



ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
MILITARY AND
VETERANS' AFFAIRS**

FISCAL YEAR

2013 - 2014

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 author of the background paper entitled "New Jersey National Guard Response to Super Storm Sandy." The background paper entitled "Veterans Haven" was co-authored by Kimberly McCord Clemmensen and Tracy Pino Murphy.

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-6, C-15, C-23, C-26, C-27, D-281 to
D-294

Fiscal Summary (\$000)

	Expended FY 2012	Adjusted Appropriation FY 2013	Recommended FY 2014	Percent Change 2013-14
State Budgeted	\$94,187	\$94,271	\$94,074	(.2%)
Federal Funds	\$40,616	\$90,973	\$93,622	2.9%
<u>Other</u>	<u>\$713</u>	<u>\$3,527</u>	<u>\$5,134</u>	<u>45.6%</u>
Grand Total	\$135,516	\$188,771	\$192,830	2.2%

Personnel Summary - Positions By Funding Source

	Actual FY 2012	Revised FY 2013	Funded FY 2014	Percent Change 2013-14
State	1,300	1,318	1,341	1.7%
Federal	172	166	174	4.8%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>=</u>
Total Positions	1,472	1,484	1,515	2.1%

FY 2012 (as of December) and revised FY 2013 (as of January) personnel data reflect actual payroll counts. FY 2014 data reflect the number of positions funded.

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

Highlights

Overview

- 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' programs and services for the 441,820¹ veterans living in New Jersey, and managing and operating three veterans' memorial homes: Menlo Park Veterans' Memorial Home, Paramus Veterans' Memorial Home, and Vineland Veterans' Memorial Home. The FY 2014 Governor's Budget recommends \$192.8 million in total funding for the operation and support of the department: \$94.1 million in State funds, \$93.6 million in federal funds, and \$5.1 million in other funds. This represents a reduction of \$197,000 in State funds; an increase of \$2.6 million in federal funds; and an increase of \$1.6 million in other funds, as compared to the current year. The FY 2014 Governor's budget recommends a reduction of \$291,000 as the department's pro rata share of statewide energy savings. These savings coupled with a shift in cemetery costs to federal funds provide the savings for the department to offset the increased needs at Veterans Haven North and the overall departmental reduction.

Military Services

- The Department of Military and Veterans' Affairs, Military Services, 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, 2013 the Army National Guard will be at 100 percent of its authorized strength and projects that it will remain at that level in FY 2014.
- In response to Super Storm Sandy, the National Guard activated over 2,000 soldiers and airmen to assist civil authorities with the patrol and evacuation of people from storm-impacted counties. In the immediate aftermath of the storm, the National Guard transported and distributed water, food and hot meals, and cots throughout the State. More extensively, they assisted with establishing and staffing State shelter operations; performed aerial reconnaissance and search and rescue missions; provided security patrols; and staffed the New Jersey State Police Regional Operations Intelligence Center. In addition, the National Guard facilitated the operation to distribute fuel and generators Statewide; provided engineering support to civil authorities for clean-up, road clearing, and beach replenishment efforts; provided and staffed mobile kitchens, and supported traffic control points. Preliminary estimates, as of April 2013, indicate that total costs incurred by DMAVA for Super Storm Sandy are \$8.9 million primarily for emergency protective measures, \$5.9 million of which will be funded from Federal Emergency Management Agency (FEMA) reimbursements. The federal reimbursement amount represents 75 percent of allowable costs (which do not include damages to state property.)

¹ This figure is based on the most recent federal Census Bureau data.

Highlights (Cont'd)

- The FY 2014 Governor's Budget recommends an appropriation of \$34 million in federal funds, assuming full funding of the Military Construction Cooperative Agreement for the regional training facility at Sea Girt. This funding is separate from the funding of \$24.2 million anticipated for Sea Girt provided in H.R.152, the Disaster Relief Appropriations Act of 2013. According to DMAVA the amounts for federal disaster relief funding for Sea Girt will be included in the federal funds update in May.

