



Though the impact on overall operating costs of the merged agency would depend on a number of factors, the total amount currently appropriated for these offices and programs is \$61.8 million in FY 2008 and \$63.9 million in FY 2009.

**Uniformed Services Employment and Reemployment Rights Act (USERRA) Provisions**

- The bill allows the court to award to a plaintiff who prevails in any action or proceeding to enforce such a reinstatement or reemployment right reasonable attorney's fees, expert witness fees, and other litigation expenses. Conversely, the bill also prohibits the court from requiring the plaintiff to reimburse the state for any attorney's fees should the plaintiff not receive favorable judgment in the case. Any awards granted by the Court of Claims could lead to increased costs for the state.
- Were the state a defendant against a state employee's claim of a USERRA violation, the bill specifies that the Court of Claims would have original jurisdiction over the case. This could result in a potential increase in court costs for any increase in caseload.

***Local Fiscal Highlights***

<b>LOCAL GOVERNMENT</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FUTURE YEARS</b>
<b><u>Department of Veterans Services Provisions</u></b>			
<b>Counties, municipalities, and townships</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase	Potential increase	Potential increase
<b><u>Uniformed Services Employment and Reemployment Rights Act Provisions</u></b>			
<b>Counties</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase in USERRA awards	Potential increase in USERRA awards	Potential increase in USERRA awards
	Potential minimal increase in administrative costs for courts	Potential minimal increase in administrative costs for courts	Potential minimal increase in administrative costs for courts

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

**Department of Veterans Services**

- The bill requires local government agencies, such as police departments, mental health boards, and so forth to determine the veterans status of any person with whom they interact or for whom they provide services. These local agencies are to report these interactions with veterans service commissions. There will be some new administrative costs to these local agencies for doing so.

**Uniformed Services Employment and Reemployment Rights Act (USERRA) Provisions**

- The bill allows the court to award to a plaintiff who prevails in any action or proceeding to enforce such a reinstatement or reemployment right reasonable attorney's fees, expert witness fees, and other litigation expenses. This could lead to new local government costs for any awards, damages, and fees they are required to pay.

- County courts of common pleas would have jurisdiction for such cases. This could result in a potential increase in court costs for any increase in caseload.

## *Detailed Fiscal Analysis*

### *Department of Veterans Services Provisions*

#### *Scope of current services*

The bill creates a new Ohio Department of Veterans Services (ODVS). It transfers all functions of the existing Governor's Office of Veterans Affairs (GOVA) to the new department and integrates the Ohio Veterans Home (OVH) and the Ohio War Orphans Scholarship Board (OWOSB), currently within the Board of Regents, into the new department. The table below shows the amounts appropriated for these programs in the FY 2008-FY 2009 operating budget.

<b>FY 2008–FY 2009 Budget for Veterans Programs Merged into Department of Veterans Affairs</b>		
<b>Agency</b>	<b>FY 2008</b>	<b>FY 2009</b>
Ohio Veterans Home Agency	\$56,689,632	\$58,751,474
Board of Regents	\$4,812,321	\$4,812,321
Governor's Office of Veterans Affairs	\$287,000	\$287,000
<b>Total</b>	<b>\$61,788,953</b>	<b>\$63,861,795</b>

According to a recent U.S. Department of Veterans Affairs report, \$2.7 billion of federal funds have been distributed through various benefits to 1.1 million Ohio veterans and their 500,000 dependents.<sup>1</sup>

#### *Reorganization*

The cost incurred by incorporating the Ohio Veterans Home and the Ohio War Orphans Scholarship Board into the new cabinet level ODVS depends upon the extent to which these entities would be reorganized, if at all. Other than functioning under the new department, LSC assumes that OVH and OWOSB operations will remain largely unchanged; however, there could be some administrative changes to reflect the merged department's service goals.

#### *Veterans Home*

OVH employs approximately 805 people and has facilities in both Sandusky and Georgetown for the care of veterans. Currently, OVH is governed by a board of trustees, which oversees its general operation and organization. The bill would dissolve this board and give the director of ODVS governance over OVH. Appropriations for OVH totaled \$56.7 million in FY 2008 and \$58.8 million in FY 2009.

<sup>1</sup> Department of Veterans Affairs, *Ohio and the U.S. Department of Veterans Affairs*, December 2007, <http://www1.va.gov/OPA/fact/statesum/docs/ohss.doc> (March 10, 2008).

### **Veterans Hall of Fame**

The bill makes ODVS the administrative agent for the Veterans Hall of Fame program, which recognizes the post-military achievements of veterans in the civilian workplace. OVH received a GRF appropriation of \$125,000 in both FY 2008 and FY 2009 to administer this program.

