



## ***Local Fiscal Highlights***

- No apparent direct fiscal effect on political subdivisions.
- 

## ***Detailed Fiscal Analysis***

### **Provisions of the Bill**

The majority of the provisions of this bill serve to update the law regarding OVH and to make various administrative changes. The most significant provisions of the bill from a fiscal standpoint are (1) the bill extends eligibility of OVH membership to Persian Gulf War veterans (2) permits the General Assembly to specify during the biennial budget process the percentage of resident fees that may be used for OVH operations and OVH capital improvements (3) transfers the Veterans' Hall of Fame to OVH and (4) requires members with excess income or assets to pay per diem rates formerly paid by the VA.

This bill makes several changes to the laws regarding the Ohio Veterans' Home (OVH). Some highlights of the bill will be described here, along with a description of their fiscal impact. S.B. 167:

1. **Makes changes to the composition of the board of trustees of the OVH.** Members of the board shall be appointed by the governor, and all shall be veterans. Appointees shall be made on a prescribed schedule from various veterans' organizations. Terms for members of the board are shortened from five to three years. As these members serve without compensation, no fiscal effect is determined to result from this.
2. **Requires that superintendents for the OVH be honorably discharged veterans.** No cost is associated with this change.
3. **Changes portions of the law concerning the superintendent's duties with regard to the Veterans' Home police.** The majority of the existing law regarding this is removed, and a paragraph is inserted which requires the board to "direct the superintendent to establish a police force and to organize the force in such a manner as the board prescribes." No cost impact is associated with this directive.
4. **Clarifies who is eligible to become a member of the Home, including Persian Gulf War Veterans.** The Governor's Office of Veterans' Affairs estimates that approximately 6,000 Persian Gulf War veterans would become eligible under the bill for membership to the Ohio Veterans' Home over the next 40 years. At a per diem cost in fiscal year 1997 of \$63.09 for the domiciliary and \$150.91 for the nursing home, this may represent a significant cost. Of this per diem cost for domiciliary residents, \$16.13 is funded by the VA, \$7.73 through resident assessments, and \$39.23 from the state. Of the per diem cost for nursing home residents, \$39.74 is funded by the VA, \$22.40 by resident assessments, and \$88.77 by the state. The addition of Persian Gulf War veterans to the OVH, estimated to occur around fiscal year 2020, is not expected to result in any significant change in the number of

veterans served by the Home, because they will replace veterans currently in the Home.

5. **Requires the establishment of a committee of direct care personnel to review applications for admission to the OVH.** This will not result in the hiring of new personnel, as existing personnel will perform these functions as a part of their regular duties. Therefore, no fiscal effect is determined to result.
6. **Clarifies procedures in probate court for declaring a member of OVH incompetent.** No fiscal effect is seen to result from the clarification of language in this procedure.
7. **Adds a section of law describing the Ernest Griffin Care Facility.** Existing law makes reference to the Robert T. Secrest Nursing Home, and is intended to provide balance in the law. No fiscal effect will result from this update.
8. **Requires the establishment of a local fund for entertainment of OVH members.** This fund currently exists, so no cost is associated with this provision. The substitute bill clarifies that revenue from the sale of dining hall meals shall not go to this fund, which serves to clarify existing procedure. This fund, the Member Benefit Fund, will receive donations for the Ohio Veterans' Hall of Fame. These donations are not expected to exceed \$5,000 annually, and represent a minimal increase in revenue.
9. **Permits the General Assembly to set the ratio of operating to capital funds during the biennial budget process.** Under current law, the operating fund (Fund 4E2) receives 80 percent of fees collected from residents, and the improvement fund (Fund 604) receives 20 percent of these fees. Under the bill, no specific ratio would be stated in the statute. Instead, the percentage to be deposited in each fund would be determined by the General Assembly during the biennial budget process. If the General Assembly chooses not to determine how the resident fee revenue is to be allocated between funds, all of the fee revenues will be deposited in the capital fund by default. Resident fees deposited in Fund 4E2, line item 430-602, Veterans Home Operating, may be used to pay operating expenses at the Home. Resident fees deposited in Fund 604, line item 430-604, Veterans Home Improvement, may be used to pay for capital improvement projects. These funds and line items are located within the State Special Revenue Fund Group. The fiscal year 1998 appropriation for each line item was \$3,082,672 and \$466,192, respectively. Am. Sub. H.B. 117 of the 121<sup>st</sup> General Assembly, the main appropriations act for fiscal years 1996 and 1997, changed the ratio of funds deposited in the operating fund and the capital fund from 70/30 to 80/20, respectively. It is unclear at this time what ratio between the funds OVH will find to be most advantageous, and whether the General Assembly will choose to change the ratio in future fiscal years.
10. **Prevents misuse of gifts or inheritances by OVH employees and gives OVH the option to reject any such property.** No fiscal effect is determined to result from this provision.

## ***Synopsis of Changes***

11. **Transfers responsibility for the Ohio Veterans' Hall of Fame from the Bureau of Employment Services to OVH.** The GRF line item, 795-416, has \$70,000 in appropriations for FY 1999 and would be transferred to OVH.
  
12. **Members with excess income or assets precluding the home from collecting per diem grant reimbursements would be required to pay these per diem amounts to OVH.** Veterans' Affairs will no longer reimburse OVH for per diem grant moneys for members with excess income or assets, in the amount of \$40.00 for the nursing home and \$17.78 for the Domiciliary. OVH will find it necessary to collect these per diem amounts from the members directly. This is estimated to affect approximately fifteen members per year, from whom OVH estimates that it would collect a total of \$533 per month or \$6,490 per year. This revenue, formerly deposited to 430-601 when the VA was reimbursing OVH, will now be deposited to the operating and capital line items in the ratio appropriated in the biennial budget process. OVH anticipates no difficulties in collection of these amounts, and no net fiscal effect to OVH is expected to occur.
  
13. **Creates the Ohio Veterans' Home Operating Rotary Fund.** OVH currently receives a negligible amount of revenue from temporary use agreements for facilities at OVH, as well as, revenue from the sale of meals at dining halls. This revenue is currently deposited directly to the state treasury. This new fund shall be used for the maintenance costs of the Home.

□ *LBO staff: Laura Bickle, Budget/Policy Analyst*

*H:\FN122\HB0566h1.doc*