAVA expects the receipts from armory rentals to generate \$1.6 million dollars in revenues in FY 2012.

The armories that are "unoccupied" by military presence are: Bridgeton, Franklin, Lodi, Newton, Plainfield, and Princeton. Of those armories that are "unoccupied" by military presence, the Lodi, Franklin (Sussex County), Princeton and Bridgeton armories were rented by non-military lessees. The number of days that the "unoccupied" armories have been leased was: 31,843 in FY 2007, 23,417 in FY 2008, 21,444 in FY 2009, 26,527 in FY 2010, and 24,500 in FY 2011. There was a decline in use from FY 2007 through FY 2009, and a slight increase in FY 2010; the downward trend resumed in FY 2011.

The rental receipts derived from the armory rentals also declined over the last several years. In FY 2007, lease rental revenues generated approximately \$2.11 million dollars, \$1.99 million in FY 2008, \$1.84 million in FY 2009, and \$1.76 million in FY 2010. It is anticipated that lease rental revenues will be \$1.6 million in FY 2011 and FY 2012.¹ Annual variations in rental receipts are not directly proportional to variations in use days because rental rates differ with each armory. The rental rates are based on the size of the facility, maintenance costs, utility costs, and the duration of the lease. These revenues are appropriated to the department by budget language for the operation and maintenance of the armories.

Increasing armory space rentals is limited by DMAVA's need to use the facilities for military missions and the deterioration of the facilities due to aging. For example, in FY 2011, the department relocated three Veterans Services Offices from leased space to armories in order to reduce leasing costs for an estimated savings of \$105,000. Several facilities are not in compliance with the building and safety regulatory codes, but are expected to be renovated, which will render them unavailable for lease for a period of time. The FY 2012 Governor's Budget contains a projected \$4.5 million in federal funding in National Guard Support Services for Armory renovations and improvements which is \$500,000, or 10 percent less than the FY 2011 appropriation.

Active Armories

Atlantic City	Flemington	Morristown	Riverdale	West Orange
Bordentown	Freehold	Mount Holly	Somerset	West Trenton
Burlington	Hackettstown	New Egypt	Teaneck	Westfield
Cape May Court House	Hammonton	Newark	Toms River	Woodbridge
Cherry Hill	Jersey City	Picatinny Arsenal	Tuckerton	Woodbury
Dover	Lawrenceville	Port Murray	Vineland	Woodstown

¹ The number of use days and receipts derived from armory rentals for FY 2011 and FY 2012 are projected by DMAVA.

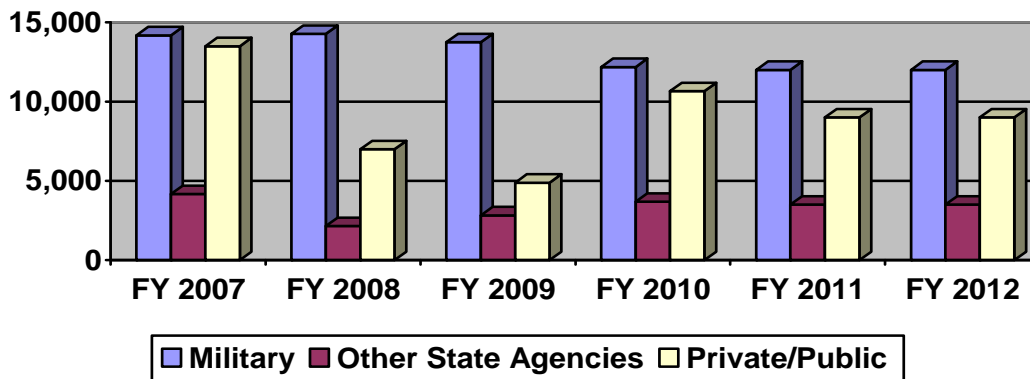
Background Paper: Armory Rentals (Cont'd)

