



**ANALYSIS OF THE NEW JERSEY BUDGET**

**DEPARTMENT OF  
MILITARY AND  
VETERANS' AFFAIRS**

**FISCAL YEAR**

**2014 - 2015**

# 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.

Questions or comments may be directed to the OLS State Government Section (609-292-9106) or the Legislative Budget and Finance Office (609-847-3105).

# DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Budget Pages..... C-6, C-15, C-22, C-26, C-27,  
D-271 to D-283

## **Fiscal Summary (\$000)**

	Expended FY 2013	Adjusted Appropriation FY 2014	Recommended FY 2015	Percent Change 2014-15
State Budgeted	\$98,929	\$95,754	\$95,504	( 0.3%)
Federal Funds	\$48,539	\$90,622	\$93,460	3.1%
<u>Other</u>	<u>\$490</u>	<u>\$5,134</u>	<u>\$5,405</u>	<u>5.3%</u>
Grand Total	\$147,958	\$191,510	\$194,369	1.5%

## **Personnel Summary - Positions By Funding Source**

	Actual FY 2013	Revised FY 2014	Funded FY 2015	Percent Change 2014-15
State	1,321	1,328	1,345	1.3%
Federal	166	157	168	7.0%
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>—</u>
Total Positions	1,487	1,485	1,513	1.9%

FY 2013 (as of December) and revised FY 2014 (as of January) personnel data reflect actual payroll counts. FY 2015 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 441,820<sup>1</sup> 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 2015 Governor's Budget recommends \$194.4 million in total funding for the operation and support of the department: \$95.5 million in State funds, \$93.5 million in federal funds, and \$5.4 million in other funds. This represents a reduction of \$250,000 in State funds; an increase of \$2.8 million in federal funds; and an increase of \$271,000 in other funds, as compared to the current year.

### 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, 2014 the Army and Air National Guard will be at 100 percent of their authorized strength and projects that it will remain at that level in FY 2015.
- The department is proceeding with the construction of the federally funded regional training facility at Sea Girt. The total cost of the project is estimated to be \$34 million.
- The department continues the construction of additional alternative energy projects in accordance with the federal Army Energy Vision Plan as provided for in the Installation Management Energy Portfolio 2010-2017. The department has constructed solar renewable energy systems in Sea Girt, Fort Dix/Lakehurst, and Lawrenceville. The department estimates receipts of \$4 million in Military Construction (MILCON) and Sustainment, Restoration, and Modernization (SRM) funding for the continuation of the construction of additional alternative energy projects in Sea Girt and other facilities in the State in FY 2015.

### 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 over 16 veteran affairs outreach and assistance services offices throughout the State. These offices assist veterans and their dependents

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<sup>1</sup> This figure is based on the most recent federal Census Bureau data.

**Highlights (Cont'd)**

- in securing State and federal entitlements. Evaluation data indicates that the department will serve an estimated 151,250 veterans in FY 2015, equivalent to the number served in FY 2014.
- The FY 2015 Governor's Budget recommends a reduction of \$250,000 in State funding for Burial Services which is supplanted by an increase in federal Plot Internment Allowance (PIA) funding from \$300 to \$700 per internment.

**Fiscal and Personnel Summary**

**AGENCY FUNDING BY SOURCE OF FUNDS (\$000)**

	Expended FY 2013	Adj. Approp. FY 2014	Recom. FY 2015	Percent Change	
				2013-15	2014-15
<b>General Fund</b>					
Direct State Services	\$96,547	\$93,130	\$92,880	( 3.8%)	( 0.3%)
Grants-In-Aid	2,382	2,624	2,624	10.2%	0.0%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$98,929</b>	<b>\$95,754</b>	<b>\$95,504</b>	<b>( 3.5%)</b>	<b>( 0.3%)</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>\$98,929</b>	<b>\$95,754</b>	<b>\$95,504</b>	<b>( 3.5%)</b>	<b>( 0.3%)</b>
<b>Federal Funds</b>	<b>\$48,539</b>	<b>\$90,622</b>	<b>\$93,460</b>	<b>92.5%</b>	<b>3.1%</b>
<b>Other Funds</b>	<b>\$490</b>	<b>\$5,134</b>	<b>\$5,405</b>	<b>1003.1%</b>	<b>5.3%</b>
<b>Grand Total</b>	<b>\$147,958</b>	<b>\$191,510</b>	<b>\$194,369</b>	<b>31.4%</b>	<b>1.5%</b>

**PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE**

	Actual FY 2013	Revised FY 2014	Funded FY 2015	Percent Change	
				2013-15	2014-15
State	1,321	1,328	1,345	1.8%	1.3%
Federal	166	157	168	1.2%	7.0%
All Other	0	0	0	0.0%	0.0%
<b>Total Positions</b>	<b>1,487</b>	<b>1,485</b>	<b>1,513</b>	<b>1.7%</b>	<b>1.9%</b>

FY 2013 (as of December) and revised FY 2014 (as of January) personnel data reflect actual payroll counts. FY 2015 data reflect the number of positions funded.

