

ANALYSIS OF THE NEW JERSEY  
FISCAL YEAR 2002 - 2003 BUDGET



DEPARTMENT OF MILITARY AND  
VETERANS' AFFAIRS

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

APRIL 2002

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# DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-18, C-26, C-34; D-351 to D-366

## Fiscal Summary (\$000)

	Expended FY 2001	Adjusted. Appropriation FY 2002	Recommended FY 2003	Percent Change 2002-03
State Budgeted	\$88,064	\$80,385	\$71,635	(10.9)%
Federal Funds	18,756	62,459	61,101	(2.2)%
<u>Other</u>	<u>30</u>	<u>1,543</u>	<u>1,543</u>	<u>0.0%</u>
Grand Total	\$106,850	\$144,387	\$134,279	(7.0)%

## Personnel Summary - Positions By Funding Source

	Actual FY 2001	Revised FY 2002	Funded FY 2003	Percent Change 2002-03
State	1,314	1,306	1,323	1.3%
Federal	150	146	177	21.2%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,464	1,452	1,500	3.3%

FY 2001 (as of December) and revised FY 2002 (as of September) personnel data reflect actual payroll counts. FY 2003 data reflect the number of positions funded.

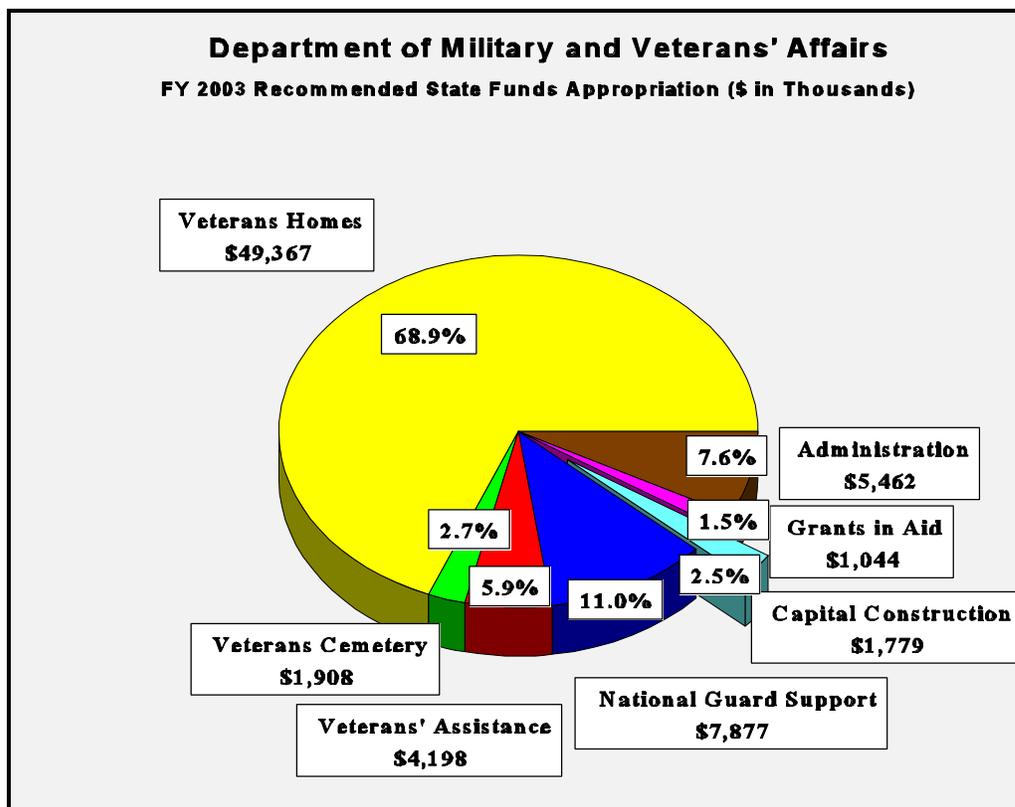
## Introduction

The Department of Military and Veterans' Affairs provides services and programs directed to New Jersey's estimated 700,000 veterans and their families while also directing New Jersey's National Guard units and their 10,000 service members. The department operates three nursing homes, maintains 33 active armories and a cemetery, and provides outreach and assistance to veterans. In its role as a State militia, the National Guard responds to emergencies within the State. The National Guard also remains on call to support missions in the interest of national defense.

### Key Points

An appropriation of \$71.6 million in State funds is recommended for the Department of Military and Veterans' Affairs in FY 2003, down \$8.8 million or 10.9 percent, from the FY 2002 adjusted appropriation of \$80.4 million. Direct state services funding — recommended at \$68.8 million — is \$3.2 million, or 4.5 percent below the FY 2002 adjusted appropriation of \$72 million. The department's capital construction funding is recommended at \$1.8 million, a decrease of \$5.2 million, or 74.4 percent below the FY 2002 adjusted appropriation of \$6.9 million. Federal and other funds are anticipated at \$61.1 million and \$1.5 million, respectively.

Deficit closure actions announced by the Governor would reduce the department's FY 2002 spending authority by \$4.6 million. Thus, the degree of change in fiscal resources between the two years is overstated. Including these anticipated FY 2002 reductions in spending, the FY 2003 recommended appropriation of \$71.6 million is \$4.2 million, or 5.5 percent, lower than the department's \$75.8 million spending authority for FY 2002.



