

Redbook

LBO Analysis of Executive Budget Proposal

Ohio Department of Veterans Services

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TABLE OF CONTENTS

Quick look	1
Overview	2
Agency overview.....	2
Veterans Services.....	2
Ohio Veterans Homes.....	2
Veteran Educational Programs.....	3
Veterans Bonus Program.....	3
Appropriation summary.....	4
Analysis of FY 2020-FY 2021 budget proposal	5
Introduction.....	5
Category 1: Ohio Veterans Homes.....	6
C1:1: Veterans' Homes (ALI 900321).....	6
C1:2: Veterans' Homes Services (ALI 900603).....	7
C1:3: Veterans' Homes Operating (ALI 900602).....	7
C1:4: Veterans' Homes Improvement (ALI 900604).....	7
C1:5: Veterans' Homes Operations – Federal (ALI 900601).....	8
C1:6: Medicare Services (ALI 900609).....	8
Category 2: Veterans Services.....	9
C2:1: Hall of Fame (ALI 900402).....	9
C2:2: Department of Veterans Services (ALI 900408).....	9
C2:3: Military Injury Relief Program (ALI 900643).....	10

C2:4: Veterans Initiatives (ALI 900642).....	10
C2:5: Veterans Training (ALI 900614)	10
Category 3: Veterans Bonus Program.....	11
C3:1: Veterans Compensation General Obligation Bond Debt Service (ALI 900901).....	11
C3:2: Veterans Bonus Program – Administration (ALI 900615).....	12
C3:3: Persian Gulf, Afghanistan, and Iraq Compensation (ALI 900641)	12
Facts and figures	13
Levels of care at veterans homes	13
Nursing home	13
Domiciliary	14
Veterans home occupancy rates	14
Federal Veterans Administration per diem rates for veterans homes.....	15
Average daily costs at veterans homes	15

Attachments:

 Catalog of Budget Line Items (COBLI)

 Appropriation Spreadsheet

LBO Redbook

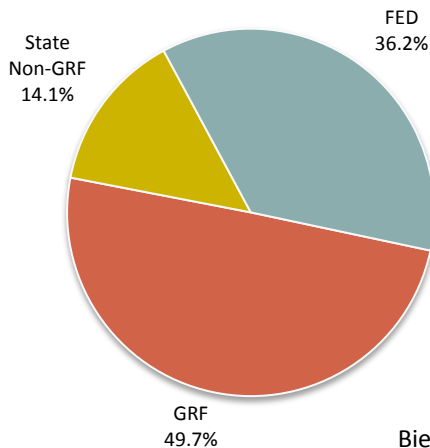
Ohio Department of Veterans Services

Quick look...

- The Department advocates for and serves the state’s nearly 800,000 military veterans and their families.
- Total budget recommendations: \$104.6 million in FY 2020 and \$110.2 million in FY 2021.
 - Revenue sources: GRF (49.7%), federal (36.2%), and State non-GRF (14.1%).
 - Largest expense: Personal services (74.5%).
- Executive budget allocates 88%, or \$189.2 million, of the biennial appropriation for the Department’s two veterans homes.
- Executive budget increases biennial GRF funding for the veterans homes by \$32.4 million, or almost 60%.

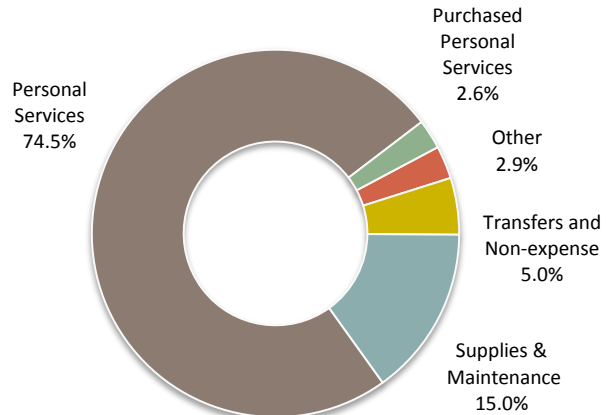
Fund Group	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
General Revenue Fund (GRF)	\$36,977,531	\$35,322,770	\$51,007,964	\$55,630,291
Dedicated Purpose Fund (DPF)	\$13,642,062	\$16,067,589	\$14,237,589	\$14,237,589
Debt Service Fund(DSF)	\$849,889	\$1,406,989	\$1,034,329	\$813,562
Federal (FED)	\$33,522,513	\$38,138,643	\$38,281,825	\$39,495,219
Total	\$84,991,995	\$90,935,991	\$104,561,707	\$110,176,661
% change	--	7.0%	15.0%	5.4%
<i>GRF % change</i>	--	-4.5%	44.4%	9.1%

