

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

## **Department of Veterans Services**

Anthony Kremer, Budget Analyst  
Legislative Service Commission

March 2015

# READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Department of Veterans Services (DVS), which includes the following four sections.

1. Overview: Provides a description of the Department's existing functions and staffing, and an overview of the Department's executive recommended budget for the FY 2016-FY 2017 biennium, and notes other important budgetary matters.
2. Facts and Figures: Includes information on the occupancy rates, per diem rates, and daily costs of the state of Ohio's two veterans homes.
3. Analysis of Executive Proposal: Provides a detailed analysis of the Department's executive recommended budget, including the funding and purposes for each appropriated line item, and the services and activities that are financed by those appropriated moneys.
4. Attachments: Includes LSC's catalog of budget line items (COBLI), which describes each line item's purpose, revenue, and expenditures, and the LSC budget spreadsheet, which summarizes each line item's recent expenditure and appropriations history.

# TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>OVERVIEW .....</b>   | <b>1</b>  |
| Agency Overview .....   | 1         |
| <b>Appropriations Overview.....</b>   | <b>1</b>  |
| Expense Category .....  | 2         |
| <b>Agency Sections.....</b>   | <b>3</b>  |
| Veterans Services .....   | 3         |
| Ohio Veterans Homes .....   | 3         |
| Veteran Educational Programs .....  | 3         |
| Veterans Bonus Program .....  | 4         |
| <b>Staffing Levels .....</b>  | <b>4</b>  |
| <b>FACTS AND FIGURES.....</b>   | <b>5</b>  |
| <b>Levels of Care at Veterans Homes.....</b>                                  | <b>5</b>  |
| Nursing Home.....   | 5         |
| Domiciliary .....   | 6         |
| <b>Occupancy Rates for the Veterans Homes.....</b>                            | <b>6</b>  |
| <b>Federal Veterans Administration Per Diem Rates for Veterans Homes.....</b> | <b>7</b>  |
| Average Daily Costs at Veterans Homes.....                                    | 8         |
| <b>FY 2014-FY 2015 Highlights.....</b>  | <b>9</b>  |
| Veterans Bonus Program .....  | 9         |
| Nursing Home Initiatives .....  | 9         |
| Cost-Saving Measures .....  | 10        |
| <b>ANALYSIS OF EXECUTIVE PROPOSAL .....</b>                                   | <b>11</b> |
| <b>Introduction.....</b>  | <b>11</b> |
| <b>Category 1: Ohio Veterans Homes .....</b>                                  | <b>12</b> |
| Veterans' Homes (GRF line item 900321) .....                                  | 12        |
| Veterans' Homes Operating (DPF line item 900602).....                         | 12        |
| Veterans' Homes Services (DPF line item 900603) .....                         | 13        |
| Veterans' Homes Operations – Federal (FED line item 900601).....              | 13        |
| Medicare Services (FED line item 900609).....                                 | 14        |
| <b>Category 2: Veterans Services .....</b>                                    | <b>15</b> |
| Hall of Fame (GRF line item 900402).....                                      | 15        |
| Department of Veterans Services (GRF line item 900408).....                   | 15        |
| Veterans' Initiatives (DPF line item 900642).....                             | 16        |
| Military Injury Relief Program (DPF line item 900643) .....                   | 16        |
| <b>Category 3: Veterans Educational Activities .....</b>                      | <b>17</b> |
| Veterans Training (FED line item 900614).....                                 | 17        |
| <b>Category 4: Veterans Bonus Program .....</b>                               | <b>18</b> |
| Veterans Compensation G.O. Bond Debt Service (GRF line item 900901) .....     | 18        |
| Veterans Bonus Program – Administration (DSF line item 900615).....           | 18        |
| Persian Gulf, Afghanistan, and Iraq Compensation (DSF line item 900641).....  | 19        |

## ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

# Department of Veterans Services

- 75% of budget for Ohio veterans homes
- Veterans Bonus Program reductions forecasted
- Military Injury Relief Grant Program transferred in

## OVERVIEW

### Agency Overview

The Department's primary charge is to actively identify, connect with, and advocate for veterans and their families. The Department also works to connect approximately 877,000 Ohio veterans and their families to programs and benefits to which they are entitled.

The Ohio Department of Veterans Services (DVS) was established by S.B. 289 of the 127th General Assembly and began functioning as an agency on August 21, 2008. When the Department was established, it merged operations from the Governor's Office of Veterans Affairs, the Ohio Veterans' Home Agency, and the Ohio State Approving Agency. The Ohio State Approving Agency was transferred from the Ohio Department of Education on October 1, 2008. Besides transferring and merging these operations, S.B. 289 also enacted several new duties and responsibilities, including additional outreach, advocacy, and expanded coordination with county veteran service commissions. Since its startup, the Department has also assumed responsibility for the administration of the Troops to Teachers and the Veterans Bonus programs.

### Appropriations Overview

The Department's estimated FY 2015 expenditures are compared with the executive recommendations for FYs 2016 and 2017, by fund group, in Table 1 below.

| Fund Group        | FY 2015*            | FY 2016             | % Change,<br>FY 2015-FY 2016 | FY 2017              | % Change,<br>FY 2016-FY 2017 |
|-------------------|---------------------|---------------------|------------------------------|----------------------|------------------------------|
| General Revenue   | \$39,393,644        | \$38,705,121        | -1.7%                        | \$52,964,821         | 36.8%                        |
| Dedicated Purpose | \$14,158,228        | \$15,738,349        | 11.2%                        | \$16,175,171         | 2.8%                         |
| Federal           | \$28,950,204        | \$31,465,159        | 8.7%                         | \$32,981,661         | 4.8%                         |
| Debt Service      | \$10,044,819        | \$2,532,312         | -74.8%                       | \$1,301,927          | -48.6%                       |
| <b>TOTAL</b>      | <b>\$92,546,190</b> | <b>\$88,440,941</b> | <b>-4.4%</b>                 | <b>\$103,423,580</b> | <b>16.9%</b>                 |

\*FY 2015 figures represent estimated levels of spending.

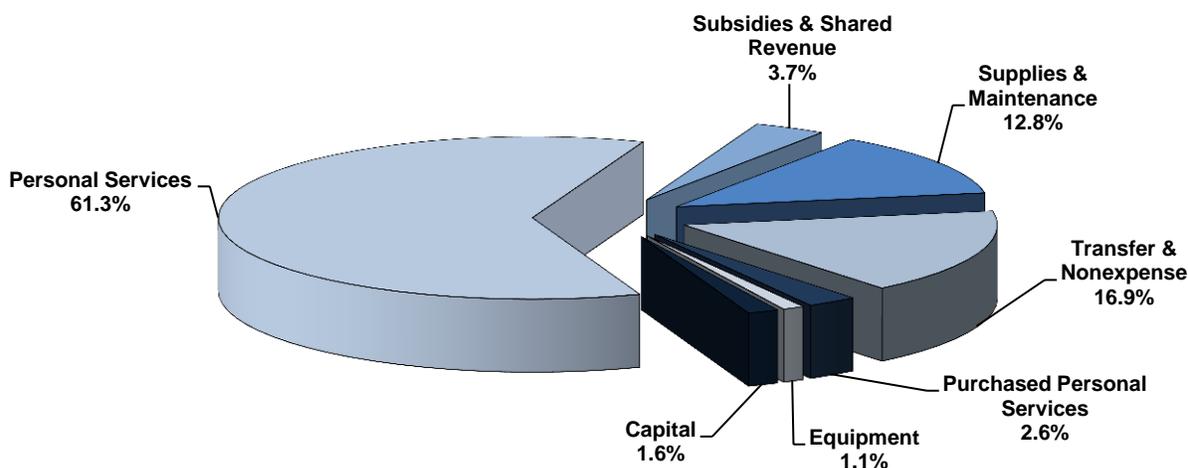
The executive budget recommends an FY 2016 total appropriation of \$88,440,941, a decrease of \$4,105,954, or 4.4%, from FY 2015 total estimated expenditures of \$92,546,895. The FY 2017 total recommended appropriation is \$103,423,580, an increase of \$14,982,639, or 16.9%, from the FY 2016 recommendation.