Services to Veterans

- The Department of Military and Veterans' Affairs is responsible for the support and coordination of 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 2014, equivalent to those served in FY 2013.
- The expansion of Veterans Haven North located at the former Hagedorn Psychiatric Hospital in Glen Gardner is complete. The facility opened in July 2012, accommodating 50 residents and is expected to provide services for up to 100 residents in the future. The objective of locating another Veterans Haven facility at Hagedorn is to reach and serve homeless veterans living in the northern part of the State. The FY 2014 Governor's Budget recommends a funding level of \$1.6 million, an increase of \$244,000, to fund the annualized costs, primarily food and other supplies, for the residents at Veterans Haven North.
- The FY 2014 Governor's Budget recommends an appropriation of \$7 million in federal funds for the Brigadier General William C. Doyle Veterans Memorial Cemetery in North Hanover Township, Burlington County, New Jersey, assuming full funding of the expansion and improvements outlined in the Cemetery Master Plan.

Background Papers

New Jersey National Guard Response to Super Storm Sandy	p.10
Veterans Haven	p.11

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2012	Adj. Approp. FY 2013	Recom. FY 2014	Percent Change	
				2012-14	2013-14
General Fund					
Direct State Services	\$92,058	\$91,597	\$91,450	(0.7%)	(0.2%)
Grants-In-Aid	2,115	2,674	2,624	24.1%	(1.9%)
State Aid	0	0	0	0.0%	0.0%
Capital Construction	14	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$94,187	\$94,271	\$94,074	(0.1%)	(0.2%)
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	\$94,187	\$94,271	\$94,074	(0.1%)	(0.2%)
Federal Funds	\$40,616	\$90,973	\$93,622	130.5%	2.9%
Other Funds	\$713	\$3,527	\$5,134	620.1%	45.6%
Grand Total	\$135,516	\$188,771	\$192,830	42.3%	2.2%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2012	Revised FY 2013	Funded FY 2014	Percent Change	
				2012-14	2013-14
State	1,300	1,318	1,341	3.2%	1.7%
Federal	172	166	174	1.2%	4.8%
All Other	0	0	0	0.0%	0.0%
Total Positions	1,472	1,484	1,515	2.9%	2.1%

FY 2012 (as of December) and revised FY 2013 (as of January) personnel data reflect actual payroll counts. FY 2014 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	61.4%	62.6%	64.5	---	---
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2013</u>	<u>Recomm.</u> <u>FY 2014</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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MILITARY SERVICESDirect State Services

Materials and Supplies	\$603	\$532	(\$ 71)	(11.8%)	D-285
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This proposed reduction represents the allocation of a portion of the department's pro rata share of Statewide energy savings from reduced fuel and utility costs. Of the \$71,000 decrease in the Materials and Supplies account, \$9,000 in savings is allocated to New Jersey National Guard Support Services program and \$62,000 in savings is allocated to the Joint Training Center Management and Operations program.

Federal Funds

New Jersey National Guard Support Services	\$34,309	\$32,190	(\$2,119)	(6.2%)	D-286
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This budget line aggregates multiple federal grants that meet capital and operating needs of the New Jersey National Guard. Proposed program changes within this item include reductions totaling \$2.865 million, predominantly federal support contracts which are offset by increases of \$746,000 primarily for the Hazardous Waste Environmental Protection Program and the National Guard Statewide Security Agreement.

Administration and Support Services	\$38,000	\$43,000	\$ 5,000	13.2%	D-286
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Federal financial support for the New Jersey National Guard includes funding for federally approved construction projects. The projected increase of \$5 million reflects anticipated federal receipts in FY 2014 for ongoing projects.

All Other Funds

New Jersey National Guard Support Services	\$2,160	\$1,760	(\$ 400)	(18.5%)	D-286
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This appropriation represents anticipated revenue from the rental of armory facilities for a variety of uses. In addition, revenues from other sources to supplement funding for certain National Guard programs such as the Distance Learning Program, the New Jersey National Guard Youth ChalleNGe and summer camp programs are appropriated from this account. The proposed reduction represents an estimated decrease in armory rental receipts due to the

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2013</u>	<u>Recomm.</u> <u>FY 2014</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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planned sale of several armories (Plainfield, Newton, and Bridgeton) and fewer armories being leased for non-military purposes.

SERVICES TO VETERANSDirect State Services

Veterans Haven	\$1,368	\$1,607	\$ 239	17.5%	D-288
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This proposed increase represents the increased annualized operating costs, primarily for food and other supplies for the 50 new residents at Veterans Haven North, which opened in FY 2013. Veterans Haven North and Veterans Haven South are transitional housing facilities owned and operated by the State. The Veterans Haven program provides temporary housing, counseling, and occupational training to help homeless veterans.