Unoccupied Armories

Bridgeton
Franklin
Lodi
Newton
Plainfield
Princeton

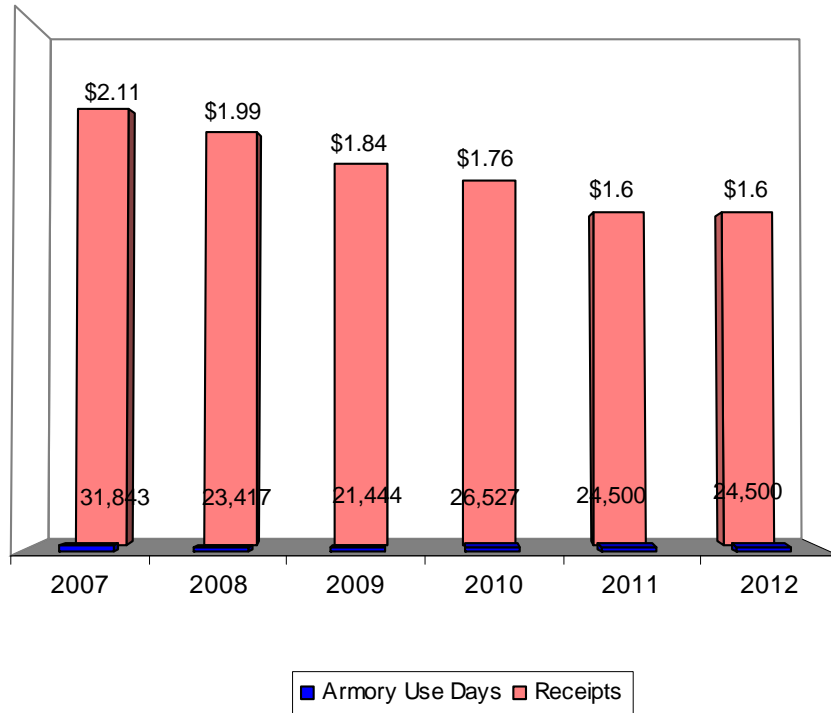
Armory Use Days						
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Military	4,185	14,272	1,3749	12,185	12,000	12,000
Other State agencies	4,160	2,146	2,815	3,684	3,500	3,500
Private/Public	13,498	6,999	4,880	10,658	9,000	9,000
Total days	31,843	23,417	21,444	26,527	24,500	24,5000

Armory Use Days Trends



Background Paper: Armory Rentals (Cont'd)

Receipts Derived From Armory Rentals



	2007	2008	2009	2010	2011	2012
Armory Use Days	31,843	23,417	21,444	26,527	24,500	24,500
Receipts	\$2,107,428	\$1,992,155	\$1,836,172	\$1,756,048	\$1,600,000	\$1,600,000

Background Paper: Veterans-Directed Home and Community Based Services

Overview

In 2006, Congress reauthorized the Older Americans Act and amended the law to permit funding for a Nursing Home Diversion Modernization program through the federal Department of Health and Human Services - Administration on Aging. The intent of the program was to help older Americans who are not eligible for Medicaid avoid placement in a nursing home. States were encouraged to create a Cash & Counseling service or similar program that provides participants with "flex-dollars" that would support home and/or community based care.

In 2007, the Administration on Aging created the Community Living Program initiative. The initiative provides competitive grants enabling the recipients to continue to live in their homes and/or communities. A total of \$5.7 million in federal funding was awarded to 12 states (including New Jersey). The states contributed more than \$3 million in matching funds to support a pilot program in each jurisdiction.

In 2008, the Administration on Aging began collaboration with the federal Department of Veterans Affairs - Veterans Health Administration to provide states with an opportunity to assist veterans of all ages at risk of nursing home placement. The Veteran Directed Home and Community Based Service Program (VD-HCBS) is modeled on the Nursing Home Diversion Modernization program, but it is administered by the Department of Veterans Affairs. Currently, 13 states are actively developing VD-HCBS programs.² The funds provided by the states to the program participants are not expected to cover the whole cost of at home care. Participants and/or their families are expected to contribute to the program. A needs assessment, based on a veteran's personal and family financial resources determines the financial support provided to each participant.

The VD-HCBS program permits veterans to self-direct their long-term support and services that enable them to avoid institutionalization and to continue to live independently at home. The network of aging services agencies facilitates assessment and care and/or service planning, arranges fiscal management services, and provides ongoing options counseling to the participant. The program allows veterans enrolled in VD-HCBS to: manage their own flexible budgets; decide what mix of goods and services best meet their needs; and hire and supervise their assistants.

New Jersey Program

The New Jersey Department of Health and Senior Services (DHSS) received a Nursing Home Diversion Modernization grant in 2007 totaling \$500,000 and provided \$169,860 in matching funds for a total of \$669,860 in funding. The Camden County Area Agencies on Aging and its Aging and Disability Resource Center partners administered the test program. The option provided flex dollars for participants to purchase services to meet their in-home care needs. To maximize the number of persons served under the Older Americans Act funds, the New Jersey DHSS introduced a cost-share sliding scale for home and community-based

² Arkansas, Connecticut, Florida, Illinois, Maine, Massachusetts, Michigan, Minnesota, New Jersey, New York, Texas, Virginia, Washington.

Background Paper: Veterans-Directed Home and Community Based Services (Cont'd)

services. The grant money was received in exchange for the New Jersey DHSS commitment to meet certain programmatic goals.