The largest driver of the changes in the Department's budget over FYs 2015-2017 is the Veterans Bonus Program. Expenditures in the Debt Service Fund Group are dropping because of the reduction in the number of qualifying veterans and related compensation payments and program administration costs. In addition, a large debt service payment on the bonds issued for the program will be made in FY 2017 out of money appropriated from the GRF.

**Expense Category**

Chart 1 below shows the budget recommendations by expense category for the FY 2016-FY 2017 biennium. The Department's largest expense category – 61.3% – is personal services, which encompasses payroll-related expenses (wages, salaries, fringe benefits, and other payroll charges). The majority of these personal services expenses are associated with operations of the two veterans homes. The second largest expense category – 16.9% – contains transfers and nonexpense revenue (related to the Veterans Bonus Program), followed by supplies and maintenance (12.8%), and subsidies and shared revenue (3.7%).<sup>1</sup>

**Chart 1: Executive Budget Recommendations by Expense Category, FY 2016-FY 2017**



<sup>1</sup> The Transfer and Nonexpense category represents the debt service payments which will be made on the bonds used to finance the Veterans Bonus Program.

## Agency Sections

The Department is comprised of the four sections described in more detail below.

### Veterans Services

This section is designed to connect veterans with the benefits that are available to them. Due to the complexity of these programs, it is often difficult for a veteran or a veteran's family to apply for benefits. In response to this fact, this section seeks to identify the veteran population and assist them in obtaining available benefits. The Department states that veterans can typically identify and receive more benefits by working with experienced organizations and staff, such as the county veteran officers, than by working alone.

This section is also responsible for assisting county veteran service commissions, which includes providing training, certification, and accreditation of more than 800 county veteran service officers, commissioners, and staff. Additionally, the section acts as a custodian of 1.9 million veterans' discharge records and converts these records from paper to an electronic format.

### Ohio Veterans Homes

The Department of Veterans Services operates two veterans homes in the state. The Department is the only state agency dedicated to providing long-term care solely to wartime veterans.

In 1888, the first veterans home in Ohio was opened in Sandusky to provide care for Civil War veterans who were unable to earn a living due to diseases or other disabilities. Since its founding in 1888, the Sandusky home has cared for tens of thousands of honorably discharged veterans from the Civil War, Spanish American War, World War I, World War II, Korean War, the Vietnam Conflict, and more recently the Persian Gulf, Iraq, and Afghanistan conflicts. In November 2003, the second state-operated veterans home opened in Georgetown (Brown County). Combined, both homes currently provide services to over 710 veterans. Along with nursing home care, the homes also provide domiciliary living quarters as well as more advanced care for Alzheimer's, dementia, and hospice patients.

### Veteran Educational Programs

The State Approving Agency (SAA) section is responsible for approving and supervising programs of education for the training of veterans, eligible dependents, and eligible members of the National Guard and the reserves.

Last year, more than \$296 million in federal funds went to over 27,000 Ohio veterans and eligible family members to assist with education and training costs. The section also conducts compliance site visits, as well as administrative training for over

750 school and employment site officials. The Ohio Department of Education was responsible for these activities prior to October 2008.

This section is also responsible for administering Troops to Teachers, a program that encourages the recruitment of military personnel into the profession of teaching. The program is funded by the U.S. Department of Defense. Since 1994, over 10,000 veterans nationwide have utilized the Troops to Teachers Program.

### Veterans Bonus Program

The Veterans Bonus Program was approved by Ohio voters in November 2009. The program is designed to provide a bonus to qualifying veterans who served in the Persian Gulf, Iraq, and Afghanistan conflicts. The program was officially launched on August 24, 2010. Between the startup and October 2014, the program paid out \$67.8 million in bonuses to 83,943 qualifying veterans. Currently, the program is averaging roughly 270 applications per week.

### Staffing Levels

Table 2 below shows the Department's number of full-time equivalent (FTE) employees from FY 2014 projected through FY 2017. The majority of the Department's employees work at the veterans homes.

| <b>Work Location</b>         | <b>FY 2014</b> | <b>FY 2015*</b> | <b>FY 2016*</b> | <b>FY 2017*</b> |
|------------------------------|----------------|-----------------|-----------------|-----------------|
| Veterans Services – Columbus | 20.5           | 21.0            | 22.0            | 22.0            |
| Ohio Veterans Homes          | 779.6          | 821.3           | 813.7           | 813.7           |
| Veterans Approving Service   | 5.8            | 5.9             | 6.9             | 6.9             |
| Troops to Teachers           | 1.0            | 1.0             | 1.1             | 1.1             |
| Veterans Bonus Program       | 5.0            | 3.5             | 3.7             | 3.7             |
| <b>TOTAL</b>                 | <b>811.9</b>   | <b>852.7</b>    | <b>847.4</b>    | <b>847.4</b>    |

\*FY 2015-FY 2017 figures are estimates.

## FACTS AND FIGURES

### Levels of Care at Veterans Homes

As previously noted, the Department operates two veterans homes, one in Sandusky and the other in Georgetown. The Department is the only state agency dedicated to providing long-term care solely to wartime veterans.

The two veterans homes operate through a mix of state and federal funds, as well as through resident assessments. Each resident is assessed a monthly fee, which is based on the level of care provided (discussed in more detail below) and the resident's ability to pay. Table 3 below displays the current monthly assessments for the type of care provided.

| Type of Care                | Current Monthly Assessment* |
|-----------------------------|-----------------------------|
| Domiciliary                 | \$530                       |
| Domiciliary Plus (DOM Plus) | \$1,480                     |
| Nursing Home Regular Care   | \$2,190                     |
| Nursing Home Special Care   | \$2,910                     |

\*There is an incremental assessment for those residents who cannot qualify for VA per diem reimbursement.

**Sandusky.** The 94-acre campus in Sandusky has 300 beds in the Veterans Hall Domiciliary (seven of these beds are reserved for visiting family and guests). The Domiciliary provides independence and freedom comparable to community living for residents who do not require hospital or nursing home care. The Secrest-Giffin Nursing Home, also in Sandusky, has 427 beds and provides nursing care and Alzheimer's and other dementia care for residents. The Sandusky facility also offers skilled care and hospice care for residents in need of those services.

**Georgetown.** The Georgetown facility is a 35-acre campus with 168 nursing home beds, 42 of which are dedicated to Alzheimer's and dementia patients. The Georgetown facility offers skilled care and hospice care for residents in need of those services.

### Nursing Home

The nursing home level of care provides long-term care for elderly, chronically ill, and disabled veterans in a homelike environment that allows them to achieve their highest level of functional ability. There are three levels of care in the nursing homes: standard care, skilled care, and special care. Standard care is provided to nursing home residents who do not have Alzheimer's or dementia. Skilled care is provided when medically necessary. Special care is for residents with Alzheimer's and dementia. All

levels of care provide shelter, food, housekeeping, medical assistance, laundry, pharmacy services, and nursing care.

The nursing homes must comply with the regulations and guidelines of the Ohio Department of Health and U.S. Department of Health and Human Services' Centers for Medicare and Medicaid. Additionally, the U.S. Department of Veterans Affairs Standards for State Veterans Homes regulations and guidelines must be followed. The Sandusky and Georgetown nursing homes are inspected by the Ohio Department of Health and the U.S. Department of Veterans Affairs on an annual basis. The Ohio Department of Aging also conducts satisfaction surveys with residents and families. These findings are published on the Department of Aging's website.

