



**Department of Veterans Affairs
State of Connecticut**

**Board of Trustees Meeting Minutes
December 1, 2016**

(Minutes subject to review and final approval at next Board Meeting)

I. Convene Meeting:

The Meeting was called to order by Chairman Christopher McDavid at 3:42PM in the DVA Commissioner's conference room.

Pledge of allegiance was led by Chairman McDavid followed by the taking of attendance of Board members.

In attendance: Christopher McDavid (Chair), Paul Barry, Philip Cacciola, Robert Cheslock, Ronald Coveney, Richard Dziekan, Peter Galgano, Brien Horan, Patrick Nelligan, Paul Tarbox, and Kjell Tollefsen.

Absent: Richard Benson, Amy Donahue, Frederick Leaf, Steven Harris, Tatiana Quinzi, Michael Thomas and Rebecca Wareing.

Chairman McDavid entertained a motion to approve the minutes of the previous meeting. Motion made by Trustee Dziekan and seconded by Trustee Barry. Motion passed unanimously without any corrections or edits to the minutes.

Chairman McDavid introduced DVA Commissioner Sean Connolly who welcomed the Board and introduced DVA staff present – Thomas Saadi, Fausto Parra, Maria Cheney, Michael Clark and Emily Hein.

Commissioner Connolly presented a general update of DVA activities to the Board highlighting recent Veteran and DVA achievements, such as the Vietnam War 50th Anniversary Ceremony at the DVA with more than 1100 attendees and 400 Vietnam Veterans presented awards. He also spoke of the Veterans Small Business Workshop, Purple Heart Parking Space Dedication, DVA Veterans Day Ceremony and the launch of the Braveminds-DVA Collaboration. Commissioner Connolly then discussed upcoming DVA and Veteran events, such as the Veterans' Hall of Fame on December 7th noting that Trustee Tollefsen is one of the honorees, the CT CVEB at Gateway Community College on December 8th and Wreaths Across America on December 17th.

Chairman McDavid then thanked the Commissioner for his report and commented positively on the number of events and list of accomplishments of the DVA staff.

II. Old Business

Chairman McDavid then presented a brief background of the proposed Residential Program Fee update initially presented by Commissioner Connolly at the Board's September 2016 meeting to base the Program Fee on a Veteran Resident's income with or without a cap and that no Veteran Resident would pay a Program Fee for the first four months of residency, which would add an additional month of no Program Fee.

Chairman McDavid stated that a special sub-committee had been appointed with Paul Barry as Chairman and Committee members Richard Dziekan, Paul Tarbox, Patrick Nelligan, Kjell Tollefsen and Ronald Coveney. The charge of the Committee was to review the Program Fee matter and make recommendations to the full Board regarding the proposal to update the DVA Residential Program.

The Committee held two meetings in October and November 2016 during which the Committee deliberated and voted on a recommendation they would present to the Board for discussion. He noted that Trustee Coveney had sent an email to all Board members regarding 38 Code of Federal Regulations Part 61 and how it applied to state veterans homes and that the Program Fee could not be established without federal approval and that the amount was to be set based on market rate.

Chairman McDavid stated that DVA General Counsel Saadi held a conference call with the Committee to explain the inapplicability of that regulation and called on Saadi to explain the same to the full Board.

Mr. Saadi explained that the grant per diem (GPD) homeless program under 38 CFR Part 61 does not apply to State Veterans Homes (SVH). Instead, it applies to private non-profit and other community based Veteran Homeless temporary housing programs that are time limited to a 24 month stay. Rather, 38 CFR Part 17.190-200 sets forth the general governing principals and parameters for SVH Domiciliaries including the State Veteran Home Per diem program. He explained that GPD programs differ from SVH as they are generally non-profit organizations and, other than for tax compliance proposes, not regulated. State Veterans Homes, on the other hand, are subject to a multitude of regulations and oversight, including State Statutes, State Regulations, Review by State Auditors, Legislative Oversight Committees, Boards of Trustees etc...

