



OREGON DEPARTMENT  
of VETERANS' AFFAIRS

# 2017-19 GOVERNOR'S BUDGET

JOINT COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON  
TRANSPORTATION AND ECONOMIC DEVELOPMENT // FEBRUARY 2017



**WE ARE OREGON VETERANS**

**FOR MORE THAN 70 YEARS**

**WE SERVE AND HONOR VETERANS THROUGH OUR LEADERSHIP,  
ADVOCACY AND STRONG PARTNERSHIPS**



**FOUR GENERATIONS**  
**FIVE MAJOR WARS**

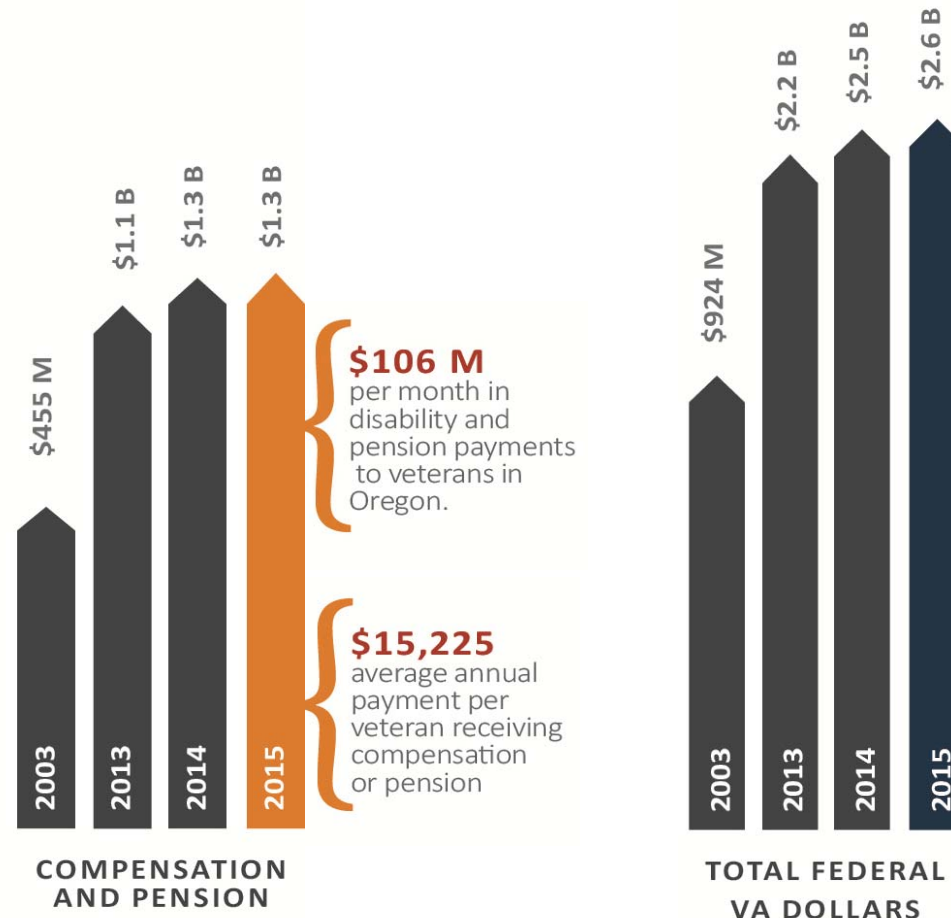


**72,056**  
DISABLED VETERANS



ACCESSED BENEFITS  
**3 OUT OF 10**

# \$2.6 BILLION PER YEAR





**326,338 OREGON VETERANS**



**335,905 OKLAHOMA VETERANS**

# OPPORTUNITY

## ANNUAL RETURN ON INVESTMENT

**\$78,750 = \$1.7M**

ESTIMATED COST PER VSO

ESTIMATED AVERAGE ANNUAL  
PAYMENTS TO VETERANS PER VSO

## 5-YEAR RETURN ON INVESTMENT

**\$418,000 = \$27.5M**

ESTIMATED COST PER VSO

ESTIMATED AVERAGE 5-YEAR  
PAYMENTS TO VETERANS PER VSO





# OUR WORK

## TARGET VETERAN SERVICES

**Serve more veterans and serve them better**

### STRATEGIES:

- Invest in a 21<sup>st</sup> century veteran services system
- Ensure veteran service offices across Oregon are well-staffed and resourced
- Focus statewide veteran services on training, claims review, advocacy, and support
- Better connect veterans to community resources

## MOBILIZE PARTNERSHIPS

**Leverage all resources available to veterans**

### STRATEGIES:

- Maximize up-front, preventative resources to reduce expensive, back-end safety net systems
- Bring the veterans' lens to key outcome areas in health/wellness and education/economic opportunity
- Collaborate to create, connect and support statewide networks for veterans and family resources
- Partner across federal, tribal, state and local governments
- Engage private, non-profit and philanthropic sectors

## DRIVE VETERAN ENGAGEMENT

**Amplify awareness of resources and build the Oregon veteran brand**

### STRATEGIES:

- Deepen the connection with the veteran community
- Promote a positive image of veterans and their families
- Build the Oregon veterans brand
- Ensure a seamless and positive experience by veterans seeking services

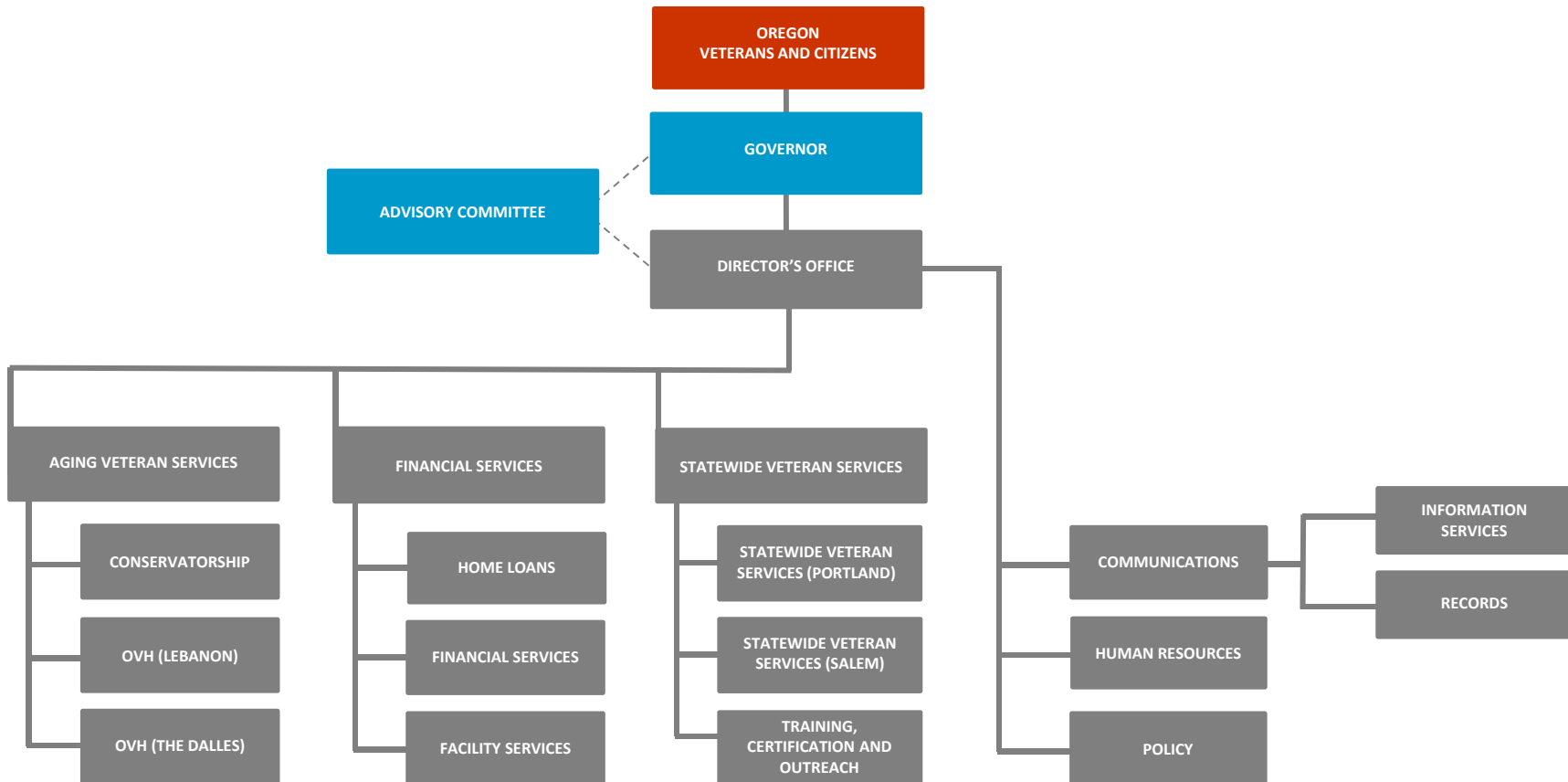
## INVIGORATE CORE OPERATIONS

**Build a better, stronger and more durable department for future generations through our responsible, resourceful and creative management**

### STRATEGIES:

- Reenergize the Veterans' Home Loan program
- Provide the best in care at the Oregon Veterans' Homes
- Support 21st century veteran services through integrated information technology
- Maintain fiscal integrity and sustainability of the Department's programs
- Infuse a culture of service that champions our values and vision through leadership, training, communication and accountability

# AGENCY OVERVIEW



# BUDGET OVERVIEW

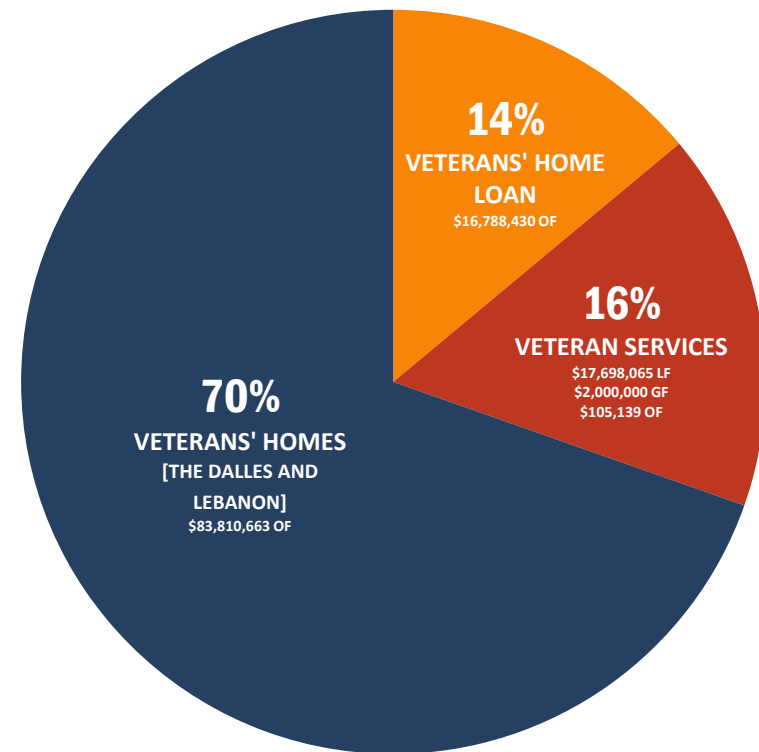
## OPERATIONAL EXPENDITURES

	2013-15 LAB	2015-17 LAB	2017-19 GB
GENERAL FUND	\$8,945,967	\$10,129,411	\$2,000,000
LOTTERY FUNDS	-	-	17,698,065
OTHER FUNDS	43,788,902	82,257,619	100,704,232
FEDERAL FUNDS	-	1	1
<b>TOTAL FUNDS</b>	<b>\$52,734,869</b>	<b>\$92,387,031</b>	<b>\$120,402,298</b>
FULL-TIME EQUIVALENT	81.20	87.76	92.00

Note 1: Lottery Funds are the result of voter-passage of Measure 96 in November 2016.

Note 2: Excludes Debt Service, Capital Construction and Nonlimited Expenditures. (2017-19 GB)

- Veterans Loan Program Nonlimited \$387,546,104 (OF)
- Veterans' Home Program Debt Service \$1,344,281 (GF)
- Veterans' Home Program Debt Issuance Costs \$90,000 (OF)
- Veterans' Home Capital Construction \$2,450,000 (GF)

