

**74<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5541-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. D. Edwards  
Carrier – Senate: Sen. Verger**

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**Action:** Do Pass as Amended and Be Printed A-Engrossed

**Vote:** 20 – 0 – 1

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc:

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett

– Nays:

– Exc: Winters

**Prepared By:** R. Mark Miedema, Department of Administrative Services

**Reviewed By:** Dallas Weyand, Legislative Fiscal Office

**Meeting Date:** 4/6/07

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**Agency**

Department of Veterans' Affairs

**Budget Page**

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**Biennium**

2007-09

**Senators:** Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,  
Schrader, Verger, Westlund, Whitsett, Winters

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Senator Kurt Schrader, Co-Chair

**Representatives:** D. Edwards, Galizio, Garrard, Hanna, Jenson,  
Morgan, Nathanson, Nolan, Shields

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Representative Mary Nolan, Co-Chair

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Senator Betsy Johnson, Transportation and Economic Development  
Subcommittee Chair

**Budget Summary\***

	2005-07		2007-09		Percentage Committee
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Change from Governor's Budget
General Fund	\$ 6,295,313	\$ 5,907,138	\$ 6,007,138	\$ +100,000	+1.7%
Other Funds	37,883,318	40,003,966	40,003,966	0	0.0%
Other Funds Nonlimited	194,725,000	189,725,000	189,725,000	0	0.0%
Other Funds Debt Service Nonlimited	399,937,095	418,744,525	418,744,525	0	0.0%
Total	\$ 638,840,726	\$ 654,380,629	\$ 654,480,629	\$ +100,000	+0.0%

**Position Summary**

Authorized Positions	113	111	111	0
Full-time Equivalent (FTE) Positions	112.50	110.53	110.53	0.00

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

The Department of Veterans’ Affairs loan program receives revenues from principle and interest payments on outstanding loans, investment earnings and loan origination fees. The Veterans Services programs are supported by General Fund, fees from those served by the Conservatorship program and loan program transfers. The Veterans Home is supported by payments from the Veterans Administration, Medicare, Medicaid and private payments by residents.

**Summary of Subcommittee Action**

The Department of Veterans’ Affairs serves Oregon veterans, their dependents, and survivors. The Department provides home loans at favorable interest rates, benefits counseling, claims assistance, conservatorship services, and education assistance to veterans. In addition, the Department operates the Oregon Veterans Home, which provides skilled nursing and Alzheimer’s disease care. The Subcommittee approved a total funds budget of \$654,480,629 and 110.53 full-time equivalent positions which is a General Fund increase from the Essential Budget Level (EBL) of 124 percent and a total funds increase from EBL of 0.5 percent

**Loan Program**

The Veterans’ Home Loan Program provides an affordable housing option for qualified Oregon veterans. In place since 1945, the program has made over 333,750 home and farm loans and currently services more than 6,000 loans as compared to 10,000 accounts in 2005. The Subcommittee approved a total funds budget of \$16,857,199 and 77.63 full-time equivalent positions.

Veterans' Services

The Veterans' Services program delivers benefits counseling, claims and educational assistance, and conservatorship services to eligible veterans, dependents and survivors throughout Oregon.

The Subcommittee increased General Fund expenditures from the Essential Budget Level (EBL) of \$2,641,875 to \$6,007,138. The Subcommittee approved a \$2,810,200 distribution to counties with veterans' services offices for enhanced and expanded services to veterans. It maintained payments to National Service Organizations at the essential budget level of \$132,276. It also provided \$554,000 to the Department for emergency grants to veterans (\$500,000), and for increased educational assistance (\$54,000). The distribution of the \$6,007,138 is as follows:

- (1) Services provided by the Department of Veterans Affairs.....\$2,374,020
- (2) Payments to National Service Organizations pursuant to ORS 406.310 .....\$ 132,276
- (3) Payments to counties pursuant to ORS 406.310.....\$ 690,642
- (4) Payments to counties pursuant to ORS 406.462:

<u>County / Payment</u>		<u>County / Payment</u>	
(a) Baker County	39,124	(r) Klamath County	77,454
(b) Benton County	68,454	(s) Lake County	32,052
(c) Clackamas County	259,952	(t) Lane County	254,796
(d) Clatsop County	54,744	(u) Lincoln County	65,722
(e) Columbia County	62,786	(v) Linn County	102,026
(f) Coos County	82,278	(w) Malheur County	44,822
(g) Crook County	39,162	(x) Morrow County	32,776
(h) Curry County	48,566	(y) Multnomah County	208,442
(i) Deschutes County	122,602	(z) Sherman County	27,510
(j) Douglas County	118,060	(A) Tillamook County	45,728
(k) Gilliam County	27,220	(B) Umatilla County	71,420
(L) Grant County	31,076	(C) Union County	42,864
(m) Harney County	32,328	(D) Wallowa County	31,510
(n) Hood River County	35,950	(E) Wasco County	45,198
(o) Jackson County	181,460	(F) Washington County	276,614
(p) Jefferson County	38,076	(G) Wheeler County	27,240
(q) Josephine County	97,192	(H) Yamhill County	84,996

The Subcommittee directed the following budget note to clarify the results expected by the Legislative Assembly from the distribution of enhanced funding for county veterans' services offices.

### **Budget Note**

The Department of Veterans' Affairs is directed to address legislative concerns about the distribution formula for funding enhanced and expanded services to veterans by county veterans' service offices. The Department is responsible to ensure that funds distributed improve the availability of outreach and services to veterans. To that end, the Department's formula should not only consider the number of offices at which veterans may access services, but also the nature and extent of services to be provided with the funding. It is understood that nationally accredited service officers in the Portland Federal Building are a statewide resource assisting county veterans service officers across Oregon and not duplicative of services in any one particular county. The formula should be more reflective of the distribution of the population of veterans throughout the state and the enhanced and expanded services to be provided by county veterans' services offices.

Further, the Department has the responsibility to ensure that all state funds dedicated for veterans' services activities are put to effective use and, therefore, the relationship between services provided by the state, federal, and county veterans' services offices and organizations yield the highest and best benefit to state veterans. The Department is directed to report to the Emergency Board or the Joint Committee on Ways and Means prior to the 2009 Legislative Session on the distribution formula as well as the collaboration and coordination between the Department and the county veterans' service offices that ensures the formula achieves the best value for Oregon veterans.

The Subcommittee approved Other Funds expenditures of \$2,071,012 for a total funds budget of \$8,078,150 and 29.90 full-time equivalent positions.

### **Veterans' Home**

The Oregon Veterans' Home provides intermediate and skilled nursing, and Alzheimer's disease care to some of Oregon's vulnerable veteran population. Care is provided in a 75,000 square foot, single-story facility through a contract with a private care provider. The Subcommittee approved a total funds budget of \$21,075,755 and 3.00 full-time equivalent positions.

### **Capital Construction**

The Subcommittee recommended inclusion of placeholder capital construction limitation for the Oregon Veterans' Home Guest House (\$1) and for the Oregon Veterans' Home Multipurpose Area (\$1) in House Bill 5006. The Subcommittee obtained the Department's commitment to solicit donations, both in-kind and monetary, for the construction of the proposed facilities. Further, the Department committed that, if constructed, no General Fund would be solicited for ongoing maintenance. If the Department obtains sufficient donations for construction, additional expenditure limitation will have to be obtained from the Legislature or the Emergency Board.

## **Summary of Performance Measure Action**

See attached Legislatively Adopted 2007-09 Key Performance Measures form.