



OREGON DEPARTMENT
of **VETERANS' AFFAIRS**

2021-23 GOVERNOR'S BUDGET

Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development | 8 February 2021



PRESENTED BY
Kelly Fitzpatrick, Director



THE MISSION CONTINUES

SERVING AND HONORING VETERANS IN OREGON SINCE 1945



OUR VISION

Veterans and their families thrive in Oregon



OUR MISSION

ODVA serves and honors veterans through our leadership, advocacy and strong partnerships



OUR VALUES

Respect, Integrity, Stewardship and Excellence



1 OUT OF 14

OREGONIANS IS A VETERAN

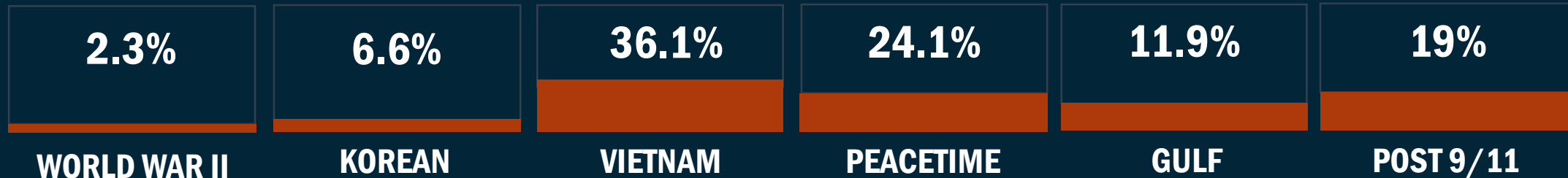


300,573

OREGON VETERAN POPULATION

RICH IN DIVERSITY ACROSS SIX MAJOR SERVICE ERAS

76% OF VETERANS SERVED DURING A WARTIME





13.1% BIPOC VETERANS IN OREGON

4.9% Asian, Pacific Islander | 4.2% Hispanic Or Latino | 1.6% Black | 1.1% Native American | 1.3% One Or More Races



**NEARLY 10% OF
OREGON VETERANS
ARE WOMEN**

**MORE THAN HALF
OF OREGON VETERANS ARE
AGED 65 OR OLDER**

\$3.18 BILLION

TOTAL FY 19 VA EXPENDITURES IN OREGON



\$1.4 Billion

Health Care
Expenditures

-
- » More than 34% of veterans in Oregon are enrolled in health care from the federal VA.



\$1.52 Billion

Disability Compensation
and Pension Payments

-
- » 28% of Oregon veterans are service-connected for injuries incurred in service.



\$160 Million

Education
Payments

-
- » In 2019, the average tuition and housing payments made to 9,085 veterans in Oregon was \$17,718.

VETERAN JOURNEY

PARTNERS DELIVERING VETERAN SERVICES IN OREGON



LOCAL VETERAN SERVICE OFFICE

Veterans work with ODVA veteran service officers, 36 County Veteran Service Offices, 2 Tribal Veteran Service Offices or 5 National Service Offices in Oregon to file claims and connect to other local, state and federal veteran benefits and resources.



STATE DEPARTMENT OF VETERANS' AFFAIRS

Claims filed in Oregon by state, county and tribal veteran service offices are reviewed and quality assured for completeness and then submitted to the federal VA by ODVA. Veterans are represented under ODVA's Power of Attorney and the state represents veterans in the appeals adjudication process.



FEDERAL VETERANS AFFAIRS

Rating decision for veterans claims are made by the Veterans Benefit Administration of the U.S. Department of Veterans Affairs based on Code of Federal Regulations, Title 38.



\$127 MILLION

PER MONTH IN DISABILITY COMPENSATION AND PENSION TO OREGONIANS

SERVICE-CONNECTED VETERAN

More than 83,000 veterans in Oregon are rated for a service-connected disability or receiving a pension, leading to \$1.52 billion in Disability Compensation and Pension payments in Oregon per year.



OUR WORK



AGENCY PROGRAMS

SUMMARY OF SERVICES

HOME LOAN PROGRAM

STATEWIDE VETERAN SERVICES

AGING VETERAN SERVICES

OREGON VETERANS' HOMES

- » **HOME LOAN PROGRAM**
Provides home loans to qualified veterans
- » **STATEWIDE VETERAN SERVICES**
Provides claims and appeals assistance, monitoring of post-secondary institutions through the State Approving Agency function, partnerships with counties and national veterans' service organizations to assist veterans, and grant programs that direct funding to veterans and governmental and non-profit organizations
- » **AGING VETERAN SERVICES**
Provides expertise and outreach in aging veterans' benefits and services, veteran volunteer program, and conservatorship and representative payee services
- » **OREGON VETERANS' HOMES**
Provides oversight of the two Oregon Veterans' Homes (skilled-nursing and memory care facilities) in The Dalles and Lebanon