### **Domiciliary**

The domiciliary level of care provides two levels of service to residents at the Sandusky Veterans Hall Domiciliary: Domiciliary (DOM) and Domiciliary Plus (DOM-Plus). The Georgetown facility does not provide domiciliary services.

The Sandusky DOM provides shelter, food, and necessary medical care on an ambulatory self-care basis to assist eligible veterans who are suffering from a disability, disease, or defect of such a degree that incapacitates the veteran from earning a living. The veterans are not in need of hospitalization or nursing home care and are capable of independent living.

There are also two 42-bed DOM-Plus wings, which provide a higher level of care to the residents who are veterans of World War II, Korea, Vietnam, and more recently the Persian Gulf, Iraq, and Afghanistan conflicts. The DOM-Plus level provides additional assistance, such as reminders to take medicine and limited help with the activities of daily living. Individuals eligible for DOM-Plus do not require hospital or nursing home care, but are not capable of fully independent living.

### **Occupancy Rates for the Veterans Homes**

Since 2002, the Secrest-Giffin Nursing Home, which is located in Sandusky, has been operating at almost full occupancy. The Veterans Hall Domiciliary has ranged from a high of 81% in 2002 to a low of 53% in 2015. Since 2004, the occupancy rate at the Georgetown Veterans Home has ranged from 30% to 82%. Table 4 shows the occupancy rates by year. The Georgetown facility did not open until November 2003.

| Table 4. Veterans Home Population Count and Occupancy Rates by Year |                             |             |                           |             |                                   |             |                                 |             |
|---|-----------------------------|-------------|---------------------------|-------------|-----------------------------------|-------------|---------------------------------|-------------|
| Year  | Secrest-Giffin Nursing Home |             | Veterans Hall Domiciliary |             | Ohio Veterans Home Sandusky Total |             | Georgetown Veterans Home Total* |             |
|   | # of Residents              | % Occupancy | # of Residents            | % Occupancy | # of Residents                    | % Occupancy | # of Residents                  | % Occupancy |
| 2002  | 425                         | 99%         | 236                       | 81%         | 661                               | 92%         | --                              | --          |
| 2003  | 427                         | 100%        | 221                       | 76%         | 648                               | 90%         | --                              | --          |
| 2004  | 425                         | 99%         | 189                       | 64%         | 614                               | 85%         | 50                              | 30%         |
| 2005  | 427                         | 100%        | 196                       | 67%         | 623                               | 87%         | 90                              | 54%         |
| 2006  | 423                         | 99%         | 194                       | 65%         | 617                               | 85%         | 114                             | 68%         |
| 2007  | 425                         | 99%         | 184                       | 61%         | 609                               | 84%         | 120                             | 71%         |
| 2008  | 422                         | 99%         | 193                       | 66%         | 615                               | 85%         | 117                             | 70%         |
| 2009  | 419                         | 98%         | 201                       | 67%         | 620                               | 85%         | 116                             | 69%         |
| 2010  | 418                         | 98%         | 184                       | 61%         | 602                               | 83%         | 114                             | 68%         |
| 2011  | 422                         | 99%         | 185                       | 63%         | 607                               | 84%         | 117                             | 70%         |
| 2012  | 425                         | 99%         | 177                       | 60%         | 602                               | 84%         | 131                             | 78%         |
| 2013  | 415                         | 97%         | 168                       | 57%         | 583                               | 81%         | 137                             | 82%         |
| 2014  | 419                         | 98%         | 168                       | 57%         | 587                               | 81%         | 134                             | 80%         |
| 2015**  | 420                         | 98%         | 160                       | 53%         | 580                               | 80%         | 134                             | 80%         |

\*The Georgetown Veterans home opened in November 2003.

\*\*As of February 2015.

## Federal Veterans Administration Per Diem Rates for Veterans Homes

Ohio's two veterans homes receive per diem reimbursements from the federal Department of Veterans Affairs (VA) via a formula grant. These rates are adjusted annually. The grant requires a 50% match from nonfederal funds. Table 5 below shows the VA per diem rates each year from 2002 to 2013.

Nursing homes are highly regulated and subject to medical inflation rates for goods and services that exceed consumer inflation rates. Since minimum staffing rates are required, any reduction in funding would result in fewer veterans receiving care. In order to more effectively leverage existing resources, the Department has partnered with other organizations to generate additional funds internally and to increase volunteer hours which help to free existing staff to concentrate on offering direct care to the residents.

**Table 5. Veterans Administration Per Diem Rates\***

| Federal Fiscal Year | Nursing Home Resident | Domiciliary Resident |
|---------------------|-----------------------|----------------------|
| 2002                | \$56.24               | \$26.97              |
| 2003                | \$57.78               | \$27.19              |
| 2004                | \$59.36               | \$27.44              |
| 2005                | \$63.40               | \$29.31              |
| 2006                | \$67.71               | \$31.30              |
| 2007                | \$71.42               | \$33.01              |
| 2008                | \$74.42               | \$34.40              |
| 2009                | \$77.53               | \$35.84              |
| 2010                | \$94.59               | \$38.90              |
| 2011                | \$95.82               | \$39.90              |
| 2012                | \$97.07               | \$41.10              |
| 2013                | \$100.37              | \$43.32              |
| 2014                | \$102.38              | \$44.19              |
| 2015                | TBD                   | TBD                  |

\*Rates effective October 1.

**Average Daily Costs at Veterans Homes**

Table 6 below shows the average daily costs per year.

**Table 6. Average Daily Cost of Care**

| Fiscal Year | Veterans Hall Domiciliary | Percent Change | Secrest-Giffin Nursing Home | Percent Change | Georgetown Veterans Home* | Percent Change |
|-------------|---------------------------|----------------|-----------------------------|----------------|---------------------------|----------------|
| 2002        | \$84.77                   | 8.4%           | \$177.79                    | 2.1%           | --                        | --             |
| 2003        | \$95.29                   | 12.4%          | \$198.88                    | 11.9%          | --                        | --             |
| 2004        | \$98.12                   | 3.0%           | \$200.92                    | 1.0%           | \$677.99                  | N/A            |
| 2005        | \$110.16                  | 12.3%          | \$218.23                    | 8.6%           | \$324.30                  | -52.2%         |
| 2006        | \$109.69                  | -0.4%          | \$216.86                    | -0.6%          | \$268.63                  | -17.2%         |
| 2007        | \$109.00                  | -0.6%          | \$215.00                    | -0.9%          | \$252.00                  | -6.2%          |
| 2008        | \$95.13                   | -12.7%         | \$222.49                    | 3.5%           | \$240.55                  | -4.5%          |
| 2009        | \$108.23                  | 13.8%          | \$247.09                    | 11.1%          | \$280.51                  | 16.6%          |
| 2010        | \$116.18                  | 7.3%           | \$235.89                    | -4.5%          | \$273.23                  | -2.6%          |
| 2011        | \$130.99                  | 12.7%          | \$248.91                    | 5.5%           | \$288.13                  | 5.5%           |
| 2012        | \$139.48                  | 6.5%           | \$256.80                    | 3.2%           | \$273.75                  | -5.0%          |
| 2013        | \$156.92                  | 12.5%          | \$285.70                    | 11.3%          | \$287.62                  | 5.1%           |
| 2014        | \$160.89                  | 2.5%           | \$282.86                    | -1.0%          | \$287.42                  | 0%             |
| 2015**      | \$161.51                  | 0.4%           | \$279.53                    | -1.2%          | \$307.15                  | 6.9%           |

\*Georgetown facility did not open until November 2003.

\*\*As of February 2015.