**Chart 1: Veterans Budget by Fund Group
FY 2020-FY 2021 Biennium**



Biennial total: \$214.7 million

**Chart 2: Veterans Budget by Expense Category
FY 2020-FY 2021 Biennium**



Overview

Agency overview

The Department's primary charge is to actively identify, connect with, and advocate for veterans and their families. Ohio has nearly 800,000 veterans, the sixth largest veteran population in the United States. The services provided by the Department include: (1) assisting veterans, active military, and their families with benefit identification and claims assistance/advocacy, (2) operating the Ohio veterans homes located in Sandusky (Erie County) and Georgetown (Brown County), (3) administering the Ohio Veterans Bonus Program, (4) partnering with the state's 88 county veterans service commissions, and (5) monitoring federal veterans' education programs. For these purposes, the Department employs approximately 660 full-time and 250 part-time employees. Over 95% of the Department's employees are assigned to activities and services that support operations of the two state-operated veterans homes.

The Department was established by S.B. 289 of the 127th General Assembly and became operational on August 21, 2008. It merged the Governor's Office of Veterans Affairs, the Ohio Veterans' Home, and the Ohio State Approving Agency. New duties and responsibilities were assigned, including additional outreach, advocacy, and expanded coordination with county veterans service commissions. Since its startup, the Department has also assumed responsibility for the administration of the Veterans Bonus, and Military Injury Relief programs.

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.

This section is also responsible for assisting county veterans service commissions, which includes providing training, certification, and accreditation of service officers, commissioners, and staff. Additionally, the section serves as the custodian of 1.9 million electronic military discharge records and muster logs for nearly 4.3 million Ohioans as far back as the War of 1812.

Ohio Veterans Homes

The Department operates two veterans homes in the state, and 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 (Erie County) 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 700

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 Veteran Educational Programs Office includes the State Approving Agency (SAA) and, until FY 2019, the Troops to Teachers Program. Under a contract with the VA, the SAA reviews, audits, evaluates, approves, and oversees schools and training facilities to ensure their education and training programs for veterans and dependents comply with state and federal standards. There are more than 790 approved institutions, colleges, and organizations in Ohio where veterans and their dependents are able to use their Post-9/11 GI Bill educational benefits.

In federal fiscal year (FFY) 2017, more than \$105.5 million in federal funds went to about 25,000 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 school and employment site officials. The Ohio Department of Education was responsible for these activities prior to October 2008.

Funding for the Troops to Teachers Program was transferred back to the Ohio Department of Education in FY 2019. Troops to Teachers is a Department of Defense program designed to assist eligible veterans in transitioning to second careers in teaching, in particular for areas that serve students in high-needs schools. The program provides counseling, referral, and placement assistance.

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, Afghanistan, and Iraq 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. The program's authority to issue bonds ended December 31, 2013.

Between the August 2010 startup and June 2016, the program paid out \$75.6 million in bonuses to 92,925 qualifying veterans. For the most recent fiscal year – 2018 – the program paid out \$690,203 in bonuses to 1,005 qualifying veterans.

Currently, the program is averaging roughly 90 applications per month. The Department expects the program to exhaust funding by the close of FY 2021.

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.

Appropriation summary

The executive budget provides a total appropriation of \$104.6 million in FY 2020 and \$110.2 million in FY 2021 for the Department. The table and Chart 1 shown in the preceding “**Quick look**” section present the executive recommended appropriations by fund group. As shown in Chart 1, state GRF accounts for 49.7% of the Department’s budget during the biennium followed by federal funding (36.2%) and state non-GRF funding (14.1%).

Chart 2 in the “**Quick look**” section shows the executive recommended appropriations by object of expense. Of the total biennial appropriation, 74.5%, or \$160.1 million, is allocated for payroll costs, followed by supplies and maintenance (15.0%, or \$32.1 million), transfers and non-expense (5.0%, or \$10.7 million), and purchased personal services (2.6%, or \$5.7 million). The remaining 2.9%, or \$6.1 million, is allocated to a mix of subsidies, equipment and judgments, settlements and bonds.