HOME LOAN PROGRAM

OVERVIEW

HOME LOAN PROGRAM

STATEWIDE VETERAN SERVICES

AGING VETERAN SERVICES

OREGON VETERANS' HOMES

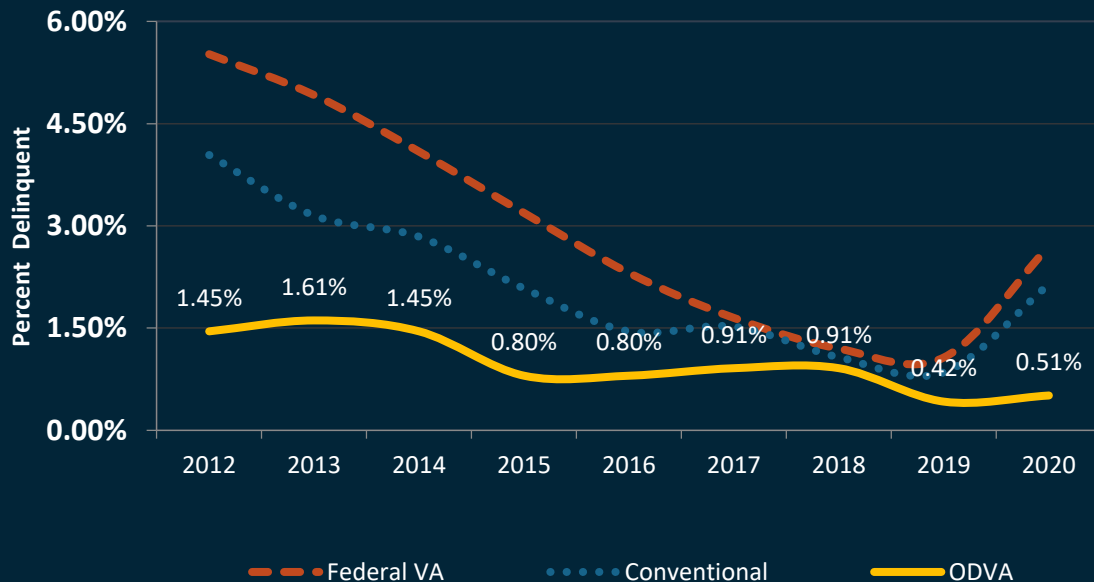
- » Oregon citizens voted in 1945 to create a Veterans' Home Loan program, establishing it in Article XI-A of the Oregon Constitution
- » This historically self-sufficient program provides low-interest rate mortgages on single-family owner-occupied homes to eligible and qualified veterans
- » State benefit is separate and distinct from the federal VA Home Loan Guaranty
- » Borrow up to \$548,250 (Fannie Mae limit as of 2021)
- » ODVA is the lender and servicer of home loans
- » 1,777 home loans totaling more than \$347 million in portfolio
- » More than \$8 billion in low-interest home loans have been made to more than 335,000 veterans since 1945



HOME LOAN PROGRAM PERFORMANCE MEASURES

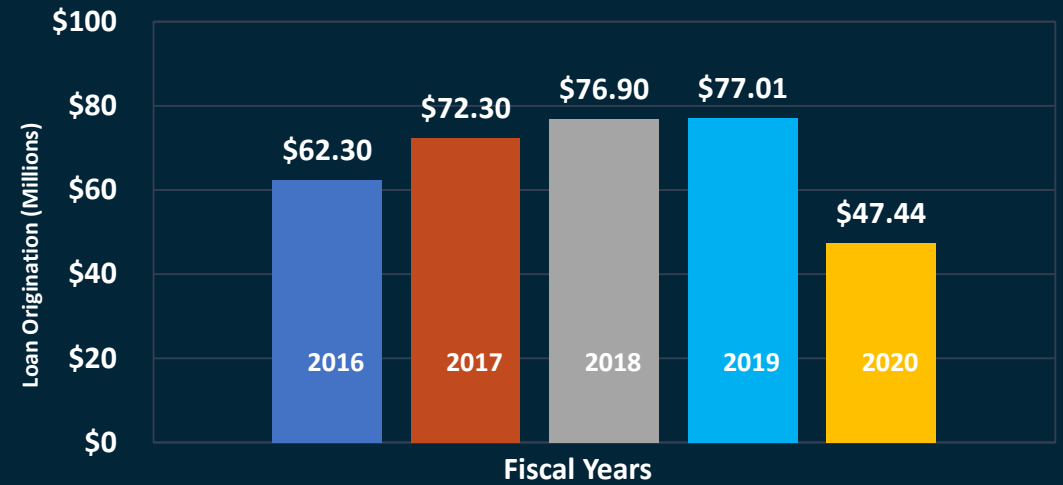
KPM 1A: DELINQUENT ACCOUNTS

PROGRAM PERFORMANCE TARGET: < 1.50%



KPM 1B: LOAN ORIGINATIONS

PROGRAM PERFORMANCE TARGET: +\$60 million



STATEWIDE VETERAN SERVICES



OVERVIEW

HOME LOAN PROGRAM

STATEWIDE VETERAN SERVICES

AGING VETERAN SERVICES

OREGON VETERANS' HOMES

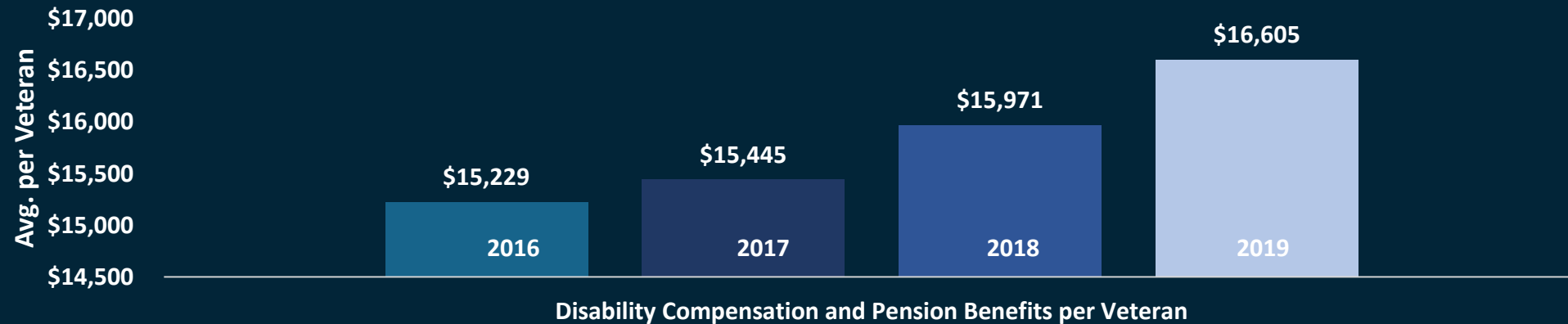
- » Training and certification to all veteran service officers representing Oregon veterans under ODVA's Power of Attorney
- » Claims advocacy and adjudicates veterans appeals filed under ODVA's Powers of Attorney
- » Quality oversight and submits Oregon claims to the Federal VA for state, county, tribal veteran service offices
- » Administers grants to veterans and partners
- » Special Advocacy for traditionally underserved veterans (women, LGBTQ, incarcerated, students, tribal)
- » Partnerships with state agencies to leverage and enhance existing state resources available for veterans
- » State Approving Agency to approve and monitor institutions eligible to participate in federal veterans' education benefits