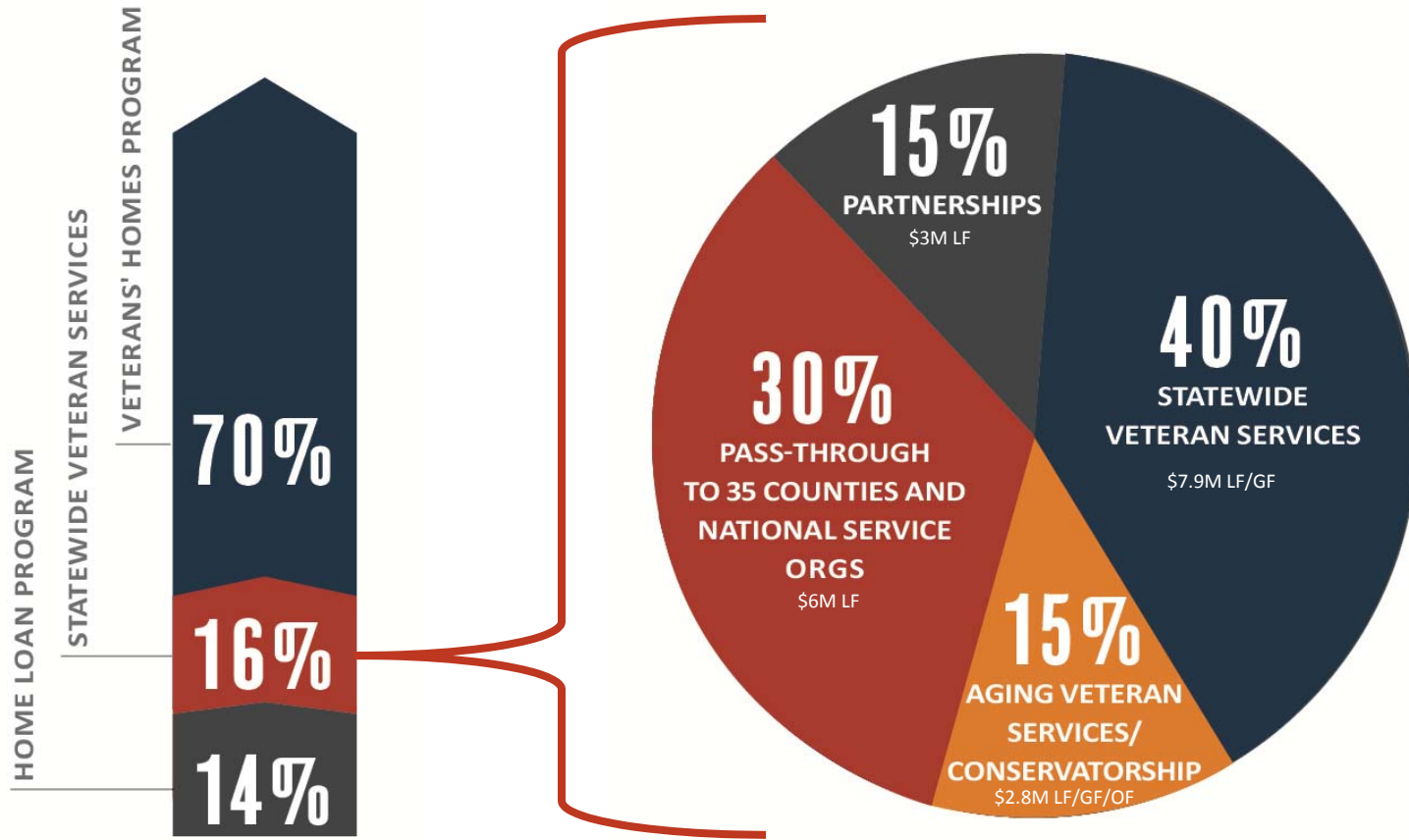




# BUDGET OVERVIEW

2017-19 GOVERNOR'S BUDGET

2017-19 GOVERNOR'S BUDGET GENERAL FUND/LOTTERY FUNDS

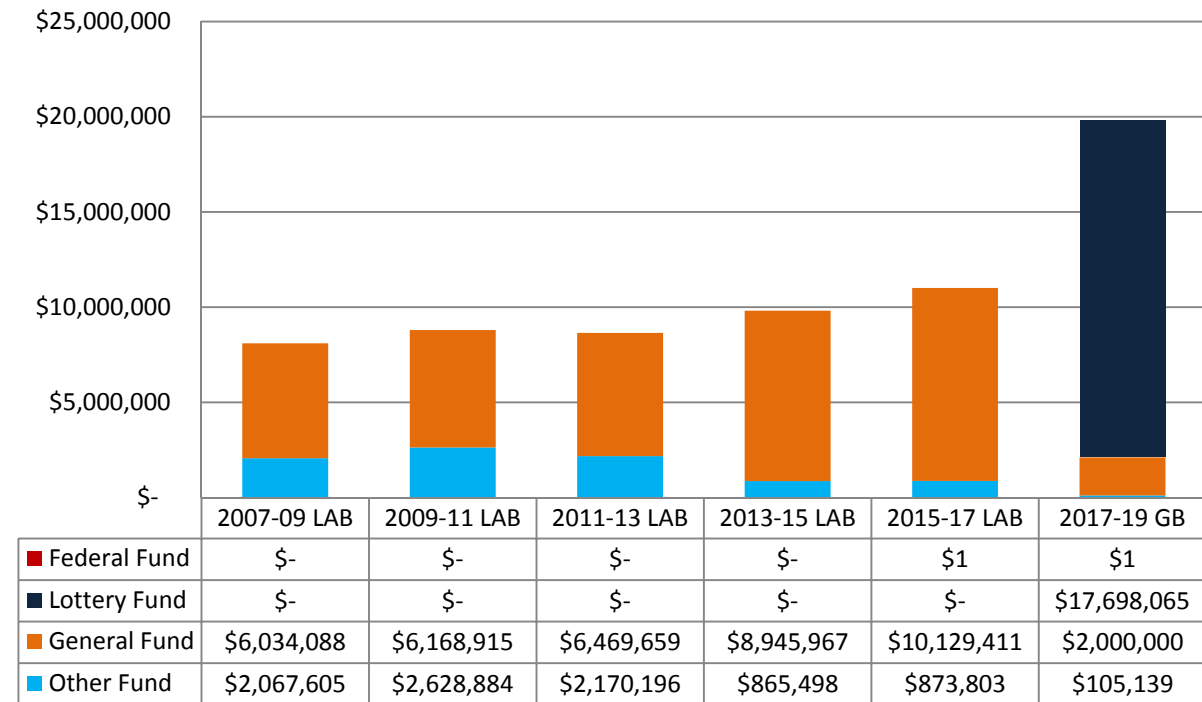


# VETERAN SERVICES

**RESPONSIBLE FOR PROVIDING  
ADVOCACY AND BENEFITS TO  
VETERANS, THEIR DEPENDENTS,  
AND SURVIVORS.**

The program provides benefits counseling, claims and appellate representation, special advocacy, certification and training for counties and national service organizations, emergency financial assistance, and other service delivery partnerships across the state.

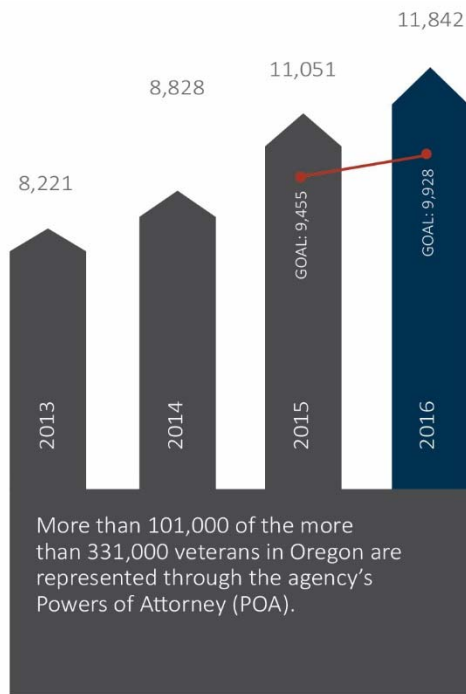
## VETERAN SERVICES HISTORICAL OPERATING COSTS



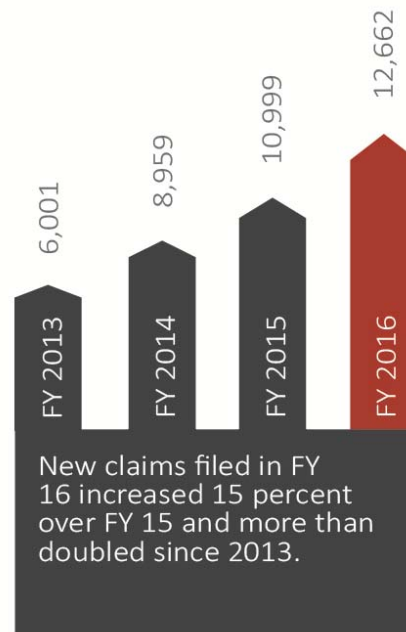
# VETERAN SERVICES RESULTS

**RESPONSIBLE FOR PROVIDING  
ADVOCACY AND BENEFITS TO  
VETERANS, THEIR DEPENDENTS,  
AND SURVIVORS.**

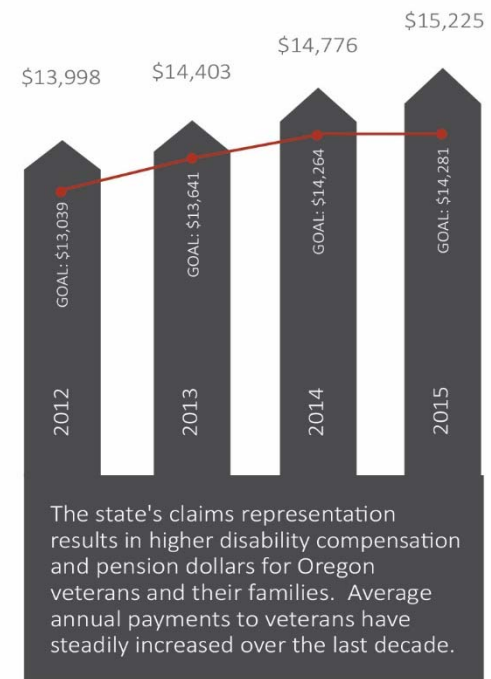
The program provides benefits counseling, claims and appellate representation, special advocacy, certification and training for counties and national service organizations, emergency financial assistance, and other service delivery partnerships across the state.



**NEW POWER OF ATTORNEY (POA)**  
**KPM 4**



**NEW CLAIMS FILED**  
**INTERNAL MEASURE**



**DISABILITY COMPENSATION AND PENSION**  
**KPM 3**

# HOME LOAN PROGRAM

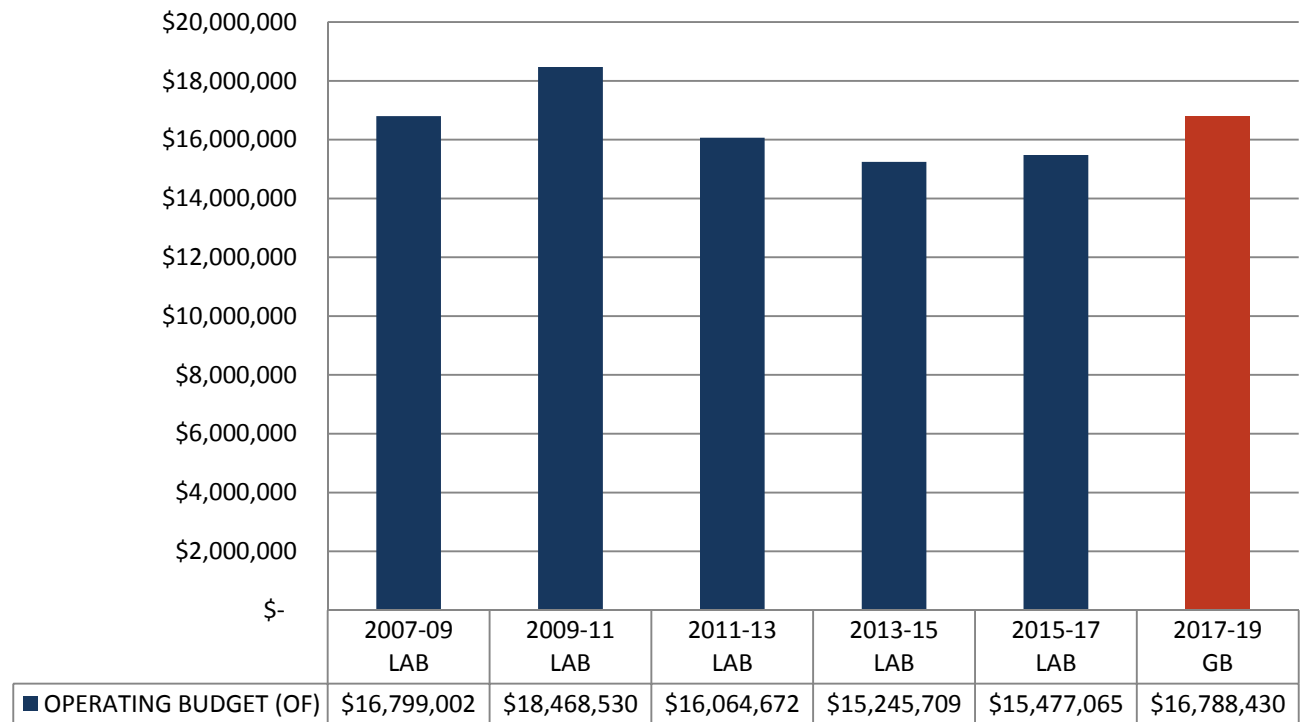
**SEPARATE AND DISTINCT FROM FEDERAL VA LOAN GUARANTEE, OREGON CITIZENS VOTED IN 1945 TO CREATE A VETERANS' HOME LOAN PROGRAM.**

This historically self-sufficient program provides low-interest rate mortgages on single-family, owner-occupied homes to qualified veterans.

This Oregon home loan benefit has generally resulted in significantly lower home loan rates than are normally available in the marketplace 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.

**HOME LOAN PROGRAM HISTORICAL OPERATING COSTS**

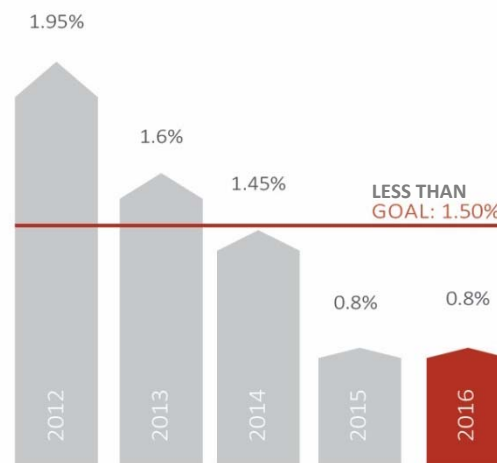




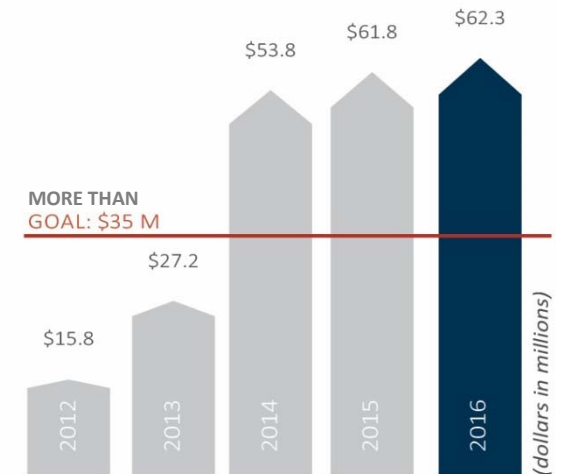
**WANTING TO PROVIDE A BENEFIT TO WORLD WAR II VETERANS RETURNING HOME, OREGON CITIZENS VOTED IN 1945 TO CREATE A VETERANS' HOME LOAN PROGRAM.**

This historically self-sufficient program provides low-interest rate mortgages on single-family, owner-occupied homes to qualified veterans.

This Oregon home loan benefit has generally resulted in significantly lower home loan rates than are normally available in the marketplace 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.



**MINIMIZE DELINQUENT ACCOUNTS**  
**KPM 1a**



**INCREASE HOME LOAN ORIGATION**  
**KPM 1b**

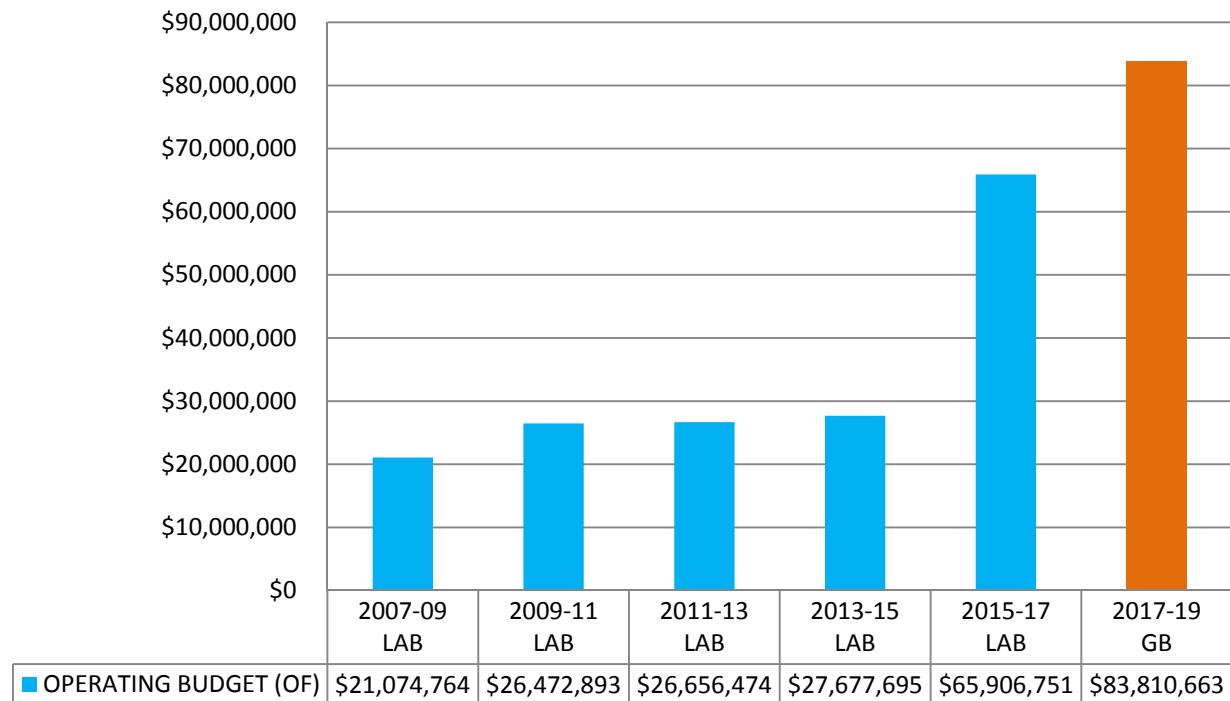
# OREGON VETERANS' HOMES

**OREGON VETERANS' HOMES  
PROVIDE VETERANS AND  
SPOUSES WITH ACCESS TO  
HIGH-QUALITY SKILLED  
NURSING CARE AT AFFORDABLE  
RATES – "THE PLACE WHERE  
HONOR LIVES."**

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 meet the unique and special needs of veterans.

Oregon has two Veterans' Home facilities in The Dalles and Lebanon.