Department of Military and Veterans' Affairs

The number of veterans over age 65 has tripled during the past decade, creating an expansion in the need for long term care. In 2008, the Administration on Aging in conjunction with the Department of Veterans Affairs - Veterans Health Administration provided grants to 14 states to pilot the VD-HCBS program. The Veterans Health Administration estimated purchasing at least \$3 million in veteran-directed home and community-based services from the Area Agencies on Aging for older veterans and recently returned veterans with long-term care needs.

The New Jersey Department of Military and Veterans' Affairs (DMVA) and the New Jersey DHSS collaborated to expand the existing Nursing Home Diversion Modernization pilot program to provide nursing home diversion services to veterans in Morris and Somerset Counties. In 2008, New Jersey received \$565,151 in federal aid for the VD-HCBS program. The VD-HCBS program does not require State matching funds. The New Jersey VD-HCBS along with the Nursing Home Diversion Modernization program committed to the following goals and objectives for 2008:

- To continue building the infrastructure, business processes, and delivery of Long Term Care services needed to support the growing number of older adults, persons with disabilities, and veterans regardless of income;
- Divert Morris and Somerset Counties' elderly residents, individuals with disabilities, and veterans at risk of nursing home placement and Medicaid spend-down by establishing an integrated, quality-managed single entry system to assist individuals and their caregivers with planning, directing, and controlling their home and community-based services;
- Implement NJ's tested Aging and Disability Resource Center protocols to integrate and create a Single Entry Point system to identify, screen, assess, and counsel targeted consumers for Home and Community Based Service Programs;
- Expand and refine the Aging and Disability Resource Center Cash and Counseling model in the two new counties; and
- Transform vendor contracting from fixed grants to fee-for-service to facilitate flexible, consumer-directed service budgets.

Funding, Statistics & Logistics

To date, New Jersey has received \$5.5 million in federal grants to administer the VD-HCBS program. The total funding includes a 2010 grant of \$1,626,780 from the Veterans Health Administration. The program is available to veterans in the two pilot counties of Morris and Somerset, and a third program in Bergen County was recently added in late 2010. Program administrators anticipate additional federal funds for the 2012 fiscal year. If additional funds are received the VD-HCBS program administrators intend to expand the program to Warren County.

The VD-HCBS program in the three pilot counties is administered in coordination with 29 Area Agencies on Aging who provide various services to veterans. The number of veterans

Background Paper: Veterans-Directed Home and Community Based Services (Cont'd)

served in each county by the VD-HCBS appears to be growing. In 2009, 27 veterans received assistance from the VD-HCBS program. In 2010, a total of 66 veterans received services from the pilot programs in Morris, Somerset and Bergen Counties. In Somerset County, 18 agencies³ served 41 veterans in 2010 and are currently assisting 25 veterans. In Morris County, six agencies⁴ served 22 veterans in 2010 and are currently assisting 13 veterans. The Bergen County initiative has five agencies⁵ that served three veterans in 2010 and are serving three in 2011. In 2011 thus far, 41 veterans are receiving services in the three counties and additional enrollments are pending.

Federal funding provided to the states in support of VD-HCBS program has increased each year since 2008. Nationally, over 572 veterans have received services from the program. New Jersey ranks third out of 13 States in total veterans served by active VD-HCBS programs. In comparison to all other eligible states, New Jersey is at the low end of total federal dollars received in support of the Nursing Home Diversion Modernization and VD-HCBS programs.

The VD-HCBS initiative has utilized the federal funds to help New Jersey veterans avoid nursing home placement and stay in their homes and/or communities at a minimal cost to the State. The pilot programs in Morris, Somerset and Bergen Counties have established a model that may be used in other counties.

³ All Quality Care, Affinity Care of New Jersey, Affiliated, Caring World and Health Services, ComForCare Senior Services, Costco, Down To Earth, Home Instead Senior Care, Healthy Self, Kings Supermarket, Lifeline – Somerset Medical Center, Personal Touch, Rotary Club, Safe At Home, Somerset Hills Adult Day Care, Sudsy Suds, Violas Cleaning, Visiting Nurses Association of Somerset Hills

⁴ Bright Star, Friendship House, Loving Care of Dover, Time Out Through Family Services, Touching Hearts at Home, Visiting Nurses Association of Northern New Jersey (VNANJ)

⁵ People Care, Arons Transportation, Mobility Elevator, Patterson Medical, Executive Care

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Individuals wishing information and committee schedules on the FY 2012 budget are encouraged to contact:

**Legislative Budget and Finance Office
State House Annex
Room 140 PO Box 068
Trenton, NJ 08625
(609) 292-8030 • Fax (609) 777-2442**