

# Greenbook

## LBO Analysis of Enacted Budget

### Ohio Department of Veterans Services

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Attachment:

    Appropriation Spreadsheet

# LBO Greenbook

## Ohio Department of Veterans Services

### Quick look...

- The Ohio Department of Veterans Services advocates for and serves the state's nearly 750,000 military veterans and their families.
- The budget appropriates \$103.1 million in FY 2022 and \$102.0 million in FY 2023.
  - Sources of the budget: GRF (55.1%), federal (32.2%), and state non-GRF (12.7%).
- An estimated 89%, or \$181.8 million, of the biennial appropriation is to be allocated for the administration and operation of the Department's two veterans homes.

Fund Group	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
General Revenue Fund (GRF)	\$41,243,940	\$48,013,508	\$56,802,163	\$56,227,163
Dedicated Purpose Fund (DPF)	\$9,813,015	\$8,531,533	\$13,788,850	\$10,994,228
Debt Service Fund(DSF)	\$741,097	\$550,437	\$796,697	\$384,644
Federal (FED)	\$34,228,690	\$25,200,014	\$31,664,803	\$34,458,145
Total	\$86,017,742	\$82,295,493	\$103,052,513	\$102,014,180
% change	--	-4.3%	25.2%	-1.0%
GRF % change	--	16.4%	18.3%	-1.0%

## Overview

### Agency overview

The Ohio Department of Veterans Services' primary charge is to actively identify, connect with, and advocate for veterans and their families. Ohio has over 750,000 veterans, the sixth largest veteran population in the United States. The services provided by the Department include:

- Assisting veterans, active military, and their families with benefit identification and claims assistance/advocacy;
- Operating the Ohio veterans homes located in Sandusky (Erie County) and Georgetown (Brown County);
- Administering the Ohio Veterans Bonus Program;
- Partnering with the state's 88 county veterans service commissions; and
- Monitoring federal veterans' education programs.

For these purposes, the Department employs approximately 660 full-time and 248 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.

Since the COVID-19 pandemic, the number of residents in the Ohio Veterans Homes decreased by 30.4%, or 206, from 677 residents in February 2020 to 471 residents in December 2020. As a result, the Department's revenue from federal nursing home per diems and resident assessment fees declined. The budget provides additional GRF funding to offset the revenue losses and to support operation of the two veterans homes until the number of residents increases.

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

### **Veterans Services**

The Veterans Services section is designed to connect veterans with benefits available to them. Due to the complexity of these programs, it is often difficult for a veteran or veteran's family to apply for benefits. In response, 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. In November 2003, the second state-operated veterans home opened in Georgetown (Brown County). Combined, both homes provide services to over 800 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). 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 765 approved institutions, colleges, and organizations in Ohio where veterans and their dependents are able to use their Post-9/11 GI Bill educational benefits.

### **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.

# Analysis of FY 2022-FY 2023 budget

## Introduction

This section provides an analysis of the 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 actual expenditures for FY 2021 and appropriations for FY 2022 and FY 2023 are listed in a table. Following the table, a narrative describes how the appropriation is funded and used.

Categorization of Department of Veterans Services ALIs for Analysis of FY 2022-FY 2023 Budget				
Fund	ALI	ALI Name		Category
<b>General Revenue Fund</b>				
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	900645	Veterans Long Term Healthcare Needs and Support	1:2	Ohio Veterans Homes
GRF	900901	Veterans Compensation General Obligation Bond Debt Service	3:1	Veterans Bonus Program
<b>Dedicated Purpose Fund Group</b>				
4840	900603	Veterans' Homes Services	1:3	Ohio Veterans Homes
4E20	900602	Veterans' Homes Operating	1:4	Ohio Veterans Homes
5CV1	900607	COVID Safety – Ohio Veterans Homes	1:5	Ohio Veterans Homes
5DB0	900643	Military Injury Relief Program	2:3	Veterans Services
5NX0	900646	State Opioid Response	1:6	Ohio Veterans Homes
6040	900604	Veterans' Homes Improvement	1:7	Ohio Veterans Homes
<b>Debt Service Fund Group</b>				
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 2022-FY 2023 Budget				
Fund	ALI	ALI Name		Category
<b>Federal Fund Group</b>				
3680	900614	Veterans Training	2:4	Veterans Services
3BX0	900609	Medicare Services	1:8	Ohio Veterans Homes
3L20	900601	Veterans' Homes Operations – Federal	1:9	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 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 900321, Veterans' Homes	\$39,061,277	\$45,402,392	\$45,393,691
% change	--	16.2%	0.0%

This line item is used to pay for the costs incurred in the administration and operation of the two state veterans homes.

