

Testimony of Kelley Kash, CEO

Maine Veterans' Homes

In Support Of

L.D. 1111, "Resolve, An Act to Update the Statutes Governing Membership of the Board of Trustees of the Maine Veterans' Homes"

April 5, 2021

Senator Luchini, Representative Caiazzo, and distinguished members of the Veterans and Legal Affairs Committee, I am the Chief Executive Officer (CEO) of the Maine Veterans' Homes (MVH). I am testifying for L.D. 1111.

MVH was established by the Maine Legislature in 1977 as a quasi-state "body corporate" to provide long-term care and support to eligible veterans and family members. MVH functions as an independent nonprofit organization.

MVH operates six facilities, employs over 1000 staff, and has an annual operating budget of approximately \$100 million. Daily, MVH provides care and support to approximately 600 veterans. However, during the pandemic census has dropped to under 450. In addition, costs have increased significantly due to COVID-19 requirements. As a result, MVH's operating deficit has averaged about \$1 million per month during the pandemic. My point is that MVH is a large and complex organization facing huge challenges.

The goal of the proposed legislation is to provide a diverse and effective governing body to meet the enormous challenges of providing long-term care to our veterans, now and in the future. Strategic planning, business acumen, and executive leadership experience in its governing body are needed more than ever to navigate the financial pressures and evolving healthcare environment.

The current statute requires board members to be honorable discharged veterans. No more than five positions may be assigned to representatives from the veteran service organizations (VSO). The remaining seats are to be filled by Representatives of the Public and the Director of the Maine Bureau of Veteran Services as ex officio member. The Governor appoints the Board of Trustees. The Board hires the chief executive officer to administer the operations of the Homes.

There are two major changes in the proposed bill. First, it would allow appointment of nonveterans to the Board. This would give the Governor flexibility in appointing members to help ensure broad diversity and experience in the board's composition. It would also remove designated number of seats for VSOs. They would still have a voice and presence on the Board, and the statute would require that VSOs submit candidates for the Governor's consideration.

AUGUSTA
 310 CONY ROAD
 AUGUSTA, ME 04330
 1-888-684-4464

BANGOR
 44 HOGAN ROAD
 BANGOR, ME 04401
 1-888-684-4665

CARIBOU
 163 VAN BUREN ROAD
 CARIBOU, ME 04736
 1-888-684-4667

MACHIAS
 32 VETERAN WAY
 MACHIAS, ME 04654
 1-877-866-4669

SCARBOROUGH
 290 US ROUTE 1
 SCARBOROUGH, ME 04074
 1-888-684-4666

SOUTH PARIS
 477 HIGH STREET
 SOUTH PARIS, ME 04281
 1-888-684-4668

CENTRAL OFFICE
 460 CIVIC CENTER DRIVE
 AUGUSTA, ME 04330
 1-800-278-9494

The second major change is to remove the requirement for the CEO to be an honorably discharged veteran. The Board feels strongly that healthcare leadership experience in the CEO is absolutely essential to the success of the Homes in the future. Likewise, I have complete confidence that if a nonveteran is selected for this role, they will serve and advocate for our veterans most ardently. In fact, many if not most of my counterparts in State Veteran Homes across the nation are not veterans, and the new VA Secretary is not a veteran.

The intent of these changes is to provide flexibility when needed to provide for a diverse, qualified and capable MVH Board of Trustees. The proposed bill expands the pool of candidates rather than narrows choices. It is possible that VSOs could fill more than five seats. The statute would require that the majority of the Board remain honorably discharged veterans.

There are also three minor administrative changes updating meeting frequency, clarifying the election of officers, and deleting an outdated provision regarding the renovation to the original Augusta facility which was completed in 2004 and no longer applies.

Please note that these changes were unanimously approved by the MVH Board of Trustees - all veterans and including VSO representatives - in a formal vote last summer for submission as proposed legislation in the legislative session. Moreover, the Board reached this decision after years of deliberate consideration and debate. We believe it is the right and surest way to provide for a diverse and effective governing body.

Thank you for your attention and consideration.

A handwritten signature in blue ink, appearing to read "Kelley J. Kash". The signature is stylized with a large loop at the beginning and a long horizontal stroke extending to the right.

Kelley J. Kash, Colonel, USAF, Medical Service Corps (Retired)
Chief Executive Officer