



October 17, 2025

Senator Kate Lieber, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Interim Committee on Ways and Means
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Dear Co-Chairs Lieber and Sanchez:

On behalf of the Oregon Department of Veterans' Affairs (ODVA), I am submitting the agency's 2025-27 reduction options and summary of new and expanded programs in response to the Legislative Fiscal Office memorandum dated October 1, 2025.

Statutory Mission

The Oregon Department of Veterans' Affairs' is responsible for the administration of federal and state laws relating to veterans under Oregon Revised Statutes Chapters 406 through 408 and Oregon Administrative Article XI-A of the Oregon Constitution. Our mission is to honor and serve all Oregon veterans and their families by aligning and delivering earned benefits and services that enhance and improve their lives in recognition of their service to our nation.

Approach to Reduction Options

In developing reduction options, ODVA prioritized preserving core veteran services and benefits that are central to our mission. We reviewed programs and operations across all funding sources—General Fund, Lottery Funds, and Other Funds—to identify reductions that:

- Are feasible and realizable within the current biennium;
- Minimize adverse impacts to veteran benefit delivery and outcomes;
- Reflect ODVA's best judgment regarding priorities for maintaining essential programs and operations.

To achieve the targeted reductions, ODVA also implemented cost-saving measures in October 2025 including:

- **Travel Restrictions:** Suspension of all out-of-state travel and limitation of in-state travel for essential purposes only, ensuring alignment with agency priorities and fiscal guidance.
- **Vacancy Savings:** Implementation of a 90-day delay on recruitment for most vacant positions and delayed hiring of new positions until April 2026.

- **Pause or Defer Projects:** Review and, where appropriate, delay agency initiatives and contracts, particularly those not critical to immediate mission delivery.
- **Capital Outlay and Operational Expenditures Review:** Review of all capital outlay and operating expenditures to identify opportunities for savings, slowing, pausing or prioritizing projects that address life-safety and mission-essential needs.

Reduction options have been presented in 2.5% increments, totaling 5% by fund type. Each option includes a description of the impact, the estimated reduction, the anticipated effect on veterans, and any statutory considerations. Options are listed in order of most to least preferred.

Other Fund Considerations

One critical consideration in discussions around budget reductions is the nature and purpose of our Other Funds (OF). These funds are generated through revenue-producing programs, specifically the ODVA Home Loans Program and the Veterans Homes in The Dalles and Lebanon.

Importantly, these funds are constitutionally restricted—they may only be used in support of veterans. Any reduction in these areas not only limits our ability to serve veterans but also undermines the revenue-generating capacity of these programs. This creates a compounding effect: reduced services lead to reduced revenue, which in turn further limits our ability to support Oregon veterans.

Preserving these funds is essential to maintaining both the financial sustainability of our programs and our constitutional obligation to serve those who have served.

New and Expanded Programs

In accordance with the request, we have also provided a list of all programs that have been newly established or expanded since July 1, 2021. For each, we have included the program authorization, budget allocation for the 2025-27 biennium, implementation status, and timeline for full implementation.

Conclusion

ODVA remains committed to ensuring that every Oregon veteran and their families continue to receive the highest level of service possible, even during this period of fiscal constraint. We appreciate the Legislature's continued partnership and support in meeting these responsibilities.

Enclosed please find the documents detailing ODVA's reduction options and new or expanded programs.