Analysis of FY 2020-FY 2021 budget proposal

Introduction

This section provides an analysis of the Governor’s recommended funding for each appropriation line item (ALI) in the Department of Veterans Services’ budget. For organizational purposes, these ALIs are grouped into four major categories based on their funding purposes. The analysis for an ALI with a lower category or subcategory designation will appear before that for an ALI with a higher category or subcategory designation. That is, the analysis for an ALI with a category designation of C1:8 will appear before the analysis for an ALI with a category designation of C2:1 and the analysis for an ALI with a category designation of C1:3 will appear before the analysis for an ALI with a category designation of C1:8.

To aid the reader in locating each ALI in the analysis, the following table shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds. This is the same order the ALIs appear in the Department's section of the budget bill.

In the analysis, each ALI’s estimated expenditures for FY 2019 and recommended appropriations for FY 2020 and FY 2021 are listed in a table. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor.

Categorization of Department of Veterans Services ALIs for Analysis of FY 2020-FY 2021 Budget Proposal					
Fund	ALI	ALI Name			Category
General Revenue Fund					
GRF	900321	Veterans’ Homes	1:1	Ohio Veterans Homes	
GRF	900402	Hall of Fame	2:1	Veterans Services	
GRF	900408	Department of Veterans Services	2:2	Veterans Services	
GRF	900901	Veterans Compensation General Obligation Bond Debt Service	3:1	Veterans Bonus Program	
Dedicated Purpose Fund Group					
4840	900603	Veterans’ Homes Services	1:2	Ohio Veterans Homes	
4E20	900602	Veterans’ Homes Operating	1:3	Ohio Veterans Homes	
5DB0	900643	Military Injury Relief Program	2:3	Veterans Services	
5PH0	900642	Veterans Initiatives	2:4	Veterans Services	
6040	900604	Veterans’ Homes Improvement	1:4	Ohio Veterans Homes	
Debt Service Fund Group					
7041	900615	Veterans Bonus Program – Administration	3:2	Veterans Bonus Program	
7041	900641	Persian Gulf, Afghanistan, and Iraq Compensation	3:3	Veterans Bonus Program	

Categorization of Department of Veterans Services ALIs for Analysis of FY 2020-FY 2021 Budget Proposal

Fund	ALI	ALI Name		Category
Federal Fund Group				
3680	900614	Veterans Training	2:5	Veterans Services
3BX0	900609	Medicare Services	1:5	Ohio Veterans Homes
3L20	900601	Veterans' Homes Operations – Federal	1:6	Ohio Veterans Homes

Category 1: Ohio Veterans Homes

This category of line items provides 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.

C1:1: Veterans' Homes (ALI 900321)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 900321, Veterans' Homes	\$27,335,178	\$41,442,419	\$45,402,392
% change	--	51.6%	9.6%

This line item is used to pay for the costs incurred in the administration and operation of the two state veterans homes. For the current FY 2018-FY 2019 biennium, an estimated total of \$54.4 million is expected to be disbursed from this line item in support of the day-to-day operations of the two homes. For the FY 2020-FY 2021 biennium, the executive budget appropriates a total of \$86.8 million for this purpose, a biennial increase of \$32.4 million, or almost 60%. The additional funding is tied to a number of factors, including: (1) transitioning from an institutional to a neighborhood service delivery model, (2) changing resident population that includes veterans with more complex health-related conditions (substance abuse disorders, mental health issues, post-traumatic stress disorder), (3) increasing costs of maintaining the homes and appropriately serving their residents, and (4) staying compliant with changing federal and state regulations.

Under the executive budget, in each fiscal year, about 87%, or \$37.8 million in FY 2020 and \$39.8 million in FY 2021, of the line item's appropriation is allocated for personal services (wages, salaries, fringe benefits, and payroll checkoff charges), and about 10%, or \$4.3 million, is allocated for supplies and maintenance. The remainder in each fiscal year, about \$1.2 million, is allocated, in order of magnitude, for a mix of equipment, purchased personal services, and judgements, settlements, and bonds.

C1:2: Veterans' Homes Services (ALI 900603)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF Fund 4840 ALI 900603, Veterans' Homes Services	\$995,000	\$995,000	\$995,000
% change	--	0.0%	0.0%

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. The executive budget allocates the entirety of each fiscal year's appropriation for supplies and maintenance.