He then explained how the per diem rate is set and the legal limits on the amount a State Veterans' home may collect as a program, which is addressed in both the Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards (See 38 CFR Part 200.100 et seq) and VA Manual M-1, Part I Chapter 3. Collectively, they prohibit, in lay man's terms, double dipping. In other words, a SVH cannot collect more than its Total Residential Cost of care after netting out \$45.79 Federal Per Diem, which leaves \$95.21 per day, as determined by the State Comptroller.

Chairman McDavid asked if there were any questions for Mr. Saadi and with none he called on Committee Chairman Barry to present his report on the Program Fee update.

Trustee Barry had copies of the Committee report distributed by DVA staff to all Trustees and then read the report, which is incorporated in its entirety herein by reference (see attachment A).

The report set forth the number of meetings held and the process the Committee members engaged in over the previous two months in developing the Committee's recommendation as

follows: that for the first 4 months of residency at DVA, the Program Fee be waived; that beginning in the fifth month an income-based Program Fee of one-third of gross income be charged for the duration of a Veterans stay at DVA and that applicants be denied admission and residents be discharged if they refuse to provide the required supported documents and information.

Trustee Nelligan moved to receive the report and adopt the recommendations therein including the requirement that a required income statement be sworn and updated annually or upon change in income. Seconded by Trustee Tollefsen.

Chairman McDavid then entertained discussion on the motion at which time Trustee Barry offered a clarifying friendly amendment to reduce the amount from 1/3 of income to thirty percent of income which was accepted by the maker and the seconder of the motion.

Significant discussion followed on the amended motion with Trustee Horan asking why the Committee decided on gross income rather than adjusted income as the base and why no cap such as the five hundred dollars? Trustee Barry responded that the Committee looked to best practices in a variety of settings in determining the percentage and that they decided against a \$500 cap, in part because to have one would discriminate against those making less income. For example, he explained that someone making \$1,500 would pay 1/3 which equals \$500 and that if there was a cap someone making \$3,000 would pay \$500 and keep much more money.

Trustee Coveney stated that the best practices are for rental units and private or semiprivate housing and not for a barracks type domicile. He stated that if there is a problem with Veterans taking advantage of the \$200 fee who make thousands of dollars a month, then the DVA should put a cap on the income level for Veterans applying for admission to the Facility. Trustee Coveney said he knows of some Veteran Residents who have houses they rent out and large boats and some who make three or four thousand dollars a month who stay because it is convenient and they like the comradery. He also asked the Board to consider putting a floor or fee exemption for Veterans making under a certain amount of income.

Trustee Nelligan then described how the Committee deliberated and considered all options stating that the Commissioner left the Committee meeting prior to these deliberations and voting on the final recommendation. He then stated that the 30% approach means that those who make less will pay less and he further explained that many of the examples cited by Trustee Coveney do not provide meals, recreation, medical and other support services available at the DVA.

Trustee Barry stated that the Committee considered a step approach and a cap but again rejected it as discriminatory. Trustee Cacciola stated that while he supports the proposal he agrees that there should be a means or income test to be eligible for admission at the DVA. Trustee Tarbox thanked Trustee Barry for his work on the Committee and while he understands the 1/3 approach he believed there should be a fee cap as well as a low income exemption. Trustee Coveney said that the DVA currently exempts anyone making less than \$600 from having to pay the Program Fee. He further stated that the DVA generates \$34 million in Federal dollars which should be used to fund the agency which costs less than that per year to run. Trustee Coveney said he understands that there are Veterans here with houses, boats and lots of income however many are institutionalized and so there must be a better way to update the Program Fee

Commissioner Connolly explained that while the \$600 exemption has been a practice it is not a formal policy of the DVA and then called upon Fiscal Director Clark to explain DVA revenues, expenditures and costs. Mr. Clark explained that the amount cited by Mr. Coveney included

Medicaid billable amounts of which 50% is the drawdown and it is not covered by the state since we are a state agency and the state does not pay itself. He further explained that the DVA actually costs about \$47 million per year to operate when fringe and other benefit costs are included therefore reliance solely on Federal dollars would not cover DVA's operational costs.