## **FY 2014-FY 2015 Highlights**

### **Veterans Bonus Program**

The Veterans Bonus Program was approved by Ohio voters in November 2009. The program is designed to provide a bonus to the estimated 200,000 qualifying Ohio veterans who served in the Persian Gulf, Iraq, and Afghanistan conflicts. The program is established in the Ohio Constitution (Section 2r of Article VIII) and authorizes the issuance of \$200 million in bonds to pay for the bonuses as well as the administrative costs of the program. The program launched in August 2010.

An initial \$50 million in cash was generated by a bond sale in August 2010 and deposited in the Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Fund (Fund 7041). Since then, an additional \$34 million has been generated in bond sales. From August 2010 into October 2014, the program paid out \$67.8 million in bonuses to 83,943 qualifying veterans. Currently, the program is averaging roughly 270 applications per week. The Department anticipates a decline in the number of applications received following the close of the Iraq part of the program.

December 31, 2013 was the deadline for Ohio veterans to apply for a bonus for active duty service during the Persian Gulf War and December 31, 2014 was the application deadline for veterans who served in Iraq. The bonus will remain in effect for veterans who served in Afghanistan, or anywhere in the world, from October 7, 2011 until the President declares an end to the war in Afghanistan. Applicants who are eligible at that time will have an additional three years to apply.

### **Nursing Home Initiatives**

#### **Georgetown Veterans Home**

The Department began operating an additional wing in the Georgetown home that was previously operated by Stein Hospice, a nonprofit organization. The operation of this wing required the Department to hire additional staff, but did not result in a need for additional GRF funds.

The home is in the process of constructing a new multi-purpose room that will provide space for resident activities, meetings, chapel services, and training rooms. The space currently available for these activities is too small. The project's totaled estimated cost is \$4.0 million. Design services were initiated in early 2013.

#### **Sandusky Veterans Home**

The Sandusky home is in the midst of a major renovation effort involving three distinct capital improvements projects: electrical, HVAC, and sewer system upgrades. The total cost of all three projects is likely to be in excess of \$14.5 million. Design services were initiated in early 2013, with actual construction starting around June 2014.

All three projects are being done concurrently so that residents will only need to be moved once.

### **Cost-Saving Measures**

The Department continues to take measures to reduce costs associated with the operation of the state's two veterans homes. The Department has realized significant cost savings by purchasing pharmaceuticals and medical supplies through contracts negotiated by the federal Department of Veterans Affairs. Volunteerism is continuing to save both time and money, as well as improving the quality of life of the veteran residents. In the past, veteran and other organizations have purchased vehicles for the homes, funded pavilions, and performed building renovations. The Department will continue to coordinate efforts with the counties, veterans' service organizations, the VA, and media partners to effectively maximize the budget.

## ANALYSIS OF EXECUTIVE PROPOSAL

### Introduction

This section provides an analysis of the executive recommended funding for each line item in the Department's FY 2016-FY 2017 budget. In this analysis, the Department's line items are grouped into four major categories. For each category, a table is provided listing the recommended appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor. The four categories used in this analysis are as follows:

1. Ohio Veterans Homes
2. Veterans Services
3. Veterans Educational Activities
4. Veterans Bonus Program

To aid the reader in finding each item in the analysis, the following table shows the category in which each line item has been placed, listing the line items in order within their respective fund groups and funds.

| Categorization of Line Items for Analysis of Executive Proposal |  |  |                                    |
|---|--|--|------------------------------------|
| Fund  | ALI and Name                                     |  | Category                           |
| <b>General Revenue Fund</b>                                     |  |  |                                    |
| GRF 900321  | Veterans' Homes                                  |  | 1: Ohio Veterans Homes             |
| GRF 900402  | Hall of Fame                                     |  | 2: Veterans Services               |
| GRF 900408  | Department of Veterans Services                  |  | 2: Veterans Services               |
| GRF 900901  | Veterans Compensation G.O. Bond Debt Service     |  | 4: Veterans Bonus Program          |
| <b>Dedicated Purpose Fund Group</b>                             |  |  |                                    |
| 4840 900603   | Veterans' Home Services                          |  | 1: Ohio Veterans Homes             |
| 4E20 900602   | Veterans' Homes Operating                        |  | 1: Ohio Veterans Homes             |
| 5DB0 900643   | Military Injury Relief Program                   |  | 2: Veterans Services               |
| 5PH0 900642   | Veterans Initiatives                             |  | 2: Veterans Services               |
| <b>Federal Fund Group</b>                                       |  |  |                                    |
| 3680 900614   | Veterans Training                                |  | 3: Veterans Educational Activities |
| 3740 900606   | Troops to Teachers                               |  | 3: Veterans Educational Activities |
| 3BX0 900609   | Medicare Services                                |  | 1: Ohio Veterans Homes             |
| 3L20 900601   | Veterans' Homes Operations – Federal             |  | 1: Ohio Veterans Homes             |
| <b>Debt Service Fund Group</b>                                  |  |  |                                    |
| 7041 900615   | Veterans Bonus Program – Administration          |  | 4: Veterans Bonus Program          |
| 7041 900641   | Persian Gulf, Afghanistan, and Iraq Compensation |  | 4: Veterans Bonus Program          |

## Category 1: Ohio Veterans Homes

The appropriations in this category provide funding for the operation of two veterans homes – one in Sandusky and one in Georgetown. The Sandusky facility provides nursing facility and domiciliary care, while the Georgetown facility provides only nursing facility care.

| <b>Executive Recommended Amounts for Ohio Veterans Homes</b> |                     |                                      |                     |                     |
|--|---------------------|--------------------------------------|---------------------|---------------------|
| <b>Fund</b>  | <b>ALI and Name</b> |                                      | <b>FY 2016</b>      | <b>FY 2017</b>      |
| <b>General Revenue Fund (GRF)</b>                            |                     |                                      |                     |                     |
| GRF  | 900321              | Veterans' Homes                      | \$26,992,608        | \$26,992,608        |
| <b>General Revenue Fund Subtotal</b>                         |                     |                                      | <b>\$26,992,608</b> | <b>\$26,992,608</b> |
| <b>Dedicated Purpose Fund (DPF) Group</b>                    |                     |                                      |                     |                     |
| 4E20   | 900602              | Veterans' Homes Operating            | \$12,804,826        | \$13,139,648        |
| 4840   | 900603              | Veterans' Homes Services             | \$883,523           | \$985,523           |
| <b>Dedicated Purpose Fund Group Subtotal</b>                 |                     |                                      | <b>\$13,688,349</b> | <b>\$4,125,171</b>  |
| <b>Federal Fund (FED) Group</b>                              |                     |                                      |                     |                     |
| 3L20   | 900601              | Veterans' Homes Operations – Federal | \$28,110,159        | \$29,245,411        |
| 3BX0   | 900609              | Medicare Services                    | \$2,475,000         | \$2,486,250         |
| <b>Federal Fund Group Subtotal</b>                           |                     |                                      | <b>\$30,585,159</b> | <b>\$32,091,661</b> |
| <b>Total Funding: Ohio Veterans Homes</b>                    |                     |                                      | <b>\$71,266,116</b> | <b>\$73,209,440</b> |

### Veterans' Homes (GRF line item 900321)

This line item is for costs incurred in the administration and operation of the two state veterans homes. For this line item, the executive budget recommends funding of \$26,992,608 in FY 2016 and FY 2017, which is equal to the FY 2015 estimated expenditures. The recommended total for the FY 2016-FY 2017 biennium (\$53.98 million) will be more or less allocated primarily for payroll-related expenses (\$41.1 million, or 76%), and secondarily for supplies and maintenance (\$9.9 million, or 18%). The remainder will be allocated for a mix of equipment, capital improvements, and purchased personal services.

### Veterans' Homes Operating (DPF line item 900602)

This line item is also used to cover operating expenses at the veterans homes. The Veterans' Home Operating Fund (Fund 4E20), which provides the money for the line item's appropriation, consists of 80% of the revenues collected from resident assessments. The fund's revenues are dependent upon the occupancy rate of the facilities, the residents' ability to pay, and the assessment charged. The Department anticipates annual increases in these resident assessments.