C1:3: Veterans' Homes Operating (ALI 900602)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF Fund 4E20 ALI 900602, Veterans' Homes Operating	\$13,502,589	\$11,672,589	\$11,672,589
% change	--	-13.6%	0.0%

This line item is 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.

Under the executive budget, in each fiscal year, 54.7%, or \$6.4 million, of the line item's appropriation is allocated for personal services (wages, salaries, fringe benefits, and payroll checkoff charges). Another 42.0%, or \$4.9 million, in each fiscal year is allocated for supplies and maintenance. The remainder in each fiscal year, close to \$383,000, is allocated, in order of magnitude, for purchased personal services, and judgements, settlements, and bonds.

C1:4: Veterans' Homes Improvement (ALI 900604)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF Fund 6040 ALI 900604, Veterans' Homes Improvement	\$500,000	\$500,000	\$500,000
% change	--	0.0%	0.0%

This line item is used, as necessary, to pay for the costs of equipment and capital improvements at the veterans homes. The Ohio Veterans Home Improvement Fund (Fund 6040), which provides the money for the line item's appropriation, consists of 20% 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. The executive budget allocates the entirety of each fiscal year's appropriation for equipment.

C1:5: Veterans' Homes Operations – Federal (ALI 900601)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
FED Fund 3L20 ALI 900601, Veterans' Homes Operations – Federal	\$33,736,679	\$33,838,615	\$34,986,679
% change	--	0.3%	3.4%

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 current per diem rate, effective October 1, 2018, is \$109.73 for nursing home residents and \$47.36 for domiciliary residents.

Under the executive budget, in each fiscal year, over 91%, or approximately \$31.4 million, of the line item's appropriation is allocated for personal services (wages, salaries, fringe benefits, and payroll checkoff charges). The remainder, \$3.0 million, in each fiscal year is allocated for supplies and maintenance.

C1:6: Medicare Services (ALI 900609)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
FED Fund 3BX0 ALI 900609, Medicare Services	\$3,578,278	\$3,578,278	\$3,578,278
% change	--	0.0%	0.0%

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.

The executive budget allocates the line item's appropriation in each fiscal year as follows: purchased personal services (55.0%, or \$2.0 million), supplies and maintenance (44.5%, or \$1.6 million), and equipment (0.5%, or \$18,000).

Category 2: Veterans Services

The appropriations in this category help to connect veterans with their benefits and provide training to the state's 88 county veterans service commissions, including veteran service officers, commissioners, and staff.

C2:1: Hall of Fame (ALI 900402)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 900402, Hall of Fame	\$112,822	\$124,400	\$135,638
	% change	--	10.3%
			9.0%

This line item is used to pay for expenses relating to the Ohio 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 2017 and 2018, a total of 40 Ohio veterans were inducted into the Hall of Fame. Over 100 nominations are received each year.

Under the executive budget, of the line's appropriation in each fiscal year, around 76%, or approximately \$100,000, is allocated for personal services (wages, salaries, fringe benefits, and payroll checkoff charges). Nearly 20%, or \$25,000, in each fiscal year is allocated for supplies and maintenance, and 4%, or \$6,000, is allocated for purchased personal services.

C2:2: Department of Veterans Services (ALI 900408)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 900408, Department of Veterans Services	\$2,784,796	\$4,348,745	\$4,505,661
	% change	--	56.2%
			3.6%

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 the cost of administering an electronic database containing 1.9 million military discharge records. The increase in funding from FY 2019 to FY 2020 will be used to continue newly developed workforce, outreach, education and data services, to improve the Department's processes and outreach generally, and to add staff including a medical director, a compliance officer (as required by federal regulations), and a training section expected to consist of 5 FTEs.

Under the executive budget, of the line item's appropriation in each fiscal year, approximately 77%, or around \$3.4 million, is allocated for personal services (wages, salaries, fringe benefits, and payroll checkoff charges). Another 21.1% or \$933,000, is allocated for supplies and maintenance. The remainder in each fiscal year, about \$80,000, is allocated, in order of magnitude, for a mix of purchased personal services and equipment.

The executive budget also contains a temporary law provision requiring the line item’s appropriation be used to pay veterans’ organizations rent in buildings managed by the Department of Administrative Services.