Chairman McDavid asked if there was further discussion and there being none called for a vote on the main motion as amended, which passed with Trustees McDavid, Barry, Cacciola, Dziekan, Galgano, Horan, Nelligan, and Tollefsen voting in the affirmative and Trustees Cheslock, Coveney and Tarbox voting in the negative.

III. New Business

Trustee Coveney thanked the members of the Board explaining that as his term as Veteran Resident Council President will end in January he would no longer be a member of the Board.

IV. Closing remarks

There being no further business, Chairman McDavid entertained a motion to adjourn. Motion was made by Trustee Barry and seconded by Trustee Galgano. Motion passed unanimously at 4:41PM.

Respectfully Submitted:



Christopher McDavid, Chair
DVA Board of Trustees

Date 12/16/2016

Attachment A - Report of DVA Board of Trustees - Program Fee Committee

The Program Fee Committee convened at 2:05PM on October 12, 2016, in attendance were Chairman Paul Barry, Committee members Richard Dziekan, Paul Tarbox, Patrick Nelligan, Kjell Tollefsen and Ronald Coveney. Also in attendance was DVA Chief of Staff and General Counsel Thomas Saadi.

Chairman Barry stated the charge of the Committee as set forth as the September Board of Trustees meeting to review and make recommendations to the full Board regarding the Commissioner's proposal to update the DVA Residential Program Fee policy from the current \$200 per month to the fee being one-third of a Veteran Residents income with no program fee the first four months of residency.

After a presentation on the background of the Program Fee and the current proposal by Mr. Saadi discussion ensued regarding the type of housing DVA provides, whether one-third is the correct amount to charge and how to ensure the funds would remain in the IGW fund and not taken by the General Assembly.

While members agreed Veterans should pay a reasonable amount there was concern as to whether the proposed one-third of income fee would negatively impact Veterans trying to save money in order to leave campus. However, members recognized that the current \$200 Program Fee is being taken advantage of by some Veterans who have significant income and property while other Veterans need an opportunity to save money and get back on their feet.

Chairman Barry stated that based on the discussion the Committee would not be able to reach a determination at this time and scheduled a second meeting for November 9th at 2PM. He further asked Mr. Saadi to provide the Committee with the demographic data for Veteran Residents as well as the previous two IGW semi-annual reports. The meeting adjourned at 3:20PM

The Committee reconvened at 2:00PM on November 9, 2016, in attendance were Chairman Barry, members Dziekan, Nelligan, Tollefsen and Coveney. Tarbox was absent due to illness. Also in attendance were Commissioner Connolly, Theresa Nicolson of the Chrysalis Center and DVA Chief of Staff Saadi.

Chairman Barry asked Commissioner Connolly to address the Committee. The Commissioner explained the proposal and reiterated that one-third of income approach is a best practice. He introduced Ms. Nicolson who explained the one-third of income concept in community based assisted living and other government provide housing as a best practice. This was followed by discussion as to why someone should pay one-third when living in a communal environment rather than private or semi-private rooms. Ms. Nicolson responded that the DVA provides many services such as three meals per day, prescription drugs and recreation.

After the Commissioner and Ms. Nicolson left discussion continued on what is a fair amount reflective of their income with Mr. Coveney stating his concern with a perception that Committee members want the Veterans to "move on" and a one-third approach was too high for many Veterans. Discussion ensued regarding a cap on the monthly fee with all but Mr. Coveney supporting a one-third approach without a cap.

Mr. Nelligan motioned that for the first 4 months of residency at DVA the Program Fee be waived, that beginning in the fifth month a Program Fee of one-third of gross income be charged for the duration of a Veterans stay at DVA without a cap. Seconded by Mr. Tollefsen. Discussion ensued regarding a refusal to disclose income to the DVA. Mr. Nelligan proposed an amendment that applicants be denied admission and residents be discharged if they refuse to provide the required income statement. Seconded by Mr. Tollefsen.

The amendment passed unanimously and main motion passed with Barry, Nelligan, Tollefsen and Dziekan voting in the affirmative and Mr. Coveney in the Negative. Meeting Adjourned at 2:41PM.

Respectfully Submitted.

Original signed Dec 1, 2016

Chair, Paul Barry