

**REVENUE:** Revenue statement issued

**FISCAL:** Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by prior reference
<b>Vote:</b>	7 - 0 - 0
<b>Yeas:</b>	Boone, Esquivel, Fagan, Huffman, Parrish, Witt, Matthews
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Elizabeth Edwards, Administrator
<b>Meeting Dates:</b>	2/14

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**WHAT THE MEASURE DOES:** Establishes Lebanon Veterans' Home in Linn County. Creates separate Lebanon Veterans' Home Construction Fund (Lebanon Fund) in State Treasury. Separates \$10.5 million in net proceeds and interest earnings from lottery bonds for biennium beginning July 1, 2011 designated for Roseburg Veterans' Home Construction Fund (Roseburg Fund), into \$6.5 million for Roseburg Fund and \$4 million for Lebanon Fund. Allocates \$4 million to Lebanon Fund to acquire, develop, construct and equip Lebanon Veterans' Home. Declares emergency; effective upon passage.

**ISSUES DISCUSSED:**

- History of veterans' homes in Oregon
- Importance of the 35 percent local match
- Local involvement linked to the success of veterans' homes
- Effect of potential sequestration on U.S. Department of Veterans Affairs' (VA) funding for veterans' homes
- Practical meaning of VA's intent to fund Lebanon Veterans' Home

**EFFECT OF COMMITTEE AMENDMENT:** Eliminates section 1. Corrects description of the Oregon Veterans' Home in Lebanon as the fourth veterans' home. Separates \$10.5 million in net proceeds and interest earnings from lottery bonds for biennium beginning July 1, 2011 designated for Roseburg Fund, into \$6.5 million for Roseburg Fund and \$4 million for Lebanon Fund.

**BACKGROUND:** If a state or locality can provide a 35 percent match, the U.S. Department of Veterans Affairs (the VA) will fund 65 percent of the costs to build state veterans' homes. The first veterans' home in Oregon is located in The Dalles and has 151 beds. A study by the VA estimates that Oregon needs at least 800 skilled-nursing beds for veterans. In April 2010, the Oregon Department of Veterans' Affairs (ODVA) announced a second veterans' home would be built in Lebanon, Linn County and a third home in Roseburg, Douglas County. The ODVA required legislative approval for the third home in Roseburg. During the 2011 session, the Legislature passed House Bill 2578A and House Bill 5036A to approve the third veterans' home in Roseburg and dedicated up to \$10.5 million in lottery bonds for the construction of the home. Those lottery bonds are only for the biennium beginning July 1, 2011.

The design of the Lebanon facility changed from an institutional model to a small-house concept due to new federal requirements. That design change increased the overall construction costs and therefore impacted the 35 percent local match. House Bill 2680A uses funding set aside for the Roseburg Veterans' Home, which expires on July 1, 2013, to make up the local match funding deficit created by the design change.

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*This summary has not been adopted or officially endorsed by action of the committee.*