



Ohio Department of Veterans Services Budget Testimony (FY 2020-21) Ohio House of Representatives Finance Subcommittee on Transportation April 4, 2019

Chairman Greenspan, Ranking Member Skindell and members of the House Finance Subcommittee on Transportation:

Thank you for the opportunity to detail the Ohio Department of Veterans Services' FY 2020-21 Biennial Budget request and our related services and strategies.

I'm Debbie Ashenhurst. In 2015, I retired as a major general from the Army after 37 years of service and in January, Gov. DeWine appointed me as Director of Veterans Services, a post I gladly accepted. While we aim to improve our reach and impact in many areas, some aspects of ODVS remain constant. One of them, of course, is our steadfast mission to provide opportunities and resources for our veteran community through advocacy, collaboration and partnerships. That does not waver. Our mission is to be the Trusted Voice for Veterans.

Ohio is a state of patriots. Nearly 800,000 Ohioans have served, with the support of their families. With the commitment of the Ohio legislature, we have been able to provide comfort and care, opportunities and resources to these brave men and women and their loved ones. We "serve those who served".

We operate two Ohio Veterans Homes (OVH), including one in Sandusky that is among the largest nursing care facilities in the country. We administer the Ohio Veterans Bonus, which was approved by Ohio voters in 2008. We initiate active outreach efforts to honor veterans and also conduct several ceremonies annually, including the Governor's Wreath-Laying to honor Ohioans killed in action, and our Ohio Veterans Hall of Fame Induction and Enshrinement that recognize the extraordinary things veterans do for our state after they leave the service.

We work with other state agencies concerning veterans programs and support for military members. We maintain and manage more than 4 million veterans' records dating back to

"The Trusted Voice for Veterans"

the War of 1812. Our mission has grown as times have changed. We manage the State Approving Agency, a federally funded program that supports veterans using their GI Bill benefits. We also have put more time and resources into our Veterans Workforce Team, which is bridging gaps across Ohio for employers who wish to identify, hire and keep former service members.

In addition, Ohio law charges the Department with the responsibility to partner with county veteran service commissions and the U.S. Department of Veterans Affairs (VA) in order to best connect veterans to the benefits and resources they have earned. Statistics show a majority of Ohio's veteran population is facing the challenges that come with aging, while our younger military families are returning home seeking jobs and education. These county, state and federal investments in our veterans help create a stronger and more vibrant community for all Ohioans.

Close contact with the veteran community is essential to our mission. Therefore, our department works to identify veterans and lead them to jobs, education, healthcare, and to the federal benefits they have earned through their service. Sometimes, our commitment to veterans includes caring for those who no longer can care for themselves. Nowhere is that commitment more evident than at our Ohio Veterans Homes.

In 1886, the citizens of Ohio petitioned the state legislature to establish a home for Ohio's honorably discharged Civil War veterans who, due to diseases, wounds or other causes, were unable to earn a living. On Nov. 19, 1888, the first 17 veterans were admitted to the Ohio Soldiers and Sailors Home in Sandusky, known today as the Ohio Veterans Home. Since we opened, more than 50,000 veterans have lived there, and in 2003, the state's mission expanded with the opening of the Georgetown Veterans Home in southern Ohio.

Together, the Sandusky and Georgetown Homes fulfill a grateful state's promise to its sick, injured and aging veterans. The Veterans Home in Sandusky is not just a long-term care facility, though. It is also home for up to 200 plus veterans who live in the domiciliary, an option for those who don't require round-the-clock skilled nursing care.

Some of today's veterans suffer from Traumatic Brain Injury and dementia. We expect the need for the care that addresses these serious conditions to rise. Over the past several years, we have worked at the Homes to build the memory care wards needed to serve our veterans and fulfill our duty to bear that burden.

Together, the two Homes provide care for up to 800 veterans, 24 hours a day, seven days a week.

This valuable investment in Ohio's veteran community should make every taxpayer across the state proud knowing we are caring for those who selflessly wore the cloth of our nation. But funding these essential healthcare activities is no small task.

Over the past decade, the Ohio Veterans Homes have taken on increased operating costs and a litany of new federal regulations, all without any noticeable increase in operational funds. From federal obligations imposed by the Affordable Care Act, to VA requirements and Centers for Medicare & Medicaid Services (CMS) regulations, we have faced a laundry list of new compliance codes that cost millions of dollars.

We need to implement a more comprehensive plan for our compliance programs and we are in dire need of hiring more staff in order to remain up to date with the ever-changing field of federal compliance laws. The Code of Federal Regulations outlines the requirements for such oversight, making it clear that a robust compliance program is necessary due to the large and complex nature of each Home.

In recent years, we have transitioned from relying on contract physicians in the Homes and instead have prioritized employing in-house physicians. This change comes at some expense, but ensures a better quality of care for the veteran. Staff physicians provide continuity and consistency for our caretakers and residents, which leads to a higher quality of long-term care.

Employment concerns at all healthcare facilities continue to drive costs upward. With a shortage of skilled nursing personnel across the state, we continue to offer competitive wages as we work to attract the best available talent to take care of our residents.

These cost increases come on top of an already challenging financial situation that arises from running a massive nursing home system. We are not alone as other states are also experiencing these changes in the healthcare landscape and dealing with the implementation of new federal regulations.

