

STATEMENT OF PURPOSE

RS27464 / SCR124

This legislation establishes the State of Idaho's commitment to request a federal grant(s) to construct and fund the construction of a new nursing home to replace the 158-bed, 55 year old Boise Veterans Home at a new site located on the State Chinden Campus in Boise, and construct a 40-participant adult day health care center at either the existing Veterans Home property or on the Chinden Campus. This commitment is necessary for the Idaho Division of Veterans Services (Division) to proceed with the application for the federal grant to provide 65% of the allowable construction cost for these projects. It is the intent of the Division to meet the April 15, 2020 and August 1, 2020 U. S. Department of Veterans Affairs (VA) grant application deadlines and be on the federal FY2021 Priority List.

FISCAL NOTE

There is no fiscal impact at this time. When the request reaches near the top of the federal prioritization list for construction, the Idaho Legislature will need to appropriate 35% of the federal grant matching funds. The Division expects the fund source for the 35% match to be obligated by issuing state bonds by July 31, 2020. The preliminary estimate budget for a new replacement home and adult day health care facility is approximately \$107.8 mill in 2023 dollars. The federal Department of Veterans Affairs will provide 65% of allowable cost; approximately \$70 million. Idaho will also need to appropriate the cost for any non-allowable reimbursed cost, e.g. buses for resident transportation. Idaho's estimated 35% match, to include the non-allowable costs, will be approximately \$37.8 million. This cost includes an expected escalation rate of 5% each year. Although no General Funds will be used for construction of these projects, the Idaho Division of Veterans Services may require minor increases in the General Fund appropriation for the operations during the first year of operation/ramp up in 2024 or later.

Annual rent/service debt for the Home and day health care facility, once bonded, will be paid to the State Building Authority from dedicated funds appropriated annually from the Permanent Building Funds. Annual costs will be approximately \$2.0 to \$2.5 million (depending on interest rates at the time of bonding) per year for 20 years.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).