**VETERANS' HOME PROGRAM HISTORICAL OPERATING COSTS**

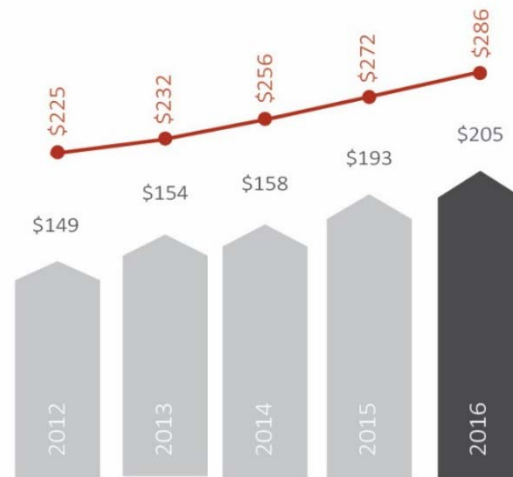


# OREGON VETERANS' HOMES

**OREGON VETERANS' HOMES PROVIDE VETERANS AND FAMILIES WITH ACCESS TO HIGH-QUALITY NURSING HOME CARE AT AFFORDABLE RATES AS A STATE AND FEDERAL BENEFIT FOR VETERANS.**

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 meet the unique and special needs of veterans.

Oregon has two Veterans' Home facilities in The Dalles and Lebanon.



**LOW COST TO RESIDENTS**

**KPM 2b**

● MEDIAN DAILY MARKET RATE FOR SKILLED NURSING IN OREGON.



**HIGH AVERAGE OCCUPANCY**

**KPM 2a**

\* IN 2015, ODVA'S AVERAGE OCCUPANCY LEVEL DIPPED DUE TO THE START-UP OF THE SECOND VETERANS' HOME IN LEBANON THAT OPENED IN SEPTEMBER 2014.



# MAJOR BUDGET DRIVERS & ENVIRONMENTAL FACTORS

VETERANS ARE SEEKING BENEFITS, SERVICES AND RESOURCES AT UNPRECEDENTED RATES.

SINCE 2003, THE TOTAL DOLLARS BEING RECEIVED BY OREGON VETERANS HAS **NEARLY TRIPLED** FROM \$924 MILLION TO \$2.6 BILLION (2015). IN THE LAST 4 YEARS, ODVA HAS SEEN A **DOUBLING OF NEW CLAIMS** FILED.



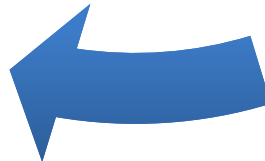
ODVA HAS RECENTLY PRIORITIZED RESOURCES TO ADDRESS THE NEEDS AND CONCERNS OF OUR RAPIDLY AGING VETERANS.

**MORE THAN 50%** OF OREGON VETERANS SERVED DURING WWII, KOREA AND VIETNAM ERAS.



LEGISLATURE UNANIMOUSLY PASSED HOUSE JOINT RESOLUTION 202 THAT REFERRED A BALLOT MEASURE TO DEDICATE 1.5 PERCENT OF NET LOTTERY PROCEEDS TO BETTER SERVE OREGON'S VETERANS.

OREGONIANS SHOWED THEIR STRONG AND BIPARTISAN SUPPORT OF MEASURE 96 IN THE 2016 GENERAL ELECTION WITH A **HISTORIC 84 PERCENT** VOTING IN FAVOR.



ODVA HOME LOAN PROGRAM WAS ONE OF THE LARGEST LENDERS IN OREGON, PRODUCING MORE THAN \$7.9 BILLION IN HOME LOANS.

IN 2010, THE AGENCY BEGAN **INCURRING LOSSES** DUE TO THE DECLINE OF PORTFOLIO HOME LOANS COMBINED WITH VETERAN SUPPORT SERVICES FUNDING AND HAS EXPERIENCED A \$13 MILLION REDUCTION TO ITS NET POSITION.





# KEY VETERAN INITIATIVES AND POLICY PACKAGES

## KEY VETERAN INITIATIVES

- Identify and connect more veterans and their families to benefits and resources
- Increase draw down of significant federal funds
- Leverage partnerships to expand service delivery and reduce demand on state resources
- Align funding to sustainably invest in core services for the long term

### **POP 101**

#### **21ST CENTURY DELIVERY OF CORE PROGRAMS**

**(\$600,000 LF AND \$250,000 OF | 0 FTE )**

Leverages smart technology to better serve and protect veterans.

---

### **POP 102**

#### **TARGET VETERAN SERVICES**

**(\$6,063,285 LF AND A \$2,337,790 OF REDUCTION | 3.00 FTE)**

Expands and sustains access to services for the underserved veteran community.

---

### **POP 103**

#### **STRENGTHEN HOME LOANS**

**(\$1,134,692 OF | 1.0 FTE)**

Strengthens Home Loan program compliance with federal law and necessary building maintenance.

---

### **POP 104**

#### **MOBILIZE PARTNERSHIPS**

**(\$3,000,000 LF | 0 FTE)**

Mobilizes existing state programs and local providers to expand and enhance direct service to veterans across education, health and mental health, and housing and homelessness.

---

### **POP 105**

#### **VETERANS' HOMES CAPITAL PROJECTS**

**(\$2,450,000 OF - CAPITAL CONSTRUCTION | 0 FTE)**

Ensures a secure and safe environment for Oregon's more vulnerable veterans.



# QUESTIONS



# APPENDIX

# MAJOR VETERAN SERVICES PROGRAM BUDGET INFORMATION

## STATEWIDE VETERAN SERVICES

**Expenditures:** \$5,935,278 Lottery Funds, \$1 Federal Funds and \$1,976,024 General Funds

**Caseload:** ODVA, in partnership with the County Veteran Service Offices provides claims and counseling advocacy and representation to Oregon's 326,000 veterans, resulting in more than 12,200 new claims on their behalf during fiscal year 2016. In that same time, as part of appeals work, 1,322 Notice of Disagreements (NOD), and 486 Form 9's (continuation of the NOD process) were filed for veterans through ODVA's Statewide Veteran Service offices. Currently, ODVA holds power of attorney for nearly 101,000 Oregon veterans. Statewide Veteran Services is also responsible for the training, certification, and accreditation of all county and state veteran service officers. The agency holds initial onsite training for all new veteran service officers, one annual conference and will be developing online learning. Training is conducted on the latest Federal VA legal, medical and process information.

**Source of Funding:** Lottery Fund and General Fund dollars pay for most direct Veteran Services Program personnel cost and a portion of the program's services and supplies. The remainder of direct services and supplies and indirect personnel costs are funded through Other Fund Loan Program dollars.

**Positions and FTE:** 2017-19 Governor's Budget funds 31 Statewide Veteran Services positions.

## COUNTY VETERAN SERVICE OFFICERS (CVSO'S) PROGRAM

**Expenditures:** \$5,854,861 Lottery Funds.

**Workload:** ODVA provides support to the County Veteran Service Offices (CVSO) through training, guidance, claims review and appellate representation; advocacy for our veterans, dependents and /or survivors in pursuit of benefits; and interoperability with the U.S. Department of Veterans Portland Regional Office. ODVA provides general fund pass through dollars to counties to support enhancement and expansion of CVSO operations. The administration of these monies requires counties that provide veterans services to file an annual application to receive funding and then submit quarterly reports of activities and expenditures in order to receive payment.

**Source of Funding:** Lottery Funds.

**Positions and FTE:** 2017-19 Governor's Budget funds 0 positions (0 FTE).

## NATIONAL SERVICE ORGANIZATIONS (NSO)

**Expenditures:** \$175,156 Lottery Funds.

**Workload:** The NSOs submit an annual request for funding to ODVA and this is reviewed and processed by the department for approval and budgeting. The monies are then distributed on a quarterly basis following the review and processing of NSO quarterly reports of expenditure and activities.

**Source of Funding:** Lottery Funds.

**Positions and FTE:** 2017-19 Governor's Budget level funds 0 positions (0 FTE).



# MAJOR VETERAN SERVICES PROGRAM BUDGET INFORMATION

## **PARTNERSHIPS**

**Expenditures:** \$3,000,000 Lottery Funds.

**Workload:** Mobilize existing state programs and local providers to expand and enhance direct service to veterans across education, health and mental health, and housing and homelessness.

**Source of Funding:** Lottery Funds.

**Positions and FTE:** 2017-19 Governor's Budget level funds 0 positions (0 FTE).

## **AGING VETERAN SERVICES / CONSERVATORSHIP**

**Expenditures:** \$2,732,770 Lottery Funds, \$23,976 General Funds and \$105,139 Other Funds.

**Workload:** As of June 30, 2016 ODVA had 140 Conservatorship clients and 131 Representative Payee clients in the Conservatorship program.

**Customers:** Program customers include: veterans, Federal VA, courts, guardians, case managers, family members, residential care facilities, foster homes, nursing homes, doctors, pharmacies, hospitals, utilities companies, attorneys, insurance companies, accountants, Defense Finance and Accounting Service, Social Security Administration, realtors, state, county, and federal agencies, Department of Justice, probation officers, police departments, investigators, vendors such as rental companies, yard maintenance, veterinarian offices, personal assistant escorts, travel agents, airlines, hotels, etc.

**Source of Funding:** Lottery Funds, General Funds and Other Funds. Other Funds are generated by fees charge to client accounts under Conservatorship and Representative Payee Program.

**Positions and FTE:** 2017-19 Governor's Budget funds 10 positions (10.0 FTE).

## **EMERGENCY FINANCIAL ASSISTANCE PROGRAM**

**Expenditures:** The 2017-19 Governor's Budget did not fund the program.

**Workload:** In fiscal year 2016, total grant applications received were 202 while funding allowed for only 55 of those applications to be granted.

**Source of Funding:** N/A

**Positions and FTE:** 2017-19 Governor's Budget funded 0 positions (0 FTE).

## MAJOR HOME LOAN PROGRAM BUDGET INFORMATION

### HOME LOAN PROGRAM

**Expenditures:** \$16,788,430 Other Funds.

**Workload:** The Home Loan Program has been most robust when large numbers of veterans returned to Oregon, such as after World War II, the Korean War, and the Vietnam War. However, warfare has changed and large “draft” armies are not being deployed; which means large numbers of veterans are not returning to Oregon seeking loans. In recent years, fewer veterans, coupled with the housing market recession, high unemployment, low conventional mortgage rates, and the inability to use QVMB monies for refinancing, has resulted in a significant portfolio reduction of home loans. As of June 30, 2016, the portfolio included approximately 1,865 loans totaling more than \$262 million.

**Source of Funding:** Other Funds. Primary sources of revenue consist of loan and contract-related repayments, investment earnings, fee and rental income, and proceeds from bond sales.

**Positions and FTE:** 2017-19 Governor’s Budget funds 11 positions (11.0 FTE) for Direct Loan Services and 35 (35.0 FTE) other agency operational positions, for a total of 46 (46.0 FTE) positions.

## MAJOR VETERANS' HOME PROGRAM BUDGET INFORMATION

### VETERANS' HOME PROGRAM

**Expenditures:** \$83,810,663 Other Funds. \$1,344,281 General Funds Debt Service and \$90,000 Other Funds Debt Issuance costs. No General Funds have been provided for Veterans' Homes operational costs.

**Workload:** The Agency contracts with an operator to manage the operations of the Oregon Veterans' Homes.

**Source of Funding:** Operating revenues are primarily comprised of monies received from residents of the facility, Medicare and Medicaid reimbursements, and grant per diem received directly from the Federal VA. The facility also receives donations to the Veterans' Home Trust Fund, as well as monies from the sale of Veterans License Plates through the Department of Motor Vehicles, and money from the Charitable Check Off program.

The newest facility in Lebanon received 65 percent Federal VA Grant funds and 35 percent local match funding (Linn County levy) for construction. In 2013, the state provided additional funds to make up a short fall in the local match due to construction changes mandated by the Federal VA.

**Positions and FTE:** 2017-19 Governor's Budget funds five positions (5.0 FTE).

# DETAILED POLICY OPTION PACKAGE 101

21<sup>st</sup> Century Service Delivery – Package 101 (Agency priority # 1)

**Purpose** One of ODVA's five-year goals and its objectives to better serve Oregon veterans is to "invigorate core operations" and "build a better, stronger and more durable department for future generations."

Using smart technology to better protect and serve veterans, ODVA needs to:

- replace outdated and inadequate applications with effective, efficient platforms designed for modern day needs; and
- improve services laying a service foundation for the 21st century.

This policy option package invigorates ODVA core operations by modernizing service delivery for two key program areas: Conservatorship and Home Loans.

## Conservatorship Program

Over the last five years, ODVA has lost more than 100 years of programming and application support experience through staff retirements. Given the small size of the agency, the loss of this experience has adversely impacted ODVA's ability to support multiple custom applications. The most critical of those applications is the ODVA Conservatorship System. This application enables court-appointed ODVA conservators and trust officers to deliver critical conservatorship and representative payee services to the state's most vulnerable veterans. These veterans rely on ODVA and the Conservatorship System to manage and care for all of their financial needs, which total almost \$30 million in client assets.

Currently, the Conservatorship System is supported by the original, retired developer who is on contract with ODVA two days a week. This uniquely skilled individual is crucial to both the ongoing support and maintenance of the legacy Conservatorship System and to a cost-efficient transition to a new, modern application.

Home Loan Program The Home Loan Program originates and services home loans for veterans. However, the antiquated loan origination and servicing applications are two, individually unique and custom applications. These applications contain a significant amount of redundant information about the veteran borrower and loan detail. Because the applications are separate, they are inefficient and susceptible to multiple data entry errors.

Early in the current biennium, ODVA leveraged a short-term, stop-gap software solution to meet new federally-mandated home loan compliance requirements (Dodd-Frank). This short-term solution still requires duplicate entry of information into ODVA's separate loan applications, and is incapable of generating quality analysis and sufficient reporting required to properly monitor the loan portfolio.

# DETAILED POLICY OPTION PACKAGE 101

21<sup>st</sup> Century Service Delivery – Package 101 (Agency priority # 1)

## How Achieved:

Conservatorship Program: During the 2013-15 biennium, ODVA began looking for a Conservatorship System replacement and originally believed that a commercial off the shelf (COTS) system had the potential to work. However, after exhaustive inquiries and research, ODVA determined that the best approach was to go through a request for proposal (RFP) process for application development services to replace the existing system.

Home Loan Program: An “end-to-end” home loan system combines an origination and a servicing system. The purchase and installation of an “end-to-end” home loan system that carries the loan information entered during the initial application and loan origination phase through to the loan servicing process will create great efficiencies, reduce errors, eliminate dual entry, and provide a robust system that can scale with anticipated growth of loan production. In addition, this new software system will significantly improve the veterans’ customer service experience by allowing veterans to review their home loan information online.

The approval of this policy option package will provide funding to allow ODVA to proceed with the Conservatorship System RFP and application development process, as well as obtain a consolidated home loan origination and servicing system.

## Staffing Impact:

There is no direct staffing impact for this package.

## Quantifying Results:

### Conservatorship Program Expected Outcomes

1. Significant risk mitigation by eliminating the current dependencies on:
  - a. A single, contracted application developer
  - b. Legacy and largely unsupported application language and platform
2. Improved staff efficiency and accuracy through:
  - a. Automated workflow processes
  - b. Graphical and user-friendly interface
  - c. Reduced IT overhead
3. Compliance with ODVA strategic plan to build a better, stronger and more durable department for future generations
4. Long-term support and sustainability for the ODVA Conservatorship Program and System application
5. Integration of the Conservatorship System into other existing and future ODVA core program applications
  - a. Business intelligence
  - b. Improved customer service models
6. Application extensibility is retained to meet potential changes to the business needs of the ODVA Conservatorship Program
7. Number of types of reports that may be generated that will ultimately improve operations
8. Increased ODVA Conservatorship Program capacity.

