



Oregon

Kate Brown, Governor

Department of Veterans' Affairs

700 Summer St NE

Salem, OR 97301-1285

800-828-8801 | 503-373-2085

www.oregon.gov/odva

February 2, 2021

Senator Lee Beyer, Co-Chair
Representative David Gomberg, Co-Chair
Joint Committee on Ways and Means Subcommittee on
Transportation and Economic Development
900 Court Street NE
State Capitol, H-178
Salem, Oregon 97301

Subject: Written Reference Materials on the Governor's Recommended Budget for the Oregon Department of Veterans' Affairs for 2021-23

Dear Co-Chairs:

The Oregon Department of Veterans' Affairs (ODVA) appreciates the opportunity to present the Governor's Budget for 2021-23 and the requested written reference materials.

Agency Mission and Goals

In 1945, Oregonians committed to serve veterans returning from World War II by creating a state agency that would focus on their needs. Seventy-five years later, ODVA continues that mission to honor and serve Oregon's Veterans and their families through leadership, advocacy and strong partnerships. ODVA's values of respect, integrity, stewardship and excellence undergird its purpose and guide the agency in achieving its vision that all veterans and their families thrive in Oregon.

The veteran community ODVA serves is rich in diversity. Oregon veterans are ethnically and racially diverse and live in rural, urban, coastal regions, and everywhere in between. Oregon has veterans who are women, men, and nonbinary, straight and LGBTQ. To meet the needs of that broad veteran population ODVA provides leadership and leverages the power of our partnerships in several key areas such as medical and behavioral health, housing assistance, education, and economic opportunity. This leadership often takes the form of advocacy to ensure all veterans receive assistance with accessing the state and federal benefits they have earned. The combined breadth of the veteran population served and their diverse needs has required a cohesive vision and mission supported by a flexible yet structured long-term strategic approach to veteran services by the agency.

Serving Oregon Veterans Since 1945

As ODVA reviews and updates its five-year strategic plan ahead of the coming biennium, the agency will ensure that its programs align with its core values that include diversity, equity, and inclusion. Only by doing so can we ensure that ODVA's veteran services and programs remain responsive to the needs of all Oregon veterans for the next seventy-five years and beyond.

Strategic Goals

In its initial strategic plan ODVA outlined four strategic goals: target veteran services, mobilize partnerships, drive veteran engagement and invigorate core operations.

Goal #1: Target Veteran Services

Objective: To serve more veterans and serve them better

Strategies:

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

Goal #2: Mobilize Partnerships

Objective: To leverage all resources available to veterans

Strategies:

- Maximize up-front, preventive 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

Goal #3: Drive Veteran Engagement

Objective: To 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

Goal #4: Invigorate Core Operations

Objective: To 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 veterans' 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 Performance and Outcome Measures

ODVA measures operational and financial performance through a number of internal and external performance measures. The Legislature has adopted the following nine key performance measures for ODVA:

- Loan Program – Delinquent Accounts
- Loan Program – Loan Originations
- Oregon Veterans Homes – Resident Occupancy
- Oregon Veterans Homes – Affordability
- Statewide Veteran Services – Disability and Compensation Benefits
- Statewide Veteran Services – Powers of Attorney
- Customer Satisfaction
- Veterans Advisory Committee – Best Practices
- Reducing Veteran Homelessness

Key performance measure data for the past five years is available in the appendix.

Summary of Agency Programs

Agency Budget Totals

	2017-19 Legislatively Approved	2019-21 Legislatively Adopted	2019-21 Legislatively Approved	2021-23 Governor's Budget
General Funds	\$ 8,568,114	\$ 8,352,877	\$ 7,948,133	\$ 8,256,289
Lottery Funds	\$ 15,400,349	\$ 20,559,847	\$ 19,272,830	\$ 20,555,431
Other Funds	\$ 100,525,917	\$ 108,523,336	\$ 109,395,643	\$ 115,036,988
Other Funds (NL)	\$ 447,546,159	\$ 408,779,089	\$ 408,779,089	\$ 204,521,026
Federal Funds	\$ 1,000,000	\$ 1,525,000	\$ 3,267,259	\$ 1,617,844
Total Funds	\$ 573,040,539	\$ 547,740,149	\$ 548,662,954	\$ 349,987,578
Positions	100	105	105	103
FTE	97.13	104.47	104.47	102.59

Note 1: 2019-21 Legislatively Approved includes actions taken through January 2021 Emergency Board.

Note 2: 2021-23 Governor's Budget includes Debt Service of \$690,010 Lottery Fund and \$371,660 General Fund.