Burial Services	\$2,304	\$2,192	(\$ 112)	(4.9%)	D-288
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This account appropriates funds for the burial of eligible New Jersey veterans, their spouses, and their dependents at the Brigadier General William C. Doyle Veterans Memorial Cemetery in North Hanover Township, Burlington County, New Jersey. It also provides funds for the maintenance of the grounds at the Fairmount Veterans Cemetery in Newark, the Arlington Cemetery in Kearney, and the memorial cemetery on the grounds of Vineland Veterans' Memorial Home. This proposed reduction in burial services funding will be supplanted by an anticipated increase in federal Plot Interment Allowance (PIA) receipts from the U.S. Department of Veterans Affairs. The funds received for plot interment allowances from the U.S. Department of Veterans Affairs and burial fees collected are appropriated for the perpetual care and maintenance of burial plots and grounds at the Brigadier General William C. Doyle Veterans Memorial Cemetery in North Hanover Township, Burlington County, New Jersey.

Grants-In-Aid

Support Services for Returning Veterans	\$600	\$550	(\$ 50)	(8.3%)	D-289
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This appropriation provides State financial assistance for mortgages and other related expenses to veterans and their families in an effort to mitigate the income gap while deployed and upon return from deployment. This proposed reduction represents a decreased need to provide financial assistance to returning veterans. Budget language provides that upon approval of the Director of Budget and Accounting funds appropriated and the unexpended balances at the end of the preceding fiscal year for Support Services for Returning Veterans may be transferred to the Veterans Outreach and Assistance-Direct State Services account, the Veterans Haven- Direct State Services account, and the Veterans Transportation-Grants-In-Aid account.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2013</u>	<u>Recomm.</u> <u>FY 2014</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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All Other Funds

Veterans Haven	\$704	\$2,196	\$ 1,492	211.9%	D-289
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This account appropriates federal per diem revenues for Veterans Transitional Housing. This proposed increase represents anticipated U.S. Veterans Affairs (VA) per diem revenues for Veterans Haven North and Veterans Haven South based on an anticipated increase in Veteran Haven resident population in FY 2014. The estimate is predicated upon full occupancy at each Veterans Haven home and the maximum per diem rate to provide a continuing level of funding. Actual funding will be lower if maximum occupancy rates are not achieved. The current VA per diem rate is \$41.90.

Burial Services	\$500	\$1,000	\$ 500	100.0%	D-289
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This account appropriates federal Plot Interment Allowance funding from the U.S. Department of Veterans Affairs and burial fees for the perpetual care and maintenance of burial plots and grounds at the Brigadier General William C. Doyle Memorial Cemetery in North Hanover Township, Burlington County, New Jersey. This proposed increase represents an increase in the federal Plot Interment Allowance reimbursements from \$350 to \$700 per interment.

VETERANS MEMORIAL NURSING HOMES

Direct State Services

Materials and Supplies

Paramus Veterans' Memorial Home	\$1,588	\$1,520	(\$ 68)	(4.3%)	D-292
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Vineland Veterans' Memorial Home	\$1,800	\$1,669	(\$ 131)	(7.3%)	D-293
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This proposed reduction represents the allocation of a portion of the department's pro rata share of statewide energy savings from reduced fuel and utility costs. Of the \$199,000 decrease in Materials and Supplies, \$68,000 in savings is allocated to the Paramus Veterans' Memorial Home and \$131,000 in savings is allocated to the Vineland Veterans' Memorial Home.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2013</u>	<u>Recomm.</u> <u>FY 2014</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					
Menlo Park Veterans' Memorial Home	\$3,400	\$3,200	(\$ 200)	(5.9%)	D-291
Paramus Veterans' Memorial Home	\$4,700	\$5,208	\$ 508	10.8%	D-292
Vineland Veterans' Memorial Home	\$2,800	\$2,260	(\$ 540)	(19.3%)	D-294

This total reduction represents a recurring supplemental appropriation from prior year revenues from U.S. Department of Veterans Affairs per diems, member maintenance contributions, and Medicare Part A receipts accounted for in Schedule I under "Soldiers' Homes." 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 remaining 60 percent is deposited into the General Fund. The department uses the supplemental appropriation for veterans' program needs, mostly medical supplies and equipment, at the three veterans homes.