# DETAILED POLICY OPTION PACKAGE 101

21<sup>st</sup> Century Service Delivery – Package 101 (Agency priority # 1)

Results of developing a replacement for the legacy Conservatorship System will be measured by the following:

1. The number of Conservatorship System support requests
2. Case file data entry and processing time
3. Application user satisfaction

### Home Loan Program Expected Outcomes

1. Allow ODVA to better control the three stages of the home loan lending life cycle
  - a. New business origination
  - b. Loan servicing
  - c. Default management
2. Enable customer-focused experiences
3. Maximize staff efficiency
4. Minimize data input errors
5. Satisfy federal regulatory compliance
6. Allow ODVA to provide enhanced information to veterans.

The results of installing an end-to-end loan origination and servicing system for the Home Loan Program will be measured by the following:

1. Loan file data entry time and processing time
2. Number of regulatory events and negative audit findings
3. Borrower satisfaction
4. Application user satisfaction

### **Revenue Source**

Conservatorship Program: The Governor’s Budget proposes \$600,000 (LF) to replace the Conservatorship system. The amount is based on Request for Information (RFI) vendor evaluations performed in 2014. RFIs requested one-time development and software cost associated with set up, implementation, training, purchasing, and conversion/migration.

Home Loan Program: The Governor’s Budget proposes \$250,000 (OF) to replace the Loan Program system. The amount is based on comparable application suites, and previous and existing application costs, including the recent short-term compliance solution.

\$600,000	LF	Conservatorship Program
<u>\$250,000</u>	OF	Home Loan Program
\$850,000		TOTAL ALL REVENUE SOURCES

## DETAILED POLICY OPTION PACKAGE 102

### Target Veteran Services – Package 102 (Agency priority # 2)

ODVA's vision for veterans, stated in its five-year strategic plan, is that "Veterans and their families thrive in Oregon." One of the goals and its objective that supports that vision is to "Target veteran services: Serve more veterans and serve them better." This package targets services for veterans and supports the objective of serving more veterans and serving them better.

**Background.** The purpose of this package is to expand access to services for the underserved veteran community. Currently, only three in ten Oregon veterans access the federal benefits they have earned. ODVA wants to increase the number of veterans receiving earned benefits. The County Veteran Service Officers (CVSO's), who are supported on a statewide basis by ODVA, are the local and direct services link to veterans and help veterans understand, access, and utilize the many benefits and resources available to them. ODVA considered another key factor when it developed this package: the veteran population in Oregon is aging. More than half of Oregon veterans are over 65 years of age and ODVA is committed to focusing on the needs of these veterans. Finally, in order to sustain the Veteran Services Program and Home Loan Program for Oregon's current and future generation of veterans, ODVA must stabilize ODVA's financial condition by aligning revenue sources with appropriate program areas.

The package components are grouped into three major categories:

Statewide Veteran Services: County and National Service Organization pass-through monies  
County pass-through monies for county veteran service activities  
National Service Organization (NSO) pass-through monies for NSO veteran service activities

Aging Veteran Services: Conservatorship, representative payee, veteran volunteers  
Target the most vulnerable veterans through a robust conservator and representative payee programs for veterans who are unable to manage their finances  
Provide veteran services to aging veterans in the Veteran Homes and in the conservator and representative payee programs  
Develop specialized aging veteran outreach and research to better target needs and services for aging veterans

Home Loan Program: Program Stabilization and Funding Alignment  
Financially stabilize the Home Loan Program for future generations  
Align revenue sources with program areas

### **Statewide Veteran Services: County and National Service Organization Pass-through Monies**

#### **Purpose**

The County Veteran Service Officers (CVSO's), that are supported on a statewide basis by ODVA, are the direct link to veterans to help them understand, access, and utilize the many benefits and resources available to them. Currently, CVSO's are stretched beyond their capacity. This package requests additional funding for the counties, which will allow them to hire additional CVSO's or support staff in order to reach more veterans. One of the most important services the CVSO's provide is filing federal claims on behalf of veterans. In 2015, federal disability compensation and pension benefits claims alone provided more than \$1.28 billion in direct cash payments to Oregon veterans. These federal dollars are not only a financial benefit to the state, but it means that federal dollars rather than state safety net dollars are used to help these veterans.

Increasing county veterans services through additional pass-through dollars will help serve more veterans, increase the number of claims filed, and ultimately bring in more federal dollars to the state. With the recent addition of Polk County, during the 2015-17 biennium, 35 counties will have a veteran service office. In addition to the counties, National Service Organizations (NSOs) play an important role in reaching out to veterans and filing claims.

Additional pass through dollars to the counties and to NSOs greatly increases the availability of veteran services in local communities and builds on a strong return on investment results seen over the last two biennia.

## DETAILED POLICY OPTION PACKAGE 102

### Target Veteran Services – Package 102 (Agency priority # 2)

#### How Achieved

The Governor's Budget proposes an additional \$1,500,000 LF (special payments) to be distributed to 35 counties for CVSO's, support staff and operations. An additional amount of \$57,000 LF (special payments) is proposed for distribution to NSOs. The total proposed budget for County and NSO pass-through for the 2017-2019 biennium is \$6,030,017 LF (\$5,854,861 for counties and \$175,156 for NSOs).

#### Staffing Impact

There is no direct staffing impact.

#### Quantifying Results

ODVA anticipates that the additional resources available to the counties and to the NSOs will increase both the number of new powers of attorney granted to ODVA in order to represent veterans on federal claims and an increase in the number of new claims filed for veterans.

For the 2017-19 biennium, ODVA anticipates that number of new powers of attorney granted to ODVA will increase by 15% and the number of new federal claims filed will increase by 10%. These estimates take into consideration the ramp-up of additional CVSO's and support staff.

#### Aging Veteran Services: Conservatorship, representative payee, veteran volunteers

ODVA is committed to prioritizing resources and services for aging veterans who represent more than half of Oregon's veteran population. More than half of all Oregon veterans are 65 years of age or older. Veterans make up almost 26% of all the seniors in Oregon. Of the 634,700 seniors in Oregon in 2015, about 164,500 were veterans.

Conservatorship and Representative Payee Programs. One key Aging Veteran Services program is the Conservatorship and Representative Payee program. This program provides financial and case-management services to the most vulnerable Oregon veterans who are unable to manage their own finances. The demand for conservators and representative payees is growing quickly because of the increase in the aging veteran population and the forced shutdown of payee companies in the private sector. The influx of aging veterans is already overwhelming existing services. One of the greatest benefits of these programs is that it prevents the institutionalization of these senior veterans with significant costs on state general fund.

Currently, two trust officers serve as conservators for 140 veteran clients and as representative payee for 110 clients. The combined conservatorship caseload averages 65-70 cases per trust officer. The American Bar Association standards for attorneys acting as conservators and representative payees are that caseloads should not exceed 25-30 cases per attorney. Despite growing demands, ODVA has been forced to limit new conservatorship and or representative payee cases because current caseloads are so high.

The Governor's Budget proposes one new Representative Payee position for these programs.

Aging Veterans Outreach Specialist. ODVA needs to mobilize its partnerships with state agencies that work with aging veterans in order to coordinate efforts and help provide them with the benefits and services they have earned. A veteran service officer (VSO) with the expertise in veteran benefits, expertise in the complex aging health care programs (Medicare, Medicaid, CCOs etc.), and working knowledge of the needs of aging veterans would be able to accomplish three specific goals.

First, the VSO would obtain Powers of Attorney and file claims for roughly 560 of Oregon's most vulnerable veterans, including veterans in two Oregon Veterans' Homes, conservatorship clients and representative payee clients.

Second, the VSO would work with the eight Aging Disability Resource Centers (ADRCs, part of the Department of Human Service Seniors and People with Disabilities). ADRCs have trained professional staff members who can help individuals with immediate or future needs and provide information about local public and privately paid options for long-term services and support. The VSO would train staff at the ADRCs to know and understand aging and disabled veterans' issues and available state and federal benefits. The VSO would serve as a liaison to ADRCs to connect veterans to county service officers who would assist veterans in filing Federal VA claims for disability compensation and pension benefits.



## DETAILED POLICY OPTION PACKAGE 102

### Target Veteran Services – Package 102 (Agency priority # 2)

Third, the VSO would initiate and implement an “Aging Veterans PARIS Project.” PARIS is the Public Assistance Reporting Information System that identifies certain veterans who receive State of Oregon safety net services. This position would implement a “PARIS Project” and work with DHS, using PARIS to identify veterans who may be able to voluntarily shift to benefits provided by the Federal VA. The VSO would identify veterans who are on Medicare/Medicaid and living in long-term care settings, including assisted living, adult foster care and skilled nursing facilities. The VSO would work with these facilities, the veteran and their family, and the CVSO to file appropriate disability compensation and pension claims on behalf of the veteran. If claims are successful, they would eliminate the state costs for medical long-term care, and safety net services for these veterans, which would be replaced by federal benefits. Note that not all veterans will be able to qualify.

The Governors’ Budget proposes a Program Analyst 2 position who would serve as a veteran service officer and Aging Veteran Outreach Specialist to be the subject matter expert on veteran benefits and issues effecting these unique aging veteran populations.

Assistant Director for Aging Veteran Services. The complex operations and issues with the two Oregon Veteran Homes in The Dalles and Lebanon, the Conservatorship and the Representative Payee programs, and serving the needs of the aging veteran population requires an individual who can assist in management of the day-to-day operations of these programs. The position will help manage and direct the day-to-day business operations of the programs within the division, manage the subordinate managers for Conservatorship/Representative Payee program, the two Oregon Veterans’ Homes program directors, work with the contractors who manage the Homes, evaluate the quality of service provides, measure outcomes and improve processes and services.

The Governor’s Budget proposes a Principal Executive Manager D position, Assistant Director for Aging Veteran Services who would manage the day-to-day operations of Aging Veteran Services.

#### **How Achieved**

The addition of one new Representative Payee (\$126,795 LF) position would allow the agency to continue to serve the 131 veterans currently being served in the representative payee program. An Aging Veteran Outreach Specialist (\$168,613 LF), who is also a veteran service officer, will fill a critical need in helping Oregon’s most vulnerable aging veterans file claims for federal benefits. In addition, this position would work with Aging Disability Resource Centers and the PARIS project (described above).

A new Assistant Director for Aging Veteran Services (\$201,430 OF) would assist in the management and direction of the day-to-day business operations of the programs within the division, manage the subordinate managers for Conservatorship/Representative Payee program, the two Oregon Veterans’ Homes directors, work with the contractors who manage the Homes, evaluate the quality of service provided, measure outcomes and improve processes and services. The position will be a liaison between ODVA and the Federal VA and serves as fiduciary designee for the Conservatorship program.

The Governor’s Budget also proposes Services and Supplies relating to these positions and for travel, training, research, veteran outreach, etc. (\$85,140 LF and \$47,650 OF) for a total request for the 2017-2019 biennium of \$132,790.

#### **Staffing Impact**

Establish one Representative Payee (Administrative Specialist 2)  
Establish one Aging Veteran Outreach Specialist (Program Analyst 2)  
Establish one Aging Veteran Services Assistant Director (Principal Exec/Manager D)

#### **Quantifying Results**

The Representative Payee position will enable the department to continue to serve representative payee clients, and allow ODVA to take on new clients.

Using the PARIS list and incarcerated veteran outreach program, statewide veteran services will expand the number of Oregon veterans using federal benefits and reducing the amount of veterans who are currently accessing state benefits such as Oregon Health plan, SSI (Supplemental Security Income) SNAP (Supplemental Nutrition Assistance Program). As of July 2016, there are approximately 11,000 veterans on the Oregon PARIS list. It is projected that 30% (3,300) veterans be eligible for federally funded benefit programs as a result of this initiative, which would remove them from the rolls of some or all of the state benefit programs.

Aging Veteran Outreach Specialist (Veteran Service Officer) - After the six month accreditation training and testing period is completed, the new VSO will file claims for veterans in both Oregon Veteran Homes and the Conservatorship and Representative Payee program. This position will also increase outreach efforts to veterans in assisted living and skilled nursing facilities.

## DETAILED POLICY OPTION PACKAGE 102

### Target Veteran Services – Package 102 (Agency priority # 2)

Aging Veteran Services Assistant Director - The new Assistant Director will help direct the day-to-day operations and supervise the activities of the existing and new staff members of the Oregon Veterans' Homes, conservatorship and representative payee, volunteer and, aging outreach programs, which will improve outcomes and efficiencies.

#### Home Loan Program: Program Stabilization and Funding Alignment

This component of the policy option package helps correct the unsustainable funding distribution and sets the agency on strategic course for a sustainable future. This plan financially stabilizes the Home Loan Program by helping eliminate the diversion of Home Loan funds to other program areas and aligning agency program costs to more appropriate revenue sources. This component supports ODVA's strategic goal of "Invigorating Core Operations" and the objective of "maintaining fiscal integrity and sustainability of ODVA's program areas."

Historically, Other Funds generated by the Home Loan Program have been used to fund not only the program costs of the Loan Program, but to support non-Loan Program activities of the Veteran Services Program. Veteran Services Program activities currently funded through the Loan Program total approximately \$4 million on a biennial basis and include the program's proportional share of support services costs, such as accounting, budgeting, human resources, facilities use, communications, and information technology. This continued diversion of Other Funds to support Veteran Services Program activities is unsustainable.

In fiscal year 2016, the Home Loan Program lost over \$3.5 million. Over the past six years, the program has experienced a decline in its overall Net Position of more than \$13 million; primarily because funds generated by the program have been used to pay for non-Loan Program agency activities. These losses will continue to grow in severity unless ODVA takes prudent and fiscally responsible corrective action. The financial strength and self-supporting nature of the Home Loan Program is ultimately at stake, as well as the ability to continue providing below market rate home loans to future generations of deserving Oregon veterans.

ODVA and the state have a unique opportunity to take advantage of additional funding to take the corrective action needed to strengthen, stabilize and sustain the Home Loan Program for future generations of veterans. (See below under "How Achieved").

#### How Achieved

This plan corrects the unsustainable funding distribution and sets the agency on strategic course for a sustainable future; it strengthens, stabilizes and sustains the Home Loan Program for future generations of veterans and eliminates the diversion of Other Funds from the Home Loan Program Other Funds to non-Loan Program activities.

The Governor's Budget proposes Lottery Funds to pay for the costs of the Veteran Services Program activities (includes the Conservatorship Program, outreach, and benefit-related information via multiple media channels and the program's share of support services costs) and pay for the costs of the Aging Veteran Services Director.

\$3,805,943 LF	Veteran Services Program
<u>\$ 319,794 LF</u>	Aging Veteran Services Director
\$4,125,737 LF	Total cost for the 2017-2019 biennium (Personal services of \$2,404,010; services & supplies of \$1,721,727)

Because the following costs (other than the \$1,218,547 of shared service support costs) will be shifted from Other Funds to Lottery Funds, this package also proposes a reduction of Other Funds as shown below.

(\$2,083,690) OF	Personal services
<u>( 503,180) OF</u>	Service and supplies
(\$2,586,870) OF	Total OF reduction for personal services and services and supplies

In November 2016, Oregonians passed Measure 96 to amend the Oregon Constitution. Measure 96 requires 1.5% of the net State Lottery proceeds be deposited into a veterans services fund to provide services for the benefit of veterans. The ballot measure is projected to generate approximately \$18.5 million for the 2017-19 biennium. With the passage of Measure 96, the State and ODVA will have a unique opportunity to use these Lottery Funds to fund Veterans Services Program activities and to strengthen, stabilize and preserve the Home Loan Program for future generations of veterans.

## DETAILED POLICY OPTION PACKAGE 102

### Target Veteran Services – Package 102 (Agency priority # 2)

#### Staffing Impact

No new additional staffing is requested. Note: this package would shift the funding from Other Funds to Lottery Funds for the following positions that are currently either fully or partially funded through Other Funds.

