



OREGON DEPARTMENT

OF VETERANS' AFFAIRS

02/25/13

PRESENTATION TO JOINT COMMITTEE ON WAYS AND MEANS
Transportation & Economic Development Subcommittee



\$1.9 BILLION

Federal VA dollars received by veterans,
their families and survivors in Oregon in
2011



Veterans Population: 334,000 Oregon's Population: 3,899,353

BENEFIT

REVENUE

NUMBER OF OREGON VETERANS

Compensation and Pension

\$1.1 Billion

Receiving Disability/Pension Compensation: 52,218

Education/Readjustment

\$113.5 Million

Using GI Bill: 5,870

Medical/Construction (local clinics):

\$709.1 Million

Oregon veterans Using Vocational Rehabilitation: 1,559

Oregon Veterans Using VA Health Care: 100,000*



ADVOCATE ON BEHALF OF VETERANS, THEIR DEPENDENTS AND SURVIVORS

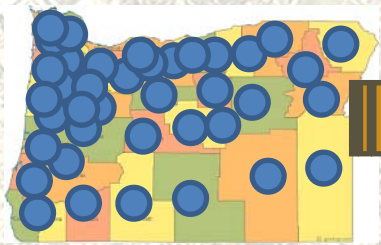
- Federally accredited and state certified to practice veterans law under Title 38.
- Veteran Service Officers take power of attorney (POA) for the veteran and represent them before the United States Department of Veterans Affairs (USDVA) for initial claims and in the appeals process.
- In 2011, more than 32,000 claims were filed under ODVA's POA.
- Oregon was ranked number seven in the nation for the amount of disability compensation it obtains on average for its veterans in 2011.

AGENCY SUMMARY

CORE PROGRAM DELIVERY



I served two tours in Iraq and really messed up my back. These days I can barely walk and sleep is out of the question - between my back and the nightmares of that Fallujah mission. That mission was rough. But, I really need to pull it together. My car broke down and I don't have reliable transportation to work. My wife is worried about me. She says I'm mad all the time and need help. I tell her I'm just tired...Hmmm. I know I have the GI Bill out there. Maybe getting back in the workforce in a job I like will fix things for me. I need to make an appointment with a Service Officer and get that paperwork going.



Started legal claim

ODVA
POA

File claim

Federal
VA

Disability Claim
(Back, PTSD)

GI Bill Benefit

VA Medical

Emergency Grant
(\$1000 to fix car
to get to work)

Award 40%
Service
Connected
Disability
Claim
(\$560/mo.)

\$1.9
Billion

Back into the Oregon economy
Auto repair shop, paid taxes from
job, local retail economy from
spending, health care providers,
housing economy, state colleges,
book vendors.

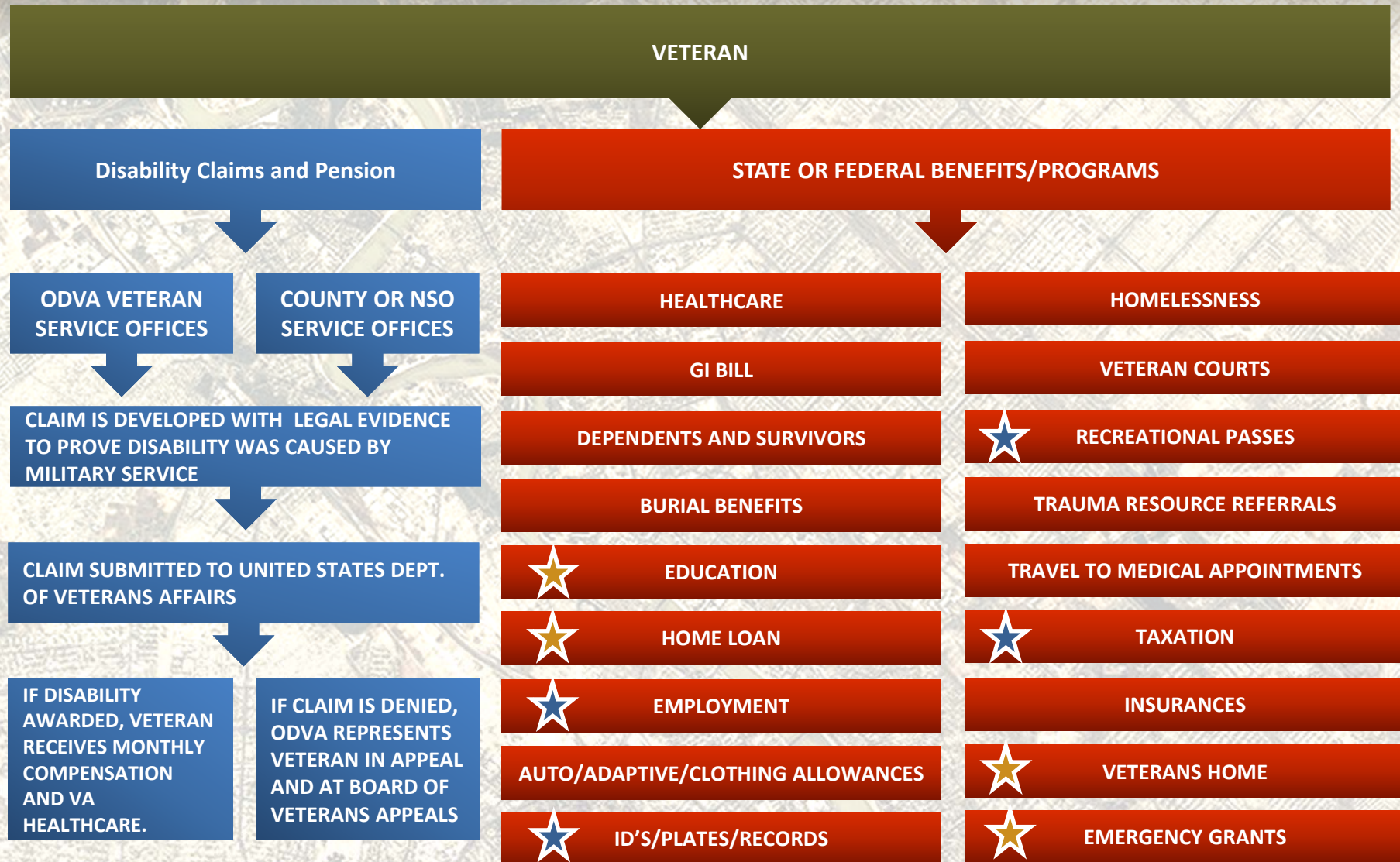
- \$1000 to get car fixed
- \$560 - Spending from disability checks
- \$1000 not using OHP
- \$1100 Housing
- \$1000 to College



GI Bill – Tuition paid, monthly
housing allowance and book
stipend. (avg. \$1100/mo.)

VA Medical (estimated
value \$1,000/mo.)

VETERAN PROGRAMS



*More detail about the Claims process and legal responsibilities can be found in the appendix on page 45

★ ODVA Benefit Programs

★ Other State Veteran Benefit Programs



CERTIFICATION, TRAINING AND OUTREACH

ODVA is legally responsible for the training, certification and accreditation of all VSOs and CVSOs. The agency holds an initial one-week onsite training for all new CVSOs, as well as two semi-annual conferences a year, conducting training on the latest in legal, medical and Federal VA process information. The agency also conducts extensive outreach to veterans and partner organizations.