Significant Language Changes

Reallocation of Resources to Support Veterans Services

Revision

2013 Handbook: p. B-147
2014 Budget: p. D-290

From the amount hereinabove appropriated for the Support Services for Returning Veterans, such sums as may be required may be transferred to Veterans Outreach and Assistance-Direct State Services, Veterans Haven-Direct State Services and Veterans' Transportation-Grants-In-Aid, subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balance at the end of the preceding year in the Support Services for Returning Veterans account is appropriated for the ~~Veterans Haven program~~same purpose.

Explanation

The FY 2013 Appropriations Act included budget language authorizing the Director of the Division of Budget and Accounting to reallocate funds in the Support Services for Returning Veterans to the Veterans Outreach and Assistance-Direct State Services, Veterans Haven-Direct State Services, and Veterans Transportation-Grants-In-Aid accounts in order to provide flexibility to the department for the management and operation of Veterans Haven and related transportation and outreach services. In addition, budget language appropriated the unexpended balance in the Support Services for Returning Veterans account for the Veterans Haven program.

This proposed amendment will appropriate the unexpended balance in the Support Services for Returning Veterans for Veterans Outreach and Assistance-Direct State Services and Veterans Transportation-direct State Services, as well as for Veterans Haven-Direct State Services. The effect of appropriating the unexpended balance for these two additional programs provides more budget flexibility to the department by expanding the range of programs upon which unexpended balances in the account for Support Services for Returning Veterans can be expended. Funding for Support Services for Returning Veterans provides financial assistance to soldiers and their families while deployed and upon their return. The Office of Legislative Services notes that in addition to expanding the use of the funds in this account, the funding level for Support Services for Returning Veterans has been reduced from \$1 million in FY 2012 to a FY 2014 recommended appropriation of \$550,000.

EXPLANATION: FY 2013 language not recommended for FY 2014 denoted by strikethrough.
Recommended FY 2014 language that did not appear in FY 2013 denoted by underlining.

Background Paper: New Jersey National Guard Response to Super Storm Sandy

The Department of Military and Veterans' Affairs (DMAVA) is an Executive Branch Department of the State of New Jersey. Its Commissioner, the Adjutant General, is the commander of the New Jersey Air and Army National Guard (NJNG). The goal of the DMAVA is (1) to provide highly trained military forces poised for rapid response to national disasters and states of emergencies on the orders of the Governor in order to preserve peace and public safety and (2) to respond to national security threats at the direction of the President in the event of a war or other national emergency to augment the active military forces.

On October 29, 2012, Super Storm Sandy made landfall in New Jersey, causing historic flooding, widespread power outages and wind damage, becoming one of the worst weather-related disasters in State history. In response to Sandy, the NJNG activated over 2,000 soldiers and airmen to assist civil authorities by providing search and rescue support operations, security patrols, observation posts, aerial reconnaissance missions, and support of local traffic control points. They also evacuated nearly 7,000 people, including almost 4,000 from Ocean, Atlantic, and Cape May Counties. While many soldiers stayed behind in various counties to maintain a presence and protect the area and the people who chose to stay in their homes, other soldiers assisted agencies, such as the Federal Emergency Management Agency (FEMA), with fuel and generator distribution operations at various locations in the State. The NJNG also provided bulldozers and engineering support to civil authorities for cleanup efforts, including conducting road clearing, beach replenishment and sea wall creation operations in certain parts of the State. In addition, the NJNG transported water, food, and cots throughout the State, operated two mobile field kitchens, assisted with State shelter operations in Middlesex and Monmouth counties and expanded operations for shelter into Bergen and Hudson Counties. Total costs to date (April 2013) incurred by DMAVA are \$8.9 million.

On January 31, 2013, the President signed HR152, the Disaster Relief Appropriations Act. The portions relevant to the DMAVA and the NJNG are \$24.2 million for Army National Guard Military Construction at the Sea Girt National Guard Training Center, \$3.1 million for Army National Guard Operations and Maintenance, and \$5.8 million for Air National Guard Operations and Maintenance.