Veteran Services Administrator (Principal Exec/Manager E)  
 Veteran Services Administrative Assistant (Administrative Specialist 2)  
 Veteran Services Benefits/Receptionist (Public Service Representative 2)  
 Veteran Services Benefits/Receptionist (Office Specialist 2)  
 Conservatorship Manager (Principal Exec/Manager C)  
 Trust Officer (Veteran Trust Officer)  
 Trust Officer (Veteran Trust Officer)  
 Trust Officer (Veteran Trust Officer)  
 Trust Officer Assistant (Administrative Specialist 1)  
 Trust Officer Assistant (Administrative Specialist 1)  
 Conservatorship Secretary (Administrative Specialist 1)  
 Public Affairs Manager (Principal Exec/Manager D)  
 Public Affairs Specialist 2 (Public Affairs Specialist 2)  
 Public Affairs Specialist 1 (Public Affairs Specialist 1)  
 Public Affairs Specialist 1 (Public Affairs Specialist 1)  
 Senior Policy Advisor (OPS/Policy Analyst 4)  
 Aging Veteran Services Director (Principal Exec/Manager F)

#### Quantifying Results

Results would be quantified and measured using the operating results of the annual Home Loan Program’s audited financial statements. Financial statement losses would be eliminated or substantially reduced.

#### Revenue Sources:

##### *Statewide Veterans Services: County and National Service Organization Pass-through Monies*

\$ 1,500,000	LF	County pass-through monies (special payments)
<u>\$ 57,000</u>	LF	NSO pass-through monies (special payments)
<b>\$1,557,000</b>	<b>LF</b>	<b>TOTAL Special Payments</b>

##### *Aging Veteran Services: Conservatorship, representative payee, veteran volunteers*

\$ 126,795	LF	Administrative Specialist 2; Representative Payee (personal services)
\$ 168,613	LF	Program Analyst 2; Aging Veteran Outreach Specialist (personal services)
<u>\$ 85,140</u>	LF	Services & supplies for new positions, travel, training, research, and veteran outreach, etc. (services and supplies)
<b>\$ 380,548</b>	<b>LF</b>	<b>TOTAL (personal services \$295,408 and services and supplies \$85,140)</b>

## DETAILED POLICY OPTION PACKAGE 102

### Target Veteran Services – Package 102 (Agency priority # 2)

\$ 201,430	OF	Principal/Exec Manager D; Aging Veteran Services Assistant Director (personal services)
<u>\$ 47,650</u>	<u>OF</u>	Services & supplies for new positions, travel, training, research, and veteran outreach, etc. (services and supplies)
<b>\$ 249,080</b>	<b>OF</b>	<b>TOTAL (personal services \$201,430 and services and supplies \$47,650)</b>

### Home Loan Program - Program Stabilization and Funding Alignment

The following positions are not new positions. They are existing positions that are fully or partially funded with Other Funds and are proposed to be paid from Lottery Funds.

\$ 103,089	LF	Veteran Services Administrator; Principal Exec/Manager E (personal services)
\$ 50,071	LF	Veteran Services Administrative Assistant; Administrative Specialist 2 (personal services)
\$ 36,601	LF	Veteran Services Benefits/Receptionist; Public Service Representative 2 (personal services)
\$ 112,553	LF	Veteran Services Benefits/Receptionist; Office Specialist 2 (personal services)
\$ 151,347	LF	Conservatorship Manager; Principal Exec/Manager C (personal services)
\$ 108,083	LF	Trust Officer; Veteran Trust Officer (personal services)
\$ 120,925	LF	Trust Officer; Veteran Trust Officer (personal services)
\$ 125,720	LF	Trust Officer; Veteran Trust Officer (personal services)
\$ 81,762	LF	Trust Officer Assistant; Administrative Specialist 1 (personal services)
\$ 90,035	LF	Trust Officer Assistant; Administrative Specialist 1 (personal services)
\$ 79,186	LF	Conservatorship Secretary; Administrative Specialist 1 (personal services)
\$ 237,393	LF	Public Affairs Manager; Principal Exec/Manager D (personal services)
\$ 181,841	LF	Public Affairs Specialist 2; Public Affairs Specialist 2 (personal services)
\$ 168,613	LF	Public Affairs Specialist 1; Public Affairs Specialist 1 (personal services)
\$ 156,265	LF	Public Affairs Specialist 1; Public Affairs Specialist 1 (personal services)
\$ 280,732	LF	Senior Policy Advisor; OPS/Policy Analyst 4 (personal services)
\$ 319,794	LF	Aging Veteran Services Director; Principal Exec/Manager F (personal services)
<u>\$ 1,721,727</u>	<u>LF</u>	Services & supplies including pro-rata portion of shared service support costs (services and supplies)
<b>\$ 4,125,737</b>	<b>LF</b>	<b>TOTAL (Personal services of \$2,404,010; services &amp; supplies of \$1,721,727)</b>

Because the following costs (other than the \$1,218,547 of shared service support costs) will be shifted from Other Funds to Lottery Funds, this package also requests a reduction of Other Funds as shown below.

(\$ 2,083,690)	OF	Personal services (amount includes a Veterans' Home PS adjustment)
<u>(\$ 503,180)</u>	<u>OF</u>	Service and supplies
<b>(\$ 2,586,870)</b>	<b>OF</b>	<b>Total OF reduction for personal services and services and supplies</b>

### GRAND TOTALS

\$ 1,557,000	LF	TOTAL Special Payments	(\$1,882,260)	OF	TOTAL Personal Services Reduction
\$ 2,699,418	LF	TOTAL Personal Services	(\$ 455,530)	OF	TOTAL Services and Supplies Reduction
<u>\$ 1,806,867</u>	<u>LF</u>	TOTAL Services and Supplies	(\$2,337,790)	OF	TOTAL Combined Reduction
<b>\$ 6,063,285</b>	<b>LF</b>	<b>TOTAL Combined</b>			

## DETAILED POLICY OPTION PACKAGE 103

### *Strengthen Veterans' Home Loans – Package 103 (Agency priority #3)*

An important ODVA five-year objective to better serve Oregon veterans is to “build a better, stronger and more durable department for future generations.” This policy option package invigorates ODVA’s core operations by strengthening the Home Loan Program to improve required compliance with federal Dodd-Frank regulations and align staff functions with critical loan origination functions. A second component to this package is to implement a long-overdue refresh of the ODVA state office building.

#### Home Loan Program: Loan Origination Compliance

ODVA originates and services home loans for veterans and is regulated as a “creditor” by the federal government. The recently-enacted federal Dodd-Frank Wall Street Reform and Consumer Protection Act and the creation of the Consumer Financial Protection Bureau (CFPB) required the mortgage industry to make significant changes to their practices, including new requirements and compliance standards for creditors.

In response to the need to implement the significant compliance standards, ODVA created a quality assurance and compliance coordinator (QA/CC) in the Home Loan Program in 2015, using an existing Loan Specialist 1 position, with the understanding that the position requires the skills and functions of an Operations and Policy Analyst 2. The QA/CC position was critical due to the new CFPB regulations with wide-ranging changes and ongoing scrutiny for mortgage lending. In November 2013, CFPB integrated the Real Estate Settlement Procedures Act (RESPA) and Truth in Lending Act (TILA) disclosures and regulations into one process named TRID (TILA-RESPA Integrated Disclosure Rule), also known as the “know before you owe” rule. CFPB originally mandated the TRID implementation for August 2015. The TRID mandate was subsequently deferred to October 2015 due to the complexity of the changes and the lack of preparation by the industry. Establishing the Operations and Policy Analyst 2 position in this policy option package will allow ODVA to utilize the Loan Specialist 1 position to coordinate loan purchase functions and perform certain post-closing lending activities.

Because ODVA established these functions within a QA/CC position, it was able to implement and have in place all the required changes by the federal deadline. Oversight and management of compliance-related origination functions and loan servicing functions will continue to be critical due to their highly visibility, the high degree of diligence needed, and the significant risk to the agency of non-compliance.

#### Home Loan Program: ODVA Building Refresh

The Department of Administrative Services recommends a refresh of state building interiors every ten years as part of certain lease agreements with lessees. It has been more than ten years since the interior of ODVA’s building was painted and new carpet was installed.

#### **How Achieved:**

#### Home Loan Program: Loan Origination Compliance

Establishing a new QA/CC as an Operations and Policy Analyst 2 position will allow ODVA to maintain oversight and compliance with federal and state regulations, including TRID, HMDA, Regulation Z, Regulation X, and other major CFPB compliance mandates. The Loan Specialist 1 position used for these functions was a position in loan origination within the Home Loan Program and needs to remain in Home Loans and filled.

This package will also reclassify two Loan Specialist 1 positions in the loan origination section to Loan Specialist 2. These reclassifications are needed based on the increased responsibilities and skill level to comply with the new Dodd-Frank and the CFPB regulations for loan origination, including TRID, HMDA (Home Mortgage Disclosure Act), Regulation Z, Regulation X, and other major CFPB compliance mandates. Loan originations achieved record production levels in 2014 and 2015.

#### Home Loan Program: ODVA Building Refresh

ODVA plans to replace all the carpet beginning with the first floor and proceeding to the second and third floors respectively. Concurrent with the carpet replacement, all walls will be painted in staff and public areas. In addition, signage on the exterior and interior of the building will be updated to improve readability.

The refresh process will require a schedule that provides for the removal of old carpet, painting of all walls and installation of new carpet. First the systems furniture would be removed in selected area, the area would be painted and then the carpet would be installed. This project will require dividing each tenant area into sections for remodel, and emphasizing the need to accommodate continuous operations in each agency. The painting of all wall surfaces will be completed and coordinated with the carpet contractor and signage will be installed as remodeled areas are completed. In recognition of individual agencies operational requirements work will generally be performed after hours and on weekends where and when feasible.

# DETAILED POLICY OPTION PACKAGE 103

## Strengthen Veterans' Home Loans – Package 103 (Agency priority #3)

### Staffing Impact:

#### Home Loan Program: Loan Origination Compliance

Establish one (1) Operations and Policy Analyst 2.

Reclass two Loan Specialist 1 positions to Loan Specialist 2 positions.

#### Home Loan Program: ODVA Building Refresh

No staffing requirements.

### Quantifying Results:

#### Home Loan Program: Loan Origination Compliance

Results of the new QA/CC Operations and Policy analyst positions will be measured by:

Compliance mandates consistently achieved and maintained.

Rewrite and implementation of the following manuals and documents based on new federal regulations:

- ODVA Loan Origination Guides

- ODVA desk manuals

- Broker and lender agreements

- Required disclosures based on implementation of enhanced HMDA (Home Mortgage Disclosure Act) standards in January 2017

- Increased volume levels through the Lender Delivery Channel with the proper realignment of the LS1 position back to Loan Originations

#### Home Loan Program: ODVA Building Refresh

Results of the refresh of the ODVA building will be measured by completion of the installation of carpeting, new paint and updated signage.

### Revenue Source

#### Home Loan Program: Loan Origination Compliance

\$ 168,614	OF	Operations and Policy Analyst 2 (personal services)
------------	----	---

\$ 14,912	OF	Reclass two Loan Specialist 1 positions to Loan Specialist 2 (personal services)
-----------	----	--

\$ 17,833	OF	Services and Supplies for one new position
-----------	----	--

\$ 201,359	OF	Total for Home Loan Program
------------	----	-----------------------------

#### Home Loan Program: ODVA Building Refresh

\$ 933,333	OF	Building refresh: Services and Supplies
------------	----	---

#### **TOTAL REVENUE SOURCE**

\$1,134,692	OF	Home Loan Program
-------------	----	-------------------

## DETAILED POLICY OPTION PACKAGE 104

### *Mobilize Partnerships – Package 104 (Agency priority #4)*

One of ODVA's four strategic plan goals and its objective is to "Mobilize Partnerships" in order to "leverage all resources available to veterans." ODVA forges and mobilizes partnerships with other state, county, local and federal governmental agencies and non-profits that have subject matter expertise and delivery systems. Working with these partnerships, ODVA provides expertise on the critical needs and special issues facing veterans. Through these partnerships, ODVA is able to achieve another strategic goal and its objective: to "Target Veteran Services" and "serve more veterans and serve them better.

ODVA's purpose is to leverage existing state resources to expand and enhance direct service to veterans in areas of education, health and mental health, and homelessness. Leveraging resources will:

Maximize up-front, preventative resources to reduce expensive, back-end state safety net systems,  
Enhance collaboration to create, connect and support statewide networks for veterans and family resources, and  
Bring the veterans' focus to key state outcome areas

This package mobilizes ODVA's partnerships with state and local governments and non-profits in three targeted priority areas for veterans:  
Oregon University and Community College Veterans: Campus Veteran Programs and Campus Veteran Coordinators  
Homeless Veterans: Oregon Housing and Community Services Emergency Housing Account Enhancement  
Veterans' Health and Mental Health Care: Health Care Access and Peer Delivered Services for Mental Health

#### **Oregon University and Community College Veterans: Campus Veteran Programs and Campus Veteran Coordinators**

##### **Purpose**

The purpose of mobilizing a partnership between ODVA and Oregon's 17 community colleges and seven state universities is to help Oregon veterans successfully transition from military service to college life, complete their education, and then transition from college to the workforce and community. The success of these transitions for a veteran can be enhanced through campus veteran resource centers and campus veteran coordinators. Veteran resource centers are located on a community college or state university campus and provide a place for veterans to connect with other veterans, study, relax, connect with local, state, county and federal resources, and obtain help and support from veteran coordinators. Campus veteran coordinators, who are usually part of the Student Affairs, provide advocacy, understanding and resource connections for Oregon veterans, including referring campus veterans to local county veteran service officers for federal and state benefits.

Campus veteran resource centers and veteran coordinators provide a benefit to both the veteran and the community college. In 2015, almost 13,500 Oregon veterans received more than \$146 million in Federal VA education benefits. These educational benefits include financial resources in support of attending community colleges, universities, and certification and training programs. A strong veterans program can help attract and retain veterans, resulting in increasing and retaining these federal funds. Campus veteran coordinators serve as a resource to administration and staff, providing an understanding and appreciation of the strengths of veterans and the veteran's unique challenges and needs.

Currently there are campus veteran resource centers and campus veteran coordinators at Portland Community College, Portland State University, Chemeketa Community College, Western Oregon University and Oregon State University. Some community colleges and universities, like Clackamas Community College and University of Oregon have only a meeting space for veterans.

The profile of a typical student veteran is an individual who is highly motivated to achieve educational goals, appreciates the value of the educational experience, is older and more mature than most first-time students, brings leadership, maturity, and life skills that are a basis for success as students and these veterans often have families. Because a veteran has served in the military, he or she has a wealth of work experience, a solid work ethic and discipline. The veteran also faces a lot of challenges, including adjusting to civilian life, transitioning from a structured military life to a college environment, the loss of support systems, stresses of family, finances, and sometimes health and mental health issues.

A campus veteran resource program, which includes a resource center and a coordinator, aligns with one of the priorities in Oregon's Higher Education Coordinating Commission (HECC) 2016-20 Strategic Plan: "focus on outcomes that promote life successes." The campus veteran program supports this goal by providing the resources to help the veteran transition from the military into the community college experience, complete their certificate or degree program, and transition into the workforce and community.

## DETAILED POLICY OPTION PACKAGE 104

### *Mobilize Partnerships – Package 104 (Agency priority #4)*

#### **How Achieved**

The goals are to establish campus veteran resource centers and campus veteran coordinators at community colleges and state universities (“colleges”) using best practices models from existing programs. ODVA will provide training, support and facilitate networking between veteran coordinators. These goals would be achieved through a pass through distribution of grant funds from ODVA to community colleges and universities.

ODVA would provide coordination, training, grant administration and technical support for implementation of the program. The majority of the funds would be distributed to community colleges and universities (“colleges”) for two purposes of grants. One purpose would be for colleges that had an existing veteran resource center and a veteran coordinator to expand and enhance the existing program. For example, funds could be used for administrative assistance; veteran events; education, training and networking for a veteran coordinator; outreach efforts; establish a mentoring program; innovative projects; and record-keeping and data collection.

Another purpose would be to help establish a veteran resource coordinator position and a resource center on a campus. The coordinator position and resource center would be set up using the best practices found in Oregon and on campuses in other states.

This program would be implemented through \$1,250,000 LF as pass through grants to community colleges and state universities (special payments).

#### **Staffing Impact:**

There is no direct staffing impact for this package.

