

# SUBCOMMITTEE RECOMMENDATION

## **Item 29: Department of Veterans' Affairs Veterans' Homes**

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To: Ways and Means Full Committee  
From: Transportation and Economic Development Subcommittee  
Carrier: Senator McLane

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The Transportation and Economic Development Subcommittee heard a request from the Department of Veterans' Affairs for two budget adjustments related to the veterans' homes in Lebanon and The Dalles.

The HVAC system in the Lebanon Veterans' Home has been experiencing equipment failures and needs replacement. The total project cost is estimated at \$7.1 million. The agency has applied to the U.S. Department of Veterans' Affairs for grant-in-aid funds, which is expected to be eligible for up to 65% of the cost of the project. If the project receives federal approval, the agency's share would total \$2.5 million, and the department would return to the Legislature for Federal Funds capital construction limitation.

The department also successfully applied for a federal grant for The Dalles Veterans' Home totaling \$134,000 that will be utilized for retention of nursing staff. The grant application was approved by the Joint Interim Committee on Ways and Means in November 2025.

The Transportation and Economic Development Subcommittee recommends that the Joint Interim Committee on Ways and Means recommend establishing Other Funds capital construction expenditure limitation of \$7,100,000 for the Lebanon

Veterans' Home HVAC System; and increasing Federal Funds expenditure limitation by \$134,000 for receipt of a federal grant award, for the Department of Veterans' Affairs, in a budget reconciliation bill during the 2026 session.