## Key Points (Cont'd)

- The Governor's FY 2003 budget recommends a reduction of \$2 million for Domestic Security Preparedness. Pursuant to P.L.2001, c.246, the "New Jersey Domestic Security Preparedness Act," the department was appropriated this \$2 million in supplemental funding to initiate the training and equipping of domestic emergency response teams. These teams serve as first responders for disaster recovery related to acts of terrorism, weapons of mass destruction incidents and other public safety emergencies. Most of these funds remain unspent and \$500,000 may be targeted for lapse for deficit reduction. Any unexpended balances would be reappropriated for use in FY 2003 under recommended budget language.
- An appropriation of \$1.1 million, equal to the FY 2002 adjusted appropriation, is recommended for the State match to federal funds for the New Jersey National Guard Challenge Youth Program. The State match increased to the maximum 40 percent of program costs last year and remains at that level in FY 2003. Challenge Youth is a 22-week residential program for at-risk youth 16 to 18 years of age that provides education, life skills, leadership and employment training.
- An appropriation of \$1.3 million, an increase of \$250,000, or 24 percent, is recommended for the Joint Federal-State Operations and Maintenance Contracts (State Share) accounts. This increase in funding represents the State's match for an estimated \$750,000 in federal dollars for maintenance and repair projects throughout New Jersey National Guard facilities.
- The Governor recommends new direct state service funding of \$94,000 to enhance and restore veterans services at Veterans Haven, Yardville. This represents a \$19,000 increase in funding for this program over the \$75,000 grants-in-aid funding for the same purpose in FY 2002.
- An increase of \$45,000 for maintenance costs on the newly established Korean Veterans War Memorial is recommended by the Governor. Located along the boardwalk in Atlantic City, this memorial was dedicated in November 2000.
- FY 2002 supplemental funding of \$50,000 for a study on the needs of veterans in the State is not recommended for continuation. A contract with a private vendor has been awarded to initiate the study, however, the results are not complete.
- Grants-in-aid totaling \$250,000, provided as the result of legislative initiatives in FY 2002, are not recommended for funding in FY 2003. These include grants to the Bordentown City - Veterans Memorial (\$50,000); Family Service, Mount Holly - Veterans' Homeless Housing (\$25,000); Veterans Haven, Yardville (\$75,000); Vietnam Veterans United, Inc. - Mercer County Memorial Improvements (\$25,000); Burlington City Veterans' Bus Transportation (\$25,000) and Veterans' Memorial at Garden State Parkway Ocean View Toll Plaza (\$50,000). In addition, the budget recommendation would reduce the grant for Post Traumatic Stress Disorder from \$400,000 to \$300,000, cutting the \$100,000 increase provided by Legislative initiative in FY 2002.
- The budget anticipates that the department will realize \$900,000 in annualized attrition savings in FY 2003.

## Key Points (Cont'd)

- A \$73,000 reduction in funding for equipment and other material is recommended in the Governor's FY 2003 budget, a 31.3 percent decline, from \$233,000 to \$160,000.
- Approximately 69 percent of the department's recommended State appropriation is direct state service funding of the veterans' nursing homes at Menlo Park, Paramus and Vineland. The combined recommended appropriation of \$49.4 million for these three homes is 2 percent below the FY 2002 adjusted appropriation of \$50.5 million.
- The FY 2003 recommended budget discontinues funding of \$125,000 for the Naval Militia Joint Command. The Naval Militia is available for a call-up by the Governor in time of State emergencies and its services are provided at minimal cost through the use of volunteer members and equipment or supplies provided by various federal agencies.
- The recommended budget includes \$1.8 million in capital construction funds for the department, a decrease of \$5.2 million, or 74.5 percent, below the \$6.9 million FY 2002 adjusted appropriation. In FY 2002, \$2.8 million from various capital construction accounts was targeted for lapse as a deficit reduction action.
- The decrease in the recommended appropriation for capital construction is largely attributable to a \$2.8 million reduction, from \$3.8 million to \$1 million, in funding for a replacement facility for the Vineland veterans' nursing home. The expected completion date for the new Vineland facility is the Fall of 2003. Other major capital funding reductions include \$1 million in FY 2002 supplemental funding for the construction of the New Jersey World War II Veterans Memorial, \$930,000 for the preservation of existing structures, and \$727,000 for fire and life safety improvements. The budget recommendation includes \$300,000 in new funding for anti-terrorism security measures at various facilities. The FY 2002 supplemental appropriation for the World War II Veterans Memorial was targeted for lapse by the Governor as a deficit reduction action.
- Total federal funding is anticipated to decline slightly, from a FY 2002 adjusted appropriation of \$62.5 million to \$61.1 million in FY 2003. The primary reason for this decrease includes the anticipation of a \$3.1 million reduction in funding for the design and construction of the Vineland Memorial Veterans' Home. This decrease will be partially offset by increases in other accounts, including \$600,000 for continued development at the veterans' cemetery as outlined in the department's Master Plan, \$1 million for the McGuire and Atlantic City Air Force Base Service Contracts, \$500,000 for the Army National Guard security agreement, and \$100,000 for the New Jersey National Guard Challenge Youth Program.