STATEWIDE VETERAN SERVICES PERFORMANCE MEASURES

KPM 3: DISABILITY COMPENSATION AND PENSION BENEFITS

PROGRAM PERFORMANCE TARGET: \$16,324

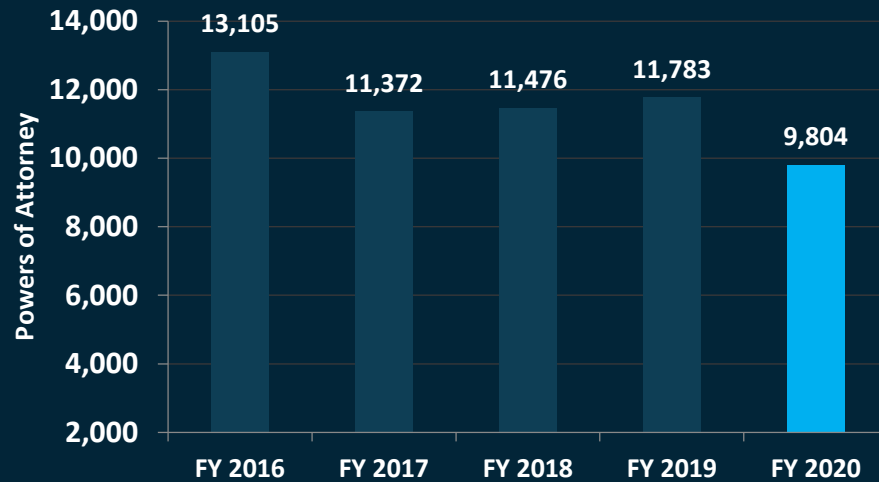




STATEWIDE VETERAN SERVICES PERFORMANCE MEASURES

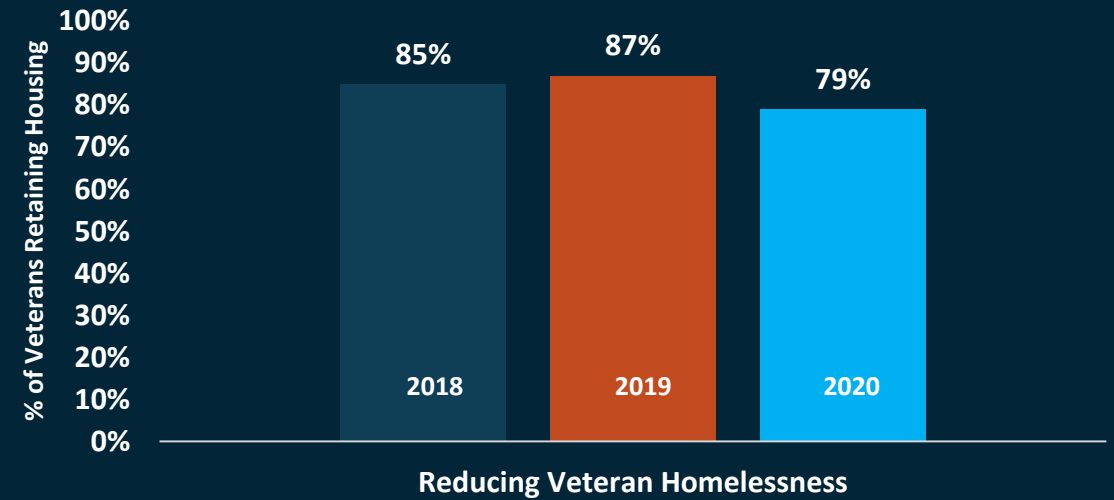
KPM 4: POWERS OF ATTORNEY

PROGRAM PERFORMANCE TARGET: 13,700



KPM 7: REDUCING VETERAN HOMELESSNESS

PROGRAM PERFORMANCE TARGET: 80%



AGING VETERAN SERVICES



OVERVIEW

HOME LOAN PROGRAM

STATEWIDE VETERAN SERVICES

AGING VETERAN SERVICES

OREGON VETERANS' HOMES

- » Aging Veteran Services provides oversight of the two Oregon Veterans' Homes and programs providing direct services to aging and vulnerable veterans
- » Claims assistance and advocacy focused on the needs of aging veterans
- » Conservatorship program serves as a court appointed conservator to protect and manage veterans financial assets
- » Representative Payee services ensure the timely payments of monthly expenses on behalf of vulnerable veterans to ensure their basic living needs are met
- » Specialized volunteer and outreach advocates conduct local outreach to aging veterans to educate and connect veterans to benefits

OREGON VETERANS' HOMES



OVERVIEW

HOME LOAN PROGRAM

STATEWIDE VETERAN SERVICES

AGING VETERAN SERVICES

OREGON VETERANS' HOMES

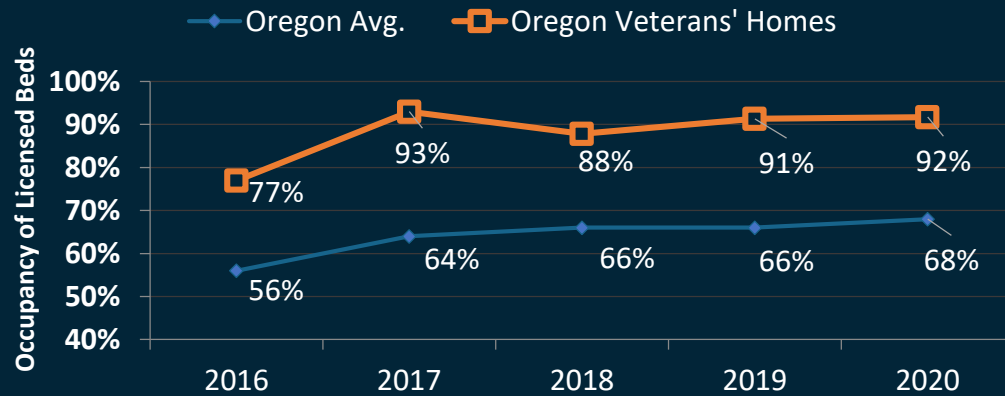
- » Award-winning state Veterans' Homes located in The Dalles (1997) and Lebanon (2014)
- » Earned benefit providing skilled and long-term nursing care, endorsed memory care, and rehabilitative care to veterans, spouses and Gold Star Parents
- » Veterans live in an environment with a culture of camaraderie and understanding from fellow veterans who have shared military experience and staff who are trained to meet their unique needs
- » Access to claims representation and benefit assistance by service officers who focus on the needs of veterans who served during the Vietnam, Korean and WWII wars
- » Self-sustaining program offering lower cost skilled nursing care to veterans and their families



