

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 261 (First Edition)

SHORT TITLE: Amend State Veterans Home Act - AB

SPONSOR(S): Rep. Ronnie Smith

FISCAL IMPACT

Yes () No (X) No Estimate Available ()

FY 2001-02 FY 2002-03 FY 2003-04 FY 2004-05 FY 2005-06

REVENUES

EXPENDITURES

General Fund ** \$0 \$0 \$0 \$0 \$0

**** This bill has no impact on the General Fund, but to the extent that the Division exercises the authority granted by the bill to hire additional staff, there will be an increase in its operating requirements and a corresponding increase in the amount transferred from the NC Veterans Home Trust Fund to cover operations.**

POSITIONS:

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Department of Administration

EFFECTIVE DATE: When it becomes law

BILL SUMMARY:

This bill amends the State Veterans Home Act by amending G.S. 165-49(c) to authorize the Veterans Affairs Commission to delegate authority to the Assistant Secretary of Veterans Affairs to expend funds from the North Carolina Veterans Home Trust Fund for operations of state veterans nursing homes. It also amends G.S. 165-51 to authorize the Division of Veterans Affairs to hire administrative staff to help with administrative and operational responsibilities of state veterans homes. It amends G.S. 165-53(a), eligibility requirements for admission to a state veterans home, to include veterans who were legal residents of the State at the time of entry into the armed forces.

ASSUMPTIONS AND METHODOLOGY:

This bill is authorizing legislation that allows, but does not mandate, the Division of Veteran Affairs to hire administrative staff to help with the administrative and operational responsibilities of the state veterans nursing homes. The state veterans nursing home program is a totally receipted-supported function and it does not receive a state appropriation. If the Division exercises this authority and hires additional staff, there will be an increase in their requirements and a corresponding increase in the receipts transferred from the North Carolina Veterans Home Trust Fund to cover the expenditures. The exercise of this authority would not have any effect on the General Fund.

Note. The receipts that support the veterans nursing homes are paid from a federal per diem allowance for nursing home care, Medicare, Medicaid, and private payments arranged by the veterans (i.e., long-term care insurance, etc.). This revenue is deposited into the trust fund and amounts are transferred to the operating fund as needed to cover expenditures. The state is **not** required to match the federal per diem allowance.

This bill also expands the eligibility for admission into the nursing home. Though the Division of Veterans Affairs estimates that this will not substantially increase the applications for admission, expanding eligibility could have the effect of increasing the demand for a nursing home bed. Substantial increases in the demand for beds could necessitate the construction of additional facilities, which would have an impact on the General Fund because capital funding is appropriated for the construction.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION 733-4910

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DATE: April 19, 2001



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