#### C1:2: Veterans Long Term Healthcare Needs and Support (ALI 900645)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 900645, Veterans Long Term Healthcare Needs and Support	\$0	\$1,500,000	\$1,500,000
% change	--	--	0.0%

This line item provides additional support to the state's two veterans homes in response to the COVID-19 pandemic.

#### C1:3: Veterans' Homes Services (ALI 900603)

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 4840 ALI 900603, Veterans' Homes Services	\$37,226	\$720,775	\$771,000
% change	--	1,836.2%	7.0%

This line item is used to purchase food products and medication services, and 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.

#### **C1:4: Veterans' Homes Operating (ALI 900602)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 4E20 ALI 900602, Veterans' Homes Operating	\$7,096,100	\$9,810,523	\$9,444,887
% change	--	38.3%	-3.7%

This line item covers 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. Assessment rates are reviewed and adjusted annually.

#### **C1:5: COVID Safety – Ohio Veterans Homes (ALI 900607)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 5CV1 ALI 900607, COVID Safety – Ohio Veterans Homes	\$1,293,598	\$2,000,000	\$0
% change	--	-54.6%	-100.0%

This line item is used to operate the veterans homes in Sandusky and Georgetown, Ohio during the COVID-19 public health emergency, including supporting increased sanitation costs, maintaining social distancing, COVID-related payroll and purchased personal services, purchased personal protective equipment (PPE) and other necessary costs to comply with public health orders, and local health department recommendations and best practices. The funding was made available from the Federal Coronavirus Relief Fund under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

#### **C1:6: State Opioid Response (ALI 900646)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 5NX0 ALI 900646, State Opioid Response	\$0	\$701,752	\$172,541
% change	--	--	-75.4%



This line item pays costs associated with an initiative to expand services for veterans home residents identified with a history of opioid use, stimulant use, and/or mental health disorder using veteran-trained peer recovery supporters. The initiative is funded under an interagency agreement with the Ohio Department of Mental Health and Addiction Services.

### **C1:7: Veterans' Homes Improvement (ALI 900604)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 6040 ALI 900604, Veterans' Homes Improvement	\$67,572	\$500,000	\$500,000
% change	--	634.0%	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.

### **C1:8: Medicare Services (ALI 900609)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
FED Fund 3BX0 ALI 900609, Medicare Services	\$4,452,231	\$3,578,278	\$3,578,278
% change	--	-19.6%	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.

### **C1:9: Veterans' Homes Operations – Federal (ALI 900601)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
FED Fund 3L20 ALI 900601, Veterans' Homes Operations – Federal	\$19,931,653	\$27,183,376	\$29,957,759
% change	--	36.4%	10.2%

This line item pays for operating expenses of the two state veterans homes. It is supported with money appropriated 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 for federal FY 2020 was \$112.36 for nursing home residents and \$48.50 for domiciliary residents.

## 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 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 900402, Hall of Fame	\$10,574	\$129,332	\$135,813
% change	--	1,123.1%	5.0%

This line item pays 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.

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

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 900408, Department of Veterans Services	\$3,472,297	\$4,395,439	\$4,197,659
% change	--	26.6%	-4.5%

This line item pays 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 military discharge records.

The budget 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 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DPF Fund 5DB0 ALI 900643, Military Injury Relief Program	\$37,000	\$55,800	\$55,800
% change	--	50.8%	0.0%

This line item supports the Military Injury Relief Program, which H.B. 64 of the 131<sup>st</sup> 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.

### **C2:4: Veterans Training (ALI 900614)**

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
FED Fund 3680 ALI 900614, Veterans Training	\$816,130	\$903,149	\$922,108
% change	--	10.7%	2.1%

This line item funds 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.

### **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 2020, approximately \$76 million had been paid to 94,817 qualifying applicants.

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

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 900901, Veterans Compensation General Obligation Bond Debt Service	\$5,469,361	\$5,375,000	\$5,000,000
% change	--	-1.7%	-7.0%

This line item pays debt service and related financing costs on \$83.9 million in obligations issued for Persian Gulf, Afghanistan, and Iraq compensation purposes.<sup>1</sup>

<sup>1</sup> R.C. 151.01 and 151.12.

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

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DSF Fund 7041 ALI 900615, Veterans Bonus Program – Administration	\$107,417	\$187,286	\$163,224
% change	--	74.4%	-12.8%

This line item pays for operating expenses incurred to administer the Veterans Bonus Program.

