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Testimony  
House Appropriations Committee  
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Department of Military and Veterans Affairs  
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The Adjutant General

Good morning, Representatives Saylor and Markosek and members of the House Appropriations Committee. I am privileged to be here today to discuss the Department of Military and Veterans Affairs' budget for 2018-19.

It truly is a team effort to ensure that that we sustain and build a stronger Pennsylvania by providing vital state support for our Pennsylvania National Guard and Veterans' programs. DMVA has a dual mission to provide quality services to the Commonwealth's Veterans, National Guard members and their families and lead a trained and deployable National Guard.

With these funds DMVA: provides long term nursing care to veterans in our six State Veterans Homes (SVHs); 2) provides assistance to veterans, National Guard members, and their families with obtaining state and federal benefits and compensation; and 3) maintains deployable units, ready to quickly respond to state emergencies and support our national defense. I believe our budget enables the DMVA to advance on several fronts and continue to provide the high level of services that our veterans, National Guard members, and their families expect and deserve.

DMVA is one of Pennsylvania's top ten employers with approximately 2,500 commonwealth employees and 20,000 National Guard members/federal employees in more than 90 communities statewide. The Governor's Executive Budget proposes a total budget of \$364 million (state appropriated - \$154 million, federally appropriated - \$175 million, augmentations - \$32 million and special fund - \$3 million).

The DMVA oversees and manages programs that provide benefits, services and assistance to an estimated 820,000 Veterans in Pennsylvania. The Pennsylvania National Guard (PNG) trains and conducts domestic operations under the command and control of The Adjutant General (TAG) and DMVA when not in active federal service. The PNG is the only military force in the commonwealth that is shared by the state and federal governments. In both of its missions, DMVA works closely with the federal government, including the Department of Defense and the U.S. Department of Veterans Affairs (VA), to carry out this dual mission for the commonwealth and our nation by:

- providing resources and assistance to Pennsylvania Veterans and their families;
- ensuring that all eligible Pennsylvania Veterans receive the appropriate services and benefits;
- providing quality care for aging and disabled Veterans;
- preparing the PNG for combat, performing worldwide combat, and combat support operations;
- providing global reach and the projection of U.S. military power in support of national objectives; and
- at the command of the governor, providing trained personnel to support state and local authorities in times of natural disaster or civil strife.

Pennsylvania has the fourth largest veteran population in the United States. These veterans make up approximately six percent of the commonwealth's total population. Roughly 42 percent of our veteran population is age 70 or older, 37 percent is between the ages of 50 and 69, and the remaining 21 percent are between the ages of 18 and 49. Women veterans make up 7.3 percent

of the total veteran population in the commonwealth. These veterans represent a broad spectrum of diversity and the unique needs that accompany the challenges of service that spans World War II, Korea, Vietnam, the Persian Gulf and the many operations of the Global War on Terrorism.

As the lead advocate for Pennsylvania's veteran population, we strive to ensure that we have the resources necessary to meet our missions and the budget to implement them. As it should be, the state budget that we receive goes to support our veterans' programs; with the bulk of those funds supporting the operation of our six SVHs.

### **Caring for our Veterans**

In the governor's FY 18/19 Executive Budget, he affirms our priority to support the most vulnerable veterans with nearly 82 percent of our total budget dedicated to providing veteran programs, and 68 percent of those funds supporting the operation of our six : the Delaware Valley Veterans' Home (DVVH), Southeastern Veterans' Center (SEVC), Gino J. Merli Veterans' Center (GJMVC), Hollidaysburg Veterans' Home (HVH), PA Soldier and Sailors Home (PSSH) and Southwestern Veterans' Center (SWVC).

### **State Veterans' Homes**

DMVA's largest state appropriation – both in funds and staff and support resources - is for the SVHs. The authorized complement in this year's proposed budget supports the number of licensed beds within our facilities and the execution of our dual mission. We continue to work with the governor's office to readjust these levels to address needs. We have taken a holistic approach to establishing Manpower Standards that align with the veteran population and levels of care across the SVHs.

