

Oregon Department of Veterans' Affairs

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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 revenuegenerating 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

Dr Hakir Comit Dail

ODVA New and Expanded Programs List

Amanda Beitel, Legislative Fiscal Officer cc:

> LFO Analyst **CFO** Analyst

25-27 Bie	•		it oj veteru	ns' Affairs (ODVA)											
23-27 Ble	iiiiuii	"		2025-27 LAB	9,797,550	23,138,467	152,387,950	209,625,000	4,123,106	399,072,073	Total less	Debt Service	e		
il of Re	ductio	ons to	o 2025-27 Leg	islatively Adopted Budget											
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riority nked mos to least referred) Prgm	Ag	gency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No		Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.
1	2	274	300-00	Appeals & Special Advocacy / S&S Reduction	38,032					\$ 38,032	0	0.00	Yes	Yes	Impacts staff's ability to stay up to date on needed training and certifications
1		274	400-00	Strategic Partnerships / S&S Reduction	20,348					\$ 20,348	0	0.00			Impacts staff's ability to stay up to date on needed training and certifications
1	2	274	600-00	Aging Veteran Services / S&S Reduction	24,807					\$ 24,807	0	0.00	Yes	Yes	Impacts staff's ability to stay up to date on needed training and certifications
1	2	274	100-00	Public Affairs / S&S Reduction	6,813					\$ 6,813	0	0.00	Yes	Yes	Reduced funding to support communication and outreach to our veteran population
2	2	274	300-00	Appeals & Special Advocacy / Vacancy Savings Houseless Veteran Coordinator (Position #7212005)	27,000					\$ 27,000			No	Yes	Savings already realized (July - Sept)
3	2	274	400-00	Strategic Partnerships / CVSO Program Reduction	365,933					\$ 365,933	0	0.00	No	Yes	The county-level and national-level veteran services support to veterans and their families is critical to ODVA's mission, in turn the expansion and enhancement of these services provided by passthrough funding is critical. This cut could lear reduction in the number of Veterans Service Officers assisting Oregon veterans and families in the pursuit of benefits, a reduction in the amount of outreach that these counties perform, and a lack of advertising about the opportunity to pu
3	2	274	400-00	Strategic Partnerships / NVSO Program Reduction	6,945					\$ 6,945	0	0.00	No	Yes	earned benefits. Any reduction in the number of Veterans Service Officers would undoubtedly lead to a backlog in the amount of time that a Veteran Services Office would be able to see a veteran, which is already a strained number, and could lead to veterans abandoning claims.
+ -		274	400.00	Charteria Destruction / Manuallian DOD 4422 Debusional Handle Co. 12 and 14 and		35.000				ć 3F.000			NI-	V	Outcomb to Victoria and lating will be delegated
2			400-00 600-00	Strategic Partnerships / New Hire POP 112 - Behavioral Health Coordinator delay hiring until April 2026		35,000 23.000				\$ 35,000 \$ 23,000			No No		Outreach to Veteran population will be delayed.
3		274	400-00	Aging Veteran Services / Vacancy Savings - Representative Payee (Position # 10044) Strategic Partnerships / Veterans Education Bridge Grant		350,000				\$ 350,000	0	0.00	No	Yes	Savings already realized (July - Sept) Recently the program and the program coordinator have seen significant increases in the number of inquiries and applications compared to the previous two biennia. While a reduction of \$350,000 in the VEBG does not completely eliminate the program, it would serve a significant reduction of significant the program's effectiveness, raising the potential for veterans to drop out of school or not continuoursue academic success.
4	2	274	600-00	Aging Veteran Services / S&S Reduction		173,492				\$ 173,492	0	0.00	No	Yes	In Conservatorship, the reduction will impede ongoing annual visits with veterans in the program. ODVA has a fiducian obligation to ensure individuals cared for through this program are in safe and sanitary living environments and that it are not victims of financial fraud or abuse. The inability to make in person visits to each veteran at least annually leave them exposed to risk from those who seek to take advantage of veterans who are not competent and don't have the a to protect themselves from potential harm. In ODVA's Veteran Volunteer Program, a reduction in S&S funds will result direct impact to the underserved rural populations of veterans in the state. Last biennium, ODVA volunteers worked m than 4,271 hours attending more than 1,150 individual and group outreach events, and spoke with over 16,000 individ about veteran benefits. In Aging Veteran Services, an S&S reduction will greatly reduce ODVA's ability to help connect Veterans with their benefits. The outreach program spent S&S dollars last biennium attending more than 60 outreach events, in 17 counties across the state and spoke directly to over 18,000 individuals about their benefits.
5	2	274	300-00	Appeals & Special Advocacy / S&S Reduction		575,431				\$ 575,431	0	0.00	No	Yes	This will reduce outreach events, required training and certification conferences such as Veteran Service Officers, Wom Veteran Services, and Tribal veteran service officers.
1	2	274	100-00	Operations / Vacancy Savings Accountant 3 PN 0107011			33,222			\$ 33,222	0	0.00	No	Yes	3 months vacancy savings (Sept 2025 - Dec 2025) - no change to LAB FTE. A delay in the hiring of essential personnel acause additional work for other team members. Having a stable team creates equitability across the department and ensures staff are working within their assigned roles. Delay of hiring Veteran Home accountant, impacts much needed internal controls and oversight of Contractor operating the homes. SOURCE: Home Loan Enterprise Fund
2	2	274	200-00	Home Loan Program / Vacancy Savings - Program Analyst 3 PN 0196127			63,812			\$ 63,812	0	0.00	No	Yes	6 months vacancy savings (July 2025 - Dec 2025); 3 months realized, 3 months expected - no change to LAB FTE. This position is critical to bring in additional revenue for the agency SOURCE : Home Loan Enterprise Fund
3	2	274	200-00	Home Loan Program / Reduce S&S			235,348			\$ 235,348	0	0.00	No	Yes	Reducing the budget for this revenue-generating arm affects all Other Funded operations and the veterans we serve. C marketing, outreach, and travel resources—including the delay of onboarding a Business Development Representative—would significantly hinder the program's statewide outreach efforts and stall planned expansion into underserved veteran communities. Restricted communication and partnership-building budgets would reduce visibility among lenders, real estate professionals, and veterans, directly impacting loan volume and the program's long-term repotential. SOURCE: Home Loan Enterprise Fund
4	2	274	100-00	Operations / Reduce S&S and Deferred Maintenance			1,016,818			\$ 1,016,818	0	0.00	No	Yes	In the Director's Office this will have significant impacts to outreach and engagement with Veterans, connecting with o leaders at conferences and in Washington DC advocating for Veteran Services. Within IT services, would cause set back security projects, delays in modernization projects, extend equipment lifecycles and further constrain essential person cost coverage. In Facilities Services, necessary maintenance will be deferred, which will negatively impact the Facility Condition Index (FCI) for Salem HQ. Delays in repairs give the impression that we are not adequately maintaining state assets. SOURCE: Home Loan Enterprise Fund