55% OF ODVA'S GENERAL FUND IS PASSED THROUGH TO COUNTIES AND NATIONAL SERVICE ORGS

GENERAL FUND
\$6.54 MILLION

2011-13 Biennium

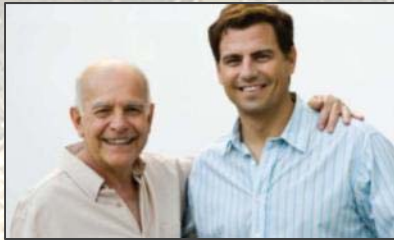
53% GF (\$3.49 MILLION) TO COUNTIES

34 OF OREGON'S 36 COUNTIES PARTNER WITH ODVA TO ENSURE EVERY VETERAN HAS ACCESS TO A VSO TO FILE A CLAIM.

2% GF (\$107 K) TO NSO'S

NATIONAL SERVICE OFFICERS (NSO'S) INCLUDE ORGANIZATIONS SUCH AS VETERANS OF FOREIGN WARS, AMERICAN LEGION, MILITARY ORDER OF THE PURPLE HEART, NATIONAL ASSN. OF BLACK VETERANS, AND DISABLED AMERICAN VETERANS.

*More detail about the this program can be found in the appendix on page 45



CONSERVATORSHIP

When a veteran is deemed by a judge or the Federal VA to be incompetent to manage their own finances, ODVA is appointed to provide conservatorship services, which include managing all assets for the veteran as fiduciary. The agency currently has 153 clients under conservatorship and will soon be accepting new clients as the Representative Payee which is a program in which the agency will act in a more limited capacity to pay the bills of these veterans.

LAB (2011-13)

GF \$542,044 (3.45 FTE)
OF \$939,273 (5 FTE)

GBB (2013-15)

GF \$628,160 (3.45 FTE)
OF \$888,457 (5 FTE)



EDUCATIONAL AID

Educational Aid is a state benefit that provides veterans \$150 a month for a full-time student and \$100 a month for a part-time student who has no other military or veteran education benefits. While the monthly stipend may seem insignificant, for a student veteran the money provides for monthly bills, school expenses or other needs.

LAB (2011-13)

GF \$346,910
OF 0.5 FTE

GBB (2013-15)

GF \$86,391
OF 0.5 FTE



EMERGENCY GRANT

Emergency Aid offers a one-time grant to veterans who have emergent needs. Examples include a veteran whose car needs repair and without this repair cannot work or a homeless veteran who obtains a job, but needs help with rent and deposits for a place to stay. The key is sustainability; the veteran must be able to sustain their finances after receiving the bridge funding via this grant.

LAB (2011-13)

GF \$296,606
OF 0.5 FTE

GBB (2013-15)

GF \$305,797
OF 0.5 FTE



KPM

Disability Compensation

Average U.S. Department of Veterans Affairs (federal VA) disability compensation received per Oregon veteran.

GOAL: >\$11,737
(National Average)

RESULT: \$13,517

Recovery of New Federal Dollars

Recovery of new U.S. Department of Veterans Affairs (federal VA) benefit dollars for Oregon veterans, their dependents and survivors with Oregon Department of Veterans Affairs claims representation.

GOAL: >\$36 Million (National Average)

RESULT: \$71,682,900

OTHER

FEDERAL VA RANKING

Each year, the Federal VA publishes an annual benefits report, which documents each state's success in obtaining disability compensation and pension for its veterans. In 2011, Oregon was **ranked number seven in the nation for the amount of disability compensation** it obtains on average for its veterans. Oregon has been in the top 10 in this category for more than a decade. Oregon is **ranked number 14 in average pension awards** for its veterans, but has been ranked as high as number one in the nation in previous years. Oregon is considered a model state for its veteran advocacy program

RETROS

When a veteran files a claim against the Federal VA, the claim's effective date is the date it was received by the Federal VA. However, the claim may not actually be adjudicated until many months or even years later, which when awarded, will result in a retroactive monetary award. The dollars awarded to veterans represents the yearly retroactive awards Oregon veterans have received for the claims filed by veterans represented under ODVA Power of Attorney. In 2012, veterans under ODVA Power of Attorney received retroactive awards that totaled more than \$71,682,900.

PORTLAND QUALITY CONTROL

Every claim submitted under ODVA Power of Attorney is submitted to the federal VA through ODVA's Portland Claims Office. Each claim is reviewed for procedural and administrative accuracy, as well as legal sufficiency.

OUTREACH – NEW POA'S

Significant effort has been spent reaching new veterans who never have filed for benefits before. Outreach includes homeless veteran stand-downs, community events, and more.



GENERAL FUND
\$6.54 MILLION
2011-13 Biennium



\$1.9 BILLION
FEDERAL DOLLARS
FY 2011

\$1 IN GF SPENDING = \$579 RETURN IN FEDERAL DOLLARS PER YEAR

ODVA
ORVET HOME LOANS 



ORVET HOME LOANS

CONSTITUTIONAL Wanting to provide a benefit to World War II veterans returning home, Oregon citizens voted in 1945 to create a Veterans' Home Loan program, establishing it in Article XI-A of the Oregon Constitution.

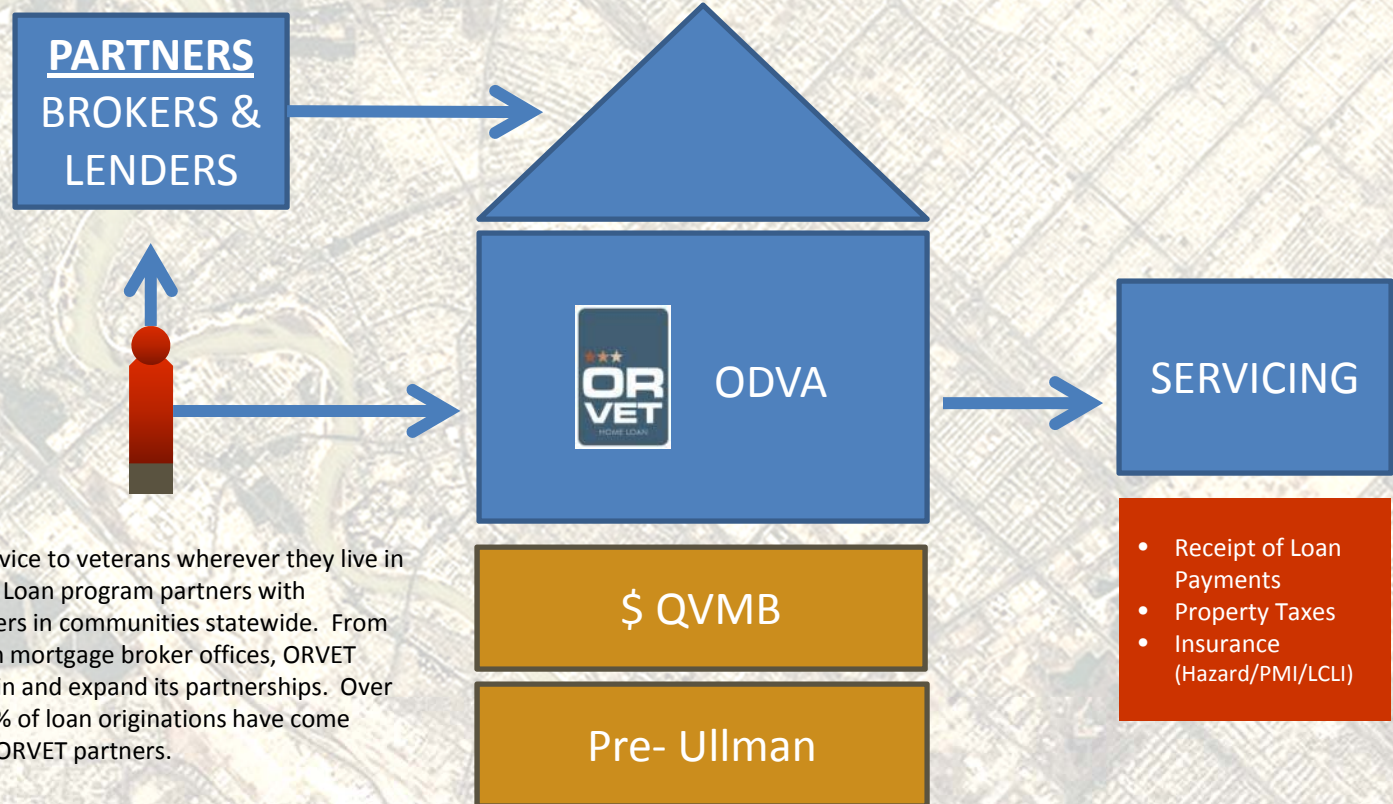
MORE THAN 334k LOANS Since then the ORVET program has provided more than \$7.7 billion of low-interest loans to more than 334,000 veterans and at one time, the Oregon Department of Veterans' Affairs (ODVA) was one of the largest lenders in the state with a portfolio of more than 140,000 loans.