Over the past three years, our SVHs average, enterprise-wide, approximately 1390 filled beds and we are, judiciously, aligning complement levels to support that resident population. As of February 2018, our census has slightly declined and is currently at 1,300 residents.

DMVA's manpower standards to align regulatory needs, operational planning, employee complement and bed census at each SVH. We have been living within the prescribed complement for personnel appropriations and working to readjust our complement to correspond to changing requirements and filling of vacancies as the number of residents change.

Over the past year, DMVA performed an internal comprehensive manpower study to define an acceptable staffing plan based upon the number of beds authorized versus the number of personnel required to care for the residents. There is a definite correlation between the two. If the number of staff is reduced, the number of residents will, correspondingly, be reduced.

In preparing the study, our Office of Veterans Affairs' staff identified regulatory standards, industry standards using the available research or through operational analysis. The overall outcome of the study is that SVH staffing levels are comparable with the private sector. A five-year plan that defines staffing levels required to provide proper care based on maximum capacity and type of care required is being implemented.

As of December 31, 2017, our 1,199 skilled nursing care beds were 86 percent filled, with a waiting list of 225 applicants. For personal care (domiciliary), our 362 beds were 76 percent filled, with a waiting list of 20 applicants. Currently, there are a total of 245 applicants on our waiting lists.

We have also completed a cost study that examines the cost differential between SVH and private nursing home care. Our staff used “certified” cost report data to generate a quantifiable, all-inclusive rate comparison. As we framed the study, it is important to highlight that the original intent of the General Assembly was to establish SVHs to provide long-term care (skilled/dementia/personal/domicile) for Pennsylvania’s indigent and disabled ex-service members. As such, the implied intent of the General Assembly is one of benevolence.

Applicants to our SVHs are largely incapable of self-support and demonstrate a financial need for admission. Residents in our SVHs do contribute to their cost of care. However, our resident monthly maintenance fees are based on their ability to pay and their current income. Unlike the private sector, Veterans are not denied admission to our homes on the grounds of inability to pay maintenance/residence fees. Approximately 2 percent of our resident population pays full cost of care. Along with funding received from the state and resident monthly maintenance/resident fees, DMVA also receives federal funding; to include, Medicare, Medicaid, and third-party revenue that further supports the cost of operating our SVHs.

In the past, SVH have been measured and compared to private nursing homes by numerous entities. However, those comparisons were disparate because a strict dollar comparison of cost of care was utilized, which was not totally inclusive of all costs (i.e., pharmacy, transportation, medical practitioners, volunteer services, lab and x-ray and adaptive equipment) in private nursing homes: whereas, cost data from the SVHs was all inclusive. Therefore, previous cost comparisons did not represent a complete, comprehensive picture and, instead, gave the appearance that the cost of care in an SVH was much higher than that of a private nursing home. In performing our study, we found the following:

1. Based on cost report data, when comparing all-inclusive data for SVHs to non-inclusive data for private nursing care homes, the SVHs are more expensive in salary, benefits, and operational costs.
2. When comparing all-inclusive costs for SVHs to the all-inclusive operational costs for private nursing homes, the SVHs are still more expensive in state employees’ salary and benefits, but less expensive relative to operational costs.
3. When comparing all-inclusive costs for SVHs to all-inclusive operational costs for the private nursing homes, including private nursing homes’ profit margin(s), the SVH costs are overall slightly more expensive for skilled nursing care than the private nursing homes’ costs by \$13.14 and less expensive for personal care by \$20.96. When considering estate insolvency, state skilled care costs would also be slightly less expensive.
4. When comparing all-inclusive numbers for SVHs to all-inclusive operational costs for private nursing homes who privatize/contract-out all employees through a private corporation/vendor, the SVHs are overall less expensive.

