

Oregon Department of Veteran's Affairs				
	2011-13 Actuals	2013-15 Leg. Approved	2015-17 CSL LFO	2015-17 Governor's
General Fund	6,394,644	9,699,442	10,908,167	13,370,086
Lottery Funds	-	-	2,093,963	-
Other Funds	53,357,640	50,400,107	81,630,223	81,473,806
Other Funds Non-Limited	152,151,905	335,225,000	318,333,710	318,333,710
Federal Funds	26,702,288	400,000	-	1
Total Funds	238,606,477	395,724,549	412,966,063	413,177,603
Positions	94	83	83	88
FTE	93.20	82.13	83.00	88.00
*includes Emergency Board and administrative actions through December 2014				

Program Description

The mission of the Oregon Department of Veterans’ Affairs is to “serve and honor veterans through our leadership, advocacy and strong partnerships.” During the course of the 2013-15 biennium under the leadership of its new director, the Oregon Department of Veterans’ Affairs evaluated its programs and services, producing a strategic plan that aims to focus agency efforts so that this mission can be achieved in a more impactful way. The agency’s core programs include:

- Administration and management of a low-interest single family, owner-occupied home loan program/benefit for veterans;
- Financial Conservatorship services for court-appointed veterans determined to be incapable of handling their own financial affairs;
- Veterans’ claims preparation and prosecution, appeal representation, advocacy, benefits counseling, and training and grant administration for County Veteran Service Officers (who, when trained and certified, file benefit claims utilizing the agency’s power of attorney);
- Educational Assistance grants;
- Emergency Financial Assistance grants; and
- Overseeing the operation of two state-owned skilled nursing facilities for veterans and their spouses.

CSL Summary and Issues

There are no material differences in Current Service Level estimates between the Executive Branch and the Legislative Fiscal Office. The 2013-15 budget decision to approve shifting ten positions in the Veterans’ Services program from Other Funds to General Fund (mitigating a 20 year practice of loan program reserves subsidizing the cost of veteran services positions doing non-loan program work) has resulted in roll-up costs of approximately \$3 million additional GF in base budget; policy packages in 2015-17 to continue shifting portions of other Veterans’ Services positions away from OF as a funding source will continue the trend, if approved.

ODVA receives a General Fund appropriation to support Veterans Services programs and personnel, and pass through funding to counties, National Service Organizations, students (educational aid), and emergency assistance payments to veterans. Successive biennia of General Fund reductions has reduced available pass through payments for educational aid and emergency assistance programs; this funding might be more effectively deployed for other ODVA activities. General Fund support for ODVA activities (at Current Service Level) is as follows:

ODVA Appeals and Claims (includes appeals filings, training and management of claims):	\$ 3,434,386
Conservatorship:	\$ 637,467
Special Payments:	
Emergency Assistance Payments	\$ 314,971
Educational Aid	\$ 88,983
County Veteran Service Officer Support	\$ 3,699,480
National Service Organizations	\$ 113,940
Debt Service on Bonds Issued in 2014 for Second Veterans’ Home	\$ 2,618,940
Total	\$10,908,167

Lottery Funds are included for debt service in the event that bonds are issued for the state’s share of construction costs during the 2015-17 biennium to build a third veterans’ skilled nursing home, pursuant to capital construction limitation that had been granted in a previous biennium for this purpose. The Lottery amount is for informational purposes, and represent estimated debt service, should the bonds be issued. It should be noted that the second Home in Lebanon just opened in the Fall of 2014 and has not yet reached its residential capacity.

Other Funds revenue consist of proceeds from ODVA bonds issued in support of the Home Loan Program, loan repayments and interest, fees for service related to home loan applications and specific conservatorship services, and Veterans’ Home resident payments.

ODVA received a federal grant award (Federal Funds) related to transportation of veterans in highly rural areas in 2013-15.

Other Funds Non-Limited are associated with reserves, debt service, and issuance costs related to bonds that support the Home Loan program.