SERVICING In addition to originating loans, the ORVET program services all of its loans. The benefit to the veteran of ODVA servicing its own loans is the enhanced customer service provided to the veterans and their families, as well as the flexibility and ability to restructure loans if the veteran borrower experiences financial hardship.

LOW RATES Historically, this enhanced housing benefit has generally resulted in significantly lower home loan rates than are normally available in the marketplace and have been achieved through the issuance of tax-free, state general obligation bonds called Qualified Veteran Mortgage Bonds (QVMB). QVMB's have limitations on how they can be used, most notably, borrowers must apply for a loan within 25 years of discharge from military service and funds cannot be used for refinancing.

FINANCING The ORVET program offers financing up to the Fannie Mae limit, currently \$417,000.

SUBSIDIZE VETERAN PROGRAM The Home Loan Program presently heavily subsidizes Veteran Services activities.



Committed to providing service to veterans wherever they live in the state, the ORVET Home Loan program partners with mortgage brokers and lenders in communities statewide. From large banks to single-person mortgage broker offices, ORVET continually seeks to maintain and expand its partnerships. Over the past five years, over 95% of loan originations have come through broker and lender ORVET partners.



KPM

DELIQUENT ACCOUNTS

Percentage of Agency's home loan accounts that are delinquent.

GOAL: <1.5%

RESULT: 1.95%

3.34% Oregon Average
(Conventional - Prime Loans)

The ORVET Home Loan program has a consistent record of having significantly lower delinquency rates than comparable Federal VA or Conventional loan products. Quality underwriting, avoidance of adjustable rate mortgages and a willingness to work with delinquent borrowers on modified repayment plans all contribute to delinquency rates well below that of comparable products.

OTHER

LOAN ORIGINATIONS

Even in this struggling economy, the ORVET Home Loan continues to offer the lowest rates possible to veterans. With a current rate of 2.99% on a 30-year loan, ODVA loaned \$24 million to 122 veterans during 2012. As the economy improves, we believe the ORVET Home Loan program can generate between \$35-40 million a year in veteran home loans.

FORECLOSURE

The mission of the ORVET Home Loan is to do all we can to help a veteran realize the dream of home ownership and ensure the veteran is successful in their home. Because we never sell a veteran's loan, ODVA has the opportunity to work with borrowers who may find themselves in financial trouble. ORS 407.095 specifically states that we must do everything we can to keep a veteran in their home – a mandate we take seriously. That is why we currently have very few homes in foreclosure.

INTEREST RATE

The key to success of the ORVET Home Loan Program is having an interest rate lower than the outside market. In a healthy economy, this has not been a problem, because federal tax-free bonds help ensure our cost of funds is low enough for us to offer outstanding rates. However, in this recent economy, outside rates have been artificially reduced so drastically that the ORVET Home Loan may not always have the lowest rate, which makes our product less attractive to veteran home buyers. We anticipate the economy turning around in the next several years and the interest rates for an ORVET Home Loan will once again become more attractive.





VETERANS' HOME

EARNED BENEFIT Care at the Oregon Veteran's Home (Home) is an earned benefit available to veterans, their spouses and parents who had a child die while serving in the United States Armed Forces. To be eligible for this benefit, qualifying veterans must have served as defined by the U.S. Department of Veterans Affairs (Federal VA) and received an honorable discharge from their branch of service.

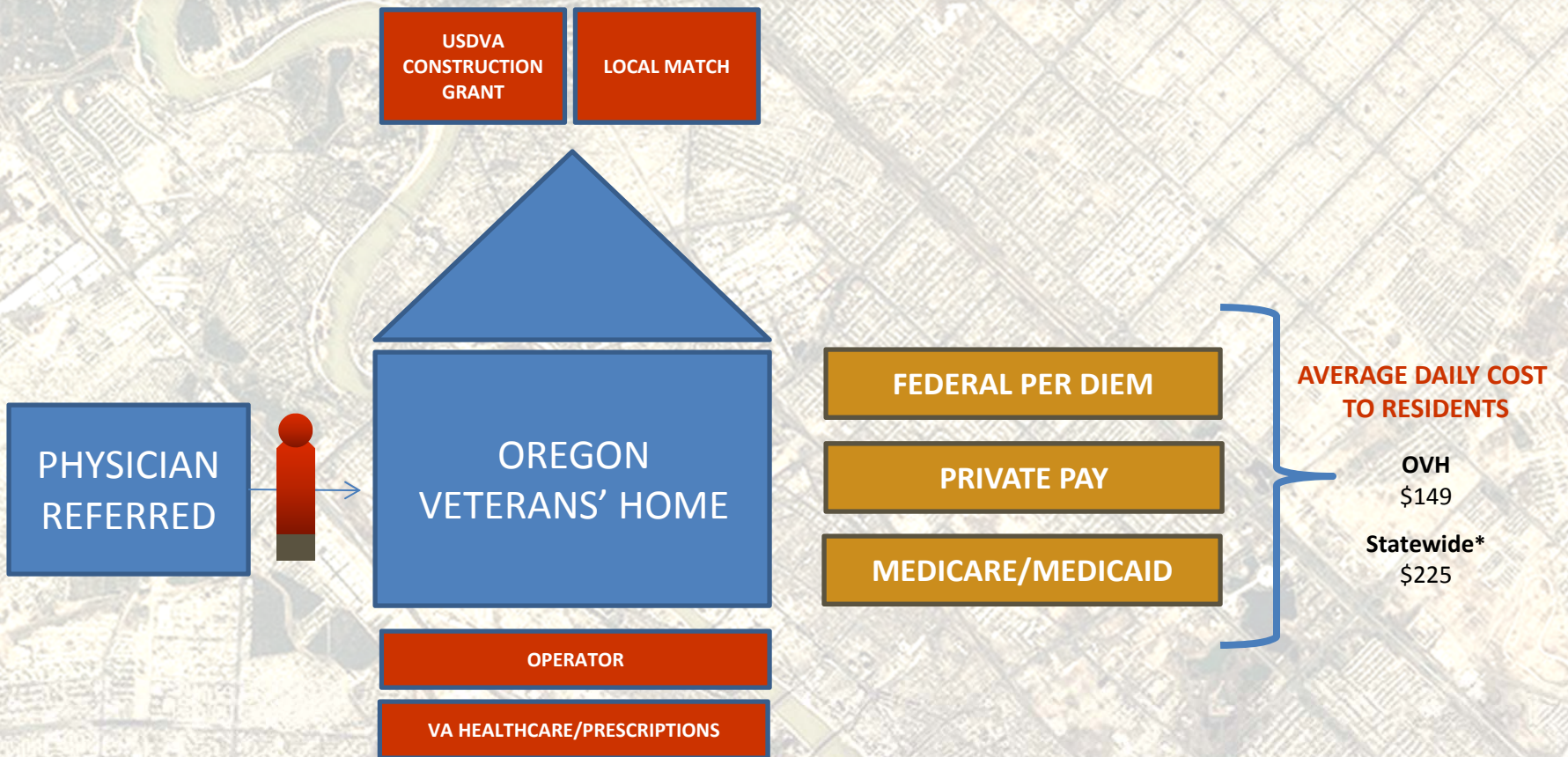
LONG-TERM SKILLED NURSING CARE Residents receive 24-hour, long-term skilled nursing, Alzheimer's and other memory-related, and rehabilitative care by a nursing staff whose skills and understanding have been enhanced to meet the unique and special needs of veterans. The Home's nursing team is complemented by physical, occupational and speech therapists who provide specific physician ordered services to help residents meet their maximum rehabilitative potential.