The quality of our SVHs are shown through the satisfaction surveys of residents and their families and the continuing demand for admissions. The most recent resident survey results are from 2016 and the survey results indicated that there was 85 percent overall satisfaction and an 89 percent rating of residents that would recommended their home to others. Family satisfaction surveys are conducted every two years, with one currently under way. In our last family survey conducted in 2015, the results indicated an overall satisfaction rate of 94 percent and a 90 percent rating for willingness to recommend home to others.

All SVHs have been operating at 100 percent licensure since February 27, 2017. Because our facilities are highly regulated, we conduct internal mock surveys to ensure the SVHs are in regulatory compliance prior to any regulatory agency entering them. The SVHs are inspected by the VA and the U.S. Department of Health; the Pennsylvania Departments of Health, Human Services, Environmental Protection, Labor & Industry and State; and Pennsylvania Offices of the Auditor General and Attorney General.

From an environmental standpoint, the SVHs are environmentally safe. Each SVH has annual inspections conducted by internal and external organizations.

In June of 2017, a resident from SWVC was admitted to a Veterans Affairs Medical Center and tested positive for Legionella. In response, enterprise-wide remediation and testing was conducted. The Pennsylvania Department of Health, county health departments and other regulatory agencies do not have regulation standards for Legionella testing. To protect our residents, we have taken substantial steps to establish internal controls for Legionella testing. DMVA invested approximately \$800,000 in upgrades, quarterly testing, re-testing and maintenance. We will continue this investment to ensure that Legionella prevention measures are in all six SVHs. In October 2017, we established an infection prevention and control program designed to provide a safe, sanitary, and comfortable environment to help prevent the development and transmission of communicable diseases and infections.

DMVA maximizes federal funds and augmentations through participation in the Enhanced Veterans Reimbursement (EVR) initiative for residents eligible for Medicaid reimbursement. EVR is a need-based program which requires less than \$2,205/month income, a medical need, and less than \$8k in assets. As a result of our effort to maximize EVR funds, numbers have been revised in our EVR federal appropriation. Program rates have been adjusted to more appropriately align with revenue and to reflect the cessation of reconsolidation dollars. More specifically, in SFY18/19, the Governor's Executive Budget increased the EVR federal appropriation by \$4 million and decreased state funding accordingly. In capturing actual funds received, this initiative has now stabilized at \$16 million per year.

In 2017-18, the enacted budget increased EVR by \$1.9 million. Currently, 23 percent of our residents participate in EVR. This is a percent increase over last year. Presently, the program is stable. DMVA ensures that all residents are receiving all the federal benefits available to reduce state costs. This program is closely monitored due to the following activities, which can quickly influence participation in the program:

- bed levels change due to income (level increase – residents fall in and out of the program);
- construction projects (which can decrease the bed days and this, in turn, drives down the revenue); and
- attrition of residents (i.e. - the passing away of residents).

DMVA has implemented Medicare Part D and PACE. Current revenue is as follows:

- Medicare Part D – As of December 31, 2017, we had 47% participation with revenue level at \$6,558,001.31;
- PACE– As of December 31, 2017, we had 29% participation with revenue level at \$964,553.06; and
- A&A – As of December 31, 2017, we had 25% participation with revenue tracking at \$7 million/year.

The 2017-18 funding decrease in our SVHs was part of our initiative to reduce the total number of beds at HVH. This initiative is on track to reduce our census by 139 skilled nursing beds through attrition to align with the Community Living Center (CLC) design plan. Many of these beds were vacant. With this reduction, reaching the 90 percent fill rate to attain a higher federal per diem rate for the filled beds will be easier to attain.

Upcoming construction projects for FY18/19 include public improvement projects at HVH, SWVC, and SEVC, which will focus on critical infrastructure upgrades at these facilities. The costs of these projects are approximately \$38M. However, there is a 65 percent/35 percent split relative to funding from VA federal constructions grants. The cost to the commonwealth would be \$13.3M.

