



ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
MILITARY AND
VETERANS' AFFAIRS**

FISCAL YEAR

2018-2019

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-6, C-14, C-21, C-25, C-27
D-279 to D-291

Fiscal Summary (\$000)

	Expended FY 2017	Adjusted Appropriation FY 2018	Recommended FY 2019	Percent Change 2018-19
State Budgeted	\$105,241	\$96,678	\$95,478	(1.2%)
Federal Funds	33,780	71,194	71,090	(.1%)
<u>Other</u>	<u>543</u>	<u>4,973</u>	<u>4,958</u>	<u>(.3%)</u>
Grand Total	\$139,564	\$172,845	\$171,526	(.8%)

Personnel Summary - Positions By Funding Source

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change 2018-19
State	1,226	1,268	1,288	1.6%
Federal	151	158	159	.6%
<u>Other</u>	<u>—</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,377	1,426	1,447	1.5%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 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 programs and services for the 371,518¹ 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 2019 Governor's Budget recommends \$171.5 million, in total funding for the operation and support of the department, a reduction of 0.8 percent. This total consists of \$95.5 million in State funds; \$71.1 million in federal funds; and \$4.9 million in other funds. Compared to FY 2018, State funds decrease by \$1.2 million (-1.24 percent). Federal and other funds decrease by insignificant amounts.

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, 2018, the Army and Air National Guard will be at 100 percent and 110 percent, respectively, of their authorized strength. It further projects that it will maintain those levels in FY 2019.

- FY 2019 State appropriations are recommended to decline by \$200,000, or 2.5 percent to \$7.7 million, due to the deletion of funding that had been provided to the department to preserve the State's military installations from federal base reduction and closure actions. Federal funds of about \$55 million are projected to continue federal support for the New Jersey National Guard (\$44 million) and \$11 million for major ongoing construction projects at the Joint Management Training Center in Sea Girt: \$1 million for photovoltaic projects and \$10 million for construction of the Regional Training Center.

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, Burial Services, and the three Veterans' Memorial Homes. The department operates 16 veteran service offices throughout the State. These offices assist veterans and their dependents secure State and federal benefits. Evaluation data indicates that the department will serve an estimated 100,000 veterans in FY 2019; provide 22,000 veterans' transportation trips; provide 20,000 post-traumatic stress disorder counseling sessions; house 160 homeless veterans; and perform 3,150 interments.

¹ Source: National Center for Veterans Analysis and Statistics (2016).

Highlights (Cont'd)

Veterans' Program Support

- The FY 2019 recommends \$9.4 million in State appropriations for veterans' support programs including, but not limited to, Veterans' Outreach and Assistance (\$3.7 million); Veterans' Haven (\$1.7 million); Burial Services (\$1.7 million); and Post Traumatic Stress Disorder (\$1.3 million). This maintains the FY 2018 funding level in total and as allocated for each specific program.
- The FY 2019 Governor's Budget recommends continued federal funding of \$5 million for continued improvements to the Brigadier General William C. Doyle Veterans' Memorial Cemetery including the realignment of grave markers and the rehabilitation of graves as well as the planning, design, and construction of additional in-ground burial site sections.

Veterans' Memorial Homes

The department owns and operates three veterans' memorial homes that provide long-term care, medical care, and nursing services to eligible veterans of all wars living in New Jersey who served on active duty and were honorably discharged. The veterans' memorial homes are located in Menlo Park, Paramus, and Vineland. The homes are inspected and licensed annually by the New Jersey Department of Health and the United States Department of Veterans Affairs.