FEDERAL FUNDING FOR CARE The Oregon Veterans' Home maximizes the opportunity to bring federal funding for care of seniors into Oregon. Through our nation's promise to care for its veterans, the Oregon Veterans' Home offers a veteran benefit that not only costs significantly less than other private nursing care facilities or in-home care arrangements where significant care is required, but also employs federal benefit dollars to flow into Oregon through reimbursement for cost of care, VA healthcare, and grants to facilitate safety and health upgrades to the Home.

LOCATIONS Currently there is one Home located in The Dalles and a second Home being constructed in Lebanon.

REVENUE The current revenues supporting the Home are entirely Other Fund. Unlike most other states' veterans' home programs, no General funds have been provided to date for the Oregon Veterans' Home. Operational funds come primarily from resident care-related payments, including the Federal VA, which provides a daily per diem rate for qualifying residents, Medicare and Medicaid payments and private pay for certain residents.

COMMUNITY SUPPORT The Home also receives donated monies that are used to enhance the quality of life of residents at the Home. These donations often come from Oregon residents or their estates, local community groups, veteran organizations, or businesses. Recently, donated funds were used to help construct a Community Center at the Home, where residents and family members can enjoy spending time together.





OTHER

VETERANS' HOME HIGHER OCCUPANCY

Over the past five years, occupancy rates at the Home have been significantly higher than the average for Oregon skilled nursing facilities. The Home has averaged 90% occupancy, while the Oregon average is 66% . Additionally, demand for the memory-care unit has often required waiting lists.

While there may be other reasons, higher occupancy at the Home is primarily attributable to the commitment to providing the highest quality of care at lower costs to residents, all in an honoring environment where veteran residents are able to share their past experiences.

VETERANS' HOME LOWER COST TO RESIDENTS

Health care costs nationally and in Oregon continue to rise and the Home is no exception. However, over the past five years, the Home has become more affordable than the average skilled nursing facility. In 2007, the Home charged \$66 less for resident private pay daily rates than the average Oregon skilled nursing facility. In 2012, the differential increased to approximately \$76, which would save a resident approximately \$27,740 annually. In addition, since the resident's financial resources last longer for individuals in the Oregon Veterans' Home compared to other nursing facilities, the Oregon Veterans' Home helps preserve State Medicaid long term care dollars.

VETERANS' HOME QUALITY ACHIEVEMENT AWARD

In 2008, the Home was awarded the Step II Award (now called the Silver Award) for Quality Achievement from the American Health Care Association (AHCA) and the National Center for Assisted Living (NCAL). To date, the Home is one of approximately 200 care facilities in the entire nation – and one of only two state veterans' homes – to achieve this level of recognition.

Additionally, the Home regularly receives higher customer satisfaction rankings from residents and family members on the overall quality of care.

ODVA
BUDGET DRIVERS 

AGENCY BUDGET DRIVERS

DEMAND FOR SERVICES

Cost drivers for the program are based on the demand for services, which is anticipated to continue to increase in the next 20 years as the more than 30,000 Oregonians who have served in Iraq and Afghanistan seek their benefits, and as the 120,000 Oregon Vietnam veterans retire and begin seeking their benefits, many for the first time in 40 years.

COST SHIFT

In this current bienium, costs above the General Fund allocation are borne by Home Loan Program Other Funds. However, this cost shift is not sustainable. As an example, the General Fund allotment for OVDA's Claims and Counseling offices in Salem and Portland only covers 54% of the direct costs, with the additional 46% coming from ODVA Loan Program Other Funds. (Approximately \$1.4 million GF to \$1.2 million OF)

GOVERNOR'S BALANCED BUDGET

The Governor's Balanced Budget addresses the cost shift. During the 1991 Regular Legislative Session, the Legislature asked the agency to take a one-time General Fund reduction due to budget restraints. The Agency agreed, using Loan Program funds on a one-time basis to fill the gap. Unfortunately, those General Funds never were returned, forcing the Agency to fill the gap for the past 20 years at a cost of tens of millions of dollars to the Loan Program. The Governor's Balanced Budget addresses the originally intended one-time GF reduction by increasing ODVA's GF by \$1.6 million for the 2013-15 biennium. The Governor's Balance Budget will significantly reduce the Agency's cost shifting, which currently is a major negative financial driver for the agency and will help stabilize the funding for core veteran services activities.



VSD PROGRAM

DEMAND FOR SERVICES

Demand for service continues to increase as Iraq/Afghanistan veterans return to Oregon and seek benefits, and Vietnam veterans begin to retire and seek benefits. Further, the United States military is planning a significant reduction in force, which will result in an additional 30,000 veterans returning to Oregon in the next five years. This group is above and beyond the normal rate of discharge.