DMVA continues to examine the feasibility of adding another facility in the southcentral region of Pennsylvania. However, based on the 2007, Veterans Homes Needs Assessment and Feasibility Study three additional SVHs are needed. Therefore, adding one facility will not solve the geographic needs of our veterans. The study also identified a need to expand services for veterans to remain in their homes longer or to reside in facilities closer to their families.

An Adult Day Health Care (ADHC) program would provide a home-based alternative to traditional long-term care that would allow severely disabled Veterans to remain in their homes longer at a fraction of the cost. Currently, we are moving forward to pilot ADHC program at our SEVC; targeting implement in SFY 19/20. A portion of the facility will be modified to accept 30 ADHC clients. Based upon current reimbursement estimates, outside of initial renovation costs and a requirement for 12 additional employees, we will assist more Veterans without a significant increase in costs.

The VA supports state-operated ADHC programs and provides for a reimbursement rate of \$85.37/day in 2018. This medical model would extend care to Veterans by providing access to services in the SVHs. This would also provide service options to those Veterans on our wait lists while easing the transition from an ADHC program into residency at the SVH as their medical

needs require advanced levels of care. To encourage more states to participate, Congress has introduced S324. If passed the bill will increase the reimbursement to the "full cost of care". With your support, we can ensure that Pennsylvania is the fourth state with an ADHC program.

Additionally, we are considering partnering with County Residential/Nursing Homes to expand capacity without additional infrastructure, which would allow for the expansion of services across a greater geographical area without a significant increase in staffing. The constraint is capital funding and licensure requirements to ensure that these facilities meet and pass both the Commonwealth and federal standards before gaining the approval of the VA. The VA would then have to approve and inspect the facility for compliance. An in-house, thorough cost-benefit-analysis is required to further examine the feasibility of this concept.

### **Veterans' Programs**

In the proposed Governor's Executive Budget, the DMVA's OVA operating budget for the Division of Outreach and Reintegration is approximately \$657,989 and our Veterans Service Officer Outreach (VSO) Program has been allocated \$2,832,000.

We ask for support in funding our VSO program at levels provided in the governor's budget. Through this program, DMVA grants funds to Veteran Service Organizations to provide support to accredited Veteran Services Officers and the associated costs for wages, training, and equipment to execute their outreach mission. This program has an enormous positive impact on the outreach and assistance eligible veterans receive to submit VA claims to maximize federal, state, and county benefit awards.

- At the end of 2016-17, the return on investment (ROI) was \$34 in federal recoveries for each VSO grant dollar spent.
- For SFY 2016-17, over 32,000 were submitted to the VA through this program.
- For SFY 2015-16, \$123,739,236 in federal dollars was received by Pennsylvania veterans as a direct result of our outreach programs.
- From the inception of the VSO program, through December 31, 2017, the number of new claims filed by participants is 180,345.

In support of our outreach, since May of 2013, DMVA utilizes two mobile outreach vans. These vans assist in providing information on benefits and services to commonwealth veterans. Since placing the vans in operation, DMVA has realized a 20 percent increase in veteran benefit awards. During SFY 2015-16, the vans provided support to veterans and their families at 145 outreach events and interacted with 2,975 veterans. SFY 16-17 as of 30 December the outreach teams have conducted 98 events with 2,108 veteran interactions.

Our Veterans Trust Fund (VTF) Grant Program provides funding for outreach and reintegration efforts through partnerships built with our VTF grant recipients. Since the inception of the VTF grant program in FY13/14, DMVA received 285 grant applications requests for \$12.3 million. Since 2013, when the program began, grants totaling \$1,971,348 have been awarded to organizations providing services to veterans in Pennsylvania. With regard to individual grants during this timeframe, \$240,762 was awarded specifically to organizations addressing veteran

post-traumatic stress. The 2017 VTF awards pending include 30 grants totaling \$800,000 from 113 applications totaling \$3,726,169 in requests. As of 31 December 2017, Veterans Temporary Assistance (VTA), which provides direct grants to veterans facing temporary financial hardships, has served 1,860 recipients totaling \$2,483,446 in grants to veterans or eligible family members. The VTA program and the Veterans Emergency Assistance (EA) programs are now aligned.

