

Analysis

Department of Veterans' Affairs

The Dalles 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 \$3,922,053 for upgrades to the Oregon Veterans' Home in The Dalles, and establish a \$3,922,053 Federal Funds capital construction expenditure limitation and a \$2,111,875 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 Oregon Veterans' Home in The Dalles opened in November 1997 and provides care for up to 147 residents. ODVA strives to serve and honor Oregon veterans with the best care and is one of only 34 care facilities nationwide, and the first state veterans' home, to receive the Gold Award for Quality Achievement from The American Health Care Association and the National Center for Assisted Living. As the home enters its 20th year of operation, repairs, maintenance, and capital renewal are necessary to keep the facility in a good condition, particularly considering the extreme weather conditions of the home's location in the Columbia River Gorge. ODVA previously applied for and received a USDVA construction grant in 2015 for interior upgrades to The Dalles Veterans' Home. Renovations, including new flooring, paint, wallpaper, and ceiling tile throughout the facility, as well as furniture replacement, remodel of the nurse stations, upgrades of all resident rooms, remodel of the production kitchen and nutrition centers, and remodel of the rehabilitation and therapy area are currently underway.

ODVA is now seeking to apply for up to a \$3,922,053 USDVA federal grant to perform major exterior upgrades to the facility. Planned capital improvements include:

- Redesigning and replacing the roof, siding and fascia;
- Adding airlock areas near exterior doors;
- Upgrading two exterior garden areas;
- Replacing an industrial water heater; and
- Replacing interior window sills in resident rooms.

USDVA provides 65% of the \$6,033,928 total renovation cost and ODVA is required to provide the remaining 35% (\$2,111,875). 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 renovation 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 \$3,922,053 Federal Funds and \$2,111,875 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 (Oregon Veterans' Home, The Dalles)

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 \$3,922,053 in order to facilitate physical plant upgrades to the Oregon Veterans' Home in The Dalles.

If the grant application is successful, the USDVA will provide 65 percent of the funding (\$3,922,053) for the eligible project costs while the ODVA will provide the remaining 35 percent (\$2,111,875). 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:

- Replacement of roof, siding and fascia
- Adding airlock areas near exterior doors
- Upgrading two exterior garden areas
- Replacement of an industrial water heater
- Replacement of interior window sills in resident rooms

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 1997, the Oregon Veterans' Home in The Dalles can provide care for as many as 147 residents who need long-term care in a skilled nursing facility. The Oregon Veterans' Home provides skilled nursing, Alzheimer's and memory-related care, and inpatient and outpatient rehabilitative care to veterans, their spouses and qualified Gold Star parents.

To date, the Home is one of only 34 care facilities in the nation – and the first state veterans' home – to achieve the Gold 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, the Veterans' Home needs several physical plant upgrades. Planned upgrades to the Veterans' Home will provide residents an enhanced level of comfort by adding airlocks to prevent wind from entering hallways when exterior doors are opened, renovating exterior garden/gathering areas that are accessible for residents and family members, and replacing interior window sills in resident rooms. The redesign and replacement of the roof, siding and fascia will address continuous maintenance issues that are caused by the weather extremes in the Columbia River Gorge.

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 \$3,922,053. Additionally, ODVA requests establishment of Federal Funds capital construction limitation in the amount of \$3,922,053 and Other Funds capital construction limitation in the amount of \$2,111,875 in order to facilitate physical plant upgrades to the Oregon Veterans' Home in The Dalles. These upgrades would include replacement of the roof, siding and fascia; adding airlock areas near exterior doors; upgrading two exterior garden areas; along with other upgrades that would provide a more comfortable, home-like environment for residents at the Oregon Veterans' Home.

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