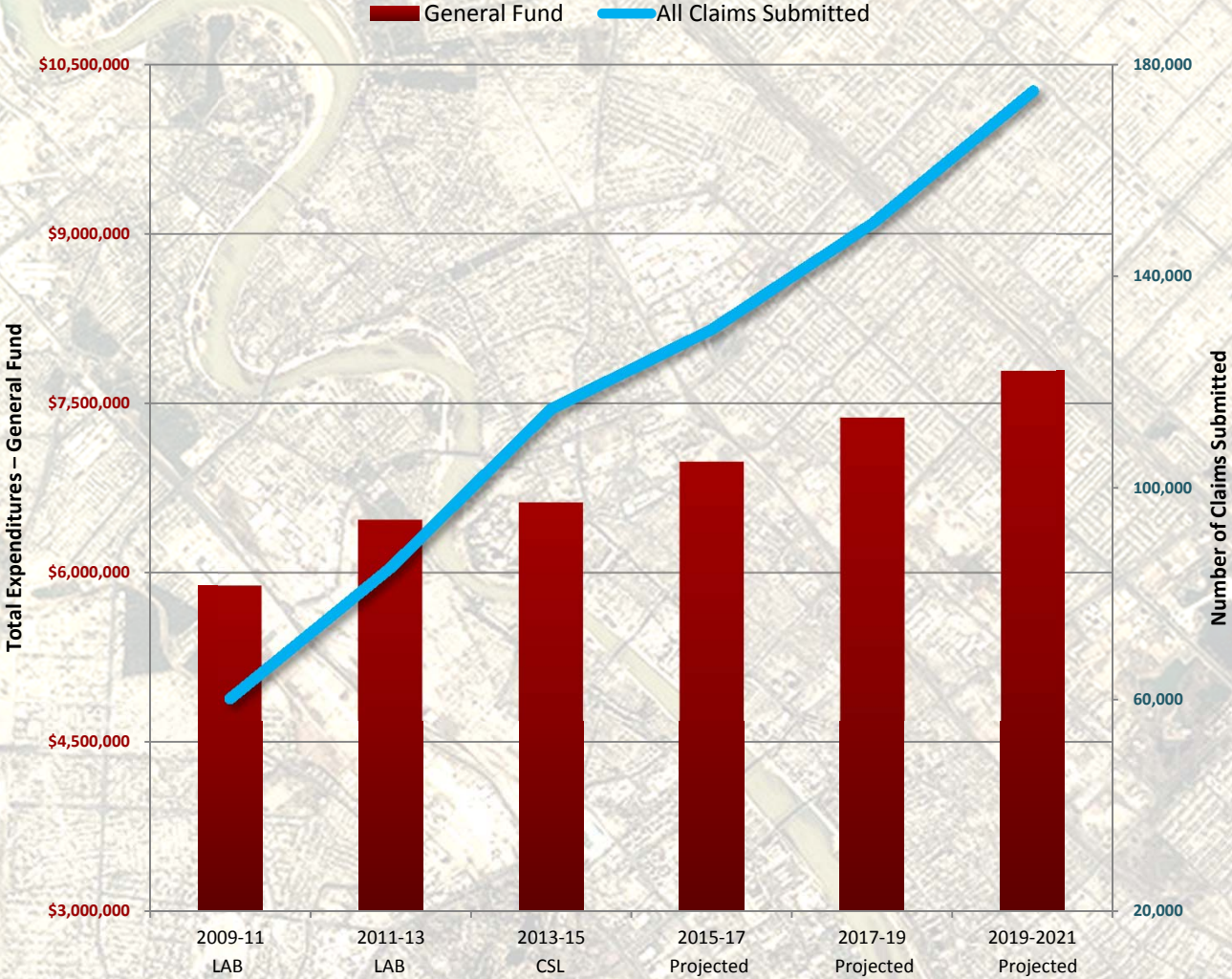
PERSONNEL

To date, the number of State and County VSOs has remained roughly the same since the start of the wars while demand for service has doubled in just the past five years. VSO appointment calendars can be booked out as much as 6-8 weeks in advance. As more veterans return, even more pressure is going to be put on the State and Counties.

FEDERAL TIMBER PAYMENTS

Further complicating the picture are the timber-affected counties, which may lose O&C dollars. ODVA is a member of the Governor's County Fiscal Crisis Team and we continue to be concerned for counties, such as Curry, Josephine, Coos, and Douglas. In discussing their financial situation, it is apparent that one of the first programs to go due to budget cuts would be the County Veteran Service Office, because the program is an "opt-in" program and should a county cease its CVSO operations, the State would become responsible for delivering veterans services in that area.

DEMAND FOR VETERAN SERVICES



HOME LOANS

PORTFOLIO RUNOFF

During the mid-1980s, the ORVET Home Loan Program was one of the largest home loan programs in the state, with more than 114,000 loans on the books at a worth of nearly \$3 billion. Since then, the program has declined sharply for a variety of reasons, ranging from WWII, Korea, and Vietnam veterans paying off their loans, to extreme portfolio runoff due to borrowers seeking refinancing in this unprecedented low-interest market. As of June 30, 2012, there were approximately 2,400 loans on the books totaling \$221 million.

ORIGINATION REDUCTIONS

From 2006 through 2008, the ORVET Home Loan Program originated an average of \$56 million in mortgage loans per year. In 2009, the economic crisis severely impacted mortgage originations nationwide, including the ORVET Loan Program, due in part to increased unemployment and overall financial uncertainties. Between 2009 and 2011, the ORVET Home Loan Program average mortgage originations dropped to \$10 million per year. In 2012, loan originations increased to approximately \$24 million.

DEBT SERVICE AND PERSONNEL COSTS

Some of the largest cost drivers for the ORVET Home Loan program are bond interest costs and personnel costs. As of June 30, 2012, ODVA had approximately \$312 million in bond indebtedness, with approximately 50% of the portfolio in variable rate bonds and 50% fixed rate. In the recent low interest rate environment, the variable rate debt has been extremely beneficial to be able to offer a low interest rate on mortgage loan product. Personnel costs include direct loan program staff, support staff, and certain Veteran Services staff unaffiliated with the loan program.

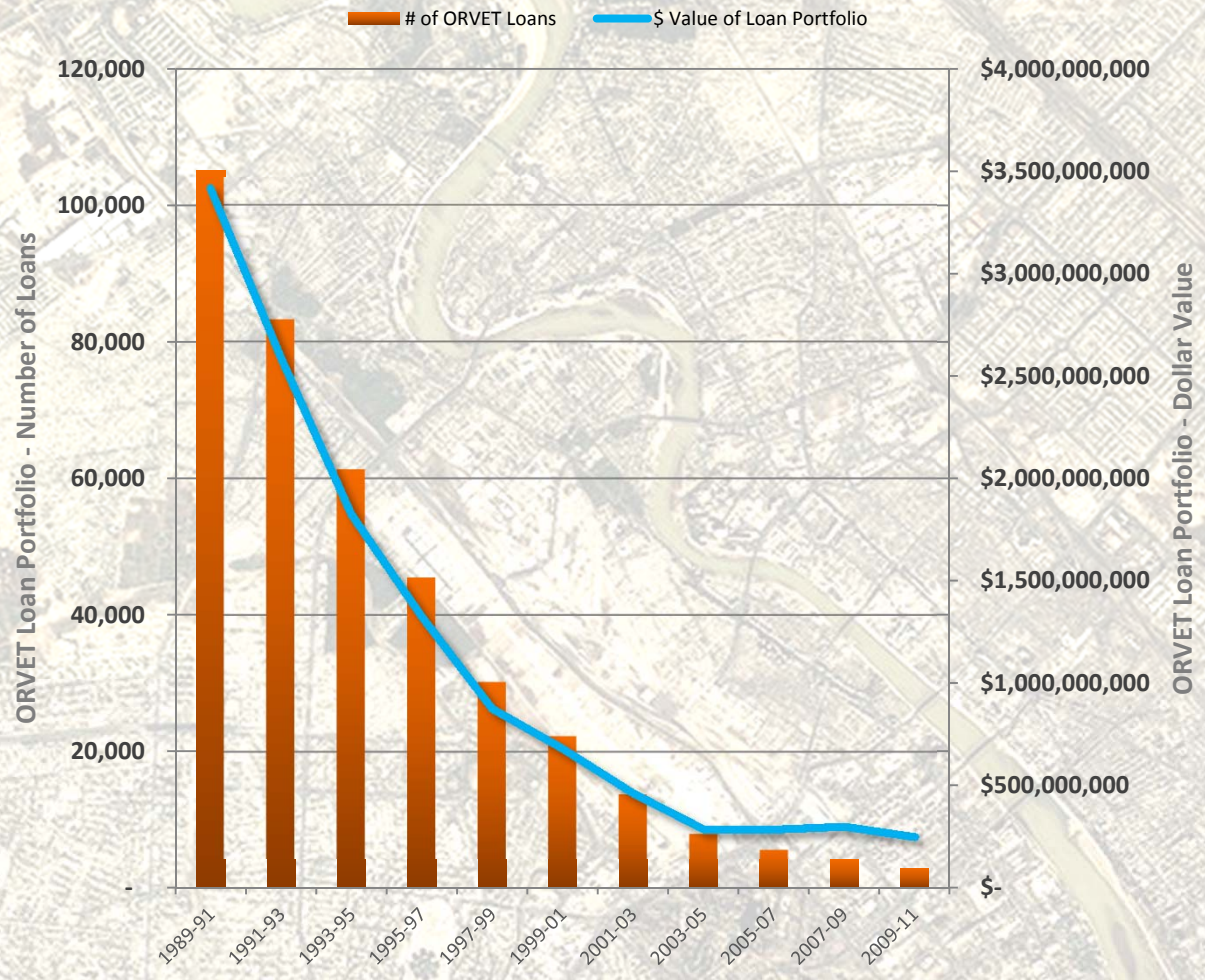
AGENCY REDUCTIONS

The Loan Program funds much of the agency. In good times, this was not a significant issue and the agency had over 600 employees, 14 field offices, and was quite robust. As demand for veteran home loans has declined, the Loan Program's ability to support other non-loan program affiliated agency activities has become less sustainable. Today, ODVA has a total of 82 budgeted positions, having completed multiple layoffs the latest being completed in 2004 (23 FTE) and 2012 (15 FTE).

SUBSIDIZATION OF OTHER PROGRAMS

The current model of using Loan Program Other Funds to subsidize veterans' services programs is not sustainable. The GBB helps address this issue by increasing the GF by \$1.6 for veterans' services.