The Pennsylvania Veterans Registry is an online application that allows veterans to connect with DMVA to request information related to valuable state benefits, programs, and services offered by our agency. As of 31 December 2017, 12,631 veterans were served through utilization of the Registry. It is the first phase, in getting to an overarching clearinghouse, which takes our level of coordination and collaboration to an inter-agency level that allows us to share veteran information between all executive departments and agencies.

The Governor's Advisory Council for Veteran Services (GAC-VS) was created on November 11, 2013, by Executive Order 2013-03. The purpose of the GAC-VS is to "review, evaluate, and assess state veterans' programs in collaboration with senior staff from state agencies and commissions to increase information sharing, ensure program fidelity, coordinate complementary programs and facilitate meaningful enhancements in service accessibility to veterans' benefits and services within the commonwealth". During the past year, we have expanded the focus of the GAC-VS to include two new sub-committees that are focused on Information Technology and Suicide Prevention Peer Support for Service Members, Veterans, and their Families (SPPEER) initiatives.

The Military Family Relief Assistance Program (MFRAP) provides grants to Pennsylvania members of the Armed Forces and their families who have a direct and immediate financial need resulting from military service. Since its inception, this program has awarded more than \$811,642.86 in grants. The fund provides short-term financial relief to families in need due to deployment of a family member. Last year, 14 recipients were assisted. This program is not appropriated by the Legislature, instead, it is funded solely through donations and the personal income tax check-off program.

The Disabled Veterans' Real Estate Tax Exemption (RETX) Program has experienced tremendous growth over the last ten years. Currently, the time to adjudicate an application is four months. Most of the growth is the result of the change in how need for the exemption is calculated under Act 161 of 2006. As of December 31, 2017, over 557 disabled Veterans or surviving spouses have been approved for the RETX program. To demonstrate the growth, in June 2006, approximately 2,000 residences received benefit of the program, today over 11,764 residences owned by 100 percent disabled veterans or their surviving spouses are exempt from real estate taxes.

Under the leadership of the Governor, DMVA continues to collaborate with various agencies across the commonwealth as a part of our efforts to reduce veteran's homelessness. DMVA is not provided any funding to support these issues; however, we have inter-agency collaboration and nonprofit organizations assistance in support of these efforts, for example:



- The U.S. Department of Housing and Urban Development's required January 2016 Point in Time Count (PIT Count) estimated 1,136 Pennsylvania veterans were homeless; this is a 17.3 percent reduction in veterans' homelessness from the 2015 PIT Count.
- DMVA supports a domiciliary care program that provides a total of 362 beds, which include both domiciliary care (86) and personal care (276) across our six (6) SVHs. Our SVHs are strategically located within the commonwealth (Philadelphia, Scranton, Hollidaysburg, Erie, Spring City and Pittsburgh).
- DMVA is coordinating efforts between federal, state, and community partners in the Mayor/Governor's Challenge. To date 2,839 veterans have been permanently housed.
- DMVA continues to coordinate with federal, state, and community partners to meet the United States Interagency Council on Homelessness (USICH) metrics to declare zero homeless veterans statewide.

### **Pennsylvania National Guard (PNG)**

The National Guard is the only military force shared by the state and federal governments. As you can see from our budget, the Guard draws the bulk of its support from the federal government. The National Guard is a great value for America. It is unquestionably the most cost-effective military force for our Nation and our Commonwealth.

Governor Wolf is the commander-in-chief of the PNG when not in federal service, and our mission, under his leadership, is to exercise command and control of the nearly 20,000 soldiers and airmen who serve in the PNG. The PNG is the third largest National Guard force in America. We prepare these personnel for combat so that the Guard can perform worldwide combat and combat support operations, provide global reach, and project U.S. military power in support of national objectives. We also provide trained military personnel to support and assist state and local authorities in times of natural disaster or emergencies.