## Background Paper

September 11th Response

p. 21

## Program Description and Overview

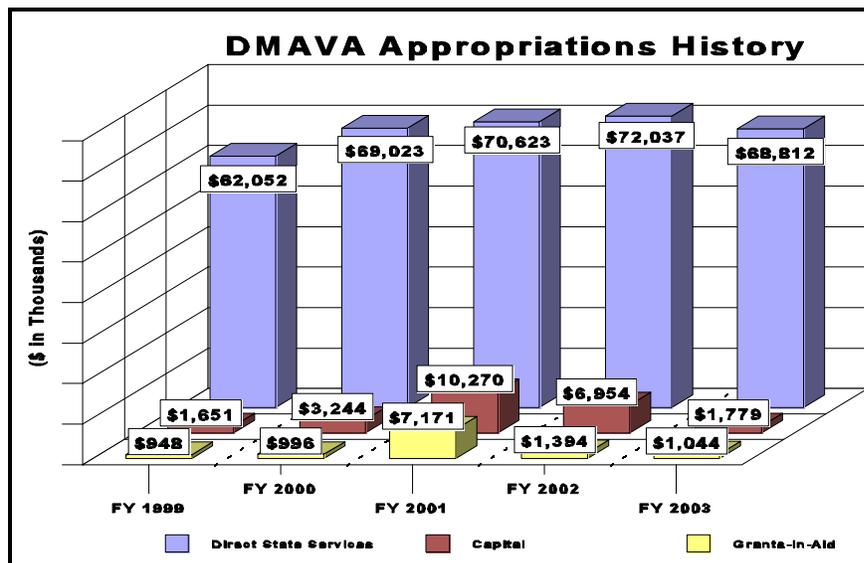
The New Jersey Department of Military and Veterans' Affairs, under the direction of the Adjutant General of New Jersey, is responsible for supporting the New Jersey Army and Air National Guard and administering veterans programs and services. The department was formed in 1988 through the merger of the Department of Defense and the Division of Veterans' Programs and Special Services within the Department of Human Services.

In its role as a State militia, the National Guard responds to emergencies within the State upon the declaration of a state of 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 operates veterans nursing homes at Paramus, Menlo Park (Edison Township) and Vineland; Veterans Haven, a transitional housing program for homeless veterans; and the Brigadier General William C. Doyle Veterans Memorial Cemetery in Arneytown. The department also operates 15 veterans service offices throughout the State that provide outreach and assistance.

To support these activities, a total State appropriation of \$71.6 million is recommended in FY 2003. This represents a decrease of approximately \$8.7 million, or 10.9 percent, from the department's adjusted appropriation of \$80.4 million in FY 2002. This decrease is due primarily to a recommended \$5.2 million reduction in funding for capital purposes and a \$3.2 million decline in Direct State Services.

The State-funded portion of the department's budget has risen 24 percent, from \$64.7 million in FY 1999 to \$80.4 million in FY 2002. The table below summarizes the department's State funding by budget category from FY 1999 to the recommended amount for FY 2003.



Note: For the chart above, FY 1999 - FY 2001 show expended amounts; FY 2002 is the adjusted appropriation, and FY 2003 is the recommended budget appropriation.

## Program Description and Overview (Cont'd)

### MILITARY SERVICES

The Department of Military and Veterans' Affairs is responsible for the support and coordination of Army and Air National Guard activities in New Jersey. The department estimates that 95 percent of the 7,407 authorized Army National Guard and 100 percent of the 2,500 authorized Air National Guard positions will be filled in FY 2003.

The department will maintain 38 armories in FY 2003, five of which do not have resident National Guard units. Compared to FY 2002, use days at the armories, also known as Interactive Community Resource Centers, are expected to decline slightly to 28,800 in FY 2003. Making armories available for non-National Guard functions is anticipated to generate \$925,000 in revenues in FY 2003, equal to FY 2002 anticipated receipts. Receipts have averaged \$97,780 per month through the first nine months of FY 2002, a rate that projects to total revenues of \$1.1 million. The table on the next page presents data on the strengths of the Army and Air National Guard as well as the number of armory use days from FY 2001 to FY 2003.

As indicated in Table II, the FY 2003 direct state services recommendation for Military Services is \$13.3 million, down \$2.1 million, or 13.5 percent, from the FY 2002 adjusted appropriation of \$15.4 million. The reason for this decrease is the elimination of \$2 million in FY 2002 supplemental funding for domestic security preparedness. This funding was part of a total \$8.95 million multi-agency appropriation under the "New Jersey Domestic Security Preparedness Act," in response to the September 11 terrorist attack.

The Governor's budget recommends \$779,000 in capital construction appropriations for Military Services, down 63.5 percent from the FY 2002 adjusted appropriation of \$2.1 million. The department requested \$10.7 million in capital funds for Military Services before the Commission on Capital Budgeting and Planning.

Federal funding is anticipated to rise \$1.2 million, or 2.6 percent, to \$46.9 million in FY 2003 primarily due to slight increases in various service contracts and security agreements.

## Program Description and Overview (Cont'd)

## I. MILITARY SERVICES STATISTICAL DATA

	Actual FY 2001	Revised FY 2002	Estimated FY 2003
Authorized Strength, Army National Guard	7,407	7,407	7,407
Strength of Army National Guard, June 30	97%	95%	95%
Authorized Strength, Air National Guard	2,441	2,441	2,500
Strength of Air National Guard, June 30	100%	100%	100%
Military Use of Armories (days)	17,502	17,500	16,500
Other State Agencies Using Armories (days)	1,569	1,600	1,600
Public/Private Users of Armories (days)	10,422	10,300	10,700

 II. MILITARY SERVICES GENERAL FUND APPROPRIATION  
 (\$ in 000s)

	<u>Adjusted Approp.</u> <u>FY 2002</u>	<u>Recommended</u> <u>FY 2003</u>	<u>Percent Change</u> <u>FY 2002-03</u>
Direct State Services:	<u>\$15,415</u>	<u>\$13,339</u>	<u>(13.5)%</u>
Central Operations	5,540	5,462	(1.4)%
National Guard Programs	9,875	7,877	(20.2)%
Grants-In-Aid:	<u>35</u>	<u>35</u>	<u>0%</u>
New Jersey National Guard Support Services	35	35	0%
Capital Construction:	<u>2,136</u>	<u>779</u>	<u>(63.5)%</u>
Administration and Support Services	2,136	779	(63.5)%
<b>TOTAL</b>	<b>\$17,586</b>	<b>\$14,153</b>	<b>(19.5)%</b>