### **Ohio War Orphans Scholarship Fund**

Currently under the administrative control of the Board of Regents (BOR), the Ohio War Orphans Scholarship Fund is appropriated approximately \$4.8 million in both FY 2008 and FY 2009. These funds are awarded to the children of war veterans who are either deceased or severely disabled. In CY 2007, 790 students were awarded the scholarship. A board of seven members governs the disbursement of these funds. The bill would add the director of ODVS to the board and make the board a part of ODVS. LSC assumes that the money appropriated for the scholarships would continue to be administered by BOR. This assumption is based upon a similar administrative arrangement between the Adjutant General (ADJ) and BOR regarding the distribution of National Guard scholarship moneys. Under that scholarship program, ADJ determines to whom the scholarships are awarded and BOR distributes the funds.

### **ODVS's new responsibilities**

The bill also creates new responsibilities for ODVS, three of which might increase costs. These new responsibilities are:

- creating an information portal, such as a web page or telephone hotline;
- reaching veterans through outreach events, such as conferences or fairs;
- reaching veterans through advertising in print, radio, television, or the web.

The current GOVA operates a toll-free number and a web page, and so it can be assumed that costs created by new versions of these portals will be minimal—mostly created by the reorganization/redesign of the web page. In contrast, there is currently no specific appropriation in GOVA's budget for advertising or outreach. The cost of advertising and outreach would ultimately depend upon the goals and aims of ODVS. In addition to the immediate costs of advertising, another factor to consider is that, depending on its effectiveness, the demand for veterans services might increase over time. If so, this could lead to increased costs in future years.

There would most likely be some administrative adjustments requiring little to no new expenditures, as they revolve around increased accountability for local, and better communication with federal, veterans organizations. To help accomplish this, the bill requires ODVS to establish advisory committees in addition to the primary advisory committee.

### **County veterans service commissions**

All currently existing functions of GOVA with regard to local veterans service commissions will be transferred to the new ODVS. Local services include rental assistance, transportation services, and emergency food allowances, among others. Currently, GOVA oversees all of these offices and enforces the policies in place concerning their certification, distribution of benefits, and so forth. The bill does, however, provide for increased state oversight for county veterans service commissions by giving the director of ODVS the power to revoke the certification of and remove any veterans service officers found to be improperly discharging their duties. Any additional oversight responsibilities that ODVS bears as a result might slightly increase the new agency's operating costs.

### **Other veterans organizations**

There are several veterans organizations—such as the Jewish War Veterans and the Catholic War Veterans—that receive state funding, but are independent of GOVA. These organizations assist veterans of certain demographic groups in acquiring state and federal benefits. Each organization receives a separate appropriation in the state budget. The bill requires the organizations to make annual reports to the director of ODVS. Depending upon its extent and specifications, there could be minimal administrative costs associated with producing these reports.

### **Local responsibilities**

The bill requires local agencies—such as law enforcement, health departments, mental health boards, etc.—to inquire whether the individuals with whom they interact are veterans or veterans' dependents. If so, the bill requires these local entities to obtain contact information and submit it to the local veterans service commission along with a short description of the individual's interaction with the agency. As a result, there could be some new costs involved for police, health, and other public service agencies. Presumably, costs will be greater in areas with greater numbers of veterans.

### **Uniformed Services Employment and Reemployment Rights Act (USERRA) Provisions**

#### **Background**

The bill applies the provisions of the Federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) into state law. The application of USERRA to state law could allow individuals to seek remedy in either a court of common pleas or the state Court of Claims. Currently, any such cases are heard in federal court. Should a plaintiff in such a case receive favorable judgment, the bill allows the court to award to the plaintiff reasonable attorney's fees, expert witness fees, and other litigation expenses. Additionally, if the state were the defendant, the bill also prohibits the court from requiring the plaintiff to reimburse the state for any attorney's fees should the plaintiff not receive favorable judgment in the case. Additionally, the bill requires all such cases to be given priority on a court's docket.

### **Fiscal impact**

The remedies contained in the bill are no different than what currently exist in USERRA. However, currently, the process for hearing such cases in federal court is lengthy due to the volume of cases of federal court dockets. Because of this, some individuals opt not to pursue a case. Therefore, the bill could potentially increase the likelihood that such a case will be heard. If so, there could be several resulting costs. First, there could be an increase in costs to both the Court of Claims and to county courts of common pleas due to both increased caseloads, and any administrative costs for giving such cases priority on the courts' dockets. Secondly, in cases involving state or county employees, the governmental entity involved could be required to pay the remedies specified above for any cases in which favorable judgment is found for the plaintiff. With respect to the state, the bill prohibits the court of claims from requiring the plaintiff to pay attorney's fees when favorable judgment is not found. It is not known how many additional cases could result from the bill, but given the combination of potential fiscal effects, it would be reasonable to assume that local governments might incur new costs.

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