Our PNG is strong today with the Army Guard personnel strength exceeding 100 percent of its Force Structure allowance, and the Air Guard at 95 percent. Serving in the Guard is a great part-time job that offers training and educational opportunities to help our personnel achieve success in their civilian endeavors.

After a decade at war and numerous domestic operations, today's PNG is a modern, accessible military force that trains and performs to the same standards as its active duty counterparts. In this cost-conscious budgetary environment, the answer to an affordable defense force lies not in cutting the Guard, but in a return to our roots, a well-trained and equipped, community-based force.

The PNG continues to face many challenges. The effect of the federal budget delays and multiple continuing resolutions impacts the ability to effectively plan. Every threat or temporary shutdown has an effect which expends funds that are allocated for readiness and training. This creates a gap in resources needed. DMVA will fight for the resources the PNG requires for constant readiness needed to achieve our missions. But to the average National Guard member the budget is an abstract concept. Their dedication to their communities, the Commonwealth and

Nation won't allow them to fail when the need arises for soldiers and airmen to step and protect their fellow citizens.

### **Overseas Operations**

In time of war or national emergency, or in support of any military operation worldwide, the President can mobilize units of the PNG into active federal service. Pennsylvania units have taken part in every conflict America has faced, from the Revolutionary War through Operation New Dawn (OND) and Operation Enduring Freedom (OEF); as well as ongoing peacekeeping missions in Kosovo, Bosnia, Egypt and elsewhere. Since September 11, 2001, more than 37,000 of our soldiers and airmen have deployed in support of the global contingencies.

### **Army Guard**

In 2017, the Pennsylvania Army National Guard deployed 530 soldiers to four countries in support of Operations Enduring Freedom, Freedom's Sentinel, Joint Guardian, Inherent Resolve, Spartan Shield, Atlantic Resolve and other contingency missions. Currently, we have 554 of our soldiers are deployed.

### **Air Guard**

In 2017, the Pennsylvania Air National Guard deployed 758 airmen to 23 countries in support of Operations Anakonda Response, Beyond The Horizons, Citadel Javelin, Cobra Gold, Coronet East, Eager Lion, Iron Wolf, Jaded Thunder, Key Resolve, Military Readiness Airlift, New Horizons, Freedom's Sentinel, Inherent Resolve, Restoring Hope, Pacific Theater Security Package, Saber Strike, Sabre Knight, Tropic Care Humanitarian Mission, Ulchi Freedom Guardian, and other contingency missions. Currently, we have 171 airmen of our deployed.

### **Domestic Support**

The use of limited resources and personnel through Special State Duty (SSD) activities can have a tremendous positive impact in communities throughout the Commonwealth. These missions include honor guard details, parade representation, event support and community participation. In state fiscal year (SFY) 2016-17, \$23,701.72 was spent and 76 National Guard members were activated to support 15 missions across Pennsylvania. From SFY 2017-18 to date, \$10,939.89 and 89 National Guard members have supported various communities in 11 missions.

The Governor, as the commander-in-chief of the PNG, can utilize State Active Duty (SAD) when a disaster occurs in the commonwealth or when tumult, riot or disaster exists or is imminent. The commonwealth is responsible to the pay and allowances of the PNG personnel on SAD and reimburses the federal government for the costs associated with the use of federal equipment. SAD missions originate through the Pennsylvania Emergency Management Agency (PEMA) channel and expenses are paid using DMVA's state general government operations and are reimbursed by PEMA. During 2017, Winter Storm Stella was threatening. The PNG activated its Emergency Operations Center and 672 National Guard members for a total of 1,883

“man-days” to support integrated emergency operations and missions. A “man-day” is any given period with a 24-hour day that one guard member works.

In addition to the SAD provided to Pennsylvania by the PNG, it also provides mission support to other states and territories through Emergency Management Assistance Compacts (EMACs). The PNG supported Florida, Texas, Puerto Rico and the Virgin Islands during devastating storms from September through November of 2017.