It should be noted that the Ohio Veterans Homes have not seen an increase in GRF funding in over a decade. As other states are increasing the amount of funding for their veterans nursing care facilities, Ohio's GRF line item has been reduced twice over the last eight years. Other sources of funding include a VA "per diem" payment for each resident, although this number is far from sufficient to operate either of the Homes. In fact, that amount makes up about 40% of what the Homes need to operate as the rate of reimbursement has not kept up with inflation over the last 10 years. State GRF and VA per diem combined make up approximately 80% of the funding for the Homes, and that number has either held steady or decreased in the last decade.

Despite the funding issues, both homes still maintain a four star rating out of five from CMS.

The hardworking staff of the Ohio Veterans Homes have managed to continue to deliver a high level of care to our veterans with the help of some reserves that were set aside as rainy day funds. Staff turnover, the rise in competitive wages, and maintenance costs all come with some degree of unpredictability. These increasing costs make our position unsustainable. Federal funding is not likely to increase and neither will our residents' ability to pay an assessment. Ohio owes our veterans a debt for their service to our state and our nation – and in their time of illness and injury, with your support, we will stand by them.

In the Governor's budget before you today, you will see a \$14.1 million investment from the GRF for the Ohio Veterans Homes in FY 2020 and a \$3.9 million investment in FY 2021. This represents what the Homes need in order to continue to comply with new federal regulations, keep qualified staff, and continue to deliver a high level of care to our veterans.

Every dollar invested into the Homes goes toward serving those who served and fulfilling a state's promise to those infirmed, injured and aging heroes of Ohio. In short, it is imperative to fund this core mission at the requested levels to keep the doors open to those veterans who need our help the most.

Our mission doesn't end with the Homes. The Department of Veteran Services is committed to building opportunities for employment and education. This starts with our Veterans Workforce Team, which has made great strides since we created that division in October 2016 with a mission to empower Ohio employers with the knowledge of military skills and culture so they can better recognize the advantages of hiring veterans. As of February 2019, our team had contacted more than 12,000 Ohio employers and conducted nearly 200 separate training sessions. Recently, we have added technology to allow for visual online connectivity for many of these training activities.

We find that Ohio businesses want to be military friendly but often can use a steady hand to point them toward their goals of hiring and retaining veterans. By utilizing our Workforce Team, all Ohio communities can reap the benefits of tapping into the unique skill sets of our former service members. The Team helps employers build veteran and military-friendly recruiting and retention strategies along with providing veteran culture training and examples of best practices.

While veteran unemployment is lower than both the national and state averages for all civilians, it is important that we continue to reach out to transitioning veterans and connect former service members to opportunities. This also ensures that businesses large and small all across Ohio are aware that veterans are indeed assets to the workforce, are reliable and punctual, are drug-free and eager to be part of a team.

Those looking to transition from service to higher education also have a great setting for that in Ohio. Recent education and employment reforms have created a fast track to jobs and education for veterans and military spouses. All of Ohio's 37 public colleges and universities are now trained to apply military experience toward free college credit. State licensing and certification boards expedite applications for military members, helping veterans turn their training into a professional license or certification more quickly.

There are more than 790 approved Ohio institutions where veterans and their dependents are able to use their GI Bill educational benefits. The State Approving Agency, housed within ODVS, safeguards quality education and training programs for all veterans and their dependents. The VA requires the State Approving Agency to review these programs and to perform compliance audits of these institutions.

Together with our many partners, ODVS continues to connect more Ohio veterans to the benefits and resources they have earned through their military service. Our department regularly certifies and trains service officers and commissioners within the 88 County Veterans Service Offices to help veterans filing VA claims. In FFY 2017, Ohio veterans received more than \$5.5 billion in VA compensation, pension, healthcare, vocational rehabilitation, education and insurance benefits.

We also administer the Ohio Veterans Bonus program for post-9/11 veterans, which provides a bonus, based on active service, of up to \$1,500. The state also offers a variety of other programs that benefit former service members who need help with home loans, mental health services, health care, homelessness, military burials and more.

Our partnership with veterans organizations, nonprofits, and fellow state agencies has allowed us to explore more avenues to wellness and success for our former service members.

For example, Gov. DeWine expressed in his budget proposal that he wants to invest in the children of fallen service members by increasing the War Orphans Scholarship by \$4.1 million over the biennium. The scholarship, which is the result of a joint effort between ODVS and the Ohio Department of Higher Education, serves college-aged students who

are the children of fallen or severely disabled Ohio veterans. It helps support tuition and fees while they pursue an associate or bachelor's degree at an eligible Ohio college or university.

It is my privilege and honor to serve Ohio veterans and military families as well as Gov. DeWine, who made it clear during his State of the State address in this very building that now is the time to invest in our future and to make sure we are taking care of those who are in most need of our help. With your commitment, our department can look forward to being properly equipped to care for veterans at our state facilities, and to promote innovative education, workforce and healthcare initiatives that enrich veterans' lives and sustain Ohio's reputation as a national leader on veterans' issues.

Thank you for your time today and your consideration of the Ohio Department of Veterans Services biennial budget request. I look forward to answering any questions you may have.