For this line item, the executive budget recommends funding of \$12,804,826 in FY 2016, an increase of \$880,321, or 7.4%, from FY 2015 estimated expenditures of \$11,924,505. For FY 2017, the executive budget recommends funding of \$13,139,648, an increase of \$334,822, or 2.6%, from the FY 2016 recommendation. The recommended total for the FY 2016-FY 2017 biennium (\$25.94 million) will be more or less allocated primarily for payroll-related expenses (\$14.7 million, or 57%), and secondarily for supplies and maintenance (\$9.36 million, or 36%). Most of the remainder will be allocated, capital improvements.

#### **Veterans' Homes Services (DPF line item 900603)**

This line item is used: (1) to purchase food products and medication services, and (2) to maintain the areas of the veterans homes that are rented or leased. The Veterans Home Rental and Service Revenue Fund (Fund 4840), which provides the money for the line item's appropriation, consists of reimbursements from hospice, third-party pharmacy receipts, as well as money from leases, rentals, and meals.

For this line item, the executive budget recommends funding of \$883,523 in FY 2016, a decrease of \$777,901, or 46.8%, from FY 2015 estimated expenditures of \$1,661,424. For FY 2017, the executive budget recommends funding of \$985,523, an increase of \$102,000, or 11.5%, from the FY 2016 recommendation. This decrease is due to a reduction in hospice income.

#### **Veterans' Homes Operations – Federal (FED line item 900601)**

This line item is used to pay for the operating expenses of the two state veterans homes. It is funded from the Federal Grants Fund (Fund 3L20), which consists of moneys received from the U.S. Department of Veterans Affairs for per diem rates. The fund's revenues are dependent upon the number of days of care provided to nursing home and domiciliary residents and the per diem rates established by the U.S. Department of Veterans Affairs. The per diem rate effective on March 1, 2015, is \$102.38 for nursing home residents and \$44.19 for domiciliary residents.

For this line item, the executive budget recommends funding of \$28,110,159 in FY 2016, an increase of \$2,475,576, or 9.7%, from the FY 2015 estimated expenditures of \$25,634,583. For FY 2017, the executive budget recommends funding of \$29,245,411, an increase of \$1,135,252, or 4.0%, over the FY 2016 recommendation. Each year's recommended amount will primarily be allocated for payroll-related expenses (98%), and secondarily supplies and maintenance (2%).

**Medicare Services (FED line item 900609)**

This line item is used to provide Medicare-related and other services to eligible veterans. These services include physical therapy, IV medication, skilled nursing care, medical care, room, board, and other Medicare required goods and services. Funds are also used to purchase Medicare allowable equipment.

The Medicare Services Fund (Fund 3BX0), which provides the money for the line item's appropriation, consists of Medicare Part A and B reimbursements for skilled nursing care services. The fund's revenues can fluctuate based on rates established by the U.S. Department of Health and Human Services Centers for Medicare and Medicaid, the number of residents that require skilled care, and the level of treatment that these residents require.

For this line item, the executive budget recommends funding of \$2,475,000 in FY 2016, a decrease of \$30,620, or 1.2%, from FY 2015 estimated expenditures of \$2,505,620. For FY 2017, the executive budget recommends funding of \$2,846,250, an increase of \$371,250, or 15.0%, from the FY 2016 recommendation. Each year's recommended amount will primarily be allocated for payroll-related expenses (72%), followed by supplies and maintenance (13%), and equipment (15%).

## Category 2: Veterans Services

The appropriations in this category help to connect veterans with their benefits and provide training to county veterans' service officers and county veterans service commissions.

| Executive Recommended Amounts for Veterans Services |              |                                 |                    |                    |
|---|--------------|---------------------------------|--------------------|--------------------|
| Fund  | ALI and Name |                                 | FY 2016            | FY 2017            |
| <b>General Revenue Fund</b>                         |              |                                 |                    |                    |
| GRF   | 900402       | Hall of Fame                    | \$107,075          | \$107,075          |
| GRF   | 900408       | Department of Veterans Services | \$2,521,738        | \$2,521,738        |
| <b>General Revenue Fund Subtotal</b>                |              |                                 | <b>\$2,628,813</b> | <b>\$2,628,813</b> |
| <b>Dedicated Purpose Fund</b>                       |              |                                 |                    |                    |
| DPF   | 900642       | Veterans' Initiatives           | \$50,000           | \$50,000           |
| DPF   | 900643       | Military Injury Relief Program  | \$2,000,000        | \$2,000,000        |
| <b>Dedicated Purpose Fund Subtotal</b>              |              |                                 | <b>\$2,050,000</b> | <b>\$2,050,000</b> |
| <b>Total Funding: Veterans Services</b>             |              |                                 | <b>\$4,678,813</b> | <b>\$4,678,813</b> |

### Hall of Fame (GRF line item 900402)

This line item is used to pay for expenses relating to the Veterans Hall of Fame. The Hall of Fame recognizes veterans for their significant contributions they have made, or are making, to their community, state, and nation after serving honorably in the armed services. This program was created in 1992 and was the first of its kind in the nation. In 2014, 101 nomination packets were received. Of those, 20 were inducted into the Hall of Fame.

For the line item, the executive budget recommends funding of \$107,075 in FY 2016 and FY 2017, an amount identical to FY 2015 estimated expenditures. These funds are typically allocated for payroll and maintenance and supplies.

### Department of Veterans Services (GRF line item 900408)

This line item is used to pay the operating expenses that the Department incurs in performing its mission to identify, connect with, and advocate for veterans and their families. It also pays for operating expenses related to the Veterans' Record System, which contains digitized copies of discharge and separation information on Ohio veterans.

For the line item, the executive budget recommends funding of \$2,521,738 in FY 2016 and FY 2017, an increase of \$142,577, or 6.0%, from the FY 2015 estimated expenditures of \$2,379,161. This level of funding will allow the Department to maintain current service levels. Each year's recommended amount will primarily be allocated for payroll-related expenses (78%), followed by supplies and maintenance (14%), equipment (4%), and purchased personal services (4%).

An ongoing departmental priority is, budget permitting, to improve the benefits delivery system through public awareness, outreach and education, staff training, and streamlining the application process. A notable accomplishment in this regard from the Department's perspective is a joint effort with the Cleveland V.A. Regional Benefits Office that resulted in a significant improvement in claims processing for Ohio's veterans through systemic changes, training, and enhanced communications. Also of importance to the Department is reducing unemployment in the veteran's community, an effort that currently includes collaboration with Ohio's Adjutant General, the Department of Job and Family Services, and the Office of the Governor.

#### **Veterans' Initiatives (DPF line item 900642)**

This line item is used to fund a statewide pilot program designed to identify and assist eligible veterans in transferring from Medicaid to services provided by the U.S. Department of Veterans Affairs. The program involves a partnership between the Department of Veterans Services and the Ohio Department of Medicaid to determine and implement ways to improve services to veterans.<sup>2</sup> The sole source of revenue has been a cash transfer from the Ohio Department of Medicaid that was approved by the Controlling Board on April 7, 2014.

For the line item, the executive budget recommends funding of \$50,000 in FY 2016 and FY 2017, a decrease of \$18,300, or 26.8%, from the FY 2015 estimated expenditures of \$68,000. All of that amount will be allocated for purchased personal services.

#### **Military Injury Relief Program (DPF line item 900643)**

This is a new line item that will be used to provide military injury grants. To be eligible for the grant, an individual must have been injured while serving on active duty during Operation Enduring Freedom, Operation Iraqi Freedom, or Operation New Dawn, or have been diagnosed with post-traumatic stress disorder after having served in those operations. This grant program is currently being administered by the Department of Job and Family Services. The executive budget proposes to move administration of this program over to the Department of Veterans Services. The executive recommends funding of \$2,000,000 for FY 2016 and FY 2017.