OREGON VETERANS' HOME PERFORMANCE MEASURES

KPM 2A: OCCUPANCY RATE

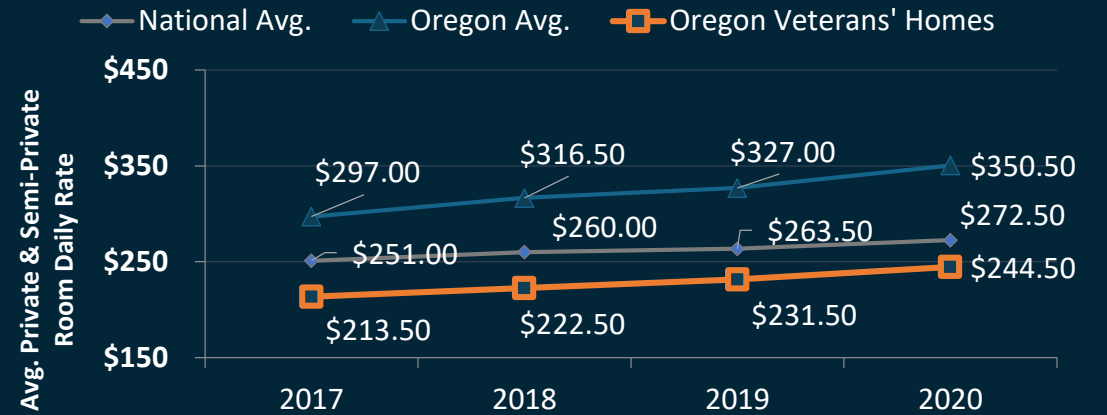
PROGRAM PERFORMANCE TARGET: 80%



Source: Office for Oregon Health Policy & Research

KPM 2B: LOWER RESIDENT PRIVATE PAY RATES

PROGRAM PERFORMANCE TARGET: \$327.00



Source: Genworth Financial Reports



OREGON VETERANS' HOME COVID-19 FINANCIAL CONSIDERATIONS

FINANCIAL CONSIDERATIONS

Since the beginning of the pandemic, resident census levels (i.e., occupancy) at the Oregon Veterans' Homes have decreased by approximately 18% (as of December 31, 2020).

During the 2019-21 biennium, the Veterans Homes received monies from the CARES Act Provider Relief Fund, which helped to partially offset some of the lost revenues and increased costs related to the COVID-19 pandemic.

LOST REVENUE

- Lost revenue - \$1,982,476

INCREASED COSTS

- Additional Expenses - \$1,049,613
 - Staffing, Personal Protective Equipment (PPE), Infection Control

PROVIDER RELIEF FUNDS

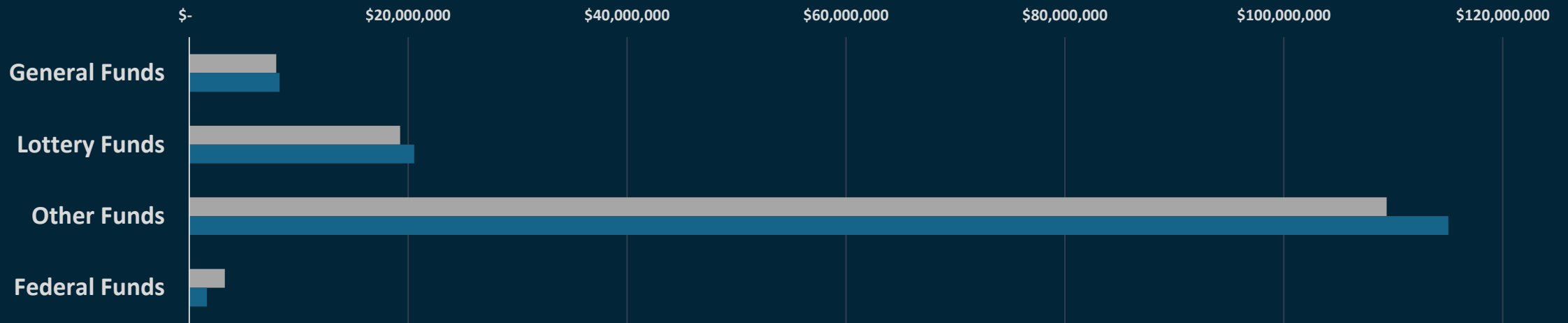
- Federal Revenues (CARES Act) received - \$2,235,448