Veterans' Home Loan Program



CURRENT LOAN PORTFOLIO AS OF 2/01/13

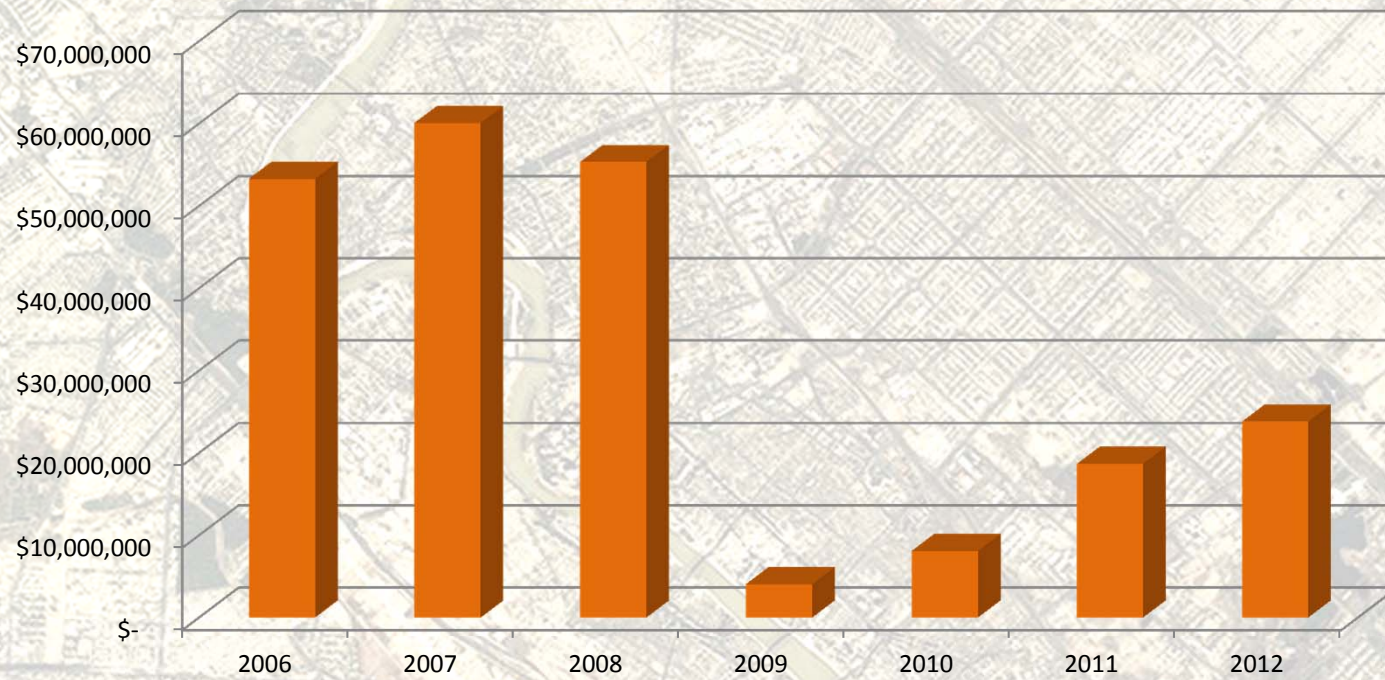
ACCOUNTS
2,187

LOAN PORTFOLIO BALANCE
\$209.7 million

DELINQUENCY RATE
2% (30 days or greater)

FORECLOSURE ACCOUNTS
8 accounts out of 2,187

ORVET Loan Originations



VETERANS' HOME

OPERATIONAL REVENUE

The current revenues supporting the Home are entirely Other Fund. Unlike most other states' veterans' home programs, no General funds have been provided to date for the Oregon Veterans' Home. Operational funds come primarily from resident care-related payments, including the Federal VA, which provides a daily per diem rate for qualifying residents, Medicare and Medicaid payments and private pay for certain residents.

COMMUNITY SUPPORT

The Home also receives donated monies that are used to enhance the quality of life of residents at the Home. These donations often come from Oregon residents or their estates, local community groups, veteran organizations, or businesses. Recently, donated funds were used to help construct a Community Center at the Home, where residents and family members can enjoy spending time together.

FEDERAL HEALTH AND SAFETY REGULATIONS

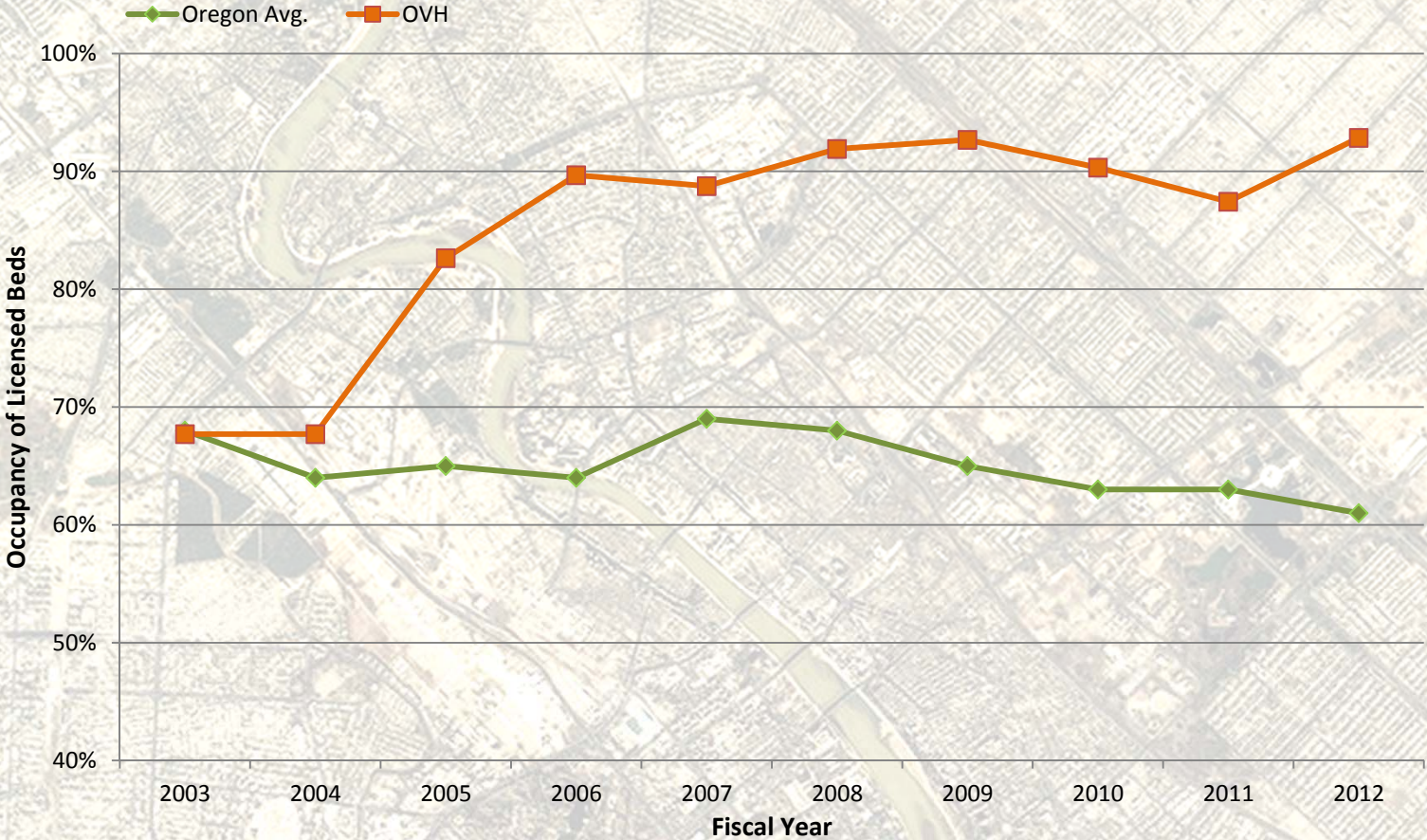
In recent years, attention has increasingly turned to ways to improve clinical decision making, patient safety and quality of care. By the end of 2013, the Home should have an electronic health records system and has submitted for a federal grant to install other facility related improvements. These upgrades will improve clinical documentation, better monitor diseases and other health risks and ensure a safe and secure environment for residents that also allows maximum freedom.