---

<sup>2</sup> Authorized by Section 323.350 of Am. Sub. H.B. 59 of the 130th General Assembly.

### Category 3: Veterans Educational Activities

This category of appropriations provides funds for the approval and supervision of educational programs for veterans and their dependents, as well as funds to encourage veterans to enter the teaching profession.

| Executive Recommended Amounts for Veterans Educational Activities |              |                    |                  |                  |
|---|--------------|--------------------|------------------|------------------|
| Fund  | ALI and Name |                    | FY 2016          | FY 2017          |
| <b>Federal Fund (FED) Group</b>                                   |              |                    |                  |                  |
| 3740  | 900606       | Troops to Teachers | \$150,000        | \$150,000        |
| 3680  | 900614       | Veterans Training  | \$730,000        | \$740,000        |
| <b>Federal Fund Group Subtotal</b>                                |              |                    | <b>\$880,000</b> | <b>\$890,000</b> |
| <b>Total Funding: Veterans Educational Activities</b>             |              |                    | <b>\$880,000</b> | <b>\$890,000</b> |

This line item is used to fund Troops to Teachers, a program for the recruitment of military personnel into the profession of teaching. The line item's appropriation is supported by money from the Defense Activity for Non-Traditional Education Support (DANTES) Program administered by the U.S. Department of Defense. Federal funds originate with the U.S. Department of Education and are then transferred to the U.S. Department of Defense.

For the line item, the executive budget recommends funding of \$150,000 in FY 2016 and FY 2017, an increase of \$38,056, or 34.0%, from the FY 2015 estimated expenditures of \$111,944. Each year's recommended amount will primarily be allocated for payroll-related expenses (62%), and secondarily supplies and maintenance (38%).

#### **Veterans Training (FED line item 900614)**

This line item is used to fund the approval and supervision of educational programs for veterans and their dependents. The Veterans Training Fund (Fund 3680), which provides the money for the line item's appropriation, receives revenues that are determined by funding levels established by Congress and allocated by the U.S. Department of Veterans Affairs. The amount of federal funds allocated to each state is dependent upon the number of active sites within that state.

For this line item, the executive budget recommends funding of \$730,000 in FY 2016, an increase of \$31,943, or 4.6%, from the FY 2015 estimated expenditures of \$698,057. For FY 2017, the executive budget recommends funding of \$740,000, an increase of \$10,000, or 1.4%, from the FY 2016 recommendation. Each year's recommended amount will primarily be allocated for payroll-related expenses (84%), and secondarily supplies and maintenance (16%).

### Category 4: Veterans Bonus Program

This category of appropriations provides funds for the support of the Veterans Bonus Program, which was approved by Ohio voters in November 2009. It is funded through the issuance of bonds. Eligible service members, veterans, or qualifying family members may be eligible for up to \$1,500 in bonus payments based upon length and location of the qualifying service. Family members of those killed in action, missing in action, or prisoners of war may be eligible for a bonus of \$5,000. Between September 2010, the date on which applications began to be accepted, and July 2014, nearly \$65.6 million has been paid to 81,409 qualifying applicants.

| <b>Executive Recommended Amounts for Veterans Bonus Program</b> |        |  |                     |                     |
|---|--------|--|---------------------|---------------------|
| <b>Fund</b>   |        | <b>ALI and Name</b>  | <b>FY 2016</b>      | <b>FY 2017</b>      |
| <b>General Revenue Fund (GRF)</b>                               |        |  |                     |                     |
| GRF   | 900901 | Veterans Compensation General Obligation Bond Debt Service | \$9,083,700         | \$23,343,400        |
| <b>General Revenue Fund Subtotal</b>                            |        |  | <b>\$9,083,700</b>  | <b>\$23,343,400</b> |
| <b>Debt Service Fund (DSF) Group</b>                            |        |  |                     |                     |
| 7041  | 900615 | Veterans Bonus Program – Administration                    | \$359,173           | \$359,173           |
| 7041  | 900641 | Persian Gulf, Afghanistan, and Iraq Compensation           | \$2,173,139         | \$942,754           |
| <b>Debt Service Fund Group Subtotal</b>                         |        |  | <b>\$2,532,312</b>  | <b>\$1,301,927</b>  |
| <b>Total Funding: Veterans Bonus Program</b>                    |        |  | <b>\$11,616,012</b> | <b>\$24,645,327</b> |

#### **Veterans Compensation G.O. Bond Debt Service (GRF line item 900901)**

This line item is used to pay all debt service and related financing costs on obligations issued for Persian Gulf, Afghanistan, and Iraq compensation purposes.<sup>3</sup>

For this line item, the executive budget recommends funding of \$9,083,700 in FY 2016, a decrease of \$831,100, or 8.4%, from the FY 2015 estimated expenditures of \$9,914,800. For FY 2017, the executive budget recommends funding of \$23,343,400, an increase of \$14,259,700, or 157.0%, from the FY 2016 recommendation. The increase in FY 2017 is largely due to a \$16,000,000 payment that will be made on the 2013 bond principle.

#### **Veterans Bonus Program – Administration (DSF line item 900615)**

This line item is used to pay the operating expenses incurred to administer the Veterans Bonus Program. For FY 2016 and FY 2017, the executive budget recommends funding of \$359,173, a decrease of \$285,646, or 44.3%, from the FY 2015 estimated expenditures of \$644,819. The decrease reflects forecasted staff reductions as the

<sup>3</sup> R.C. 151.01 and 151.12.

number of new applications decrease. Each year's recommended amount will primarily be allocated for payroll-related expenses (51%), and secondarily supplies and maintenance (37%).

**Persian Gulf, Afghanistan, and Iraq Compensation (DSF line item 900641)**

This line item is used to make bonus payments to qualified Ohio veterans of the Persian Gulf, Afghanistan, and Iraq conflicts. Depending upon specified circumstances of their military service, the maximum benefit for an eligible veteran is \$500, \$1,000, or \$1,500. For FY 2016, the executive budget recommends funding of \$2,173,139, a decrease of \$7,226,861, or 76.9%, from the FY 2015 estimated expenditures of \$9,400,000. For FY 2017, the executive budget recommends funding of \$942,754, a decrease of \$1,230,385, or 56.6%, from the FY 2016 recommendation. This funding decrease is indicative of the Department's expectation that applications to the bonus program will be decreasing as these conflicts come to an end.

DVS.docx\jc

## Department of Veterans Services

### General Revenue Fund

#### GRF 900321 Veterans' Homes

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$25,913,818      | \$25,700,487      | \$27,174,503      | \$26,992,608        | <b>\$26,992,608</b>   | <b>\$26,992,608</b>   |
|                   | -0.8%             | 5.7%              | -0.7%               | <b>0.0%</b>           | <b>0.0%</b>           |

**Source:** General Revenue Fund

**Legal Basis:** Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Sub. H.B. 449 of the 128th G.A.)

**Purpose:** This line item is used to pay for operating expenses incurred in the administration and operation of the state's two veterans' homes.

#### GRF 900402 Hall of Fame

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$98,920          | \$81,599          | \$87,716          | \$107,075           | <b>\$107,075</b>      | <b>\$107,075</b>      |
|                   | -17.5%            | 7.5%              | 22.1%               | <b>0.0%</b>           | <b>0.0%</b>           |

**Source:** General Revenue Fund

**Legal Basis:** Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. S.B. 289 of the 127th G.A.)

**Purpose:** This line item is used for payroll and maintenance expenses incurred to operate the Ohio Veterans Hall of Fame.

