

Analysis

Department of Veterans' Affairs

Lebanon Veterans' Home Construction Grant

Analyst: Amanda Beitel

Request: Approve the submission of a federal grant application to the United States Department of Veterans Affairs in the amount of up to \$2,425,085 for upgrades to the Edward C. Allworth Veterans' Home in Lebanon, and establish a \$2,425,085 Federal Funds capital construction expenditure limitation and a \$1,305,815 Other Funds capital construction expenditure limitation to accommodate award of the grant and required state match.

Analysis: The Oregon Department of Veterans' Affairs (ODVA) is requesting approval to apply for a United States Department of Veterans Affairs (USDVA) State Home Construction Grant. USDVA State Home Construction Grants are available to state governments for construction and renovation of State Veterans' Homes. ODVA owns and operates two State Veterans' Homes, the Oregon Veterans' Home in The Dalles and the Edward C. Allworth Veterans' Home in Lebanon. The Veterans' Homes provide skilled nursing, Alzheimer's and memory-related care, and rehabilitative care to veterans, their spouses, and Gold Star parents who have lost a child to war-time service.

The Edward C. Allworth Veterans' Home in Lebanon opened in the fall of 2014 and provides long-term care for up to 154 residents. Skilled nursing, including inpatient rehabilitative care, is provided using a small house model, providing a home-like setting with "neighborhoods" that include landscaped courtyards and a community center. Within two years of opening, the Lebanon Veterans' Home reached full occupancy and earned the Bronze Excellence in Quality Award for Quality Achievement from the American Health Care Association and the National Center for Assisted Living.

ODVA is seeking to apply for up to a \$2,425,085 USDVA federal grant to perform upgrades to the facility that will provide enhanced comfort and services to residents. Planned capital improvements include:

- Addition of a memory-care activity room;
- Construction of a multi-purpose building for medical office space, staff offices, and training rooms;
- Construction of a storage building; and
- Upgrading the heating and cooling system.

USDVA provides 65% of the \$3,730,900 total project cost and ODVA is required to provide the remaining 35% (\$1,305,815). ODVA's Veterans' Homes cash account, accumulated from resident related income, including federal VA payments, Medicare, Medicaid, insurance, and private payments that fund operation of the homes, and any available donations will be used to fund the match requirement. Cash account reserve funds are used for the working capital, contingencies, and capital construction and improvement projects. As of December 31, 2017, the account had an approximate cash balance of \$14.7 million. ODVA projects that the reserve fund will have an approximate cash balance of \$21.5 million by March 2019, the earliest that funds will be used for the

capital improvement projects, depending on ODVA's final placement on the construction priority list after submission of their grant application.

The grant application is due April 15, 2018 and ODVA anticipates USDVA notification of their preliminary placement on the construction priority list within 90 to 120 days of the deadline. USDVA prioritizes projects that have matching funds available and authorized; therefore, ODVA is also seeking the establishment of \$2,425,085 Federal Funds and \$1,305,815 Other Funds capital construction expenditure limitations for the grant and required match. No General Fund or additional positions are necessary to administer the grant.

Legislative Fiscal Office Recommendation: Approve the request and establish Federal Funds and Other Funds capital construction expenditure limitation in a capital construction bill, with the understanding that the Department of Administrative Services will unschedule the expenditure limitation until the agency is notified that its application for the grant has been successful.



Oregon

Kate Brown, Governor

Department of Veterans' Affairs

700 Summer St NE

Salem, OR 97301-1285

800-828-8801 | 503-373-2085

www.oregon.gov/odva

January 11, 2018

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Nancy Nathanson, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol Building
Salem, Oregon 97301-4048

Re: Requesting Approval for Federal Grant Application (Edward C. Allworth Veterans' Home, Lebanon)

Dear Co-Chairpersons,

Nature of Request

The Oregon Department of Veterans' Affairs (ODVA) requests approval to apply for a United States Department of Veterans Affairs (USDVA) State Home Construction Grant (CFDA: 64.005) and capital construction limitation in the amount of \$2,425,085 in order to facilitate physical plant upgrades to the Edward C. Allworth Veterans' Home in Lebanon.

If the grant application is successful, the USDVA will provide 65 percent of the funding (\$2,425,085) for the eligible project costs while the ODVA will provide the remaining 35 percent (\$1,305,815). In addition, capital construction limitation of the ODVA share of the project cost is requested, as USDVA prioritizes projects where matching funds are available and authorized. Matching funds will consist of Other Funds from the Veterans' Home Program reserves and available donations.

No General Fund or Lottery Fund monies would be used in these projects and no additional FTE is required.

The planned upgrades include the following projects:

- Addition of a memory-care activity room
- Multi-purpose building for medical office space, staff offices and training rooms
- Storage building
- Upgrade to the heating and cooling system

The deadline for filing this grant is April 15, 2018, with USDVA notification to ODVA of preliminary placement on the construction priority list likely within 90 to 120 days. Depending on the final placement on the priority list, it is likely that the proposed improvements and expenditures would commence in the spring of either 2019 or 2020.

Background

Opened in the fall of 2014, the Edward C. Allworth Veterans' Home in Lebanon can provide care for as many as 154 residents who need long-term care in a skilled nursing facility. The Home provides skilled nursing, Alzheimer's and memory-related care, and inpatient and outpatient rehabilitative care in an innovative small-home model to veterans, their spouses and qualified Gold Star parents.

Two years after opening, the Home reached full occupancy and earned the Bronze Excellence in Quality Award for Quality Achievement from the American Health Care Association (AHCA) and the National Center for Assisted Living (NCAL).

To continue our mission of providing the best care to Oregon's veterans, several physical plant upgrades are needed. Planned upgrades to the Edward C. Allworth Veterans' Home include the addition of a memory-care activity room where residents and family members can gather; a multi-purpose building that will provide for convenient on-site medical services for residents and training rooms for staff; increased storage space for resident belongings and facility equipment; and upgrades to the heating and cooling systems to help stabilize variances of temperature.

Action Requested

The Oregon Department of Veterans' Affairs (ODVA) requests approval to apply for a United States Department of Veterans Affairs State Home Construction Grant (CFDA: 64.005) in the amount of \$2,425,085. Additionally, ODVA requests establishment of Federal Funds capital construction limitation in the amount of \$2,425,085 and Other Funds capital construction limitation of \$1,305,815 in order to facilitate physical plant upgrades to the Edward C. Allworth Veterans' Home in Lebanon. These upgrades would include a memory-care activity room addition; a multi-purpose and storage building; and upgrades to the heating and cooling system that would provide residents enhanced comfort and services.

Legislation Affected

None.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sh. Blasi", with a stylized flourish at the end.

Sheronne Blasi
Acting Director