Respectfully,



Dr. Nakeia Council Daniels
Director

Encls: ODVA 2025-27 Reduction Options
ODVA New and Expanded Programs List

cc: Amanda Beitel, Legislative Fiscal Officer
LFO Analyst
CFO Analyst

Oregon Department of Veterans' Affairs (ODVA)																
2025-27 Biennium																
2025-27 LAB9,797,55023,138,467152,387,950209,625,0004,123,106399,072,073Total less Debt Service																
Detail of Reductions to 2025-27 Legislatively Adopted Budget																
1	2	3	4	5	6	7	8	9	10	12	13	14	15	16	17	
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.	
Dept	Prgm/Div															
	5	274	500-00	Veteran Homes / Reduce S&S			6,270,198			\$ 6,270,198	0	0.00	No	Yes	93% of the services & supplies of the Veteran's Homes is the contract with Veteran's Care Centers of Oregon (VCCO) to run the Veteran's Homes. Language in the contract does allow for a reduction based on limitation authority. A 5% reduction will have the following impact to Oregon Veterans in the Homes: •Loss of revenue - \$10,553,756 •Reduction of 21 FTE non-direct care staff (housekeeping, dietary, laundry, activities, office manager, admissions, business office, medical records, and maintenance staff). •Even though 20 of the 21 FTE positions in question are not considered direct care staff (not nursing staff), elimination of these positions would require a reduction in census at both Homes as some of these positions are required for operations. Census reduction would be The Dalles 10 resident reductions and Lebanon 36 residents. These census reductions have a significant impact on revenues. •Reduction of S&S and capital improvements not associated with the VCCO contract. Reducing S&S funds for training needed to stay abreast of changes in nursing home regulations. The elimination of capital projects needing to be completed at the Lebanon Home will have a direct impact on comfort and safety of the veterans residing in the home to maintain life/safety issues for veterans in the Homes. Reduction of S&S not associated with the VCCO contract will have a direct impact on support to the ODVA staff assigned to the Homes, as well as having an impact on capital projects that need to be completed to address life/safety issues for veterans in the Homes. i.e. Replacement of failing HVAC systems, flooring that is state-based medical equipment, etc. SOURCE: Veteran Home Enterprise Fund	
										\$ -						
										\$ -						
				TOTAL	489,878	1,156,923	7,619,398	-	-	\$ 9,266,198	0	0.00				
				Target (5%) Difference	489,878	1,156,923	7,619,398									

Agency Name (Acronym): ODVA															
2025-27 Biennium															
Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23															
1	2	3	4	5	6	7	8	9	11	13	14	15	16		
Agency	SCR	Program Establishment / Expansion			Program Description	GF	LF	OF	FF	TOTAL FUNDS	Pos.	FTE	Implementation Status		
		Biennium	Effective Date	Authorization											
274	400-00	2019-21	2019	SB 80 (2017); ORS 406.074; OAR 274-032-0100 to 274-032-0140	Tribal VSO Pass-Through Funding for the Tribal Veteran Service Officer (TVSO) Program, which provides direct U.S. Department of Veterans Affairs Benefit and claims representation for veterans, through the federally recognized Oregon tribes. This funding supports the Tribal Veteran Service Office Program advocacy in support of Senate Bill 80, bringing services to Oregon Tribal Veterans and their families. ODVA partners with Tribal governments to ensure tribal veterans and their families have direct representation and access to earned state and federal veteran's benefits in a culturally specific manner and environment.		596,937			\$ 596,937	0	0.00	Fully implemented. Expanded funding to six of nine federally recognized Tribes under Package 114 (25-27 LAB).		
274	400-00	2025-27	Apr-26	Policy Option Package 112 (25-27 LAB)	Veteran Behavioral Health Coordinator, permanent full time position. The purpose of the Veteran Behavioral Health Coordinator is to increase outreach on the availability and importance of behavioral health services including increased outreach for veteran suicide awareness and prevention. Additional work planned for this program is to promote a greater understanding among community healthcare and behavioral healcare providers about the potential impacts and trauma of military service, regularly liaise with existing partners to bridge gaps in education, services, and barriers to services, work to advance culturally specific behavioral healthcare services for historically marginalized veterans and work closely with other ODVA special advocacy coordinators.		221,352			\$ 221,352	1	0.63	Not implemented. Delayed hiring until April 2026 per reduction recommendation.		
274	100-00	2025-27	Jan-26	Policy Option Package 122 (25-27 LAB)	World War II Memorial Update and Expansion. Per ORS 406.505, ODVA has the responsibility of maintaining the World War II Memorial located on the State Capital grounds. This funding provides ODVA the resources to develop and manage an interpretive website and to begin development of a concept to extend the current memorial and to add additional names that were inadvertently left off the memorial when first constructed and other content such as architectural designs, replacement or placement of letters identifying our WWII veterans and other updates to honor the memorial of our veterans			115,000		\$ 115,000	0	0.00	Not implemented. Effective January 1, 2026; requires RFP for construction and creative services.		
										\$ -					
										\$ -					
										\$ -					
				TOTAL		-	818,289	115,000	-	\$ 933,289	1	0.63			

Instructions

- Column (5) - Authorization should identify the source of the new program or program expansion, which could include enabling legislation, approved policy option package, or administrative establishment.
- Column (6) - Program description should include a summary of the program and the expansion (if applicable), including any partner state agencies.
- Column (16) - Current status of program implementation should be summarized, including any future budget requests anticipated upon full program implementation.