

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: S.B. 167 DATE: February 4, 1998
STATUS: As Introduced SPONSOR: Sen. White
LOCAL IMPACT STATEMENT REQUIRED: No — No local cost
CONTENTS: Various changes to laws governing the Ohio Veterans' Home

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
General Revenue Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	No fiscal effect*	No fiscal effect*	Potential increase*
State Special Revenue Fund			
Revenues	**	**	**
Expenditures	**	**	**

*For the purposes of this analysis, LBO assumes that the fiscal effects of making Gulf War veterans eligible for membership to OVH will not be felt until future years.

**The ratio of operating (Fund 4E2, line item 430-602) to capital funds (Fund 604, line item 430-604) may change as a result of this bill.

- The bill permits Persian Gulf War veterans to be admitted to the Ohio Veteran's Home. The Governor's Office of Veterans' Affairs estimates that approximately 6,000 Persian Gulf War veterans would be eligible 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 when the state share of this cost is considered (\$39.23 and \$88.77, respectively). However, no significant change in the number of veterans served by the Home is expected, because the Persian Gulf War veterans will most likely replace veterans currently in the Home beginning around fiscal year 2020.
- Currently, 80 percent of fees collected from residents go to the Veterans' Home operating fund (Fund 4E2) and 20 percent goes to the Veterans' Home improvement fund (Fund 406). This bill would leave these percentages unspecified in the law. The bill permits the General Assembly to set the ratio of operating to capital funds during the biennial budget process.

Local Fiscal Highlights

- No apparent direct fiscal effect on political subdivisions.



Detailed Fiscal Analysis

Provisions of the Bill

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. However, requiring approval of the board of trustees for all disbursements from this fund may significantly slow the disbursement process.
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 121st 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.

In summary, 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 and (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.

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