#### GRF 900408 Department of Veterans Services

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$1,814,442       | \$1,912,499       | \$1,998,211       | \$2,379,161         | <b>\$2,521,738</b>    | <b>\$2,521,738</b>    |
|                   | 5.4%              | 4.5%              | 19.1%               | <b>6.0%</b>           | <b>0.0%</b>           |

**Source:** General Revenue Fund

**Legal Basis:** Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. S.B. 289 of the 127th G.A.)

**Purpose:** This line item is used to pay operating expenses that the Department incurs in performing its mission to identify, connect with, and advocate for veterans and their families.

## Department of Veterans Services

### GRF 900901 Veterans Compensation General Obligation Bond Debt Service

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$4,151,478       | \$6,538,518       | \$7,194,515       | \$9,914,800         | <b>\$9,083,700</b>    | <b>\$23,343,400</b>   |
|                   | 57.5%             | 10.0%             | 37.8%               | -8.4%                 | 157.0%                |

**Source:** General Revenue Fund

**Legal Basis:** Section 2r, Article VIII, of the Ohio Constitution; Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A.

**Purpose:** This line item funds payments to retire debt borrowed to finance veterans bonus payments and that program's administration.

### Dedicated Purpose Fund Group

#### 4840 900603 Veterans' Homes Services

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$275,082         | \$327,998         | \$1,266,430       | \$1,661,424         | <b>\$883,523</b>      | <b>\$985,523</b>      |
|                   | 19.2%             | 286.1%            | 31.2%               | -46.8%                | 11.5%                 |

**Source:** Dedicated Purpose Fund Group: (1) Hospice reimbursements, (2) temporary use agreements for veterans' home buildings and grounds, (3) sale of meals at a home's dining halls, (4) pharmacy revenues, and (5) rental, lease, or sharing agreements for the use of facilities, supplies, equipment, utilities, or services provided by a home

**Legal Basis:** ORC 5907.15; Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. S.B. 289 of the 127th G.A.)

**Purpose:** This line item is used to pay for maintenance costs of the state's two veterans' homes and for the purchase of medications, medication services, medical supplies, and medical equipment by the homes.

#### 4E20 900602 Veterans' Homes Operating

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$8,462,411       | \$9,055,340       | \$9,192,763       | \$11,924,505        | <b>\$12,804,826</b>   | <b>\$13,139,648</b>   |
|                   | 7.0%              | 1.5%              | 29.7%               | 7.4%                  | 2.6%                  |

**Source:** Dedicated Purpose Fund Group: 80% of the fees residents of a state veterans' home assessed for expenses of support, dependent upon their ability to pay, plus any interest earned on those fees

**Legal Basis:** ORC 5907.131; Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. S.B. 289 of the 127th G.A.)

**Purpose:** This line item is used to pay operating costs of the state's two veterans' homes.

## Department of Veterans Services

### 5DB0 900643 Military Injury Relief Program

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$0               | \$0               | \$0               | \$0                 | <b>\$2,000,000</b>    | <b>\$2,000,000</b>    |
|                   | N/A               | N/A               | N/A                 | <b>N/A</b>            | <b>0.0%</b>           |

**Source:** Dedicated Purpose Fund Group: State income tax checkoff

**Legal Basis:** Newly-created in Section of H.B. 64 as part of the executive-recommended budget for the FY 2016-FY 2017 biennium

**Purpose:** This is a new line item that will be used to provide military injury grants. To be eligible for the grant, an individual must have been injured while serving on active duty during Operation Enduring Freedom, Operation Iraqi Freedom, or Operation New Dawn, or have been diagnosed with post-traumatic stress disorder after having served in those operations. This grant program is currently being administered by the Department of Job and Family Services. The executive budget proposes to move administration of this program over to the Department of Veterans Services.

### 5PH0 900642 Veterans Initiatives

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$0               | \$0               | \$6,683           | \$68,300            | <b>\$50,000</b>       | <b>\$50,000</b>       |
|                   | N/A               | N/A               | 922.1%              | <b>-26.8%</b>         | <b>0.0%</b>           |

**Source:** Dedicated Purpose Fund Group: Cash transferred from the Ohio Department of Medicaid (Fund 3FA0, line item 651680, Health Care Grants - Federal)

**Legal Basis:** Established by the Controlling Board on April 7, 2014

**Purpose:** This line item is used to fund a statewide pilot program designed to identify and assist eligible veterans in transferring from Medicaid to services provided by the U.S. Department of Veterans Affairs. This is a collaboration authorized by Section 323.350 of Am. Sub H.B. 59 of the 130th G.A., which permits the two departments to work together in determining and implementing ways to improve services to veterans.

## Department of Veterans Services

### 6040 900604 Veterans' Homes Improvement

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$1,441,000       | \$293,618         | \$570,102         | \$503,999           | <b>\$0</b>            | <b>\$0</b>            |
|                   | -79.6%            | 94.2%             | -11.6%              | <b>-100%</b>          | <b>N/A</b>            |

**Source:** Dedicated Purpose Fund Group: 20% of the fees residents of a state veterans' home assessed for expenses of support, dependent upon their ability to pay, plus any interest earned on those fees

**Legal Basis:** ORC 5907.14; Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. S.B. 289 of the 127th G.A.)

**Purpose:** This line item is used by the state's two veterans' homes to purchase equipment and make capital improvements. Starting with FY 2016, the Department plans to appropriate the available cash in this fund through the capital improvements budget and no longer use the biennial operating budget for this purpose.

## Debt Service Fund Group

### 7041 900615 Veteran Bonus Program - Administration

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$665,866         | \$415,849         | \$449,647         | \$644,819           | <b>\$359,173</b>      | <b>\$359,173</b>      |
|                   | -37.5%            | 8.1%              | 43.4%               | <b>-44.3%</b>         | <b>0.0%</b>           |

**Source:** Debt Service Fund Group: Proceeds of bond sales authorized under Section 2r, Article VIII, of the Ohio Constitution (total authorized amount \$200 million); bonds were authorized until December 31, 2013

**Legal Basis:** Section 2r, Article VIII, of the Ohio Constitution; Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Controlling Board on March 22, 2010)

**Purpose:** This line item is used to pay operating expenses incurred to administer the Veterans Bonus Program, which awards monetary bonuses to eligible Ohio veterans if they served on active duty with U.S. armed forces, including the Ohio National Guard, anywhere in the world during specified periods of time.

## Department of Veterans Services

### 7041 900641 Persian Gulf, Afghanistan, and Iraq Compensation

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$12,719,705      | \$8,049,374       | \$9,720,444       | \$9,400,000         | <b>\$2,173,139</b>    | <b>\$942,754</b>      |
|                   | -36.7%            | 20.8%             | -3.3%               | <b>-76.9%</b>         | <b>-56.6%</b>         |

**Source:** Debt Service Fund Group: Proceeds of bond sales authorized under Section 2r, Article VIII, of the Ohio Constitution (total authorized amount \$200 million); bonds were authorized until December 31, 2013

**Legal Basis:** Section 2r, Article VIII, of the Ohio Constitution; Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A.

**Purpose:** This line item is used to pay for bonuses to certain eligible veterans of the Persian Gulf, Afghanistan and Iraq conflicts. Depending upon specified circumstances of their military service, the maximum benefit for an eligible veteran is \$500, \$1,000, or \$1,500.

## Federal Fund Group

### 3680 900614 Veterans Training

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$545,883         | \$554,660         | \$609,954         | \$698,057           | <b>\$730,000</b>      | <b>\$740,000</b>      |
|                   | 1.6%              | 10.0%             | 14.4%               | <b>4.6%</b>           | <b>1.4%</b>           |

**Source:** Federal Fund Group: CFDA 64.124, All-Volunteer Force Educational Assistance, administered by the U.S. Department of Veterans Affairs

**Legal Basis:** Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. H.B. 1 of the 128th G.A.)

**Purpose:** This line item is used to pay operating expenses that the Department incurs to supervise and approve schools, apprenticeships, and on-the-job training programs offering vocational, educational, and professional services to veterans and their eligible dependents.