2021-23 GOVERNOR'S BUDGET



AGENCY BIENNIAL BUDGET COMPARISON



■ Legislatively Approved Budget
■ Governor's Budget

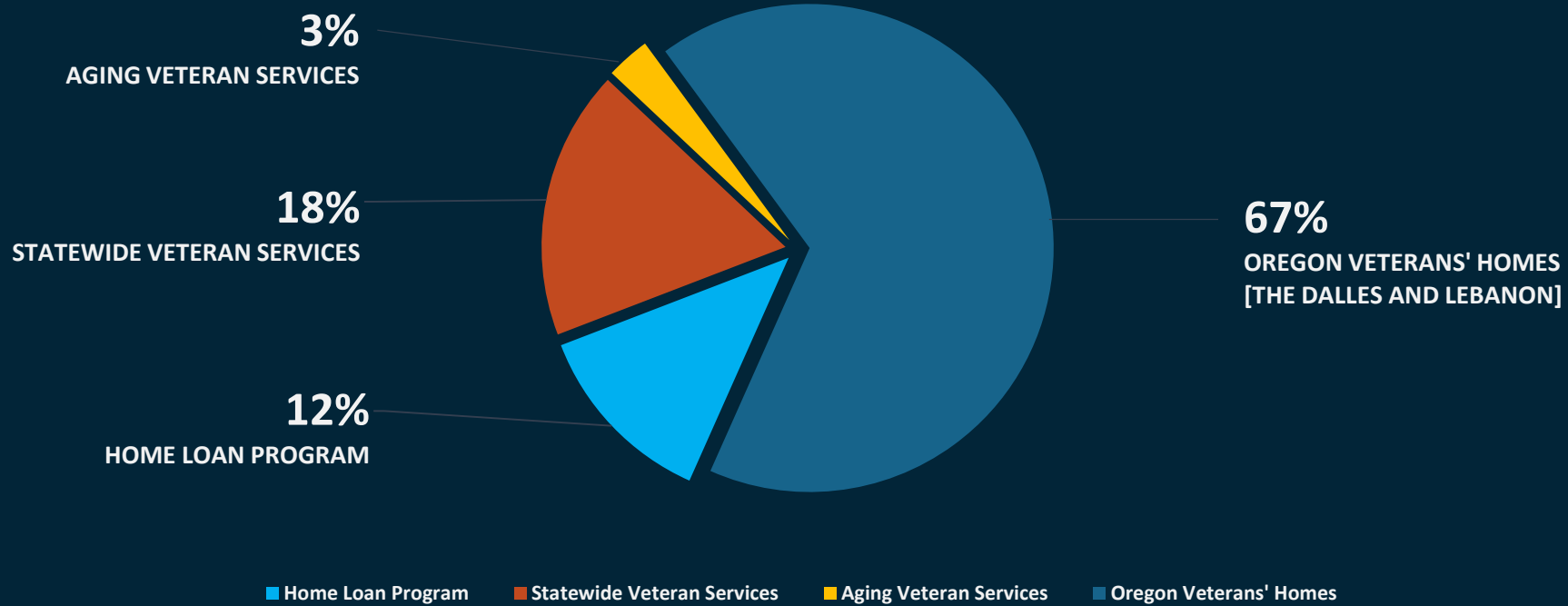
	2019-21 LEGISLATIVELY APPROVED BUDGET**	2021-23 GOVERNOR'S BUDGET
General Funds	\$ 7,948,133	\$ 8,256,289
Lottery Funds	\$ 19,272,830	\$ 20,555,431
Other Funds	\$ 109,395,643	\$ 115,036,988
Federal Funds	\$ 3,267,259	\$ 1,617,844
Total Funds	\$ 139,883,865	\$ 145,466,552
Positions	105	103

Excludes Nonlimited Expenditures of \$408,779,089 in 2019-21 and \$204,521,026 in 2021-23.

** Includes actions through January 2021 E-Board.



2021-23 GOVERNOR'S BUDGET BY PROGRAM

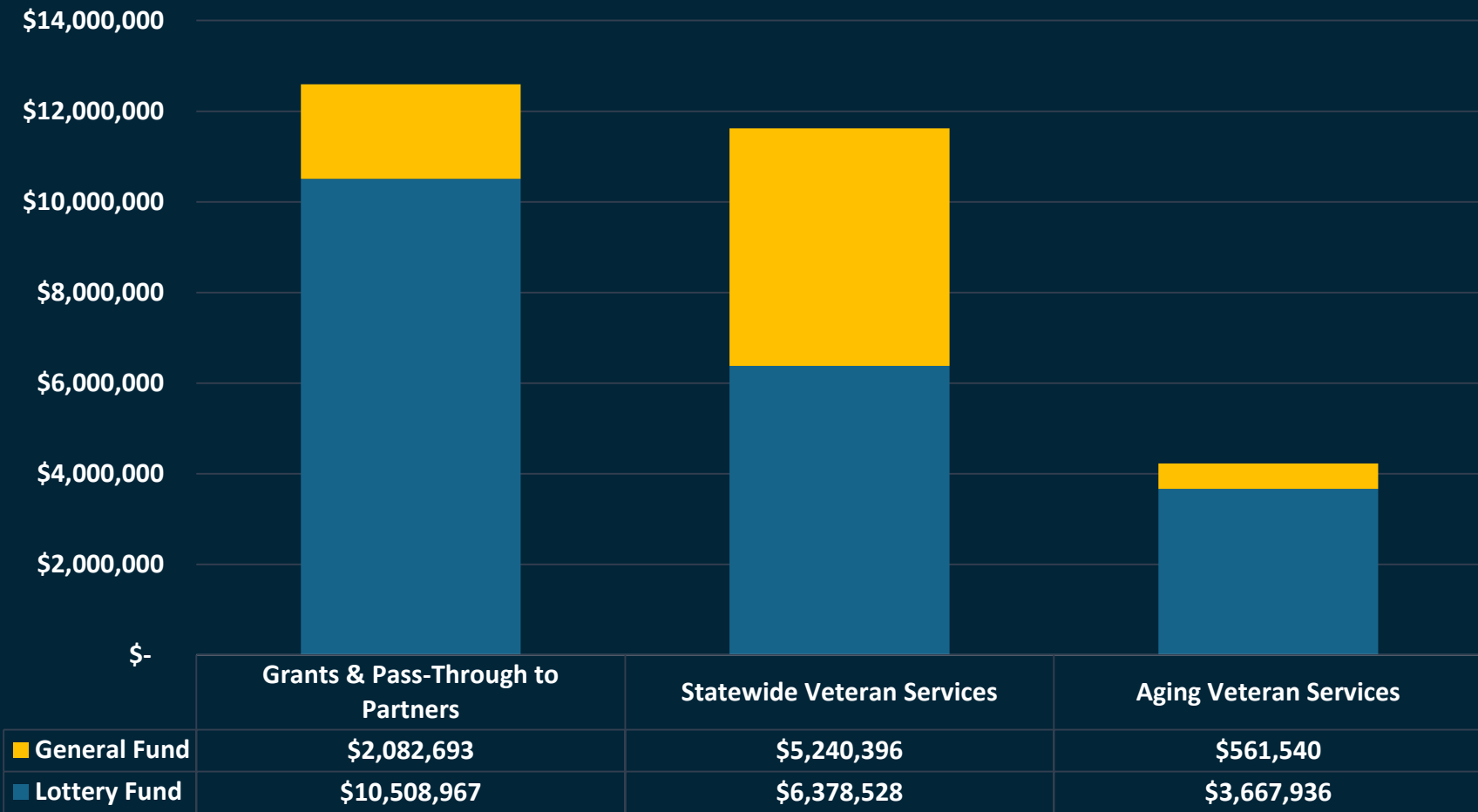


	HOME LOAN PROGRAM	STATEWIDE VETERAN SERVICES	AGING VETERAN SERVICES	OREGON VETERANS' HOMES
General Funds	\$ -	\$ 7,323,089	\$ 561,540	\$ 371,660
Lottery Funds	\$ -	\$ 16,887,495	\$ 3,667,936	\$ -
Other Funds	\$ 18,172,833	\$ 137,329	\$ -	\$ 96,726,826
Federal Funds	\$ -	\$ 1,617,844	\$ -	\$ -
Total Funds	\$ 18,172,833	\$ 25,965,757	\$ 4,229,476	\$ 97,098,486

Excludes Nonlimited Expenditures of \$204,521,026.