In addition to the military construction funding for the New Jersey National Guard and the reconstruction efforts at Sea Girt, provided under H.R. 152, FEMA approved a Public Assistance Grant Program in the amount of \$7.9 million to the State of New Jersey to reimburse the DMAVA for expenses related to statewide emergency protective services (FEMA Category B funding). FEMA's share of the cost is approximately \$5.9 million. The federal share of assistance is not less than 75% of allowable costs for emergency measures and permanent restoration, but does not include damages to State property. The grant program provides assistance to State, tribal and local governments, and certain types of private nonprofit organizations so that communities can quickly respond to and recover from major disasters or emergencies declared by the President. Through the program, FEMA provides supplemental federal disaster grant assistance for debris removal, emergency protective measures, and the repair, replacement, or restoration of disaster-damaged, publicly owned facilities and the facilities of certain private non-profit organizations.

Background Paper: Veterans Haven

Budget Pages.... C-15, D-281, D-287, D-289,

Introduction

Veterans Haven is the Department of Military and Veterans' Affairs transitional housing program for homeless veterans operated by the State. Veterans Haven South is located on the grounds of the former Ancora Psychiatric Hospital. The FY 2013 Appropriations Act included funding to open a second Veterans Haven facility on the premises of the former Senator Garrett W. Hagedorn Gero Psychiatric Hospital, in Glen Gardner, Lebanon Township, which is now known as Veterans Haven North and opened July 1, 2012.

The mission of the Veterans Haven program is to provide temporary housing, counseling, and occupational training for homeless veterans to assist them in their transition back into society. The program focuses on treatment, self-reclamation, and community integration through vocational training and job search assistance. Each of the three phases takes approximately three to six months to complete. During their stay, the veterans receive counseling, vocational training assistance, and job search assistance (resume workshops, computer training, etc). The program has a successful adjustment rate of 86 percent; as measured by the number of residents who complete the program, are employed, and have permanent housing. Veterans Haven has a resident capacity rate of 199, ever since the new addition at Veterans Haven South opened in October 2011 providing places for 99 homeless veterans and the opening of Veterans Haven North in July 2012 providing places for an additional 100 homeless veterans. These two expansions doubled the capacity of Veterans Haven.

Veterans Haven North

The new Veterans Haven North facility opened in July 2012, accepting 50 residents on the grounds of the former Senator Garrett W. Hagedorn Gero Psychiatric Hospital in Lebanon Township. The facility has 100 beds of which 50 are currently filled, to aid New Jersey's homeless veterans battling substance abuse. Veterans who stay at Veterans Haven North and have an income are required to pay 30 percent of their adjusted net income, less \$100 for personal allowance, for rent. The maximum monthly rent is \$300.

The FY 2013 Appropriations Act provided \$3.056 million in start-up funding for Veterans Haven North. The objective was to expand the Veterans Haven program in order to provide transitional housing services in the northern part of the State. Of that amount, \$1.498 million was budgeted in the Department of Human Services budget to fund the continuing operating and maintenance costs of the facility. In addition, approximately \$1.558 million was provided by the Department of Military and Veterans' Affairs to manage the program and provide transitional housing for an estimated 50 veterans in the first year and up to 100 veterans thereafter: \$400,000 was reallocated from the Grants-In-Aid Support Services for Returning Veterans appropriation to the Direct State Services Veterans Haven appropriation and \$1.158 million was reallocated from the Division of Property Management and Construction in the Department of the Treasury to the Department of Military and Veterans' Affairs to cover salary costs of Hagedorn staff who were transferring to staff Veterans Haven North. In addition, the budget provided carry forward authority to allow the use of unexpended balances in the Support Services for Returning Veterans account to make up any shortfall. While the

Background Paper: Veterans Haven (Cont'd)

department anticipated approximately \$493,000 in VA per diems for Veterans Haven North in FY 2013, those funds did not materialize. Federal funding is awarded on a competitive basis. While Veterans Haven South receives full VA per diem funding each year, Veterans Haven North will continue to apply for full funding. In FY 2014, DMAVA has applied for and anticipates \$1.051 million in VA per diem receipts for Veterans Haven North based on a population of 100 residents and \$1.120 million in VA per diem receipts for Veterans Haven South based on a population of 99 residents.

The FY Governor's Budget recommends an appropriation of \$1.6 million to fund the operations of Veterans Haven South and Veterans Haven North. While this represents a combined increase of \$239,000 in funding for the Veterans Haven Program, it represents an increase of \$244,000 for Veterans Haven North, but a reduction of \$5,000 for Veterans Haven South.

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