- The FY 2019 Governor's budget recommends funding of \$78.2 million to support an average of 911 resident veterans in the budget year, \$1 million less than the level of funding as in FY 2018, and increases the share of revenue from U.S. Department of Veterans Affairs per diems, member maintenance contributions, and Medicare Part A receipts provided to the department to supplement this funding.
- The FY 2019 Governor's Budget discontinues language which authorized an additional appropriation of \$1 million for transportation services, free of charge, for residents of the veterans' memorial homes for transportation to and from appointments for ancillary health care.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2017	Adj. Approp. FY 2018	Recom. FY 2019	Percent Change	
				2017-19	2018-19
General Fund					
Direct State Services	\$98,444	\$94,264	\$93,064	(5.5%)	(1.3%)
Grants-In-Aid	2,558	2,414	2,414	(5.6%)	0.0%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	4,239	0	0	(100.0%)	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$105,241	\$96,678	\$95,478	(9.3%)	(1.2%)
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	\$105,241	\$96,678	\$95,478	(9.3%)	(1.2%)
Federal Funds	\$33,780	\$71,194	\$71,090	110.4%	(0.1%)
Other Funds	\$543	\$4,973	\$4,958	813.1%	(0.3%)
Grand Total	\$139,564	\$172,845	\$171,526	22.9%	(0.8%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change	
				2017-19	2018-19
State	1,226	1,268	1,288	5.1%	1.6%
Federal	151	158	159	5.3%	0.6%
All Other	0	0	0	0.0%	0.0%
Total Positions	1,377	1,426	1,447	5.1%	1.5%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	66.5%	64.2%	N/A	---	---
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</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

The Department of Military and Veterans' Affairs (DMVA), 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. Military Services appropriations are comprised of appropriations for Joint Training Center Management and Operations, New Jersey National Guard Support Services, and Administration and Support Services.

Direct State Services

Services Other Than Personal	\$1,126	\$926	(\$ 200)	(17.8%)	D-283
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This budget item funds operating expenses for National Guard Support Services such as travel, telephone services, and software maintenance and licensing agreements. In addition, this appropriation funds professional services from consultants, licensed technical professionals such as engineers, and legal services. Beginning in FY 2015 it has included \$200,000 to fund a contract with the Council on Armed Forces and Veterans' Affairs, an advocacy group comprised of State officials and members of the public who work collectively with the public and private sectors to preserve military installations. According to budget information, the FY 2018 appropriation is not needed and will not be expended for this purpose, and the funding will be eliminated in FY 2019.

In an effort to counter any potential federal policies that would reduce or close military installations in this State, the annual appropriations acts for fiscal years 2015-2018 each appropriated \$200,000 to the department which it used to fund Executive Order Nos. 134 (2013) and 154 (2014). The Executive Orders established the New Jersey Military Installation Growth and Development Task Force to study the long term viability of the State's five military bases and options for insulating them from closure. The five bases include: the Joint Base McGuire-Dix-Lakehurst; the 177th Fighter Wing at Atlantic City Airport in Egg Harbor Township; the Coast Guard Station at Cape May; the Picatinny Arsenal in Morris County; and the Earle Naval Weapons Station in Monmouth County. Upon the recommendation of the Task Force, Executive Order 192 (2015) was issued extending the life of the task force and creating the Military and Defense Economic Ombudsman in the Department of State's Business Action Center. The mission of the Ombudsman is to preserve, enhance, and strengthen the State's military installations. P.L.2017, c.359, the Military and Defense Economic Ombudsman Act, established that office in DMVA.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</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

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, Burial Services and the three Veterans' Memorial Homes. The department operates 16 Veteran Service Offices throughout the State. The three memorial homes provide nursing home care for veterans with chronic disabilities or who are in need of rehabilitation services to prepare for return to the community. The total rated capacity of the homes is 948, and the projected FY 2019 census is 911.

VETERANS' MEMORIAL HOMES**Direct State Services****Services
Other Than
Personal**

Menlo Park Veterans' Memorial Home	\$1,536 S \$333	\$1,536	(\$ 333)	(17.8%)	D-287
Paramus Veterans' Memorial Home	\$1,335 S \$333	\$1,335	(\$ 333)	(20.0%)	D-289
Vineland Veterans' Memorial Home	\$2,467 S \$334	\$2,467	(\$ 334)	(11.9%)	D-290

Each year, as authorized by budget language, the appropriation for each veterans' memorial home is increased by a supplemental appropriation based on the prior year's revenues from U.S. Department of Veterans Affairs per diems, member maintenance contributions, and Medicare Part A receipts, which are accounted for in Schedule I under "Soldiers Homes" (Budget p. C-6). These amounts are then cut from the following year's base budget, and the cycle repeats. FY 2018 budget language provides that the department may receive 40 percent of the receipts from these sources that are in excess of the amount anticipated in the preceding fiscal year. These receipts are known as "excess receipts." 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