#### **Quantifying Results:**

Results of the program would be quantified using the following measures:

Number of veterans served

Demographics of veteran: age, gender, geographical area

Types of services provided

Innovation in type or delivery of service

Nature of problem to be addressed

#### **Homeless Veterans: Oregon Housing and Community Services Emergency Housing Account Enhancement**

##### **Purpose**

The purpose of mobilizing a partnership between ODVA and the Oregon Housing and Community Service Department (OHCS) is to provide additional funds and enhance an existing program to assist homeless veterans and veterans who are at risk of becoming homeless. These funds would go through the existing structures and distribution processes that are already in place for this purpose through the OHCS’ Emergency Housing Account and distributed to localities across Oregon through the 17 community action agencies. The program would support two of ODVA’s goals and their objectives: to “Target Veteran Services by serving more veterans and serving them better” and to “Mobilize Partnerships by leveraging all resources available to veterans.”

According to the U.S. Department of Housing and Urban Development, the point-in-time count for homeless veterans was 1,462 in 2015, which includes 769 unsheltered veterans and 695 sheltered veterans. This number only includes “homeless” veterans and does not include the significant number of veterans who are “at risk of becoming homeless.”

##### Background.

Oregon House Bill 2417 (2013) increased the state document recording fee by \$5 and dedicated these funds to meeting the range of housing needs of Oregon veterans. These fees are administered by OHCS. One-fourth of the revenues from these fees are dedicated to the OHCS Emergency Housing Account “to assist homeless persons and those persons who are at risk of becoming homeless.”



## DETAILED POLICY OPTION PACKAGE 104

### *Mobilize Partnerships – Package 104 (Agency priority #4)*

OHCS makes these Emergency Housing Account funds available to the 17 community action agencies in localities across the state. These lead agencies are responsible for coordinating the distribution of funds to serve their communities. For the first three quarters of the 2015-17 biennium (July 1, 2015 through March 31, 2016), OHCS distributed \$371,053 from the Emergency Housing Account (EHA) to community action agencies for veterans who are homeless or who are at risk of becoming homeless. If this revenue stream remains constant, the total funds available in the EHA for the 2015-17 biennium will be approximately \$989,474.

From July 1, 2015 through March 31, 2016, the veterans program served 403 individuals and 239 households. It is estimated that the program will serve approximately 1,000 veterans over the 2015-17 biennium.

#### **How Achieved**

The purpose of this program would be achieved by providing \$875,000 to OHCS through the Emergency Housing Account. The funds would be Lottery Funds that would be a pass through from ODVA to OHCS (special payments) and would substantially increase the impact of the program for homeless veterans.

#### **Staffing Impact:**

There is no direct staffing impact for this package.

#### **Quantifying Results:**

Results of the program would be quantified using the following measures:

Number of veterans served

Demographics of veteran: age, gender, geographical area

Types of services provided

Innovation in type or delivery of service

#### **Veterans' Mental Health Care: Peer Delivered Services for Mental Health**

##### **Purpose**

The purpose of this program is to provide funds to the Oregon Health Authority (OHA), Peer Delivered Services, to create and administer a grant program to provide peer delivered services to veterans with mental health conditions or substance abuse disorders.

Background. "Peer delivered services" are services provided by "peer support specialists" (PSS) who are certified by the State of Oregon. Peer support specialists must have "shared life experiences" with those individuals they serve. PSS work for non-profits (that are often contracted by counties or CCOs) or for a county (typically, smaller counties).

Peer support specialists ("PSS") are individuals in recovery from mental illness and/or addiction who are employed by behavioral health care providers. People who have achieved and sustained recovery from mental health and substance abuse conditions are powerful supports for individuals seeking their own path to recovery because a PSS must have shared life experiences with those individuals they serve.

Peer support specialists help individuals in recovery with "recovery needs," including: respect, support and trust; finding recovery communities; dealing with everyday stress; self-esteem and positive connections; and understanding from having similar experiences in life.

Peer support specialists also help individuals in recovery with basic needs, including: help with treatment, bus transportation, food stamps, and other services; identification and birth certificates; job searches; transportation and support with probation officer or state agencies; and housing resources.

Peer support specialists are certified through the Office of Equity and Inclusion. Certification includes successful completion of a 40 hour training course approved by the Oregon Health Authority (OHA) and a criminal background check through OHA.

# DETAILED POLICY OPTION PACKAGE 104

## Mobilize Partnerships – Package 104 (Agency priority #4)

### How Achieved

The purpose of this program is to provide funds to the Oregon Health Authority (OHA), Peer Delivered Services, to create and administer a grant program to provide peer delivered services to veterans. The grants would focus on peer delivered services to veterans with mental health or substance abuse conditions and some of the grants would be specifically for services to veterans transitioning from county jails or the state prison to the community.

The program would provide a total of \$875,000 LF pass through (special payments) to the Oregon Health Authority for grants and for grant administration.

### Staffing Impact:

There is no direct staffing impact for this package.

### Quantifying Results:

Results of the programs would be quantified using the following measures:

Number of veterans served

Demographics of veteran: age, gender, geographical area

Types of services provided

Innovation in type or delivery of service

Nature of problem to be addressed

### Revenue Source

*Oregon University and Community College Veterans: Campus Veteran Programs and Campus Veteran Coordinators*

\$ 1,250,000 LF Pass through grants to community colleges and state universities (special payments)

*Homeless Veterans: Oregon Housing and Community Services Emergency Housing Account Enhancement*

\$ 875,000 LF Pass through to OHCS EHA (special payments)

*Veterans' Health and Mental Health Care: Health Care Access and Peer Delivered Services for Mental Health*

\$ 875,000 LF Pass through to Oregon Health Authority for peer delivered services through grants and grant administration  
(special payments)

\$ 3,000,000 LF TOTAL (special payments)

## DETAILED POLICY OPTION PACKAGE 105

### *Veterans' Home Capital Projects – Package 105 (Agency priority # 5)*

An important ODVA five-year objective to better serve Oregon veterans is to “build a better, stronger and more durable department for future generations.” This policy option package invigorates ODVA’s core operations through capital projects at the Oregon Veterans’ Home in The Dalles and at the Oregon Veterans’ Home in Lebanon that strengthen the Veterans’ Homes and ultimately, the skilled nursing care ODVA provides to Oregon veterans.

ODVA strives to create a secure and safe environment for the state’s more vulnerable veterans. Three key initiatives in this package support this plan. First, ODVA will focus resources to recruit and retain licensed nursing staff and certified nursing assistants at The Dalles Oregon Veterans’ Home. Second, it will upgrade the wireless infrastructure to maintain efficient use of the electronic health records system, installation of additional security cameras and equipment and replace the 20-year old phone system with VOIP (voice over internet protocol, a form of technology that allows for speech communication via the Internet) at The Dalles. Third, it will expand parking capacity at the Oregon Veterans’ Home in Lebanon to accommodate space for staff, family, community visitors, volunteers and overflow for special events.

#### **How Achieved:**

##### The Dalles Veterans’ Home – Capital Projects

*Staff Recruitment and Retention.* Recruiting and retaining certified nursing assistants (CNAs), for any skilled nursing facility is a challenge. The Veteran’s Home in The Dalles faces even more recruitment challenges because it is in a rural community with a limited candidate pool, and because of the competition for candidates from other facilities or other job opportunities, and the limited availability of training and certification opportunities from the local community college. In addition, the lack of daycare options for staff adds to the recruitment, retention and absenteeism challenges.

The Dalles Home has faced recruitment and retention problems for a number of years. Over the years, the Veterans’ Home has made numerous, but unsuccessful, attempts to partner with the local community college to provide timely and effective training and certification for the certified nursing assistants (CNAs).

Rules and regulations require a skilled nursing facility to maintain a nursing staff that is “sufficient in quantity and quality to provide nursing services for each resident as needed.” The regulations specify the ratio of CNAs to the total census. The result of the recruitment and retention problems in The Dalles are serious. A significant amount of money is spent on overtime or premium pay for the limited number of CNAs and the lack of a consistent pool of trained staff impacts the daily lives of veterans and the quality of their 24- hour care.

The purpose of this request is to enhance the recruitment and retention of CNAs that will ultimately result in better 24-hour care now and in preparation for a new generation of veterans to come, especially baby boomers and veterans from more current conflicts.

To solve this problem, ODVA proposes a classroom building and a daycare building on the property.

*Classroom Building.* Constructing an on-site classroom, where training would be conducted by qualified existing Veteran’s Home staff, would provide space for training of certified nursing assistants and to provide continuing medical education (CME) for all staff. The ability to provide on-site training will significantly enhance the recruitment and retention of critical staff at the Veterans’ Home.

*Daycare Building.* Constructing an on-site daycare building would provide childcare options for Veteran Home staff, with the goal to reduce staff absenteeism due to daycare issues or sick children.

*Phone, Wireless Infrastructure and Security Upgrades.* The existing phone system and the wireless infrastructure at the Veterans’ Home need to be replaced with 21<sup>st</sup> century technology. As technology has evolved, The Dalles Veterans’ Home has continued to provide the highest quality of care to veterans, in a secure, safe environment. However, replacing the nearly 20-year old phone system with a modernized VOIP (voice over internet protocol) system is critical to reliable and efficient communication at the Veterans’ Home. The existing wireless infrastructure must also be upgraded in order to use electronic health records. Additionally, the Veterans’ Home requires security upgrades including expanded security cameras, which would enhance safety for residents, staff and visitors.

# DETAILED POLICY OPTION PACKAGE 105

## Veterans' Home Capital Projects – Package 105 (Agency priority # 5)

### Lebanon Veterans' Home – Capital Project

Parking at the Lebanon Veterans' Home has reached maximum capacity. In 2015, ODVA purchased an adjoining property in anticipation of addressing facility parking. The master plan for the adjoining property is to construct a 120-space parking lot, which would connect via a walking bridge to the west side of the Veterans' Home. This additional area would provide parking space for staff, volunteers' and overflow for special events.

#### **Staffing Impact:**

No staffing impact.

#### **Quantifying Results:**

### The Dalles Veterans' Home – Capital Projects

Staffing for The Dalles Veterans' Home remains a challenge. Over the past year, the Home has had an average of 3 Licensed Practical Nurse/Registered Nurse (LPN/RN) and 11 Certified Nursing Assistants (CNA) positions remain open each due to lack of qualified applicants. Additionally, in 2016, the Home has had to pay more than \$25,000 in bonus shift payments in order to maintain adequate coverage. Construction of the educational and daycare buildings is expected to reduce the number of open positions, decrease employee turnover – which would be less costly in the long-run and provide a higher quality of care.

### Lebanon Veterans' Home – Capital Project

There are currently 128 parking spaces currently available at the Lebanon Veterans' Home. The proposed additional 120-space parking lot would nearly double the number of existing spaces and provide adequate capacity to meet the demand for parking space for staff, volunteers' and overflow for special events.

#### **Revenue Source**

### The Dalles Veterans' Home – Capital Projects

\$1,150,000	Sale of Bonds	One classroom building, one daycare building, telephone system, wireless and security upgrades
-------------	---------------	--

### Lebanon Veterans' Home – Capital Project

\$1,300,000	Sale of Bonds	120-space parking lot
-------------	---------------	-----------------------

#### TOTAL REVENUE SOURCE

\$2,450,000	Sale of Bonds
-------------	---------------

## 6-YEAR LOOKBACK: MAJOR CHANGES TO AGENCY

- Development and implementation of 5-year strategic plan beginning 2014
- Significant number of retirements created high staff and management turnover
- Addition of Aging Veteran Services
- Creation of Fiduciary and Representative Payee services to veterans
- Polk County established a Veteran Services Office
- Increase partnerships across state agencies to share veteran information for outreach purposes and reduce dependence on state safety net services in Oregon.
- Creation of special advocacy positions for women veterans and the LGBTQ veteran community.
- Federal grant recipient for rural veteran transportation. Working with the states highly rural counties to coordinate services.
- Expansion and enhancement of County Veteran Service Offices
- DoD partnership to receive veteran discharge documents electronically
- Implemented new 97% loan-to-value home loan product
- Major reduction in funding for emergency grant and educational aid programs
- Implementation of “Cloud-Based” claims management system called VetraSpec
- Expanded loan origination network
- Measure 70 (increase the number of veterans eligible for loans)
- Increase in maximum allowable home loan amount and lower down payment requirement
- Construction and opening of second Veterans’ Home in Lebanon
- Housing market collapse created a reduction in agency staffing

Loan Program, Year Ending June 30, 2016  
Loan Program, Year Ending June 30, 2015  
Veterans' Home Program, Year Ending June 30, 2016 (contracted)  
Veterans' Home Program, Year Ending June 30, 2015 (contracted)  
Clean Opinions, No audit findings

Veterans' Home Program, Federal Compliance for Year Ending June 30, 2016

Recommendation: For the Veterans' State Nursing Home Program, the department correctly billed the U.S. Department of Veterans' Affairs \$16 million for the program. The department, however, did not correctly classify \$3.5 million of the expenditures as federal expenditures in its accounting records. As a result, the schedule of expenditures of federal awards was understated. *Audits Division recommends the department ensure federal expenditures are correctly classified in the accounting records.*

Agency Response: We agree with this recommendation. Management will modify the department's process related to reporting of federal grant expenditures. Upon clarification of an interpretation of OMB Uniform Guidance, federal expenditures will be recognized when the underlying activity (i.e., revenue accrual) related to the expenditure occurred. Procedures will be developed to review federal revenues and expenditures at fiscal year-end and ensure that applicable journal entries are recorded. Anticipated Completion Date: June 30, 2017

# LFO 15% REDUCTIONS

Oregon Department of Veterans' Affairs (ODVA)														
2017 - 2019 Biennium														
Detail of Reductions to 2017-19 Current Service Level Budget														
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Priority (ranked with highest priority first)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div													
8	4	ODVA	AP	Aid Programs / Agency Administered	(103,700)					\$ (103,700)				Eliminates amount available to veterans in crisis needing gap funding to avoid homelessness, unemployment and other emergencies.
3	2	ODVA	AP	Aid Programs / Pass-Through to Counties	(217,743)					\$ (217,743)				Reduces amount provided to County Veteran Service Offices for direct veteran services.
3	2	ODVA	AP	Aid Programs / Pass-Through to National Service Orgs.	(5,908)					\$ (5,908)				Reduces amount provided to National Service Organizations for direct veteran services via their Veteran Service Officers.
2	1	ODVA	C&C	Claims & Appeals	(175,114)					\$ (175,114)	1	1.10		Eliminates Veteran Service Officer position(s) providing direct claims and appeals work for veterans; would delay appointment times and significantly impact services provided.
				1ST 5% INCREMENT										
3	2	ODVA	AP	Aid Programs / Pass-Through to Counties	(217,743)					\$ (217,743)				Reduces amount provided to County Veteran Service Offices for direct veteran services.
3	2	ODVA	AP	Aid Programs / Pass-Through to National Service Orgs.	(5,908)					\$ (5,908)				Reduces amount provided to National Service Organizations for direct veteran services via their Veteran Service Officers.
2	1	ODVA	C&C	Claims & Appeals	(278,814)					\$ (278,814)	2	1.65		Eliminates Veteran Service Officer position(s) providing direct claims and appeals work for veterans; would delay appointment times and significantly impact services provided.
				2ND 5% INCREMENT										
3	2	ODVA	AP	Aid Programs / Pass-Through to Counties	(217,743)					\$ (217,743)				Reduces amount provided to County Veteran Service Offices for direct veteran services.
3	2	ODVA	AP	Aid Programs / Pass-Through to National Service Orgs.	(5,908)					\$ (5,908)				Reduces amount provided to National Service Organizations for direct veteran services via their Veteran Service Officers.
2	1	ODVA	C&C	Claims & Appeals	(278,814)					\$ (278,814)	1	1.25		Eliminates Veteran Service Officer and manager position(s) providing direct claims and appeals work for veterans; would eliminate veteran appointments and significantly impact services provided.
				3RD 5% INCREMENT										
					(1,507,395)					\$ (1,507,395)	4	4.00		

