

Written Statement

AGAINST

L.D. 2001 “An Act To Fund and Support the Veterans Homes in Caribou and Machias and Require Legislative Approval for the Establishment and Closure of Veterans Homes”

March 2, 2022

Senator Hickman, Representative Caiazzo, and other distinguished members of the Committee; my name is Jim Settele and I am the Chairman of the Maine Veterans' Homes (MVH) Board of Trustees. I wish to submit my written statement in opposition to L.D. 2001, *“An Act To Fund and Support the Veterans Homes in Caribou and Machias and Require Legislative Approval for the Establishment and Closure of Veterans Homes.”*

I served 27 years on active duty as a Naval Flight Officer with four different squadrons onboard aircraft carriers, retiring as a Navy Captain in 2009. Currently, I serve as the Executive Director of The University of Maine's Graduate School of Policy and International Affairs and Director of the undergraduate IA program. I have served on the MVH Board since 2016 and as Chair for the past three years. It has been my honor and privilege to sit on the Board with ten other **volunteer members, all veterans**, who bravely served their nation, including some with multiple deployments and combat tours. Likewise, the members’ credentials show a broad range of experience in business, health care, and veterans’ advocacy. The board includes business owners, a chief financial officer, educators, a social worker, geriatric nursing, and representatives of the American Legion, AMVETS, VFW, and DAV. **No other group is more capable, committed or passionate about veterans – and please know that we serve the veterans of Maine to the absolute best of our ability.**

Unique among the 50 State Veterans Homes systems, MVH operates as an independent nonprofit organization. It is not a funded state agency. However, the Governor appoints the MVH Board of Trustees, which holds fiduciary responsibility for mission oversight and strategic planning and to help ensure the organization's long-term financial stability and fiscal responsibility.

The Board’s decision to close Machias and Caribou was a multiyear deliberation of known factors in Maine, which included several years of exploration for opportunities to address the

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growing deficit. These two facilities have always relied heavily on the financial support of the other four Homes. However, their combined operating deficits now seriously threaten the economic viability of the entire system.

Even with significant financial support from the State, it will not change the direction or circumstances of declining veteran populations and scarcity of healthcare workforce. The number of veterans will decrease by as much as two-thirds in Aroostook and Washington counties, according to VA projections (2010-2040). Similarly, the workforce crisis will make it impossible to staff operations in the near and distant future, which puts MVH at risk for not meeting regulatory staffing requirements. Please understand that we considered all the options and would not have made this decision unless we thought it was absolutely necessary. The Board met after receiving the Governor's letter to reconsider, and after lengthy discussion voted overwhelmingly to proceed with the closures. The Board's reply is attached.

I cannot overstate that the Board and organization are unequivocally committed to taking care of the affected veterans. The Machias and Caribou Homes will remain open until each and every resident is placed in a suitable setting of their choosing, including transfer to another MVH facility if desired. Staff will work closely with residents, their families, providers, and agencies to ensure we meet their needs.

We greatly appreciate the Committee's concern and commitment to our veterans, and we appreciate its support in the past. This decision was difficult and deliberative but ultimately necessary to best serve Maine's veterans for decades to come. We trust that we can continue to work together to meet the challenges and needs of the future.

Thank you for the opportunity to submit the testimony.

A handwritten signature in black ink that reads "James D. Settele". The signature is written in a cursive style with a large, stylized "S" for the last name.

James D. Settele, Captain, USN, (Ret.)
Chairperson, MVH Board of Trustees



MAINE VETERANS' HOMES

caring for those who served

An independent nonprofit organization serving Maine's Veterans and families

February 14, 2022

Governor Janet T. Mills
Governor's Office
State House Station No. 1
Augusta, Maine 04333

Dear Governor Mills:

I am writing on behalf of the MVH Board of Trustees, which met last Friday to discuss your request to reconsider the Caribou and Machias facilities' closure or postpone closure for two years.

Notification of the decision and closure timeline may have seemed drastic but in earnest, it was a multi-year deliberation of known factors in Maine which included several years of exploration for opportunities to address the growing deficit. The Caribou and Machias facilities have always relied heavily on the financial support of the other Homes and now their combined deficits are nearly \$3 million annually and seriously threaten the economic viability of the entire system.

The all-veteran Board genuinely considered what a two-year closure delay would entail. Even with significant financial support of the Administration, we believe two years will not change the circumstances of declining veteran populations and healthcare workforce supply while expending enormous resources. The number of veterans will decrease by as much as two-thirds in Aroostook and Washington counties, according to VA projections (2010-2040). Similarly, the workforce crisis will make it impossible to staff operations in the near future, which puts MVH at risk for not meeting regulatory staffing requirements.

We fully understand the impact on the veterans and their families and commit to securing their next care settings, including transfer to another MVH facility if desired. Given the workforce shortages, we are confident MVH employees will be in high demand and fill shortages elsewhere. We hope you understand, as your appointees to the MVH Board of Trustees, that we would not have made this decision unless we thought it was absolutely necessary.

We greatly appreciate your concern and commitment to our veterans. This decision was difficult and deliberative but ultimately necessary to best serve Maine's veterans for decades to come. We trust that we can continue to work together to meet the challenges and needs of the future.

Very Respectfully,

James Settele, CAPT, USN (Retired)
Chairman, MVH Board of Trustees

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