The Fall Hurricane Season of 2017 represented higher mission support hours due to those national disasters and our DMVA Purchasing Agents (state employees) worked an additional 64 days (481 hours) in support of these EMACs. Traditionally, these employees support SAD missions by providing, on average, 61 days/year. Since 2010, 9,762 National Guard members have been called to SAD and 34,146 “man-days” have been spent on SAD activities.

The Commonwealth is moving from an 800Mhz radio system to a hybrid VHF/800Mhz P25 trunked radio system, which will allow for enhanced interoperability between state, county, and federal agencies. The Governor’s Executive Budget funds this initiative over a three-year period. The total cost, to include both state and federal radios, is slightly over \$13M. However, the costs associated with the replacement of DMVA’s current fleet of state radios is \$12M. These radios are utilized by our Firefighters, Police Officers, SVH Security, Environmental and Training Division staff and military personnel during SAD missions. Purchasing begins in FY18/19 to replace 1,626 state radios.

### **State Partnership Program**

The State Partnership Program (SPP) with Pennsylvania and the Republic of Lithuania was initiated in April of 1993 and has been extremely active. Since then, PNG members and Lithuanian soldiers and civic officials conducted over 600 activities with Lithuania, this cooperation spans from military engagement to the promotion of civilian agency interaction. This partnership is one of the original programs and will celebrate its 25<sup>th</sup> anniversary in April.

### **DMVA Support to the Opioid and Illicit Drug Crisis**

The Pennsylvania Counterdrug Joint Task Force (CJTF) leverages unique National Guard capabilities to support state and community efforts against illicit drugs and emerging threats. In 2017, the CJTF supported the transportation and destruction of 100,216 lbs. of prescription drugs as part of the drug takeback program with a street value of \$50,107,870. In addition to the prescription drugs destroyed, 163 lbs. of heroin were also destroyed with a street value of \$7,810,080. The CJTF also began an educational program to address the current drug crisis, providing 40 iterations of Opioid Awareness Training for 2,905 students and a Current Heroin Threat training to 522 students in 2017 and 96 as of 15 February this year. The CJTF also partners with local state and federal law enforcement agencies to provide investigative support with an overall contribution to 125 opioid cases, 439 lbs. of heroin seizures with a street value of \$17,576,448. The CJTF is a federally funded program, all these program and services are at no cost to the commonwealth.

## **State Support to the Pennsylvania National Guard**

The PNG is largely funded by the federal government. In fact, 95.9 percent of the funding for the PNG comes from the federal government. The Guard relies on federal funding and resources to supply its military equipment, to pay personnel undergoing training for federally-funded duty, and to operate weapons, vehicles, and facilities. Some of these funds are expended directly by the federal government and some go through the state under our Master Cooperative Agreement with the National Guard Bureau.

It is important not to minimize the 4.1 percent state funding or the contribution this funding has on military readiness. The state contribution is critical in supporting our administrative, training, and readiness missions. Our 2,700 state / federal employees and our nearly 20,000 active PNG members work across 90 communities statewide with the majority supporting our key asset to preparedness Fort Indiantown Gap (FTIG). With a total of \$849.8 million in federal expenditures and an economic impact to the commonwealth estimated at \$1.542 billion, the state investment of \$142.1 million is a bargain. However, the investments are tied together growth fosters growth and reductions require cuts.

DMVA has separate personnel appropriations that are supported with state employees who are funded with federal funds. Currently, we have 328 state employees who are federally funded 263 on the Facilities Maintenance and 65 on the General Government Operations complement. Additionally, the Bureau of Reservation Maintenance (BRM) has 182 State employees; of which 161 are federally funded. The BRM received over 15,675 work orders in 2016. Most of these personnel provide the FTIG installation services of a small city that covers 17,380 acres.