C2:3: Military Injury Relief Program (ALI 900643)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF Fund 5DB0 ALI 900643, Military Injury Relief Program	\$1,000,000	\$1,000,000	\$1,000,000
% change	--	0.0%	0.0%

This line item supports the Military Injury Relief Program, which H.B. 64 of the 131st General Assembly transferred from the Department of Job and Family Services to the Department of Veterans Services. The program provides a one-time, tax-exempt monetary payment of \$500 to military service members injured in active service as a member of the U.S. Armed Forces serving after October 7, 2001, and to individuals diagnosed with post-traumatic stress disorder while serving after October 7, 2001.

The executive budget allocates the entirety of each fiscal year’s appropriation for subsidies as described in the preceding paragraph. From FY 2015 through FY 2018, the program awarded, on average, 145 grants totaling \$72,000 in each fiscal year.

C2:4: Veterans Initiatives (ALI 900642)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF Fund 5PH0 ALI 900642, Veterans Initiatives	\$70,000	\$70,000	\$70,000
% change	--	0.0%	0.0%

This line item is used to fund a collaborative program between the departments of Medicaid and Veterans Services designed to identify and assist Medicaid-eligible veterans in transferring to healthcare benefits provided by the Veterans Administration (VA). Cash for this purpose is transferred from the Ohio Department of Medicaid (Fund 3FA0, line item 651680, Health Care Grants – Federal). The executive budget allocates the entirety of each fiscal year’s appropriation for purchased personal services.

C2:5: Veterans Training (ALI 900614)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
FED Fund 3680 ALI 900614, Veterans Training	\$814,474	\$864,932	\$930,262
% change	--	6.2%	7.6%

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 program sites within that state.

The executive budget allocates 87% (close to \$780,000) of the line item’s appropriation in each fiscal year for personal services (wages, salaries, fringe benefits, and payroll checkoff charges). The remainder in each fiscal year is allocated for supplies and maintenance (13.0%, or \$116,000), and purchased personal services (0.2%, or under \$2,000).

Category 3: 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 June 2018, approximately \$76 million has been paid to 92,925 qualifying applicants.

C3:1: Veterans Compensation General Obligation Bond Debt Service (ALI 900901)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 900901, Veterans Compensation General Obligation Bond Debt Service	\$5,089,974	\$5,092,400	\$5,586,600
% change	--	0.0%	9.7%

This line item is used to pay all debt service and related financing costs on \$83.9 million in obligations issued for Persian Gulf, Afghanistan, and Iraq compensation purposes.¹ The executive budget allocates the entirety of each fiscal year’s appropriation to pay for those costs.

¹ R.C. 151.01 and 151.12

C3:2: Veterans Bonus Program – Administration (ALI 900615)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DSF Fund 7041 ALI 900615, Veterans Bonus Program – Administration	\$274,283	\$311,497	\$260,856
% change	--	13.6%	-16.3%

This line item is used to pay the operating expenses incurred to administer the Veterans Bonus Program. The executive budget allocates each fiscal year’s appropriation primarily for personal services (54.6%, or roughly \$155,000) and secondarily for supplies and maintenances (37.3%, or between \$97,000 and \$117,000). The remainder in each fiscal year (about 8.1%, or between \$20,000 and \$25,000) is allocated, in order of magnitude, for a mix of equipment, and judgements, settlements, and bonds.

C3:3: Persian Gulf, Afghanistan, and Iraq Compensation (ALI 900641)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DSF Fund 7041 ALI 900641, Persian Gulf, Afghanistan, and Iraq Compensation	\$1,132,706	\$722,823	\$552,706
% change	--	-36.2%	-23.5%

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. The executive budget allocates the entirety of each fiscal year’s appropriation to pay for those bonus payments.

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 2 below displays the current monthly assessments for the type of care provided.

Type of Care	Current Monthly Assessment*
Domiciliary	\$576
Domiciliary Plus (DOM Plus)	\$1,547
Nursing Home Regular Care	\$2,336
Nursing Home Special Care	\$3,043

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

Sandusky. The 94-acre campus in Sandusky has 206 beds in the Veterans Hall Domiciliary. 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.

Veterans home occupancy rates

Table 3 below shows the annual population count and occupancy rates for the two veterans homes from 2013 through 2017.