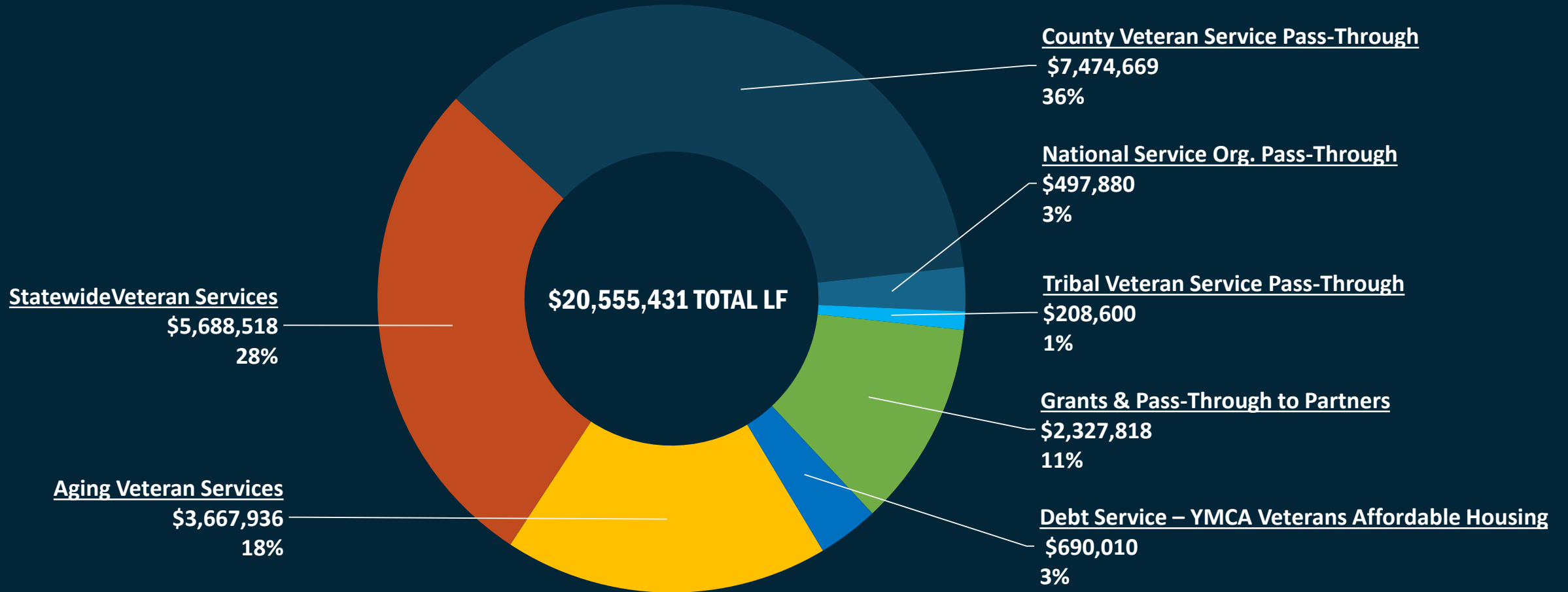
GENERAL FUND & LOTTERY FUND INVESTMENTS



*Includes Lottery Fund Debt Service of \$690,010 in Statewide Veteran Services.



LOTTERY FUNDS





REDUCTION OPTIONS

The Legislative Fiscal Office requested agencies submit budget reduction options for the 2021-23 biennium up to 10% of Current Service Level Budget. ODVA was required to provide budget reduction options for both General Funds and Lottery Funds:

- **Grant funds for the Veteran Services Grant Program;**
- **Pass-through funds for National Service Organizations;**
- **Pass-through funds for County Veteran Service Officer Program;**
- **Emergency Assistance Program;**
- **Services and Supplies for Statewide Veteran Services and Aging Veteran Services; and**
- **5 positions (5.0 FTE) in Statewide Veteran Services or Aging Veteran Services were identified for potential vacancy savings.**



REDUCTIONS IN GOVERNOR'S BUDGET

Included in the Governor's Budget for ODVA are certain budget reductions from Current Service Level. The reductions to Current Service Level include:

- **Reductions to Services and Supplies Inflation for Statewide and Aging Veteran Services;**
- **Reductions to Statewide Charges and Assessments included across all state agencies;**
- **Abolishment of 1 position (1.0 FTE) in Statewide Veteran Services; and**
- **Increased vacancy savings accomplished by holding 2 positions (2.0 FTE) in Statewide Veteran Services or Aging Veteran Services open for the biennium. Additional vacancy savings amounts were also included.**



POLICY OPTION PACKAGES



POLICY OPTION PACKAGE 101

STRENGTHEN OUTDATED IT SYSTEMS AND OPERATIONS - \$3,400,000 OF / \$1,035,000 LF

\$750,000 LF » Conservatorship IT System

Modernization of aging technology for the Conservatorship Program

\$400,000 OF » Home Loan Program IT System

Modernization of aging technology for the Home Loan Program



POLICY OPTION PACKAGE 101

STRENGTHEN OUTDATED IT SYSTEMS AND OPERATIONS - \$3,400,000 OF / \$1,035,000 LF

\$185,000 LF » **Strengthen Operations**

Funding one new core operational HR support staff

\$100,000 LF » **Program Stabilization**

Continuing alignment of funding and program stabilization for the Veteran Home Loan Program