The Facility Program Personnel Allocation Standards, a federal model that determines the total employee requirement needed by BRM to accomplish base operation support functions, recently generated a model that identified the required personnel complement needed for FTIG. The results indicated a need of 574 positions; with 190 positions designated for ground maintenance, 55 for fire and other emergency services, and 11 for refuse removal. The reason for this identified disparity is FITG training and activities continue to grow without growth in the number of personnel complement.

Last year, over 132,000 personnel from around the nation trained at FTIG. In 2016, the installation increased its mission capabilities and support Warfighter Training Center. The Warfighter mission draws thousands of military personnel during a two-month exercise as well as FEMA disaster exercises. FTIG has also embraced technology in simulation training facilities, as well as on our 46 state-of-the-art fully modernized automated ranges. These improvements require trained personnel to operate, fix, and maintain this high-tech equipment. Therefore, today we not only need state employees well versed in mechanics, we also need them be experienced in innovative electronics. State support is critical to the daily operations in support of the readiness of our units and servicemembers.

The Governor's FY 2017-18 budget requests that you appropriate \$13 million for transfer to Educational Assistance Programs. This is a \$500 thousand increase from FY 2016-2017. This request is necessary to ensure that we continue to offer educational assistance grants to

approximately 3,000 National Guard members. Considering rising tuition costs and a fluid utilization rate, we need this appropriation to continue to support the following outstanding programs:

- Educational Assistance Program Fund (EAP) - This program provides grants for eligible PNG members at any of the Pennsylvania Higher Education Assistance Agency (PHEAA) approved school. This grant provides 100 percent tuition for full-time students enrolled at the Pennsylvania State System of Higher Education (PASSHE) 14 universities. In turn, the service member agrees an extended service obligation to the PNG. This program is essential in maintaining the positive recruiting results in the PNG.
- Medical and Health Officer Incentive Program (MHOIP) - This program was enacted in 2014 to recruit and retain medical providers. Medical and health officers provide a specific, much-needed service to our units and personnel. The extensive training and prerequisite experience required places them among the most difficult and critical positions to fill. Since inception, we have averaged over 40 medical and health officer positions are filled utilizing this incentive.

The Supplemental Life Insurance Premiums appropriation of \$164,000 which authorizes reimbursement for federal life insurance premiums for eligible PNG members who are deployed to combat and elect to participate in the coverage. DMVA recommended level funds through 2017-18 which will provide support for a projected 635 National Guard members providing ample funding based on our projected deployments.

### **Facilities**

DMVA strives to ensure that the PNG facilities and air bases located across the commonwealth are adequate to meet existing needs, yet adaptable to future requirements. DMVA has developed and implemented a long-term plan for anticipated Armory/Readiness Center replacements, air base modernization, and development of future sites through existing state and federal construction processes. Over the past 10 years, the commonwealth and the federal government have invested over \$300 Million in new and renovation projects.

DMVA continues to divest itself of antiquated Readiness Centers (RC) and Weekend Training Site (WET) that no longer support the military mission. Since 2013, DMVA has divested 14 facilities, adding just over \$4.4 million to the State Armory Treasury Fund (SATF). We currently have nine properties prepared for disposal. These are the last of the RC that are projected for disposal for the next 6 to 8 years. All funds from the sale of these properties goes into the SATF. The current balance of the SATF is 2.6M, with projected expenditures of over \$750K committed and \$300K to meet the budgetary requirements of 2017, leaves a balance of \$1.5M for additional projects.

In conclusion, I thank the Committee for the opportunity to provide this written report on the fiscal and operational contributions of DMVA. With Governor Wolf and his Administrations' commitment to our veterans, DMVA faces the challenges of the future with the confidence that we can prevail. We can help build a stronger Pennsylvania for our veterans to prosper and the

**PNG to maintain its readiness and capabilities required to defend the homeland and win our nations wars. Ultimately, we are humbled by the opportunity to work with, and serve, heroes, including our veterans and those in service in the PNG.**