## Department of Veterans Services

### 3740 900606 Troops to Teachers

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$116,576         | \$103,090         | \$97,430          | \$111,944           | <b>\$150,000</b>      | <b>\$150,000</b>      |
|                   | -11.6%            | -5.5%             | 14.9%               | <b>34.0%</b>          | <b>0.0%</b>           |

**Source:** Federal Fund Group: Federal funding from the Defense Activity for Non-Traditional Education Support (DANTES) program administered by the U.S. Department of Defense (funds originate with the U.S. Department of Education and are then transferred to the U.S. Department of Defense)

**Legal Basis:** Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A.. (originally established by Am. Sub. H.B. 1 of the 128th G.A.)

**Purpose:** This line item is used for operating expenses that the Department incurs for outreach and recruitment of military personnel to enter the teaching profession.

### 3BX0 900609 Medicare Services

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$2,289,432       | \$1,802,079       | \$2,782,255       | \$2,505,620         | <b>\$2,475,000</b>    | <b>\$2,846,250</b>    |
|                   | -21.3%            | 54.4%             | -9.9%               | <b>-1.2%</b>          | <b>15.0%</b>          |

**Source:** Federal Fund Group: Federal reimbursement by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, for Medicare services provided at state veterans' homes

**Legal Basis:** ORC 5907.16; Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. S.B. 289 of the 127th G.A.)

**Purpose:** This line item is used to provide Medicare-related and other services to eligible veterans, including physical therapy, IV medication, skilled nursing care, medical care, room, board, and other Medicare required goods and services. It is also used to purchase medical equipment to provide the services and other Medicare allowable equipment.

### 3L20 900601 Veterans' Homes Operations - Federal

| FY 2012<br>Actual | FY 2013<br>Actual | FY 2014<br>Actual | FY 2015<br>Estimate | FY 2016<br>Introduced | FY 2017<br>Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$21,750,696      | \$24,230,678      | \$24,741,631      | \$25,634,583        | <b>\$28,110,159</b>   | <b>\$29,245,411</b>   |
|                   | 11.4%             | 2.1%              | 3.6%                | <b>9.7%</b>           | <b>4.0%</b>           |

**Source:** Federal Fund Group: (1) CFDA 64.014, Veterans State Domiciliary Care, and (2) CFDA 64.015, Veterans State Nursing Home Care, both administered by the U.S. Department of Veterans Affairs

**Legal Basis:** ORC 5907.141(A); Section 403.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. S.B. 289 of the 127th G.A.)

**Purpose:** The line item is used to pay for operating costs of state veterans' homes.

# FY 2016 - FY 2017 Introduced Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

|  |        |  | FY 2014                       | Estimate<br>FY 2015  | Introduced<br>FY 2016 | FY 2015 to FY 2016<br>% Change | Introduced<br>FY 2017 | FY 2016 to FY 2017<br>% Change |
|--|--------|--|-------------------------------|----------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|
| <b>Report For Main Operating Appropriations Bill</b> |        |  | <b>Version: As Introduced</b> |                      |                       |                                |                       |                                |
| <b>DVS Department of Veterans Services</b>           |        |  |                               |                      |                       |                                |                       |                                |
| GRF  | 900321 | Veterans' Homes  | \$ 27,174,503                 | \$ 26,992,608        | \$ 26,992,608         | 0.00%                          | \$ 26,992,608         | 0.00%                          |
| GRF  | 900402 | Hall of Fame   | \$ 87,716                     | \$ 107,075           | \$ 107,075            | 0.00%                          | \$ 107,075            | 0.00%                          |
| GRF  | 900408 | Department of Veterans Services                            | \$ 1,998,211                  | \$ 2,379,161         | \$ 2,521,738          | 5.99%                          | \$ 2,521,738          | 0.00%                          |
| GRF  | 900901 | Veterans Compensation General Obligation Bond Debt Service | \$ 7,194,515                  | \$ 9,914,800         | \$ 9,083,700          | -8.38%                         | \$ 23,343,400         | 156.98%                        |
| <b>General Revenue Fund Total</b>                    |        |  | <b>\$ 36,454,945</b>          | <b>\$ 39,393,644</b> | <b>\$ 38,705,121</b>  | <b>-1.75%</b>                  | <b>\$ 52,964,821</b>  | <b>36.84%</b>                  |
| 4840   | 900603 | Veterans' Homes Services                                   | \$ 1,266,430                  | \$ 1,661,424         | \$ 883,523            | -46.82%                        | \$ 985,523            | 11.54%                         |
| 4E20   | 900602 | Veterans' Homes Operating                                  | \$ 9,192,763                  | \$ 11,924,505        | \$ 12,804,826         | 7.38%                          | \$ 13,139,648         | 2.61%                          |
| 5DB0   | 900643 | Military Injury Relief Program                             | \$ 0                          | \$ 0                 | \$ 2,000,000          | N/A                            | \$ 2,000,000          | 0.00%                          |
| 5PH0   | 900642 | Veterans Initiatives                                       | \$ 6,683                      | \$ 68,300            | \$ 50,000             | -26.79%                        | \$ 50,000             | 0.00%                          |
| 6040   | 900604 | Veterans' Homes Improvement                                | \$ 570,102                    | \$ 503,999           | \$ 0                  | -100.00%                       | \$ 0                  | N/A                            |
| <b>Dedicated Purpose Fund Group Total</b>            |        |  | <b>\$ 11,035,978</b>          | <b>\$ 14,158,228</b> | <b>\$ 15,738,349</b>  | <b>11.16%</b>                  | <b>\$ 16,175,171</b>  | <b>2.78%</b>                   |
| 7041   | 900615 | Veteran Bonus Program - Administration                     | \$ 449,647                    | \$ 644,819           | \$ 359,173            | -44.30%                        | \$ 359,173            | 0.00%                          |
| 7041   | 900641 | Persian Gulf, Afghanistan, and Iraq Compensation           | \$ 9,720,444                  | \$ 9,400,000         | \$ 2,173,139          | -76.88%                        | \$ 942,754            | -56.62%                        |
| <b>Debt Service Fund Group Total</b>                 |        |  | <b>\$ 10,170,091</b>          | <b>\$ 10,044,819</b> | <b>\$ 2,532,312</b>   | <b>-74.79%</b>                 | <b>\$ 1,301,927</b>   | <b>-48.59%</b>                 |
| 3680   | 900614 | Veterans Training  | \$ 609,954                    | \$ 698,057           | \$ 730,000            | 4.58%                          | \$ 740,000            | 1.37%                          |
| 3740   | 900606 | Troops to Teachers   | \$ 97,430                     | \$ 111,944           | \$ 150,000            | 34.00%                         | \$ 150,000            | 0.00%                          |
| 3BX0   | 900609 | Medicare Services  | \$ 2,782,255                  | \$ 2,505,620         | \$ 2,475,000          | -1.22%                         | \$ 2,846,250          | 15.00%                         |
| 3L20   | 900601 | Veterans' Homes Operations - Federal                       | \$ 24,741,631                 | \$ 25,634,583        | \$ 28,110,159         | 9.66%                          | \$ 29,245,411         | 4.04%                          |
| <b>Federal Fund Group Total</b>                      |        |  | <b>\$ 28,231,270</b>          | <b>\$ 28,950,204</b> | <b>\$ 31,465,159</b>  | <b>8.69%</b>                   | <b>\$ 32,981,661</b>  | <b>4.82%</b>                   |
| <b>Department of Veterans Services Total</b>         |        |  | <b>\$ 85,892,283</b>          | <b>\$ 92,546,895</b> | <b>\$ 88,440,941</b>  | <b>-4.44%</b>                  | <b>\$ 103,423,580</b> | <b>16.94%</b>                  |