\$3,000,000 OF » **Increased Operation Costs at Oregon Veterans' Homes**

Anticipating potentially higher operation costs for the Oregon Veterans' Homes due to COVID-19



POLICY OPTION PACKAGE 102

MOBILIZE PARTNERSHIPS TO SUPPORT VETERANS - \$1,367,669 LF

\$500,000 LF » Rural Veteran Healthcare Transportation Grant

Continued grant funding to Special Transportation Districts to provide veterans in rural communities with free transportation to medical and behavioral healthcare services

\$192,669 LF » Veterans Service Grants

Grant funding to partner organizations delivering direct resources to veterans in Oregon with ODVA's Veteran Services Grants

\$500,000 LF » Campus Veteran Resource Center Grants

Continued grant funding of public college campus veteran resource centers

\$175,000 LF » Veteran Educational Bridge Grant

Partnerships with college and trade schools to provide direct grant support to student veterans



PROPOSED AGENCY LEGISLATION

- HOUSE BILL 2139** » **Rural Veteran Healthcare Transportation Grant**
Continue to provide free transportation to veterans in rural areas seeking healthcare (physical or behavioral health) at USDVA facilities, VA-authorized health centers, and other healthcare facilities.

- HOUSE BILL 2140** » **Technical Amendments Relating the Home Loan Program**
Amends ORS Chapter 407 to correct changes made through Senate Bill 36 (2019) that eliminated a number of statutory provisions that were outdated or no longer in use in administering the Home Loan Program.

- HOUSE BILL 2141** » **Veteran Educational Bridge Grant**
Extends sunset of the Veterans' Educational Bridge Grant Program from January 2, 2022 to January 2, 2024.



OUR WORK AHEAD

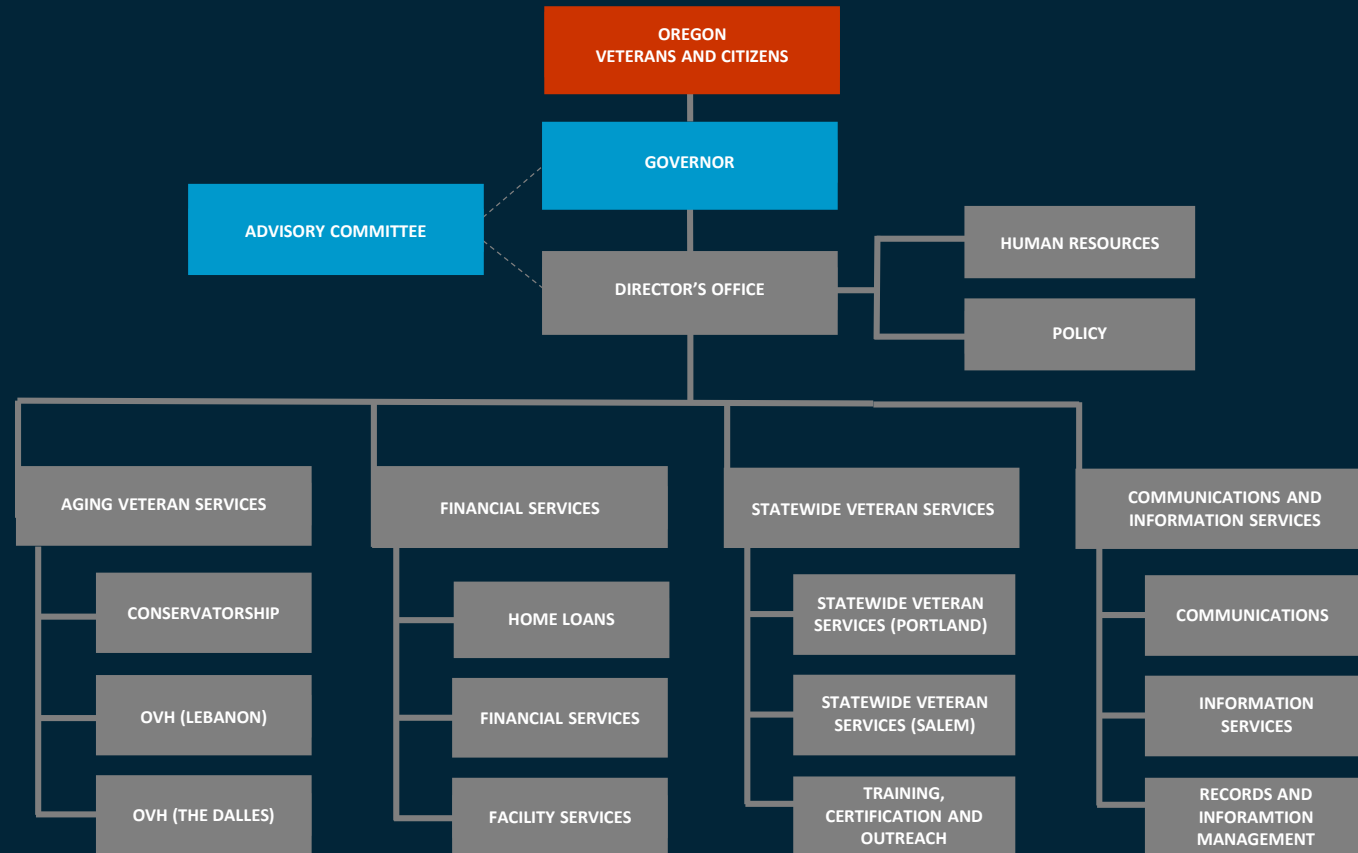
QUESTIONS



OREGON DEPARTMENT
of **VETERANS' AFFAIRS**

APPENDIX

AGENCY ORGANIZATIONAL CHART



TECHNOLOGY PROJECTS

Conservatorship Technology Modernization

Technology Project #1: The current Conservatorship System application was developed in-house throughout the 1990's and early 2000's and 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.

Estimated costs for implementing a new Conservatorship System in the 2021-23 biennium:

\$500,000 Lottery Funds - Data Processing Software (Capital Outlay)

\$250,000 Lottery Funds - Professional Services (Capital Outlay)

\$750,000 Lottery Funds - TOTAL

Requested amount is included in Policy Option Package 101.