## Program Description and Overview (Cont'd)

### 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. These responsibilities include:

- (1) Long-Term Care Services. The department operates veterans nursing homes in Menlo Park, Paramus and Vineland. These facilities provide nursing home care for eligible veterans, their spouses, and parents of individuals killed in action. Eligibility requirements for veterans include an honorable discharge and two-year State residency preceding the date of application. The three nursing homes have a combined capacity of 946 patients.
- (2) Burial Services. The department provides New Jersey veterans, their spouses and dependents with burial services at the Brigadier General William C. Doyle Veterans Memorial Cemetery. The cemetery has 110,000 burial spaces, with 26,224 anticipated to be filled by the end of FY 2002 and 2,700 burials projected in FY 2003.
- (3) Veterans Outreach and Assistance. The department operates 15 veterans affairs services offices throughout the State. These service offices assist veterans and their dependents in securing State and federal entitlements. Evaluation data indicates the department will serve an estimated 37,000 veterans and process 2,700 claims in FY 2003.

The department also provides community-based services through third-party contracts for transportation and post-traumatic stress disorder counseling. In FY 2003, the number of trips provided in the transportation program is estimated at 27,000, up 800 over the 26,200 in FY 2002. An estimated 5,200 counseling sessions will be provided in FY 2003, level with the number provided in FY 2002. A total appropriation of \$1 million is recommended in FY 2003 to fund grants-in-aid for the paraplegic, hemiplegic, blind veterans allowance and post traumatic stress disorder programs, and various education programs, the same level of funding for these programs as in FY 2002. Six items totaling \$250,000 added by the Legislature in FY 2002 are not continued.

The tables below provide budget and statistical information for the Services to Veterans category. As shown in Table III, funding for direct state services is recommended at almost \$55.5 million, slightly less than the \$56.6 million FY 2002 adjusted appropriation. Direct state services funding for the Menlo Park nursing home is recommended to decline \$565,000, Paramus facility funding is recommended to decrease \$250,000, and funding for the Vineland nursing home is recommended to decrease \$288,000. The three nursing homes receive Medicare reimbursements and other federal funding.

In addition, the Transitional Housing Program receives federal funding and residents' co-payments, which would be appropriated to the program through recommended budget language. This program provides housing and employment assistance to homeless veterans recovering from alcohol or drug abuse and has a capacity of 51 residents.

The budget recommends a total of 1,156 funded positions for FY 2003 in Services to Veterans programs, of which 1,150 are State supported and six are federally supported. This represents a 2.1 percent increase in State-funded positions for Services to Veterans from the FY 2002 payroll count of 1,126. Most of these new positions are for the Menlo Park and Vineland nursing homes.

## Program Description and Overview (Cont'd)

## III. SERVICES TO VETERANS GENERAL FUND APPROPRIATION

(\$ in 000s)

	<u>Adjusted Approp.</u> <u>FY 2002</u>	<u>Recommended FY</u> <u>2003</u>	<u>Percent Change</u> <u>FY 2002-2003</u>
Direct State Services:	<u>\$56,622</u>	<u>\$55,473</u>	<u>(2.0)%</u>
Veterans Program Support	6,152	6,106	(0.7)%
Menlo Park Memorial Home	17,165	16,600	(3.3)%
Paramus Memorial Home	16,608	16,358	(1.5)%
Vineland Memorial Home	16,697	16,409	(1.7)%
Grants-In-Aid:	<u>1,359</u>	<u>1,009</u>	<u>(25.8)%</u>
Veterans' Outreach and Assistance	1,359	1,009	(25.8)%
Capital Construction:	<u>\$4,818</u>	<u>\$1,000</u>	<u>(79.2)%</u>
Vineland Memorial Home	3,818	1,000	(73.8)%
World War II Memorial	1,000	0	(100)%
<b>TOTAL</b>	<b>\$62,799</b>	<b>\$57,482</b>	<b>(8.5)%</b>

## IV. SERVICES TO VETERANS STATISTICAL DATA

	<b>Actual FY 2001</b>	<b>Revised FY 2002</b>	<b>Estimated FY 2003</b>
<b>Veterans Receiving Services at Field Offices</b>	<b>37,000</b>	<b>35,500</b>	<b>37,000</b>
<b>Number of Field Offices</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Brigadier General Doyle Memorial Cemetery - Total Interments</b>	<b>23,579</b>	<b>26,224</b>	<b>28,924</b>
<b>Menlo Park Veterans' Memorial Home:</b>			
<b>Rated Capacity</b>	<b>332</b>	<b>328</b>	<b>328</b>
<b>Average Daily Population</b>	<b>262</b>	<b>262</b>	<b>262</b>
<b>Paramus Veterans' Memorial Home:</b>			
<b>Rated Capacity</b>	<b>336</b>	<b>336</b>	<b>336</b>
<b>Average Daily Population</b>	<b>323</b>	<b>323</b>	<b>323</b>
<b>Vineland Veterans' Memorial Home:</b>			
<b>Rated Capacity</b>	<b>282</b>	<b>282</b>	<b>282</b>
<b>Average Daily Population</b>	<b>262</b>	<b>262</b>	<b>262</b>

## Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2001	Adj. Approp. FY 2002	Recom. FY 2003	Percent Change	
				2001-03	2002-03
<b>General Fund</b>					
Direct State Services	\$70,623	\$72,037	\$68,812	(2.6)%	(4.5)%
Grants-In-Aid	7,171	1,394	1,044	(85.4)%	(25.1)%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	10,270	6,954	1,779	(82.7)%	(74.4)%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$88,064</b>	<b>\$80,385</b>	<b>\$71,635</b>	<b>(18.7)%</b>	<b>(10.9)%</b>
<b>Property Tax Relief Fund</b>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$88,064</b>	<b>\$80,385</b>	<b>\$71,635</b>	<b>(18.7)%</b>	<b>(10.9)%</b>
<b>Federal Funds</b>	<b>\$18,756</b>	<b>\$62,459</b>	<b>\$61,101</b>	<b>225.8%</b>	<b>(2.2)%</b>
<b>Other Funds</b>	<b>\$30</b>	<b>\$1,543</b>	<b>\$1,543</b>	<b>5043.3%</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$106,850</b>	<b>\$144,387</b>	<b>\$134,279</b>	<b>25.7%</b>	<b>(7.0)%</b>

## PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2001	Revised FY 2002	Funded FY 2003	Percent Change	
				2001-03	2002-03
State	1,314	1,306	1,323	0.7%	1.3%
Federal	150	146	177	18.0%	21.2%
All Other	0	0	0	0.0%	0.0%
<b>Total Positions</b>	<b>1,464</b>	<b>1,452</b>	<b>1,500</b>	<b>2.5%</b>	<b>3.3%</b>

FY 2001 (as of December) and revised FY 2002 (as of September) personnel data reflect actual payroll counts. FY 2003 data reflect the number of positions funded.

## AFFIRMATIVE ACTION DATA

Total Minority Percent	54.0%	54.9%	54.9%	----	----
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**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2002</u>	<u>Recomm. FY 2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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*MILITARY SERVICES*Direct State Service

<b>Naval Militia Joint Command</b>	<b>\$125</b>	<b>\$0</b>	<b>(\$125)</b>	<b>(100.0)%</b>	<b>D-355</b>
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This legislative initiative funded "seed money" to aid in the development of the Naval Militia Joint Command, specifically in personnel and operational support.

<b>NJ Domestic Security Preparedness</b>	<b>\$2,000</b>	<b>\$0</b>	<b>(\$2,000)</b>	<b>(100.0)%</b>	<b>D-355</b>
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Pursuant to P.L.2001, c.246, the "New Jersey Domestic Security Preparedness Act," the department was appropriated \$2 million in supplemental FY 2002 funding to initiate the training and equipping of domestic emergency response teams. These teams serve as first responders for disaster recovery related to acts of terrorism, weapons of mass destruction incidents and other public safety emergencies. Most of this funding remains unspent and \$500,000 may be targeted to lapse for deficit reduction. Language is recommended to reappropriate unexpended balances for use in FY 2003.

<b>Joint Federal-State Operations and Maintenance Contracts (State Share)</b>	<b>\$1,052</b>	<b>\$1,302</b>	<b>\$250</b>	<b>23.8%</b>	<b>D-356</b>
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This recommended increase represents increased costs for various maintenance and repair projects throughout New Jersey National Guard facilities.

<b>Additions, Improvements and Equipment</b>	<b>\$89</b>	<b>\$19</b>	<b>(\$70)</b>	<b>(78.7)%</b>	<b>D-356</b>
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This recommended reduction will force the department to defer various improvement projects and the purchase of equipment.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2002</u>	<u>Recomm. FY 2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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**Capital Construction**

<b>Fire and Life Safety, Statewide</b>	<b>\$1,206</b>	<b>\$479</b>	<b>(\$727)</b>	<b>(60.3)%</b>	<b>D-356</b>
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This recommended appropriation would fund items categorized as fire / life safety that are outside the scope of the renovations and improvements program. These projects include the installation of fire suppression systems at seven armories: Cherry Hill, Dover, Flemington, Franklin, Freehold, Woodbridge and Woodbury.

<b>Security Enhancements</b>	<b>\$0</b>	<b>\$300</b>	<b>\$300</b>	<b>—</b>	<b>D-356</b>
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This recommended appropriation would fund the installation of Force Protection security measures against terrorism by modifying existing facilities without changing their functionality. Projects include the upgrading of existing or new installation of access control security systems, security fencing and lighting, window and door glazing modifications and limiting airborne contaminants.

<b>Preservation of Existing Structures</b>	<b>\$930</b>	<b>\$0</b>	<b>(\$930)</b>	<b>(100.0)%</b>	<b>D-356</b>
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This recommended reduction in funding would defer maintenance projects, including moisture protection, repairs to building equipment, and electrical systems upgrades, to future budget years.

**Federal Funds**

<b>New Jersey National Guard Support Services</b>	<b>\$21,359</b>	<b>\$24,942</b>	<b>\$3,583</b>	<b>16.8%</b>	<b>D-357</b>
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Increases of \$4.4 million for a variety of programs — \$1.4 million for army facilities; \$1 million for facilities support; \$418,000 for McGuire Air Base and \$553,000 for the Atlantic City Air Base; and \$104,000 for the Challenge Youth program — will be offset somewhat by reductions totaling \$829,000.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2002</u>	<u>Recomm. FY 2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Administrative and Support Services</b>	<b>\$24,400</b>	<b>\$22,000</b>	<b>(\$2,400)</b>	<b>(9.8)%</b>	<b>D-357</b>

This anticipated federal appropriation would fund the second phase of a project to design and construct a consolidated logistics and training facility at the Lakehurst Naval Engineering Station. This \$58.6 million federal project would result in the construction of a 619,000 square foot training and maintenance facility. During phase I, the logistics facility would be constructed. This would be followed by the construction of the training facility in phase II and the vehicle maintenance garage during phase III. The project reached the design development stage or 35 percent design completion in March 2002.