Table 3. Veterans Home Annual Population Count and Occupancy Rates, 2013-2017

Year	Sandusky Veterans Home						Georgetown Veterans Home Total	
	Secrest-Giffin Nursing Home		Veterans Hall Domiciliary*		Total		# of Residents	% Occupancy
	# of Residents	% Occupancy	# of Residents	% Occupancy	# of Residents	% Occupancy		
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%
2016	391	92%	168	77%	559	87%	157	94%
2017	396	93%	178	83%	574	90%	159	95%

*The number of beds in the Veterans Hall Domiciliary reduced from 295 to 206 in 2016.

Federal Veterans Administration per diem rates for veterans homes

Ohio's two veterans homes receive per diem reimbursements from the VA from a formula grant. These rates are adjusted annually. The grant requires a 50% match from nonfederal funds. Table 4 below shows the VA per diem rates each year from FFY 2013 through FFY 2019.

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.

Federal Fiscal Year	Nursing Home Resident	Domiciliary Resident
2013	\$97.07	\$41.90
2014	\$100.37	\$43.32
2015	\$102.38	\$44.19
2016	\$103.61	\$44.72
2017	\$106.10	\$45.79
2018	\$107.16	\$46.25
2019	\$109.73	\$47.36

*Rates effective October 1 of each calendar year.

Average daily costs at veterans homes

Table 5 below shows the average daily costs per year for domiciliary and nursing beds at the Sandusky home and nursing beds at the Georgetown home from FY 2013 through FY 2017.

Fiscal Year	Veterans Hall Domiciliary	% Change	Secrest-Giffin Nursing Home	Percent Change	Georgetown Veterans Home	% Change
2013	\$156.92	12.5%	\$285.70	11.3%	\$287.62	5.1%
2014	\$160.89	2.5%	\$282.86	-1.0%	\$287.42	0.0%
2015	\$161.51	0.4%	\$279.53	-1.2%	\$307.15	6.9%
2016	\$141.78	-12.2%	\$295.13	5.6%	\$304.76	-0.8%
2017	\$141.08	-0.5%	\$303.24	2.8%	\$309.20	1.5%

Department of Veterans Services

General Revenue Fund

GRF 900321 Veterans' Homes

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$25,151,753	\$26,134,740	\$27,072,279	\$27,335,178	\$41,442,419	\$45,402,392
% change	3.9%	3.6%	1.0%	51.6%	9.6%

Source: General Revenue Fund

Legal Basis: Section 415.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 449 of the 128th G.A.)

Purpose: This line item is used to pay for the costs of operating the state's two veterans' homes, located in Sandusky (Erie County) and Georgetown (Brown County), respectively.

GRF 900402 Hall of Fame

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$97,454	\$78,261	\$95,577	\$112,822	\$124,400	\$135,638
% change	-19.7%	22.1%	18.0%	10.3%	9.0%

Source: General Revenue Fund

Legal Basis: Section 415.10 of H.B. 49 of the 132nd G.A. (originally established by S.B. 289 of the 127th G.A.)

Purpose: This line item is used to pay for the costs of operating the Ohio Veterans Hall of Fame, primarily payroll and maintenance expenses.

GRF 900408 Department of Veterans Services

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,191,345	\$2,333,278	\$2,691,398	\$2,784,796	\$4,348,745	\$4,505,661
% change	6.5%	15.3%	3.5%	56.2%	3.6%

Source: General Revenue Fund

Legal Basis: Section 415.10 of H.B. 49 of the 132nd G.A. (originally established by S.B. 289 of the 127th G.A.)

Purpose: This line item is used to pay for operating expenses that the Department of Veterans Services incurs in: (1) helping to connect veterans and their families with their benefits, (2) assisting county veterans service commissions and offices, and (3) managing 1.9 million electronic military discharge records. The budget contains a temporary law provision requiring that, in FYs 2018 and 2019, the line item be used to pay veterans' organizations rent in buildings managed by the Department of Administrative Services.

Department of Veterans Services

GRF 900901 Veterans Compensation General Obligation Bond Debt Service

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$9,083,588	\$23,343,309	\$7,118,278	\$5,089,974	\$5,092,400	\$5,586,600
% change	157.0%	-69.5%	-28.5%	0.0%	9.7%

Source: General Revenue Fund

Legal Basis: Section 2r, Article VIII, of the Ohio Constitution; Section 415.10 of H.B. 49 of the 132nd G.A.