Oregon Department of Veterans' Affairs (ODVA) 2025-27 Biennium 2025-27 LAB 9,797,550 23,138,467 152,387,950 209,625,000 4,123,106 399,072,073 Total less Debt Service														
Detail of Red	luctions to	n 2025-27 Leg	slatively Adopted Budget	2025-27 LAB	9,797,550	23,138,467	152,387,950	209,625,000	4,123,106	399,072,073	Totalless	Debt Servi	ce	
1 2		4	5		6	7	8	9	10	12	13	14	15	16 17
(ranked most to least preferred) Dept Prgm,	Agency	SCR or Activity Initials	Program Unit/Activity Description		GF	LF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE		One-Time Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.
5		500-00	Veteran Homes / Reduce S&S				6,270,198			\$ 6,270,198	0	0.00) No	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: •Eoss 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 and capital improvements not associated with the VCCO contract. Reducing \$&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 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 falling HVAC systems, flooring that is
										\$ -				
	-			TOTAL	489.878	1 156 022	7,619,398	_		\$ - \$ 9,266,198	0	0.00		

Target (5%) 489,878 1,156,923 7,619,398
Difference

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	3 4 5						11	13	14	15 16
Agency	SCR	Biennium	Prog Effective Date	gram Establishment / Expansion Authorization	Program Description	GF	LF	OF	FF	TOTAL FUNDS	Pos. I	TE Implementation Status
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	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	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 inadvertenly 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 undates to honor the memorial of our veterans.			115,000		\$ 115,000	0 0	Not implemented. Effective January 1, 2026; requires RFP for construction and creative services.
										\$ -		
1										\$ -		
				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.

2025-27 LAB - New and Expanded Programs 11/3/2025