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

Fund/ALI	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
DSF Fund 7041 ALI 900641, Persian Gulf, Afghanistan, and Iraq Compensation	\$443,020	\$609,411	\$221,420
% change	--	37.6%	-63.7%

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.

# FY 2022 - FY 2023 Final Appropriations

# All Fund Groups

Line Item Detail by Agency			Appropriations			FY 2021 to FY 2022	Appropriations	FY 2022 to FY 2023
			FY 2020	FY 2021	FY 2022	% Change	FY 2023	% Change
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: As Enacted</b>					
<b>DVS Department of Veterans Services</b>								
GRF	900321	Veterans' Homes	\$ 32,537,798	\$ 39,061,277	\$ 45,402,392	16.23%	\$ 45,393,691	-0.02%
GRF	900402	Hall of Fame	\$ 118,497	\$ 10,574	\$ 129,332	1,123.10%	\$ 135,813	5.01%
GRF	900408	Department of Veterans Services	\$ 3,605,187	\$ 3,472,297	\$ 4,395,439	26.59%	\$ 4,197,659	-4.50%
GRF	900645	Veterans Long Term Healthcare Needs and Support (VET)	\$ 0	\$ 0	\$ 1,500,000	N/A	\$ 1,500,000	0.00%
GRF	900901	Veterans Compensation General Obligation Bond Debt Service	\$ 4,973,459	\$ 5,469,361	\$ 5,375,000	-1.73%	\$ 5,000,000	-6.98%
<b>General Revenue Fund Total</b>			<b>\$ 41,234,940</b>	<b>\$ 48,013,508</b>	<b>\$ 56,802,163</b>	<b>18.30%</b>	<b>\$ 56,227,163</b>	<b>-1.01%</b>
4840	900603	Veterans' Homes Services	\$ 775,216	\$ 37,226	\$ 720,775	1,836.23%	\$ 771,000	6.97%
4E20	900602	Veterans' Homes Operating	\$ 8,919,253	\$ 7,096,100	\$ 9,810,523	38.25%	\$ 9,444,887	-3.73%
5CV1	900607	COVID Safety - Ohio Veterans Homes	\$ 0	\$ 1,293,598	\$ 2,000,000	54.61%	\$ 0	-100.00%
5DB0	900643	Military Injury Relief Program	\$ 51,500	\$ 37,000	\$ 55,800	50.81%	\$ 55,800	0.00%
5NX0	900646	State Opioid Response	\$ 0	\$ 0	\$ 701,752	N/A	\$ 172,541	-75.41%
5PH0	900642	Veterans Initiatives	\$ 17	\$ 37	\$ 0	-100.00%	\$ 0	N/A
6040	900604	Veterans' Homes Improvement	\$ 67,028	\$ 67,572	\$ 500,000	639.95%	\$ 500,000	0.00%
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 9,813,015</b>	<b>\$ 8,531,533</b>	<b>\$ 13,788,850</b>	<b>61.62%</b>	<b>\$ 10,944,228</b>	<b>-20.63%</b>
7041	900615	Veteran Bonus Program - Administration	\$ 140,361	\$ 107,417	\$ 187,286	74.35%	\$ 163,224	-12.85%
7041	900641	Persian Gulf, Afghanistan, and Iraq Compensation	\$ 600,737	\$ 443,020	\$ 609,411	37.56%	\$ 221,420	-63.67%
<b>Debt Service Fund Group Total</b>			<b>\$ 741,097</b>	<b>\$ 550,437</b>	<b>\$ 796,697</b>	<b>44.74%</b>	<b>\$ 384,644</b>	<b>-51.72%</b>
3680	900614	Veterans Training	\$ 809,373	\$ 816,130	\$ 903,149	10.66%	\$ 922,108	2.10%
3BX0	900609	Medicare Services	\$ 2,648,870	\$ 4,452,231	\$ 3,578,278	-19.63%	\$ 3,578,278	0.00%
3L20	900601	Veterans' Homes Operations - Federal	\$ 30,770,446	\$ 19,931,653	\$ 27,183,376	36.38%	\$ 29,957,759	10.21%
<b>Federal Fund Group Total</b>			<b>\$ 34,228,690</b>	<b>\$ 25,200,014</b>	<b>\$ 31,664,803</b>	<b>25.65%</b>	<b>\$ 34,458,145</b>	<b>8.82%</b>
<b>Department of Veterans Services Total</b>			<b>\$ 86,017,742</b>	<b>\$ 82,295,493</b>	<b>\$ 103,052,513</b>	<b>25.22%</b>	<b>\$ 102,014,180</b>	<b>-1.01%</b>