2009 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 95 STATUS: Original

SUBJECT: Allows certain veterans to receive state aid concurrent with federal aid for education.

GOVERNMENT UNIT AFFECTED: Department of Veterans' Affairs

PREPARED BY: Robin LaMonte **REVIEWED BY:** Steve Bender

DATE: February 16, 2009

	2009-2011		2011-2013
EXPENDITURES:			
Personal Services	\$ 393,800	\$	393,800
Services and Supplies	\$ 205,000	\$_	205,000
Subtotal - Operating General Fund	\$ 598,800	\$	598,800
Special Payments	\$ 12,000,000	\$	12,000,000
Total General Fund	\$ 12,598,800	\$	12,598,800
POSITIONS / FTE:			
	4/4.0		4/4.0

EFFECTIVE DATE: The bill has an emergency clause and is effective on passage

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: SB 95 allows eligible veterans to receive state educational benefits concurrent with federal education benefits. The payments cannot exceed the total number of months served in the Armed Forces of the United States or 36 payments, whichever is less.

The Department of Veterans' Affairs (ODVA) reports that in Fiscal Year 2006, there were 3,700 Oregon veterans receiving federal education benefits. ODVA projects that for the 2009-11 biennium, 4,000 Oregon veterans will be concurrently eligible for state and federal education benefits under this bill. The monthly Oregon benefit per veteran will be \$150, and each veteran will receive the benefit for 10 months in each year of the biennium (20 payments per biennium). The veterans' education benefit will cost a total of \$12 million General Fund for the 2009-11 biennium.

ODVA estimates an administrative cost of \$598,800 General Fund for the 2009-11 biennium. This includes 2 Accounting Technician 3 positions (2.0 FTE) and 2 Administrative Specialist 2 positions (2.0 FTE) to process veterans payments and \$152,000 for Treasury and Department of Administrative Services charges to process the checks for each veteran. The remainder of the administrative costs is for supplies, equipment, pamphlets and forms, and employee training.

ODVA notes that the administrative expenses for this bill could be reduced if ODVA and the Oregon University System were to develop a system for reimbursement that did not require individual checks per month per veteran.