OPERATION CONSIDERATION

The Oregon Department of Veterans' Affairs maintains the self-sufficient Home by continually reviewing costs. Approximately, 72% of the Home's operating expenses are related to personnel costs and 70% of all personnel costs are related to nursing staff. Minimum nursing staff ratios are mandated by the Oregon Department of Human Services (Oregon Administrative Rule 411-086-0100). A more recent cost driver has been the approximately \$20 thousand per month that the Home provides in prescription medications to veterans with a service connected disability of 70% or greater, as required by federal law. The Oregon Department of Veterans' Affairs recently worked with a coalition of other states and the Federal VA to obtain reimbursement levels more reflective of these costs incurred.

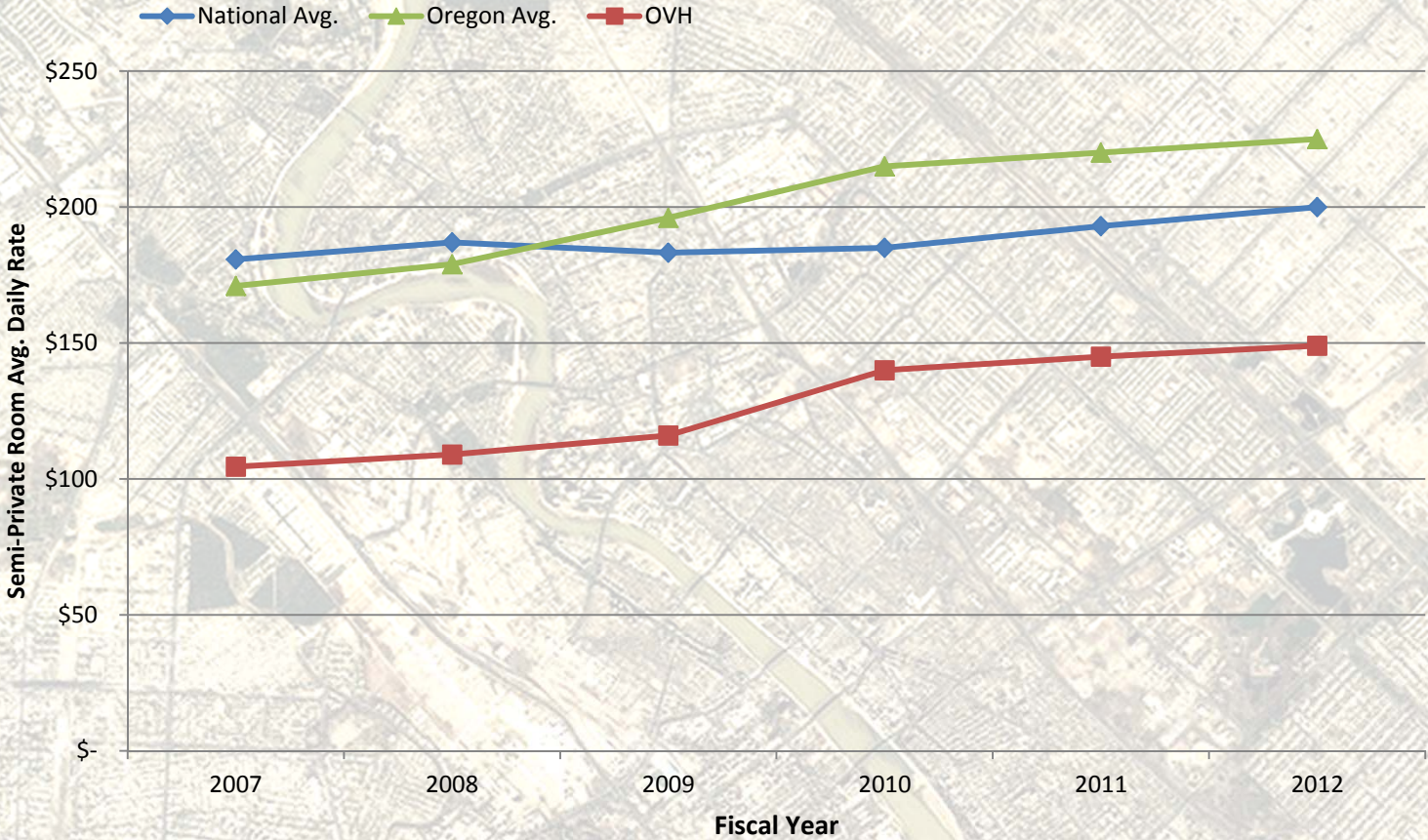


HIGHER OCCUPANCY RATE





LOWER RESIDENT PRIVATE PAY RATES



BUDGETARY ISSUES AND CONSIDERATIONS

ODVA





MAJOR AGENCY BUDGETARY CHALLENGES

LOAN PROGRAM COST SHIFTING

The current model of using Loan Program Other Funds to subsidize veterans' services programs is not sustainable. Losses continue to mount for the Loan Program and the Governor's Balanced Budget recommendation that includes the return of historical General Fund dollars is vital for the Agency's future financial stability.

PROGRAM FINANCIAL SELF-SUFFICIENCY

Programs such as Conservatorship that have the ability to charge fees must become more self-sufficient. Currently, our programs do not charge clients the full cost of service, resulting in further Loan Program subsidies. Charging fees that are still significantly below the outside market, yet funding programs will be an important step for ODVA's future financial stability.

LOAN PROGRAM PORTFOLIO RUN-OFF

The financial health of the Agency is directly related to the size of the loan portfolio the Agency is servicing. The Agency continues to look for ways to offer a refinancing product using alternative funds that are not as restrictive as the Qualified Veteran Mortgage Bonds used for conventional home loans. The program also must become more proactive in finding veterans to whom to make loans to increase the portfolio.

START-UP COSTS OF SECOND VETERANS' HOME

The Agency will likely bear the initial start-up costs for the second Veterans' Home in Lebanon upon its opening in 2014. ODVA is projecting it may take up to three years to reach an 85% to 90% occupancy level. ODVA anticipates returning to the Legislature in 2014 to obtain expenditure authority for operating the Lebanon Veterans' Home and will be issuing a Request For Proposal to obtain an outside contractor to manage the Home's daily operations.



BENEFIT AND PROGRAM CHANGES

- Creation of emergency grant program
- Implementation of Expansion & Enhancement program by County Veteran Service offices
- Major reduction in funding for emergency and educational aid programs
- 4 Task Force's that drove policy for the veteran community and agency
- Creation and defunding of Campus Veteran Service Officer Program
- Implementation of "Cloud-Based" claims management system called VetraSpec
- Authorization for 2 additional veterans homes
- Expanded Loan Origination Network
- Measure 70 (increased # of veterans eligible for loans)
- Loan size and lower down payments (LTV)

IMPACT: Focus is on preserving/expanding earned benefits, reaching more veterans and reducing the paperwork and time to file claims.

AGENCY CHANGES

- 2004 layoff (23 positions)
- 2012 layoffs and reorganization (15 positions)

IMPACT: Most of the FTE reductions occurred in the Home Loan Program, resulting in significantly larger workloads, some reduced services, and more reliance on outside brokers and lenders to make ORVET Home Loans.