**AFFIRMATIVE ACTION DATA**

Total Minority Percent	65.0%	64.5%	76.2%	---	---
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**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2014</u>	<u>Recomm.</u> <u>FY 2015</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**Federal Funds**New Jersey National  
Guard Support  
Services**

	<b>\$32,190</b>	<b>\$33,811</b>	<b>\$ 1,621</b>	<b>5.0%</b>	<b>D-275</b>
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This budget line item aggregates multiple federal grants that meet capital and operating needs of the New Jersey National Guard. Proposed program changes within this item include increases totaling \$1.621 million predominantly for federal support and service contracts (\$1.4 million). The remaining increases provide funding for National Guard Communications, an Army National Guard Security System, and airbase operations and maintenance.

**Administration and  
Support Services**

	<b>\$40,000</b>	<b>\$38,000</b>	<b>(\$2,000)</b>	<b>( 5.0%)</b>	<b>D-275</b>
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Federal financial support of the New Jersey National Guard includes funding for federally approved construction projects. The proposed FY 2015 appropriation provides continued funding for the construction of the new regional training facility at Sea Girt (\$34 million) and \$4 million in anticipated additional funding for the construction of additional alternative energy projects (solar) at Sea Girt and various other NJNG locations. The proposed net \$2 million reduction reflects completion of other ongoing construction projects.

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

	<b>\$1,760</b>	<b>\$2,002</b>	<b>\$ 242</b>	<b>13.8%</b>	<b>D-275</b>
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This appropriation provides funding for the operations and maintenance of National Guard armories and is supported by estimated appropriated receipts of \$2.0 million from the rental of armory facilities as reflected in Schedule 2, Dedicated Revenues (Budget page C-15). Revenues from armory rentals are expected to increase by \$400,000 from the amount anticipated in FY 2014. This increase is offset by a \$100,000 reduction in anticipated proceeds from forfeited property, and reductions in private donations for the Distance Learning Program (\$50,000), and the New Jersey Youth Challenge Program-Six Flags (\$8,000).

**Administration and  
Support Services**

	<b>\$100</b>	<b>\$330</b>	<b>\$ 230</b>	<b>230.0%</b>	<b>D-275</b>
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This appropriation represents anticipated revenue from energy receipts. According to the department's responses to OLS Discussion Points during the FY 2011 budget process, energy receipts are synonymous with solar renewable energy credits (SERCs). The SERC results from a

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2014</u>	<u>Recomm.</u> <u>FY 2015</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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Board of Public Utilities (BPU) program that requires utility companies to achieve renewable energy production goals. The value of the SERC is market driven and is periodically auctioned at the BPU website after the generation of renewable energy. One SERC is equivalent to the production of 1,000KWh of electricity using solar energy. The SERC receipts are in addition to cost avoidance savings. The FY 2015 Governor's Budget proposes an increase in energy receipts of \$230,000 due to the completion of and anticipated completion of several photovoltaic solar electric power systems located in Sea Girt, Lawrenceville, and Fort Dix/Lakehurst.

**SERVICES TO VETERANS**Direct State Services

<b>Burial Services</b>	<b>\$2,192</b>	<b>\$1,942</b>	<b>(\$ 250)</b>	<b>( 11.4%)</b>	<b>D-277</b>
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This account makes an appropriation 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 results from the increase in federal Plot Internment Allowance (PIA) receipts from the U.S. Department of Veterans Affairs from \$300 per internment to \$700 per internment.

In addition to the reduction in the recommended appropriation, the FY 2014 lapse report proposes to lapse an additional \$100,000 from the Burial Services account which is then anticipated to leave an estimated carry forward balance in the account of approximately \$807,000. The FY 2014 carry forward balance is augmented by the receipt of a federal reimbursement of \$542,000 for the Section Z Crypt field design work that was paid for by the cemetery.