Target \$ (1,507,395)  
 Difference \$ -

## CONTAINING COSTS

- 2004 and 2012 Layoffs (37 FTE Total)
  - \$2.4 million in 2005-07 biennium (OF)
  - \$1.5 million in 2013-15 biennium (OF)
- Construction cost savings through use of Construction Management General Contractor (CMGC) process for the Lebanon Veterans' Home
  - \$1.8 million in original construction cost savings, which provided funds for the covered walkway, two external storage buildings, and upgrades to garden areas and solariums in the 2013-15 and 2015-17 biennium's (OF)
- Negotiated lower bank facility costs and remarketing fee
  - Annual ongoing savings of more than \$40,000 in 2015-17 biennium (OF)
- Reduction of Emergency Assistance monies
  - \$190,000 in 2015-17 biennium (GF)
- Restructure of Educational Aid Program
  - \$260,000 in 2013-15 biennium (GF – reduction of one-time monies)
- Elimination of the Campus VSO Program
  - \$1.3 million in 2011-13 biennium (OF)



## LONG TERM VACANCIES

### Vacancy Report as of 12/31/2016

<u>Agency</u>	<u>Authorization</u>	<u>Position</u>	<u>RDC</u>	<u>Pos Type</u>	<u>Anticipated Fill Date</u>	<u>Reason Narrative</u>	<u>Reason Category</u>	<u>XREF</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>LF</u>	<u>Vac 7-11</u>	<u>Vac 12+</u>
27400	000083350	0008049	211	PF	5/1/2017	Used to finance Temp employee	8	001-30-00-00000	0	58,440	0	0	0	1
27400	000084850	0027005	122	PF	4/1/2017	Used to finance Temp employee	8	001-10-00-00000	0	139,248	0	0	0	1
27400	000084860	0027007	102	PP	6/1/2017	Used to finance Temp employee	8	001-10-00-00000	0	65,550	0	0	0	1
27400	000085860	0393006	122	PF	6/1/2017	Used to finance Temp employee	8	001-10-00-00000	0	125,232	0	0	0	1

# PROPOSED IT/CAPITAL CONSTRUCTION PROJECTS

## **Conservatorship Program – IT Project**

Over the last five years, ODVA has lost more than 100 years of programming and application support experience through staff retirements. Given the small size of the agency, the loss of this experience has adversely impacted ODVA's ability to support multiple custom applications. The most critical of those applications is the ODVA Conservatorship System. This application enables court-appointed ODVA conservators and trust officers to deliver critical conservatorship and representative payee services to the state's most vulnerable veterans. These veterans rely on ODVA and the Conservatorship System to manage and care for all of their financial needs, which total almost \$30 million in client assets.

Currently, the Conservatorship System is supported by the original, retired developer who is on contract with ODVA two days a week. This uniquely skilled individual is crucial to both the ongoing support and maintenance of the legacy Conservatorship System and to a cost-efficient transition to a new, modern application.

## **Home Loan Program – IT Project**

The Home Loan Program originates and services home loans for veterans. However, the antiquated loan origination and servicing applications are two, individually unique and custom applications. These applications contain a significant amount of redundant information about the veteran borrower and loan detail. Because the applications are separate, they are inefficient and susceptible to multiple data entry errors.

Early in the current biennium, ODVA leveraged a short-term, stop-gap software solution to meet new federally-mandated home loan compliance requirements (Dodd-Frank). This short-term solution still requires duplicate entry of information into ODVA's separate loan applications, and is incapable of generating quality analysis and sufficient reporting required to properly monitor the loan portfolio.

## **The Dalles Veterans' Home – Capital Projects**

**Classroom Building.** Constructing an on-site classroom, where training would be conducted by qualified existing Veteran's Home staff, would provide space for training of certified nursing assistants and to provide continuing medical education (CME) for all staff. The ability to provide on-site training will significantly enhance the recruitment and retention of critical staff at the Veterans' Home.

**Daycare Building.** Constructing an on-site daycare building would provide childcare options for Veteran Home staff, with the goal to reduce staff absenteeism due to daycare issues or sick children.

**Phone, Wireless Infrastructure and Security Upgrades.** The existing phone system and the wireless infrastructure at the Veterans' Home need to be replaced with 21<sup>st</sup> century technology. As technology has evolved, The Dalles Veterans' Home has continued to provide the highest quality of care to veterans, in a secure, safe environment. However, replacing the nearly 20-year old phone system with a modernized VOIP (voice over internet protocol) system is critical to reliable and efficient communication at the Veterans' Home. The existing wireless infrastructure must also be upgraded in order to use electronic health records. Additionally, the Veterans' Home requires security upgrades including expanded security cameras, which would enhance safety for residents, staff and visitors.

## **Lebanon Veterans' Home – Capital Project**

Parking at the Lebanon Veterans' Home has reached maximum capacity. In 2015, ODVA purchased an adjoining property in anticipation of addressing facility parking. The master plan for the adjoining property is to construct a 120-space parking lot, which would connect via a walking bridge to the west side of the Veterans' Home. This additional area would provide parking space for staff, volunteers' and overflow for special events.

# AGENCY AND VETERAN LEGISLATION

## BENEFITS AND CLAIMS

Measure	Summary and Notes
<a href="#">SB 80</a>	Directs Director of Veterans' Affairs to provide aid and assistance to federally recognized Indian tribes in Oregon with regard to programs of service for Native American veterans and accreditation of federal tribal veterans representatives. Notes: This is an ODVA bill. Directs ODVA to assist Oregon tribes with service programs for veterans and for training of veteran service representatives. No fiscal impact.

## EDUCATION

Measure	Summary and Notes
<a href="#">HB 2220</a>	Removes certain requirements veterans must meet prior to receiving high school diploma. Notes: Veterans who meet certain requirements may obtain a high school diploma. Bill eliminates some existing requirements. Unknown fiscal impact.
<a href="#">HB 2488</a>	Requires Higher Education Coordinating Commission to adopt rules prioritizing award of Oregon Promise program grants to persons serving in Oregon National Guard who have completed initial active duty training. Notes: Oregon Promise program provides community college tuition waivers, but not specifically to persons serving in the Oregon National Guard (ONG). Bill requires HECC to write rules to give priority to persons serving in the ONG who have completed initial active duty training. Unknown fiscal impact.
<a href="#">HB 2565</a>	Changes how priority enrollment system is applied to continuing qualified students and new qualified students. Notes: Provides that priority enrollment programs at universities and community colleges for active members of the Armed Forces and veterans must also prioritize offering course registration to continuing students before offering priority registration for new students. Unknown fiscal impact.
<a href="#">HB 2690</a>	Establishes Oregon Educational and Workforce Development Bridge Loan Program in Department of Veterans' Affairs to conduct outreach and provide loans to veterans and disabled veterans who are enrolled in approved course of study, approved professional training, approved workforce development program or approved apprenticeship in connection with institution of higher education, and who are eligible to receive federal educational aid or other financial assistance that is temporarily unavailable. Notes: Provides "bridge loans" loans to veterans who are eligible to receive federal VA educational benefits or other financial assistance when financial assistance is temporarily unavailable. (Same language as 2015 HB 2840 sponsored by Rep. Evans). Potential fiscal impact.
<a href="#">SB 143</a>	Directs Department of Veterans' Affairs to develop and implement one or more programs statewide to establish campus veteran resource centers and campus veteran resource coordinators, or expand and enhance existing centers and coordinators, on campuses of community colleges and public universities to help veterans successfully transition from military service to college life, succeed in college, complete educational goals and transition from college to workforce and community. Notes: Directs ODVA to develop or expand campus veteran resource centers and coordinators to help veterans transition to college life and then to workforce and community. Potential fiscal impact.

## EMERGENCY ASSISTANCE

Measure	Summary and Notes
<a href="#">HB 2520</a>	Requires Housing and Community Services Department to take into account counties from which document recording or filing fees are charged and collected in making distributions from General Housing Account, Emergency Housing Account and Home Ownership Assistance Account. Notes: Counties collect a document recording fee to support housing for veterans that goes to Housing and Community Services (HCS). Bill requires HCS to take into account the amount collected from a county when distributing funds for programs for veterans. Also, if certain funds established for veterans are not used within two years, monies must go back to the counties for affordable housing.
<a href="#">HB 2689</a>	Establishes Task Force on Innovative Housing Strategies for Veterans. Notes: Creates task force on innovative housing strategies for veterans. Includes study of acquisition and purchase of housing to provide housing options. Unknown fiscal impact.

# AGENCY AND VETERAN LEGISLATION

## EMPLOYMENT

Measure	Summary and Notes
<a href="#">HB 2690</a>	Establishes Oregon Educational and Workforce Development Bridge Loan Program in Department of Veterans' Affairs to conduct outreach and provide loans to veterans and disabled veterans who are enrolled in approved course of study, approved professional training, approved workforce development program or approved apprenticeship in connection with institution of higher education, and who are eligible to receive federal educational aid or other financial assistance that is temporarily unavailable. Notes: Provides "bridge loans" loans to veterans who are eligible to receive federal VA educational benefits or other financial assistance when financial assistance is temporarily unavailable. (Same language as 2015 HB 2840 sponsored by Rep. Evans). Potential fiscal impact.
<a href="#">SB 456</a>	Enacts Emergency Medical Services Personnel Licensure Interstate Compact. Notes: Creates and Interstate compact for the licensing of emergency medical services (EMS) personnel that support licensing of military members and their spouses separating from active duty. Potential fiscal impact.
<a href="#">SB 476</a>	Adds disabled veteran to definition of preferred worker who is eligible for reemployment assistance. Notes: The Preferred Worker Program helps qualified Oregon workers who have permanent disabilities from on-the-job injuries and who are not able to return to their regular employment because of those injuries. Bill adds veterans with a service-connected disability to persons eligible for the program. Potential fiscal impact.
<a href="#">SB 572</a>	Directs Department of Veterans' Affairs to establish employment bridge program for veterans seeking to obtain certain professional and occupational licenses. Notes: Requires ODVA to set up an employment bridge program for veterans for paramedic, commercial drivers license, and for public safety employee training. Potential fiscal impact.
<a href="#">SB 676</a>	Requires organization that has related apprenticeship program to give credit toward apprenticeship for qualifying individuals who obtained experience in plumbing, pipefitting, steamfitting or heating ventilation air conditioning while in active duty in the armed forces.

## HEALTHCARE & MENTAL HEALTH

Measure	Summary and Notes
<a href="#">HB 2082</a>	Extends sunset for tax credit for rural medical care. Notes: Continues an existing tax credit for physicians who provide care at Veterans Homes through 2023. (See also SB 178 with identical language). BILL SPONSOR: House Revenue Interim Committee. Potential revenue impact.
<a href="#">HB 2233</a>	Directs Department of Veterans' Affairs and county veterans' service officers to provide aid and assistance to Korean Vietnam War veterans to obtain health care coverage and services and, upon determination that veteran is not eligible for health care coverage and services under federal and state laws, to implement program to provide such coverage and services. Notes: Directs ODVA and CVSOs to assist Koreans, who supported the U.S. troops during the Vietnam War and are now Oregonians and U.S. citizens, to obtain health care. (Same language as 2015 HB 2793 sponsored by Rep. Parrish). BILL SPONSOR: House Veterans Interim Committee. Potential fiscal impact.
<a href="#">SB 81</a>	Directs Director of Veterans' Affairs to provide statewide expertise, advocacy, coordination and assistance to veterans to assist veterans in navigating federal, state and local health care and mental health care systems for purpose of obtaining health care and mental health care. Notes: This is an ODVA bill. Directs ODVA to provide expertise and advocacy for veterans in navigating health care and mental health care systems. No fiscal impact.
<a href="#">SB 129</a>	Establishes Task Force on Post-Traumatic Stress Disorder in Oregon. Notes: Creates a task force on veterans with PTSD.
<a href="#">SB 130</a>	Waives fees for obtaining medical marijuana card for veterans who have total disability rating of at least 50 percent as result of injury or illness incurred or aggravated during active military service, and who received discharge or release under other than dishonorable conditions. Notes: Veterans currently charged \$20 for issue or renewal of medical marijuana card. Bill waives fee for service-connected disabled veterans with 50% or more disability. Unknown fiscal impact.
<a href="#">SB 178</a>	Extends sunset for tax credit for rural medical care. Notes: Continues an existing tax credit for physicians who provide care at Veterans Homes through 2023. (See also HB 2092 with identical language). BILL SPONSOR: House Revenue Interim Committee. Potential revenue impact.

# AGENCY AND VETERAN LEGISLATION

## HOME LOANS

Measure	Summary and Notes
<a href="#">SB 79</a>	Permits Department of Veterans' Affairs, in seeking judicial or nonjudicial foreclosure on residential trust deed, to file affidavit that states that department is exempt from requirement to request or participate in resolution conference. Notes: This is an ODVA bill. Technical amendment to reflect change in law in 2015. Allows ODVA to file affidavit stating ODVA is exempt from foreclosure mediation requirements. No fiscal impact.
<a href="#">SB 5505</a>	Establishes amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium. Notes: Provides for general obligation bonds used by ODVA to fund home loans for veterans.

## HONOR & MEMORIALS

Measure	Summary and Notes
<a href="#">HB 2100</a>	Provides that portions of Interstate 5 and Interstate 205 shall be known as Oregon Medal of Honor Highway. Notes: Creates memorial signs for 26 Medal of Honor recipients on I-5 and I-205. No fiscal impact: state may not use public funds for installation or maintenance.
<a href="#">HB 2405</a>	Authorizes State Parks and Recreation Director to adopt rules to establish standards used when department disburses moneys to tribal governments under state or federal programs and to make state funding assistance available to tribal governments for constructing and restoring memorials honoring veterans and war memorials on public property. Notes: Requires State Parks to establish standards for disbursing funds to tribal governments for constructing or restoring memorials to veterans on state property. Unknown fiscal impact.
<a href="#">HCR 1</a>	Designates certain cities as "Medal of Honor" communities or cities. Notes: Designates Agness, Bend, Corvallis, Eugene, Hood River, Jordan Valley, Medford, Richland, Portland, Salem and The Dalles as "Medal of Honor" communities or cities. No fiscal impact.
<a href="#">HCR 3</a>	Recognizes and honors Private James Herbert Rowden (1944-1966) and Private First Class John Wayne Rowden (1946-1968) for their service to their country. Notes: Honors Rowden brothers from Jackson County for their service to their country. BILL SPONSOR: House Interim Committee on Veterans. No fiscal impact.
<a href="#">HCR 6</a>	Recognizes and honors Lance Corporal Dale G. Peterson (1986-2007) for his service to his country. Notes: Honors Peterson from Bend for his service to his country. No fiscal impact.
<a href="#">HCR 7</a>	Recognizes and honors Sergeant David W. Johnson-DeFord (1967-2004) for his service to his country. Notes: Honors Johnson-DeFord from Colton for his service to his country. No fiscal impact.
<a href="#">HCR 9</a>	Recognizes and honors Technician Fifth Grade Robert Dale Maxwell for his long and faithful service to his state and country. Notes: Honors Maxwell from Bend for his service to his country. No fiscal impact.
<a href="#">HCR 10</a>	Commends Bend Heroes Foundation for its work in recognizing and honoring veterans. Notes: Honors Bend Heroes Foundation. No fiscal impact.
<a href="#">HCR 11</a>	Recognizes and honors Sergeant Ronald W. Burkhart (1949-1968) for his service to his country. Notes: Honors Burkhart from Albany for his service to his country. No fiscal impact.
<a href="#">SB 320</a>	Appropriates moneys from General Fund to Oregon Military Department for Oregon Military Museum. Notes: Appropriates \$3.5 million from Oregon Military Dept. for Military Museum. Potential fiscal impact.
<a href="#">SB 573</a>	Encourages Oregonians to honor and remember those who have given their lives in military service in war at noon on 21st day of each month. Notes: Oregonians shall be encouraged and allowed to pause for 21 seconds' duration at noon on the 21st day of each month in honor and remembrance of all those who have given their lives in military service in war. Unknown fiscal impact.