Purpose: This line item funds payments to retire debt borrowed to finance Veterans Bonus Program payments and administration.

Dedicated Purpose Fund Group

4840 900603 Veterans' Homes Services

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,021,625	\$986,485	\$403,739	\$995,000	\$995,000	\$995,000
% change	-3.4%	-59.1%	146.4%	0.0%	0.0%

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 415.10 of H.B. 49 of the 132nd G.A. (originally established by 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 medical necessities (medications, services, supplies, and equipment).

4E20 900602 Veterans' Homes Operating

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$12,517,352	\$13,092,072	\$13,040,240	\$13,502,589	\$11,672,589	\$11,672,589
% change	4.6%	-0.4%	3.5%	-13.6%	0.0%

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

Legal Basis: ORC 5907.131; Section 415.10 of H.B. 49 of the 132nd G.A. (originally established by 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$106,000	\$80,000	\$60,000	\$1,000,000	\$1,000,000	\$1,000,000
% change	-24.5%	-25.0%	1,566.7%	0.0%	0.0%

- Source:** Dedicated Purpose Fund Group: (1) Income tax refund "check-off," and (2) \$25 contribution for issuance of "POW/MIA Awareness" license plate
- Legal Basis:** ORC 5902.05; Section 415.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 64 of the 131st G.A.)
- Purpose:** This line item supports the Military Injury Relief Program, which H.B. 64 of the 131st G.A. transferred from the Department of Job and Family Services to the Department of Veterans Services. The program provides a one-time, tax-exempt monetary payment of \$500 to military service members injured in active service as a member of the Armed Forces of the United States serving after October 7, 2001, and to individuals diagnosed with post-traumatic stress while serving after October 7, 2001.

5PH0 900642 Veterans Initiatives

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$49,045	\$34,552	\$9,332	\$70,000	\$70,000	\$70,000
% change	-29.5%	-73.0%	650.1%	0.0%	0.0%

- Source:** Dedicated Purpose Fund Group: Cash transferred from the Ohio Department of Medicaid (Fund 3FA0 line item 651680, Health Care Grants - Federal)
- Legal Basis:** ORC 5902.21; Section 415.10 of H.B. 49 of the 132nd G.A. (originally established by the Controlling Board on April 7, 2014)
- Purpose:** This line item funds a collaborative program between the departments of Medicaid and Veterans Services, the purpose of which is to identify and assist Medicaid-eligible veterans in transferring to healthcare benefits provided by the U.S. Department of Veterans Affairs. This effort was initiated as a pilot program authorized by H.B. 59 of the 130th G.A. for the FY 2014-FY 2015 biennium, and subsequently codified by S.B. 10 of the 131st G.A.

Department of Veterans Services

6040 900604 Veterans' Homes Improvement

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$116,545	\$0	\$128,753	\$500,000	\$500,000	\$500,000
% change	-100%	N/A	288.3%	0.0%	0.0%

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

Legal Basis: ORC 5907.14; Section 415.10 of H.B. 49 of the 132nd G.A. (originally established by 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 to make capital improvements.

Debt Service Fund Group

7041 900615 Veteran Bonus Program - Administration

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$230,708	\$182,631	\$159,687	\$274,283	\$311,497	\$260,856
% change	-20.8%	-12.6%	71.8%	13.6%	-16.3%

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 415.10 of H.B. 49 of the 132nd 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,354,118	\$921,307	\$690,203	\$1,132,706	\$722,832	\$552,706
% change	-32.0%	-25.1%	64.1%	-36.2%	-23.5%

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 415.10 of H.B. 49 of the 132nd 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$659,922	\$736,331	\$724,174	\$814,474	\$864,932	\$930,262
% change	11.6%	-1.7%	12.5%	6.2%	7.6%

Source: Federal Fund Group: Annual contract with the U.S. Department of Veterans Affairs under which Ohio's State Approving Agency approves and monitors schools and programs for the training of veterans and their eligible family members

Legal Basis: Section 415.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 1 of the 128th G.A.)

Purpose: This line item is used to pay operating expenses that the State Approving Agency 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$104,307	\$37,442	\$115,218	\$9,212	\$0	\$0
% change	-64.1%	207.7%	-92.0%	-100%	N/A

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 415.10 of H.B. 49 of the 132nd G.A. (originally established by 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. In FY 2019, this activity and related funding were transferred back to the Ohio Department of Education.