IMPROVEMENT TO PROGRAM DELIVERY

ACTIONS TO CONTAIN COSTS AND BETTER SERVE VETERANS



IMPROVE PROGRAM DELIVERY

- Expansion and Enhancement Dollars
- Implementation of VetraSpec
- Campus Veteran Service Officers
- Outreach Efforts
- Claims Quality Control and Training
- Extensive On-Site CVS0 Training and Support
- Electronic Health Records System at Home
- Community Center at Home
- 2nd Veterans' Home
- Implementation of Gov-Delivery for Information Dissemination

CONTAIN COSTS

- 2004 and 2012 Layoffs (37 FTE Total)
 - \$2.4 million in 2005-07 biennium
 - \$1.5 million in 2013-15 biennium
- Elimination of the Campus VSO Program
 - \$1.3 million in 2011-13 biennium
- USDVA Moving Toward Electronic Claims Filing
 - Streamline Operations
- Restructure of Educational Aid Program
 - \$260 thousand in 2013-15 biennium
- Consolidation of Outreach Materials into one Magazine
- Implementation of Gov-Delivery for Info. Dissemination
 - Anticipated \$10 thousand per year
- Considering Move to Electronic Trainings for VSOs to Replace One Conference a Year
 - Anticipated \$10 thousand per year





IN 2008, then-Governor Ted Kulongoski commissioned a Task Force to examine veterans' services throughout the state to determine what worked, what did not work, and where there were gaps. The Final Task Force Report was groundbreaking in establishing agency goals for the next several biennia.

One of the most striking findings of the Task Force was that of the nearly 340,000 Oregon veterans, only about 100,000 were receiving veteran benefits, yet that group was bringing in \$1 billion to the state in direct veteran payments. All agreed that more veterans had to be reached so that not only could they obtain the benefits they earned through their honorable service, but even more federal dollars could return to Oregon for its veterans.

OVERALL

Much has been done legislatively and otherwise since 2008, but the goal remains the same – **reach more veterans to ensure every eligible veteran is receiving every benefit they earned through their honorable service.**

While there has been great success since 2008, much more can and must be done, which is the focus of the entire VSO community.



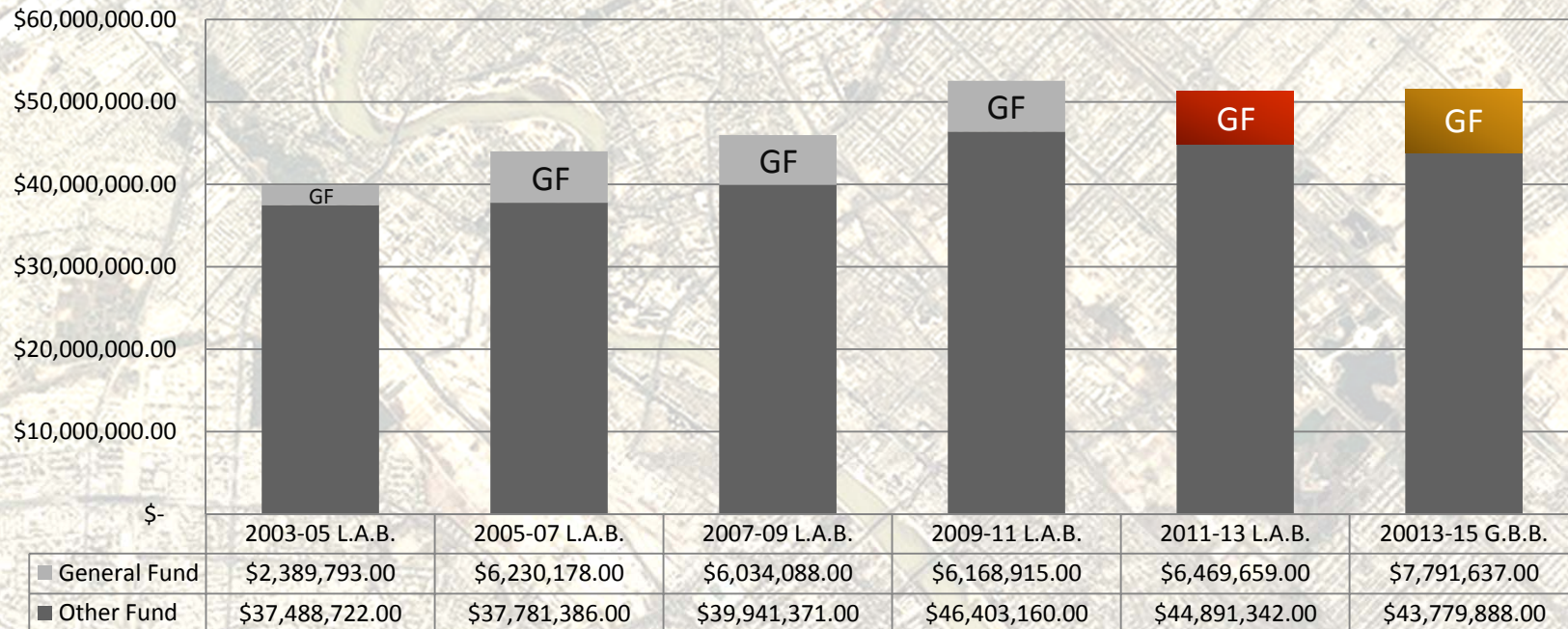
Loan Program	Veterans' Home Program	Claims and Counseling/ CVSOs	Conservatorship	Training, Certification, and Outreach
<p>During 2012, the Home Loan Department made \$26 million in loans. The goal for 2013 is \$35 million.</p> <p>Stabilize and increase the size of the ORVET Home Loan Program. Since the 2008 economic collapse, the Agency has struggled with portfolio run-off, reduced revenues, and losses due to subsidization within the Agency.</p> <p>The ORVET Home Loan Program is the financial backbone of the Agency and as such must become more pro-active in reaching veterans seeking home ownership.</p>	<p>85% Occupancy</p> <p>Superior care and resident satisfaction</p> <p>Significantly lower costs to residents</p> <p>First Veterans' Home in the nation to achieve Gold Award (AHCA/NCAL)</p> <p>Complete construction and begin admitting residents at Lebanon Home</p>	<p>Having reviewed claims productivity from 2005-2012 it became apparent that the vast majority of claims work being done was for existing clients and not new clients.</p> <p>Goals for our State and County Veteran Service Officers include better outreach to new veterans, improving written appeals arguments, and expanding outreach opportunities.</p>	<p>Currently, the Conservatorship caseload is 156 veterans, managing \$35 million in assets.</p> <p>The goal would be to manage roughly 180 veterans in the program.</p> <p>Strategies are being employed to bring more cases in from the United States Department of Veterans Affairs and the courts, as we implement a new Representative Payee program.</p>	<p>Given budget constraints, a major goal is to use technology to our advantage for training purposes.</p> <p>To this end, we plan to hold only one training conference a year, and do Internet-based training in place of the second conference.</p> <p>We also plan to increase on-site visits to CVSO offices, and push more information out to the field via the Internet.</p>

ODVA 
GOVERNOR'S BALANCED BUDGET



As you will see by the comparison below, **\$1.6 million more in GF** is provided to ODVA to fund its Veterans' Services Division. Currently, the Loan Program subsidizes VSD direct service by that amount. The GBB will eliminate that direct subsidy, allowing loan funds to be used for the loan program.

HISTORICAL OPERATING BUDGET COMPARISON (ALL PROGRAMS)





The Governor's Balanced Budget for the Oregon Department of Veterans' Affairs helps the agency in several ways, including:

- Stabilizes funding for Veterans' Services by returning \$1.6M GF for services as demand for services from current war veterans continue to increase
- Reduces Loan money subsidies to non-Loan program sections within the agency
- Fully funds the current service level of County Veteran Service Officers and State Veteran Service Officers
- Prevents future layoffs through funding levels allowing the agency to deliver program and services to veterans, their dependents, and survivors.
- Allows continued program services to increase federal dollars received by veterans in Oregon.