# AGENCY AND VETERAN LEGISLATION

## RECREATION

Measure	Summary and Notes
<a href="#">SB 116</a>	Requires State Forester to make any recreational opportunities in state forests free for disabled veterans and persons on leave from military active duty on certain holidays. Notes: Currently, under ORS 390.124(2), State Parks allow day use free of charge "Upon the showing of proper identification, by either a disabled veteran or a person on leave from military active duty status on Memorial Day, Independence Day or Veterans Day." The bill is to provide that the State Forester allow day use free of charge of state forests to allow free use of state land to disabled veteran or a person on leave from military active duty status on Memorial Day, Independence Day or Veterans Day. Unknown fiscal impact.
<a href="#">SB 380</a>	Requires State Parks and Recreation Commission to allow disabled veterans to make reservations for use of state park areas one month prior to reservation system being made available to general public. Notes: Requires State Parks to allow disabled veterans to make state park reservations one month prior to reservation made by the general public. Unknown fiscal impact.

## TAXES & MISC

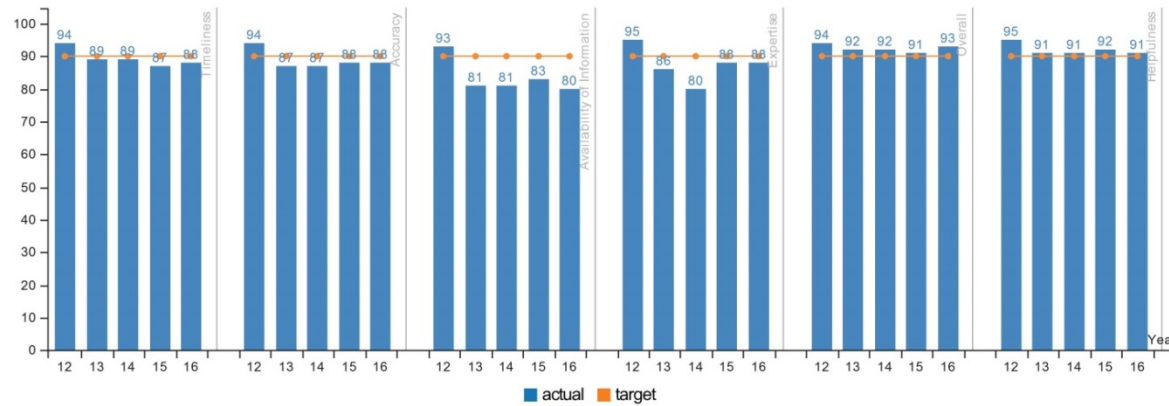
Measure	Summary and Notes
<a href="#">HB 2234</a>	Creates subtraction from federal taxable income for benefits paid to surviving spouse or dependent child of service member. Notes: Provides surviving spouse or dependent child of a retired military veteran, who enrolled in a survivor benefit plan during active service, with a subtraction from the amount of federal taxable income stated on Oregon tax return based on amount of benefit paid under such plan. BILL SPONSOR: House Veterans Interim Committee. Potential revenue impact.
<a href="#">HB 2235</a>	Authorizes county to grant exemption from ad valorem property taxation for property of eligible veteran or surviving spouse remaining unmarried of eligible veteran in any amount of assessed value up to 100 percent or based on more generous eligibility standards. Notes: Allows a county to provide a property tax exemption that is greater than current minimum statutory exemption for veterans, unmarried surviving spouses of veterans and disabled veterans. BILL SPONSOR: House Veterans Interim Committee. Potential revenue impact.
<a href="#">SB 200</a>	Allows member of Public Employees Retirement System to purchase retirement credit for periods of service in uniformed services. Notes: Currently members of the Armed Forces may purchase retirement credit for periods of service. Bill expands to members of "uniformed services" including National Guard, Public Health and NOAA. BILL SPONSOR: Senate Interim Committee on Education. Unknown fiscal impact.
<a href="#">SB 562</a>	Authorizes county to exempt up to \$250,000 of assessed value of each homestead owned and occupied by surviving spouse of person in active military service killed in line of duty from ad valorem property taxes imposed by all taxing jurisdictions. Notes: Authorizes county to exempt up to \$250,000 of assessed value of each homestead owned and occupied by surviving spouse of person in active military service killed in line of duty from ad valorem property taxes imposed by all taxing jurisdictions. Not a statewide mandate. Potential revenue impact.
<a href="#">SB 694</a>	Grants higher property tax exemption for property of veterans with disabilities.

## TRANSPORTATION

Measure	Summary and Notes
<a href="#">HB 2149</a>	Provides for one-time, decreased vehicle registration fee for former prisoners of war. Notes: Provides for a one-time, decreased vehicle registration fee of \$15 for former prisoners of war. Potential fiscal impact.
<a href="#">SB 480</a>	Directs Department of Transportation to establish Support Our Troops registration plate program for issuance of special registration plate. Notes: Requires DMV to establish Support Our Troops license plate. Some funds from sale go to ODVA for Veterans' Homes. Potential fiscal impact.

## AGENCY KPM #5: CUSTOMER SATISFACTION

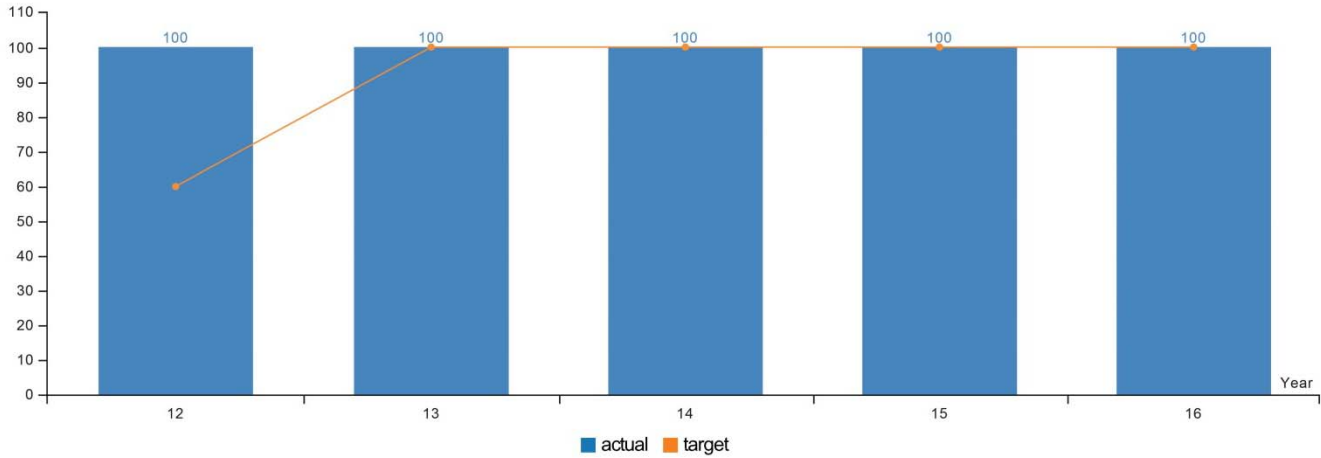
**KPM #5** Customer Satisfaction - Percentage of customers rating their satisfaction with the Oregon Department of Veterans' Affairs customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.  
 Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
<b>Timeliness</b>					
Actual	94%	89%	89%	87%	88%
Target	90%	90%	90%	90%	90%
<b>Accuracy</b>					
Actual	94%	87%	87%	88%	88%
Target	90%	90%	90%	90%	90%
<b>Availability of Information</b>					
Actual	93%	81%	81%	83%	80%
Target	90%	90%	90%	90%	90%
<b>Expertise</b>					
Actual	95%	86%	80%	88%	88%
Target	90%	90%	90%	90%	90%
<b>Overall</b>					
Actual	94%	92%	92%	91%	93%
Target	90%	90%	90%	90%	90%
<b>Helpfulness</b>					
Actual	95%	91%	91%	92%	91%
Target	90%	90%	90%	90%	90%

# AGENCY KPM #6: BEST PRACTICES

KPM #6	Best Practices - Percent of total applicable best practices met by the Board.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
<b>Percent of total of best practices met by the Committee</b>					
Actual	100%	100%	100%	100%	100%
Target	60%	100%	100%	100%	100%

**How Are We Doing**

The Governor’s Advisory Committee meets every one of the best practices assessments that can be applied to the committee and its duties.

**Factors Affecting Results**

Not all Boards and Commissions Best Practices Key Performance Measure applies to the Veterans' Affairs Advisory Committee because it is not a board or a commission with authority over the Department. The Advisory Committee acts in an advisory role and therefore five Best Practice Criteria are not applicable and will not be used to calculate the Department’s outcome on this performance measure. The Advisory Committee does meet 100 percent of the 10 Best Practice Criteria that are applicable.



## FEDERAL VA COMPENSATION BY COUNTY

	2015 Population	Total receiving Comp only	Total receiving Pension only	% of veterans receiving these 2 VA benefits	Annual Comp and Pension Funds
Baker	1,939	499	49	28.26%	\$8,969,000
Benton	5,960	999	91	18.29%	\$16,619,000
Clackamas	35,165	5,368	364	16.30%	\$97,041,000
Clatsop	4,278	787	83	20.34%	\$14,668,000
Columbia	6,004	1,191	72	21.04%	\$21,342,000
Coos	8,313	1,669	162	22.03%	\$45,099,000
Crook	2,580	584	34	23.95%	\$9,752,000
Curry	2,939	625	55	23.14%	\$18,794,000
Deschutes	15,258	2,959	176	20.55%	\$54,446,000
Douglas	13,332	3,894	331	31.69%	\$101,574,000
Gilliam	237	55	**	23.22%	\$1,011,000
Grant	751	174	13	24.91%	\$3,037,000
Harney	901	162	23	20.54%	\$3,211,000
Hood River	1,668	287	15	18.10%	\$5,545,000
Jackson	20,708	4,948	589	26.74%	\$103,363,000
Jefferson	2,210	462	20	21.81%	\$9,924,000
Josephine	9,579	2,304	306	27.25%	\$52,859,000
Klamath	6,868	2,215	182	34.90%	\$43,193,000
Lake	895	260	28	32.17%	\$5,668,000
Lane	29,986	6,383	640	23.42%	\$139,201,000
Lincoln	5,248	1,209	128	25.48%	\$23,340,000
Linn	12,166	2,681	229	23.92%	\$51,877,000
Malheur	2,444	339	66	16.57%	\$6,662,000
Marion	24,612	4,655	363	20.39%	\$88,318,000
Morrow	1,070	190	14	19.06%	\$3,215,000
Multnomah	43,128	7,476	1,066	19.81%	\$132,140,000
Polk	7,452	1,365	91	19.54%	\$23,594,000
Sherman	282	47	10	20.18%	\$810,000
Tillamook	2,444	628	68	28.48%	\$13,131,000
Umatilla	6,008	1,349	110	24.29%	\$23,289,000
Union	2,488	551	45	23.96%	\$10,095,000
Wallowa	859	211	26	27.58%	\$3,820,000
Wasco	3,031	461	65	17.36%	\$8,849,000
Washington	35,570	6,216	359	18.48%	\$107,634,000
Wheeler	220	39	**	17.70%	\$779,000
Yamhill	9,746	1,507	108	16.57%	\$28,184,000

## 2016-17 PROJECTED DISTRIBUTION OF FUNDS TO COUNTIES

County	Vet Population	Historic Aid to Counties	Expansion & Enhancement (E&E)			TOTAL FUNDING FY 2016-17
			Base Amount	Vet Pop. Amount	Total E&E Funds (Base + Pop)	
BAKER	1,939	10,291	20,308	8,424	28,732	39,022
BENTON	5,960	10,291	20,308	25,895	46,203	56,493
CLACKAMAS	35,165	10,291	20,308	152,777	173,085	183,376
CLATSOP	4,278	10,291	20,308	18,587	38,895	49,186
COLUMBIA	6,004	10,291	20,308	26,085	46,393	56,684
COOS	8,313	10,291	20,308	36,115	56,423	66,713
CROOK	2,580	10,291	20,308	11,211	31,519	41,810
CURRY	2,939	10,291	20,308	12,767	33,074	43,365
DESCHUTES	15,258	10,291	20,308	66,290	86,597	96,888
DOUGLAS	13,332	10,291	20,308	57,924	78,231	88,522
GILLIAM	237	10,291	20,308	1,029	21,337	31,628
GRANT	751	10,291	20,308	3,261	23,569	33,859
HARNEY	901	10,291	20,308	3,914	24,221	34,512
HOOD RIVER	1,668	10,291	20,308	7,249	27,557	37,847
JACKSON	20,708	10,291	20,308	89,967	110,275	120,566
JEFFERSON	2,210	10,291	20,308	9,599	29,907	40,198
JOSEPHINE	9,579	10,291	20,308	41,619	61,927	72,218
KLAMATH	6,868	10,291	20,308	29,840	50,148	60,439
LAKE	895	10,291	20,308	3,889	24,197	34,488
LANE	29,986	10,291	20,308	130,276	150,584	160,875
LINCOLN	5,248	10,291	20,308	22,801	43,109	53,400
LINN	12,166	10,291	20,308	52,855	73,162	83,453
MALHEUR	2,444	10,291	20,308	10,619	30,927	41,218
MARION	0	-	-	-	-	-
MORROW	1,070	10,291	20,308	4,650	24,958	35,249
MULTNOMAH	43,128	10,291	20,308	187,374	207,681	217,972
POLK <sup>(1)</sup>	7,452	5,071	10,007	15,986	25,992	31,063
SHERMAN	282	10,291	20,308	1,227	21,535	31,825
TILLAMOOK	2,444	10,291	20,308	10,619	30,926	41,217
UMATILLA	6,008	10,291	20,308	26,100	46,408	56,699
UNION	2,488	10,291	20,308	10,808	31,116	41,406
WALLOWA	859	10,291	20,308	3,734	24,041	34,332
WASCO	3,031	10,291	20,308	13,167	33,474	43,765
WASHINGTON	35,570	10,291	20,308	154,537	174,844	185,135
WHEELER	220	10,291	20,308	957	21,265	31,556
YAMHILL	9,746	10,291	20,308	42,342	62,649	72,940

- \* Aid to Counties based on historic distributions, shared equally among participating counties. May NOT exceed 75% of the county's approved budget for Veterans Services.
- \* Expansion and Enhancement funds: Base amount shared equally among participating counties, Vet Pop funds distributed based on veteran population, so amounts will vary.

<sup>(1)</sup> Polk County Funding based on operating a Veterans Services Office for six months (January - June 2017)

## VETERAN SERVICE OFFICER RETURN ON INVESTMENT

	FY 2014	FY 2016	Δ
Veteran's Service Officers	60	85	25
New Claims Filed	8,959	12,662	3,703
Claims per VSO	149	149	(0)
Claims Approved (65%)	5,823	8,230	2,407
Disability & Pension/Claim (1)	\$ 14,776	\$ 15,676	\$ 900
Total Annual Payments	\$ 86,045,820	\$ 129,017,017	\$ 42,971,198
Increase in VSOs			25
Year 1 Payments per VSO	<i>(\$42,971,198 / 25) =</i>		\$ 1,718,848
Five Year Payments per VSO	<i>VA payments assumed to increase 3% per year</i>		
	Previous Award	New Award	Total
Year 1		\$ 1,718,848	\$ 1,718,848
Year 2	\$ 1,770,413	1,770,413	3,540,827
Year 3	3,647,051	1,823,526	5,470,577
Year 4	5,634,695	1,878,232	7,512,926
Year 5	7,738,314	1,934,578	9,672,892
	<u>18,790,473</u>	<u>9,125,597</u>	<u>27,916,070</u>
Assumed Year 1 VSO Cost (2)			\$ 78,750
Assumed Five Year VSO Cost			<u>\$ 418,094</u>
Net Five Year Economic Impact of a VSO			\$ 27,497,976

1. Per year average. VA payment rates are assumed to increase by 3% per year.
2. Base \$45,000, plus 50% benefits, plus 25% S & S, with 3% annual increases.

## 2015 FEDERAL VA EXPENDITURE INFORMATION