**SERVICES TO VETERANS****Direct State Services**

<b>Veterans Haven, Yardville</b>	<b>\$0</b>	<b>\$94</b>	<b>\$94</b>	<b>—</b>	<b>D-359</b>
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This new appropriation is recommended as a State match for a \$358,000 U.S. Department of Housing and Urban Development (HUD) grant for the continuing operations of the Veterans Haven Transitional Housing Program. This program provides temporary housing, counseling, and occupational training for homeless veterans in assisting their transition back to society.

<b>Korean War Memorial Maintenance Program</b>	<b>\$45</b>	<b>\$90</b>	<b>\$45</b>	<b>100.0%</b>	<b>D-359</b>
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This increased appropriation is recommended to fund the completion of the kiosk component of the Memorial and to maintain the Memorial.

<b>Study of Veterans' Needs</b>	<b>\$50</b>	<b>\$0</b>	<b>(\$50)</b>	<b>(100.0)%</b>	<b>D-359</b>
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This supplemental appropriation provided funding for a contract to study the needs of veterans in this State related to the replacement of the New Jersey Veterans' Memorial Home at Vineland, a long-term care licensed nursing home, and alternative services to institutional long-term care for veterans and other services.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2002</u>	<u>Recomm. FY 2003</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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**Grants-In-Aid**

Legislative Initiatives	\$350	\$0	(\$350)	(100.0)%	D-360
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FY 2002 legislative initiatives totaling \$350,000 are not recommended for appropriation in FY 2003. These include grants to the Bordentown City - Veterans Memorial (\$50,000); Family Service, Mount Holly - Veterans' Homeless Housing (\$25,000); Veterans Haven, Yardville (\$75,000); Vietnam Veterans United, Inc. - Mercer County Memorial Improvements (\$25,000); Burlington City Veterans' Bus Transportation (\$25,000) and Veterans' Memorial at Garden State Parkway Ocean View Toll Plaza (\$50,000). In addition, the budget recommendation would reduce the grant for Post Traumatic Stress Disorder by \$100,000, to recommended funding of \$300,000.

**Capital Construction**

World War II Memorial	\$1,000	\$0	(\$1,000)	(100.0)%	D-360
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This FY 2002 supplemental appropriation would have provided partial funding for the construction of the New Jersey World War II Veterans Memorial. This appropriation is targeted to lapse as part of the Governor's efforts to close the FY 2002 budget gap. Total State funding for construction of the memorial is estimated at approximately \$4 million.

***VETERANS' MEMORIAL HOMES*****Direct State Services**

Salaries and Wages	\$41,367	\$40,264	(\$1,103)	(2.7)%	D-362 to D-364
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The combined "Salaries and Wages" total for the Menlo Park, Paramus and Vineland veterans' nursing homes are recommended for reduction due to assigned attrition amounts. Funded position levels in FY 2003 are sufficient to maintain current staff to patient ratios.

**Capital Construction**

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2002</u>	<u>Recomm.</u> <u>FY 2003</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
<b>Construction and Replacement Facility</b>	<b>\$3,818</b>	<b>\$1,000</b>	<b>(\$2,818)</b>	<b>(73.8)%</b>	<b>D-365</b>

This recommendation has been reduced because pre-funding for the architectural and engineering design and construction of the replacement facility for the Vineland veterans nursing home is nearing completion. The FY 2001 appropriation of \$9.3 million was expected to finalize State funding for this project at a total of \$12.9 million. However, due to unanticipated costs arising from federal design changes, hazardous materials remediation and needed equipment, an appropriation of \$3.8 million was made in FY 2002 and an additional \$1 million is recommended for FY 2003. This will bring total State funding to \$17.7 million and the federal total to \$35 million for a new project cost of \$52.7 million. Ground breaking for the new facility is expected in the Fall of 2002.

**Federal Funds**

<b>Administrative and Support Services</b>	<b>\$7,094</b>	<b>\$3,953</b>	<b>(\$3,141)</b>	<b>(44.3)%</b>	<b>D-365</b>
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This appropriation represents federal funding for the construction of a new Vineland nursing home. Recent design changes increased the overall cost of this project. This \$3.9 million in federal funds would be matched by a \$1 million State appropriation in FY 2003 to fund these increased construction costs. The plans are to construct a single, new nursing home and to raze the existing structures after the nursing home population is transferred to the new facility. Federal funding for the design and construction of the new Vineland Veterans' Memorial Home totals \$35 million. Upon its completion date, bed capacity of the nursing home would be increased from its current 282 to 332 and include an Alzheimer's unit as well as an assisted living complex.

## Language Provisions

### 2002 Appropriations Handbook

### 2003 Budget Recommendations

No comparable language

D-357

The unexpended balance as of June 30, 2002 in the NJ Domestic Security Preparedness account is appropriated for the same purpose.

#### Explanation

This language provides that any remaining balance in the NJ Domestic Security Preparedness account at the end of FY 2002 will be carried forward to FY 2003 and be available for the same purpose.

### 2002 Appropriations Handbook

### 2003 Budget Recommendations

B-159

The unexpended balance as of June 30, 2001 in the Vietnam Memorial Perpetual Care account is appropriated for the same purpose.

No comparable language.

#### Explanation

The Vietnam Memorial Perpetual Care account spends almost its entire \$150,000 appropriation. In FY 2002, for example, only \$5,867 was carried forward from FY 2001. Thus, minimal if any unexpended balances are projected.

## Language Provisions (Cont'd)

### 2002 Appropriations Handbook

### 2003 Budget Recommendations

#### B-159

There is appropriated an amount not to exceed \$20,000 for the New Jersey Agent Orange Commission Physician Desk Guide subject to the approval of the Director of the Division of Budget and Accounting. No comparable language.