Policy Issues

- As indicated above, ODVA is seeking General Fund support to move portions of three Veterans Services positions away from Other Funds (Loan Program) proceeds in an effort to maintain loan program reserves; additional General Fund is also requested to reclassify five Veteran Services positions, to salary levels consistent with duties.
- ODVA brought on an Aging Veteran Services Director in February, 2015, by double filling an existing position. ODVA took this action after Agency Request and Governor's Budget deadlines, so no agency policy option package was included in either document; however, Legislative approval to make the position permanent will be required. The position provides subject matter expertise and contract oversight to ODVA's two skilled nursing facilities. The position is funded with Other Funds, provided through Veterans' Home resident-related income (including Medicare, Medicaid, VA benefits and private payments) to cover the cost of care.
- ODVA is seeking Other Funds expenditure limitation to reclassify two existing positions in the Veterans' Home program;
- Demand for ODVA home loans has increased, reflecting an improvement in the overall economy. To meet this demand, ODVA is seeking an additional home loan specialist (1.0 FTE), paid for with Home Loan fees, interest and mortgage repayments; loan program information technology upgrades comprised of hardware and software updates are also being requested.
- General Fund support for two new veterans' services positions has been requested. The positions will concentrate on policy, best practices and integrating services to veterans across state agencies through the leveraging of public-private partnerships.
- ODVA is seeking funding to develop a database utilized for veteran outreach.

Other Significant Issues and Background

Budget Notes

General Fund in the amount of \$350,000 was appropriated to ODVA for the purpose of a veterans' crisis telephone line that offered free, anonymous assistance, 24 hours a day to active-duty service members, veterans and their families. The budget note required that the contractor providing the service have a contractual affiliation with the National Suicide Prevention Line and the National Veteran's Crisis Line, with a capacity to answer at least 30,000 veteran or suicide calls per year. ODVA contracted with Lines for Life, which is also the contractor for the Oregon Health Authority's state suicide crisis line (\$720,000) and an alcohol and drug addiction

line (\$470,000). In addition, veterans have access to a Federal Veterans' Affairs/Department of Defense crisis line, and many counties also have mental health telephone crisis lines in place.

ODVA was given direction on the expenditure of one-time grant funding in the amount of \$1 million in support of County Veterans' Service Officers included in the 2013-15 Legislatively Approved Budget. The budget note specified that the grant was to be utilized to improve outreach to veterans, to inform them of benefits, and to file claims on their behalf. The investment was intended to supplement rather than supplant existing services to veterans provided by counties, and grant awards would require that counties generate new power of attorneys be demonstrated by recipients, and that additional new federal benefit dollars be recovered. The grant provided a base of \$10,000 to each eligible county, plus disbursement of at least \$600,000 in competitive grants. The makeup of a grant selection committee was also specified in the budget note. ODVA will present outcomes related to the grant during its budget presentation, and has requested that this additional outreach funding be made a permanent part of its budget.

Emergency Board

At its May 2014 meeting, the Legislative Emergency Board allocated \$98,700 General Fund to support the establishment of a training position for County Veteran Service Officers (CVSOs). The rate of turn-over for ODVA accredited CVSOs has been high, and accreditation requires approximately 18 months of training and study on multiple topics, including federal VA organization and structure, eligibility for service connected disabilities, and the proper filing of initial claims and appeals. ODVA included a policy option package to request that the position be made permanent, providing ongoing, consistent support for initial and more advanced training for all CVSOs, regardless of tenure. The cost of continuing this position in 2015-17 is \$159,913 plus nominal services and supplies costs.

Audit Reports

The Secretary of State reviewed annual financial statements for ODVA enterprise funds (the Loan Program), and found that they fairly represented the agency's financial position; no deficiencies in internal control constituting a material weakness were identified.

The Audits Division also conducted a review of Veteran Services and commented on the Department's strategic plan, developed in 2014. This review recommended that the agency identify and implement ways to better identify veterans; strengthen the oversight of County Veteran Service Officers; improve and expand training; and continue to strengthen and develop key partnerships with other agencies and service providers.

Co-Chairs' Budget Framework Discussion

The Co-Chairs' budget framework maintains current service level support for Veterans' Services and Conservatorship programs, and for payments to County Veterans' Service Officers and national service organizations.

The Co-Chairs' budget framework designated the following as "Additional issues to be resolved":

- Maintaining a training position for County Veterans' Service Officers established last May;
- Continuing an extended outreach grant for County Veterans' Service Officers approved in 2013-15 on a one-time basis; and
- Administrative and IT needs for the Oregon Department of Veterans' Affairs.