Another language provision, added to the FY 2018 Appropriations Act by the Legislature, authorized an additional appropriation of \$1 million to fund transportation services, free of charge, for residents of the veterans' memorial homes for transportation to and from appointments for ancillary health care.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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As displayed above, FY 2018 supplemental appropriations totaling \$1 million are projected to be allocated to the homes, divided nearly equally among them. The OLS has received conflicting information as to which of the two language provision serves as the authority for these supplemental appropriations. If the former, then their exclusion from FY 2019 recommended appropriations is consistent with budgetary convention; if the latter, then the impact of the funding decrease may be a reduction in transportation services to residents of the homes.

Significant Language Changes

Recurring Supplemental Appropriation for Excess Receipts

Revision	2018 Handbook: p. B-151 2019 Budget: p. D-291
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~~Forty percent of the receipts~~ Receipts in excess of ~~the amount~~ anticipated revenues derived from resident contributions and the U.S. Department of Veterans Affairs ~~at the end of the preceding fiscal year~~ are appropriated for veterans' program initiatives, subject to the approval of the Director of the Division of Budget and Accounting of an itemized plan for the expenditure of these amounts, as shall be submitted by the Adjutant General.

Explanation

The annual appropriation for each veterans' memorial home is usually augmented by a recurring supplemental appropriation from the prior year's 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" (pg. C-6). Budget language provides that the department may receive 40 percent of the receipts from these sources that are in excess of the amount anticipated in the preceding fiscal year. These receipts are known as "excess receipts." The remaining 60 percent is deposited into the General Fund. The department uses the supplemental appropriations for veterans' program needs, mostly medical supplies and equipment, at the three veterans' homes. The FY 2019 Governor's Budget revises this budget language to appropriate 100 percent of the current year's excess receipts for veterans' program initiatives instead of 40 percent of the prior year's receipts, thereby providing the department with additional funding for veterans' home needs.

FY 2019 budget information projects FY 2018 supplemental appropriations totaling \$1 million to the homes as follows: \$333,000 for Menlo Park Veterans' Memorial Home, \$333,000 for Paramus Veterans' Memorial Home, and \$334,000 for Vineland Veterans' Memorial Home. The OLS has received conflicting information as to whether these appropriations comprise excess receipts, or instead represent funding specifically for transportation services pursuant to the language provision discussed below.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)**Supplemental Appropriation for Veterans' Ancillary Health Care Transportation**

Deletion	2018 Handbook: p. B-152
	2019 Budget: n.a.

~~In addition to the amount hereinabove appropriated for the Department of Military and Veterans Affairs, there is appropriated \$1,000,000 for transportation to and from ancillary health care services when a resident admitted to a veterans' home elects to use those services. Ancillary health care services are services such as physician, laboratory, hospitalization, dental, surgical, chiropractic, vision care, pharmacy, and other related health care services. No resident shall at any time be charged or be required to incur an expense for such transportation.~~

Explanation

The FY 2018 Appropriations Act included, at the Legislature's initiative, the above language authorizing an additional \$1,000,000 for transportation to and from ancillary health care services when a resident admitted to a veterans' home elects to use those services. Ancillary health care services are services such as physician, laboratory, hospitalization, dental, surgical, chiropractic, vision care, pharmacy, and other related health care services. Residents are not to incur any expenses or be charged for such transportation services. The FY 2019 Governor's Budget proposes to discontinue this language.

It is unclear whether the department complied with the Legislature's intent that in FY 2018 transportation for ancillary health services be provided as requested and free of charge to residents. FY 2019 budget information projects FY 2018 supplemental appropriations totaling \$1 million to the Veterans' Memorial Homes, divided about equally among them. However, the OLS has received conflicting information as to whether these appropriations comprise funding specifically for transportation services pursuant to this language provision, or reflect revenues received from U.S. Department of Veterans Affairs per diems, member maintenance contributions, and Medicare Part A receipts, which could be used for different purposes.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

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Individuals wishing information and committee schedules on the FY 2019 budget are encouraged to contact:

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