#### Explanation

This appropriation funded the publication of the "Physician Desk Guide" by the New Jersey Agent Orange Commission.



### 2002 Appropriations Handbook

### 2003 Budget Recommendations

#### B-160

In addition to the amount hereinabove, there is appropriated an amount not to exceed \$219,000, as the Director of the Division of Budget and Accounting shall determine, contingent upon approval by the federal Department of Veterans Affairs of a reimbursement for an adult day care program. No comparable language.

#### Explanation

The Menlo Park nursing home contracted with a vendor to operate an adult day care facility in FY 2002. This language provided start-up funds for the operation. In FY 2003, the adult day care facility will operate on receipts generated from day care participants and Direct State Services funding.



## Discussion Points

### 1. Increased Fee Revenue

The Governor's Budget identifies approximately \$75 million in additional revenues from new or increased fees throughout State government.

- **Question:** Please identify the authority (i.e. legislation, executive order, or agency regulation) for any fee changes or other new State revenue sources reflected in the FY 2003 budget for your department. If legislation is required to implement these changes, what is the status of those bills?

### 2. Federal Funding

Federal enactments and federal budget proposals often impact significantly on State programs and fiscal resources.

- **Question:** What impact will the expectation of (a) increased or decreased federal funding, or (b) new or revised federal mandates or matching requirements, have on your department's resources and activities in FY 2003? Be specific with regard to the expected federal action and the corresponding State or local impact.

## MILITARY SERVICES

### 3. New State Police Training Center

On March 20, Governor James E. McGreevey announced plans to spend up to \$100 million over the next four years for a New Jersey Police Professional Training Center and other new facilities for the State Police. This new training center may be built at or near the Department of Corrections Jones Farm in Ewing Township or at the Department of Military and Veterans' Affairs Sea Girt facility. Three smaller regional police training facilities have also been proposed. While the Governor outlined the broad components of the main training center, he said the details must be studied by a planning committee.

- **Question:** Has the department been invited to make a presentation to the planning committee on the benefits of building the new State Police training center at Sea Girt? What opportunities does a new State Police training center present for the department's recently completed "Business Plan for the National Guard Training Center at Sea Girt?" Should the Department of Law and Public Safety decide to build at Jones Farm, how will the loss of an estimated 35,800 "person days" of State and municipal police training affect the department's ability to operate the Sea Girt training facility? What impact would this have on revenues from use of the facility?

### 4. Joint Training Center, Sea Girt

Budget evaluation data (page D-354) indicates the number of "person days" of training at the Joint Training Center in Sea Girt will decline to 100,000 in FY 2003, down 22.5 percent from the 129,000 person days in FY 2002. In addition to being a facility for the training of National Guard troops, the center is used by State and local agencies to train State Police troopers, municipal police officers, Division of Criminal Justice investigators, and corrections officers. The data indicates that the number of municipal police training days will remain at zero for the third consecutive year and that the number of Department of Corrections days will decline from 43,000 to 30,000.

## Discussion Points (Cont'd)

- *Question:* Please explain the reasons for these anticipated changes. Has the department been less successful in attracting municipal police departments to train at the Sea Girt facility for three years, FY 2001 through FY 2003? What rates are charged by the department for use of the training facility and how are these rates determined? Please provide a summary of revenues derived or projected from use of the facility from FY 1998 through FY 2003. For what purposes are these revenues used?

### 5. Base Realignment And Closure Commission Funding

President Bush proposed \$379 billion in Federal Fiscal Year 2003 for the Department of Defense, a \$21 billion increase over the Federal Fiscal Year 2002 appropriation. Much of the requested increase would fund higher pay for troops and improved housing and medical benefits. The increased recommended appropriation would also be used for new weapons systems. However, funding reductions are anticipated for conventional military programs.

- *Question:* Does the department anticipate a new round of military base closings? If so, is the department prepared to represent New Jersey before the Administration, Congress and the Federal Base Realignment and Closure Commission (BRAC)?

## SERVICE TO VETERANS

### 6. Transitional Housing, Veterans Haven

The Veterans Haven, Transitional Housing program provides housing and employment assistance to homeless veterans recovering from alcohol or drug abuse. In FY 2003, an additional appropriation of \$94,000 is recommended as a State match for a \$358,000 U.S. Department of Housing and Urban Development (HUD) grant.

- *Question:* Please provide a summary of this program's operations over the past three years and as projected for FY 2003, including amounts and types of funds used and the number of veterans served.

### 7. Federal Funding for Nursing Homes

Medicare payments to nursing homes are scheduled to be reduced by 17 percent beginning October 1, 2002. An analysis from Muse & Associates, a public research firm, projects that New Jersey would lose \$66.14 per patient per day, or a total of \$102 million. Federal funds for Domiciliary and Treatment Services are anticipated to remain level in FY 2003 compared to the FY 2002 adjusted appropriation at each of the three nursing homes.

- *Question:* How will this Medicare aid reduction impact the department's ability to operate the nursing homes at Menlo Park, Paramus and Vineland? Has this reduction in aid been factored into the department's FY 2003 recommended budget?

### 8. Menlo Park Memorial Home, Audit Report

The Office of Legislative Services, Office of the State Auditor released an audit report of the department's Menlo Park nursing home on July 3, 2001. This audit report found that, although NJAC 5A:5-2.2 accords a needy veteran preference on the admission waiting list over veterans having accountable assets that exceed the maximum, the Menlo Park home's current waiting list, estimated to be eight to nine months, is based on application data, with no preference made for needy veterans.

## Discussion Points (Cont'd)

- **Question:** Has the department reviewed this policy and taken appropriate action to comply with this provision of the Administrative Code? If so, please describe the nature of the action taken.