Federal Funds

<b>Veterans' Outreach and Assistance</b>	<b>\$764</b>	<b>\$600</b>	<b>(\$ 164)</b>	<b>( 21.5%)</b>	<b>D-278</b>
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This appropriation anticipates federal revenue from Veterans' Education Monitoring Program receipts (\$600,000) and Transitional Housing Program receipts (\$164,000) to assist veterans and their dependents in securing federal benefits, including pensions, insurance, tax exemptions, and financial aid. This recommendation reflects a \$164,000 reduction in federal Transitional Housing receipts in FY 2015 in accordance with the reduction in anticipated revenues shown in Schedule 2, Federal Revenues (Budget page C-23).



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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2014</u>	<u>Recomm.</u> <u>FY 2015</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
<b>Burial Services</b>	<b>\$7,000</b>	<b>\$10,000</b>	<b>\$ 3,000</b>	<b>42.9%</b>	<b>D-278</b>

Under the Master Plan for continued development of the Brigadier General William C. Doyle Veterans' Memorial Cemetery, the department estimates which projects in the Master Plan will be ready for construction in each budget year. This request represents an increase in the projects anticipated to be ready in FY 2015. In July 2013, New Jersey was awarded a \$2.9 million federal grant for the construction of a public information center on the grounds of the cemetery. The department expects to receive those funds in FY 2015 for the construction of the project.

All Other Funds

<b>Veterans' Outreach and Assistance</b>	<b>\$78</b>	<b>\$98</b>	<b>\$ 20</b>	<b>25.6%</b>	<b>D-278</b>
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This proposed increase represents the net balances in various revenue generating accounts including POW/MIA medal donations, World War II Memorial donations and taxpayer contributions to the New Jersey Veterans Haven Support Fund through a gross income tax check-off. P.L.2007, c.233 created the New Jersey Veterans Haven Support Fund in the Department of the Treasury as a special fund to support the vocational and transitional housing program, Veterans Haven. Taxpayers may indicate on their gross income tax returns that a portion of the taxpayers refund or an enclosed contribution shall be deposited in the special fund. The FY 2015 Governor's Budget proposes an increase in transitional housing receipts from the gross income tax check-off for the New Jersey Veterans Haven Support Fund.

<b>Veterans Haven South</b>	<b>\$2,196</b>	<b>\$1,975</b>	<b>(\$ 221)</b>	<b>( 10.1%)</b>	<b>D-278</b>
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This account appropriates federal per diem revenues for Veterans Transitional Housing. This proposed reduction represents anticipated U.S. Veterans Affairs (VA) per diem revenues for Veterans Haven South and Veterans Haven North. In FY 2014, of the total amount appropriated, Veterans Haven South was allocated \$1.120 million in transitional housing receipts and Veterans Haven North was allocated \$675,000 in transitional housing receipts. Veterans Haven North also applied for and received federal emergency transitional housing receipts of \$376,000 for a total of \$1.051 million. The FY 2015 proposed reduction reflects the uncertainty of Veterans Haven North's receipt of emergency transitional housing funds in FY 2015. Based on federal guidelines and application rules for the receipt of transitional housing funds, the FY 2015 Governor's Budget proposes to allocate \$1.275 million in transitional housing funds to Veterans Haven South and \$675,000 to Veterans Haven North.

## Significant Language Changes

### Support Services for Returning Veterans Clarification of the Allocation of Resources to Veterans Haven North and South and Deletion of Language Appropriating Unexpended Balances

Revision

2014 Handbook: p. B147  
2015 Budget: p.D-279

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- North and South - 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 fiscal year in the Support Services for Returning Veterans account is appropriated for the same purpose.~~

#### Explanation

The FY 2014 Appropriations Act included budget language authorizing the appropriation of the unexpended balance in the Support Services for Returning Veterans Grants-in-Aid account for the management and operations of Veterans Haven and related transportation and outreach services. The intent of appropriating the unexpended balance for these purposes was to provide 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 could be expended. Under the revised language, any unexpended funds in the Support Services for Returning Veterans grant account will revert to the General Fund at the end of the current fiscal year. Funding for Support Services for Returning Veterans has historically provided financial assistance to soldiers and their families while deployed and upon their return.

The proposed FY 2015 language clarifies that funds appropriated for Support Services for Returning Veterans may be transferred to both Veterans Haven North and South recognizing the two separate Veterans Haven facilities. The Office of Legislative Services notes while the proposed language expands the use of funds in the Support Services for Returning Veterans account, the amount appropriated to this account has been reduced from \$1 million in FY 2012 to \$600,000 in FY 2013, to \$550,000 in FY 2014 and \$550,000 (recommended) in FY 2015.

EXPLANATION: FY 2014 language not recommended for FY 2015 denoted by strikethrough.  
Recommended FY 2015 language that did not appear in FY 2014 denoted by underlining.

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Individuals wishing information and committee schedules on the FY 2015 budget are encouraged to contact:

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