3BX0 900609 Medicare Services

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,069,077	\$1,979,489	\$2,326,450	\$3,578,278	\$3,578,278	\$3,578,278
% change	-4.3%	17.5%	53.8%	0.0%	0.0%

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 415.10 of H.B. 49 of the 132nd G.A. (originally established by 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.

Department of Veterans Services

3L20 900601 Veterans' Homes Operations - Federal

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$26,929,244	\$29,517,131	\$30,356,671	\$33,736,679	\$33,838,615	\$34,986,679
% change	9.6%	2.8%	11.1%	0.3%	3.4%

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; Section 415.10 of H.B. 49 of the 132nd G.A. (originally established by S.B. 289 of the 127th G.A.)

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

FY 2020 - FY 2021 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			Estimate	Introduced	FY 2019 to FY 2020	Introduced	FY 2020 to FY 2021	
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
Report For: Main Operating Appropriations Bill			Version: As Introduced					
DVS Department of Veterans Services								
GRF	900321	Veterans' Homes	\$ 27,072,279	\$ 27,335,178	\$ 41,442,419	51.61%	\$ 45,402,392	9.56%
GRF	900402	Hall of Fame	\$ 95,577	\$ 112,822	\$ 124,400	10.26%	\$ 135,638	9.03%
GRF	900408	Department of Veterans Services	\$ 2,691,398	\$ 2,784,796	\$ 4,348,745	56.16%	\$ 4,505,661	3.61%
GRF	900901	Veterans Compensation General Obligation Bond Debt Service	\$ 7,118,278	\$ 5,089,974	\$ 5,092,400	0.05%	\$ 5,586,600	9.70%
General Revenue Fund Total			\$ 36,977,532	\$ 35,322,770	\$ 51,007,964	44.41%	\$ 55,630,291	9.06%
4840	900603	Veterans' Homes Services	\$ 403,739	\$ 995,000	\$ 995,000	0.00%	\$ 995,000	0.00%
4E20	900602	Veterans' Homes Operating	\$ 13,040,240	\$ 13,502,589	\$ 11,672,589	-13.55%	\$ 11,672,589	0.00%
5DB0	900643	Military Injury Relief Program	\$ 60,000	\$ 1,000,000	\$ 1,000,000	0.00%	\$ 1,000,000	0.00%
5PH0	900642	Veterans Initiatives	\$ 9,332	\$ 70,000	\$ 70,000	0.00%	\$ 70,000	0.00%
6040	900604	Veterans' Homes Improvement	\$ 128,753	\$ 500,000	\$ 500,000	0.00%	\$ 500,000	0.00%
Dedicated Purpose Fund Group Total			\$ 13,642,063	\$ 16,067,589	\$ 14,237,589	-11.39%	\$ 14,237,589	0.00%
7041	900615	Veteran Bonus Program - Administration	\$ 159,687	\$ 274,283	\$ 311,497	13.57%	\$ 260,856	-16.26%
7041	900641	Persian Gulf, Afghanistan, and Iraq Compensation	\$ 690,203	\$ 1,132,706	\$ 722,832	-36.19%	\$ 552,706	-23.54%
Debt Service Fund Group Total			\$ 849,889	\$ 1,406,989	\$ 1,034,329	-26.49%	\$ 813,562	-21.34%
3680	900614	Veterans Training	\$ 724,174	\$ 814,474	\$ 864,932	6.20%	\$ 930,262	7.55%
3740	900606	Troops to Teachers	\$ 115,218	\$ 9,212	\$ 0	-100.00%	\$ 0	N/A
3BX0	900609	Medicare Services	\$ 2,326,450	\$ 3,578,278	\$ 3,578,278	0.00%	\$ 3,578,278	0.00%
3L20	900601	Veterans' Homes Operations - Federal	\$ 30,356,671	\$ 33,736,679	\$ 33,838,615	0.30%	\$ 34,986,679	3.39%
Federal Fund Group Total			\$ 33,522,513	\$ 38,138,643	\$ 38,281,825	0.38%	\$ 39,495,219	3.17%
Department of Veterans Services Total			\$ 84,991,997	\$ 90,935,991	\$ 104,561,707	14.98%	\$ 110,176,661	5.37%