TECHNOLOGY PROJECTS

Home Loan Servicing Modernization

Technology Project #2: The agency last updated its loan servicing technology in 1999, investing nearly \$1 million to customize a commercial off-the-shelf software (COTS) system that would address a number of issues including servicing a unique subset of loans that originated in the 1980's. The systems that were implemented over 20 years ago do not meet the needs of the agency's current business model and do not meet the expectations of our veteran borrowers. ODVA currently uses multiple manual processes in combination with the old technology to deliver this program to veterans.

Estimated costs for implementing a new Home Loan Servicing System in the 2021-23 biennium:

\$300,000 Other Funds (Loan Program) - Data Processing Software (Capital Outlay)

\$100,000 Other Funds (Loan Program) - Professional Services (Capital Outlay)

\$400,000 Other Funds (Loan Program) - TOTAL

Requested amount is included in Policy Option Package 102.

COUNTY VETERANS SERVICE OFFICE PASS-THROUGH FUNDING

		Annual VSO Budget (2018-19)		Annual VSO Budget (2019-20)		Annual VSO Budget (2020-21)				Annual VSO Budget (2018-19)		Annual VSO Budget (2019-20)		Annual VSO Budget (2020-21)	
	9/30/2018	ODVA	County Portion	ODVA	County Portion	ODVA	County Portion		9/30/2018	ODVA	County Portion	ODVA	County Portion	ODVA	County Portion
COUNTIES	VET POP							COUNTIES	VET POP						
BAKER	1,815	\$82,396	\$32,236	\$84,752	\$29,000	\$ 78,034	\$ 29,000	LANE	29,024	\$252,546	\$501,452	\$271,085	\$568,600	\$ 249,596	\$ 376,477
BENTON	5,456	\$106,476	\$270,458	\$109,687	\$192,200	\$ 100,992	\$ 190,000	LINCOLN	5,291	\$102,332	\$157,649	\$108,559	\$189,382	\$ 99,954	\$ 175,903
CLACKAMAS	28,778	\$285,191	\$498,086	\$269,398	\$521,184	\$ 248,043	\$ 559,618	LINN	11,614	\$145,146	\$203,106	\$151,860	\$190,286	\$ 139,822	\$ 210,440
CLATSOP	3,842	\$96,854	\$20,486	\$98,635	\$20,486	\$ 90,816	\$ 29,710	MALHEUR	1,935	\$85,473	\$48,657	\$85,578	\$52,191	\$ 78,794	\$ 52,971
COLUMBIA	4,886	\$107,337	\$34,900	\$105,788	\$34,900	\$ 97,402	\$ 34,900	MARION	21,814	\$219,770	\$4,200	\$221,709	\$51,014	\$ 204,134	\$ 51,014
COOS	7,160	\$121,170	\$57,108	\$121,360	\$53,246	\$ 111,740	\$ 53,246	MORROW	837	\$77,121	\$28,628	\$78,054	\$30,879	\$ 71,867	\$ 26,159
CROOK	2,309	\$86,325	\$149,737	\$88,138	\$151,137	\$ 81,151	\$ 210,400	MULTNOMAH	39,334	\$329,683	\$844,017	\$341,691	\$866,406	\$ 314,606	\$ 869,570
CURRY	3,026	\$88,346	\$49,774	\$93,047	\$49,774	\$ 85,671	\$ 71,014	POLK	6,560	\$116,159	\$70,000	\$117,251	\$80,000	\$ 107,957	\$ 65,000
DESCHUTES	14,645	\$164,245	\$405,863	\$172,614	\$417,402	\$ 158,931	\$ 467,395	SHERMAN							
DOUGLAS	12,711	\$151,799	\$199,486	\$159,371	\$205,483	\$ 146,738	\$ 250,527	TILLAMOOK	2,391	\$84,260	\$263,305	\$88,700	\$268,660	\$ 81,669	\$ 275,866
GILLIAM								TRI COUNTY ⁽¹⁾	594	\$101,505	\$12,600	\$103,517	\$12,600	\$ 95,311	\$ 12,600
GRANT	705	\$75,078	\$7,000	\$77,151	\$9,000	\$ 71,036	\$ 7,000	UMATILLA	5,429	\$107,270	\$193,009	\$109,503	\$209,027	\$ 100,823	\$ 199,211
HARNEY	635	\$76,045	\$27,695	\$76,672	\$27,595	\$ 70,594	\$ 27,595	UNION	2,114	\$85,812	\$54,066	\$86,800	\$54,066	\$ 79,919	\$ 52,000
HOOD RIVER	1,245	\$80,064	\$31,276	\$70,000	\$32,290	\$ 74,440	\$ 32,290	WALLOWA	674	\$75,796	\$17,477	\$76,940	\$21,347	\$ 70,841	\$ 23,629
JACKSON	19,571	\$196,279	\$452,160	\$206,351	\$452,160	\$ 189,994	\$ 452,160	WASCO	2,462	\$89,039	\$53,560	\$89,186	\$68,499	\$ 82,116	\$ 66,175
JEFFERSON	1,694	\$84,171	\$47,000	\$83,923	\$54,702	\$ 77,271	\$ 55,864	WASHINGTON	33,660	\$286,482	\$846,171	\$302,834	\$973,267	\$ 278,829	\$ 950,053
JOSEPHINE	8,553	\$128,657	\$178,343	\$130,896	\$293,104	\$ 120,520	\$ 260,872	WHEELER							
KLAMATH	7,596	\$112,343	\$285,200	\$124,347	\$323,000	\$ 114,490	\$ 275,000	YAMHILL	7,875	\$130,135	\$211,241	\$126,253	\$288,775	\$ 116,245	\$ 256,635
LAKE	806	\$76,004	\$47,250	\$77,847	\$42,100	\$ 71,676	\$ 50,100	TOTALS:	297,039	\$4,407,309	\$6,303,196	\$4,509,498	\$6,833,762	\$4,162,022	\$6,720,394

⁽¹⁾ Tri County is a consortium of Gilliam, Sherman, and Wheeler Counties. Sherman County is responsible for the operation of the office and the budgeting of the funds.