### 9. Menlo Park Memorial Home, Dementia Unit

In response to an Office of Legislative Service Discussion Point question for the FY 2002 budget, the department informed the Legislature that it was in the process of re-defining a vacant 60-bed wing at the Menlo Park nursing home to a 42-bed dementia unit. As part of this re-assignment of this wing, in October 2001, the department reduced the capacity of the Menlo Park facility from 312 beds to 272 beds. However, the total number of residents at Menlo Park has remained relatively stable, at approximately 260, and the rated capacity remains at 328 for FY 2003 and 2003.

- **Question:** Has the conversion of the vacant 60-bed wing at the Menlo Park nursing home to a 42-bed dementia unit been completed? If so, when will the department begin accepting residents to the dementia unit? Has the department hired an adequate number of nurses and nurse aides to staff this dementia unit?

### 10. Vineland Construction

The Governor's FY 2003 budget recommends additional capital construction funding of \$1 million for the construction of a replacement facility at the Vineland Veterans' Memorial Home. A total of \$16.7 million has been appropriated over the last two years for the architectural and engineering design study and construction of a new Vineland nursing home. This project is anticipated to generate approximately \$35 million in federal funds.

- **Question:** When is construction of the new facility expected to begin and what is the projected opening date? Please explain the manner in which Medicare reimbursement will be increased when the facility is completed and an estimate of the amount of additional Medicare funding that may become available.

## Background Paper: September 11th Response

On Tuesday, September 11, 2001 the United States experienced the worst terrorist attack in its history. Simultaneously, hijacked commercial airlines were deliberately crashed into both of the World Trade Center towers in lower Manhattan. Another jet crashed into the Pentagon complex, and a fourth fell short of its target, crashing in rural Pennsylvania, after heroic passengers resisted the hijackers' attempts to redirect the plane toward the White House. Within an hour of the impact of the first planes, both of the Twin Towers collapsed, ultimately killing more than 3,000 people who were unable to escape, as well as almost 400 police, fire and rescue personnel who rushed into the towers to assist them.

In response to these attacks, the President of the United States has authorized the deployment of United States military forces as part of Operation Noble Eagle and other related operations in response to the attacks.

Organized Militia members, including the New Jersey National Guard, Naval Militia, and State Guard were activated for State active duty service in support of Operation Noble Eagle.

The NJ National Guard is involved in security, recovery, and logistical support missions, as well as military operations connected with the September 11 attacks. At present, there are over 1,675 NJ National Guard soldiers, airmen, and Naval Militia personnel called to duty for this emergency. Under the direction of the Department of Military and Veterans' Affairs, the NJ National Guard has been deployed on the following missions:

The 108th Air Refueling Wing of the New Jersey Air National Guard located at McGuire Air Force Base has called approximately 400 personnel to active duty and deployed them to southwest Asia to provide refueling support to coalition forces in the area.

The 177th Fighter Wing of the New Jersey Air National Guard, located at the Atlantic City International Airport, has been flying combat missions in support of North American Aerospace Defense Command (NORAD) since the morning of September 11. Several hundred members of the wing are currently on duty for the emergency.

More than 150 soldiers of the 50th Brigade of the NJ Army National Guard were called to duty by the Governor on October 2 to provide additional security at three airports located in the State. The mission is expected to last four to six months until new federal security measures are in place in the nation's airports.

More than 75 soldiers from the 50th Brigade of the NJ Army National Guard were deployed on October 8 to augment existing security at the two nuclear power stations in the State following a request from the Governor. This mission will continue as long as the need exists.

## Background Paper: September 11th Response (Cont'd)

Approximately 250 NJ National Guard soldiers are augmenting police security at key Port Authority of New York/New Jersey facilities in New Jersey, including the George Washington Bridge, Lincoln Tunnel, Holland Tunnel, and selected PATH facilities. Deployed full-time on October 27, the mission will continue as long as the need for their service is identified.

The NJ National Guard has been operating its Emergency Operations Center (EOC) at Fort Dix, 24 hours per day, seven days a week, since the emergency began.

The NJ Naval Militia has two security missions which started in December. Its sailors are augmenting Department of Defense security at Lakehurst Naval Engineering Station and manning entrance stations; and the Naval Militia is conducting waterborne patrols at the nuclear power stations.

### \$8.8 Million Expense

The Department of Military and Veterans' Affairs estimates expenses for the September 11th-related mission and operations of the New Jersey National Guard Active Duty at \$8.8 million. To date, the department has received \$3.1 million in reimbursements from the Federal Emergency Management Agency (FEMA) to cover these expenses and has also submitted another 10 claims totaling \$5.6 million. At present, \$223,000 in submitted claims were rejected by FEMA, however, it is not clear whether FEMA will reimburse the department in its entirety for the remaining \$5.6 million in claims.

State Active Duty  
Estimated Expenses  
(dollars in thousands)

	Naval Militia	World Trade	Nuclear Facilities	Power Plant	EOC	Airport Security	Bridges Tunnels	Other Security	Totals
Salaries	\$ 522	\$ 3,274	\$ —	\$ 1,221	\$ 84	\$ —	\$ 2,470	\$ 19	\$ 7,590
Non-Salary	—	641	71	—	—	97	344	23	1,176
<b>TOTAL</b>	<b>\$ 522</b>	<b>\$ 3,915</b>	<b>\$ 71</b>	<b>\$ 1,221</b>	<b>\$ 84</b>	<b>\$ 97</b>	<b>\$ 2,814</b>	<b>\$ 42</b>	<b>\$ 8,766</b>

## OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Staff Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2003 budget are encouraged to contact:

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