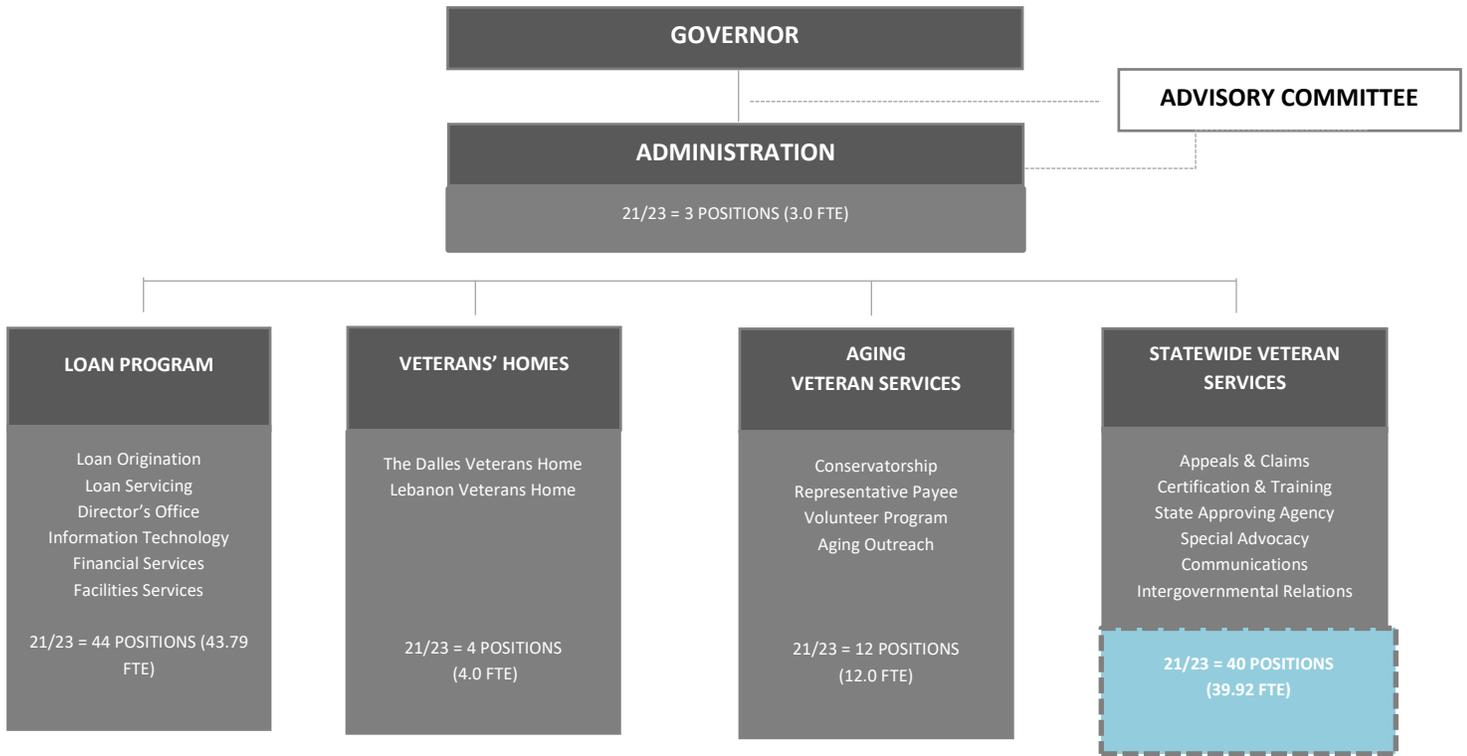
Agency Overview

ODVA has three primary program areas supported by the agency's core operations: the Veterans' Loan Program, the Statewide Veteran Services Program, and Aging Veteran Services, which includes the two Veterans' Homes. The Veterans' Loan Program, funded entirely with Other Funds, provides home loans to qualified veterans. Loan origination and servicing functions, as well as the agency's administration costs, are included in the Loan Program budget.

The Statewide Veteran Services Program provides federal Veteran Administration claims and appeals assistance; monitoring of post-secondary institutions through the State Approving Agency function; training and certification of Veteran Service Officers and partnerships with counties and national veterans' service organizations that employ Veteran Service Officers to assist veterans; and grant programs with governmental and non-profit organizations. The Statewide Veteran Services Program is primarily funded through a combination of General Fund, Lottery Funds and Federal Funds.

Aging Veteran Services provides oversight of the contracted operation of the two Oregon Veterans' Homes (skilled-nursing and memory care facilities) in The Dalles and Lebanon; expertise and outreach in aging veterans' benefits and services; veteran volunteer program; and conservatorship and representative payee services. General Fund, Lottery Funds, and Other Funds generated from conservatorship fees support Aging Veteran Services. The operational costs of the Veterans' Homes are funded with Other Funds from resident-related income.

2021-23 Agency Organization Chart



1 New Positions (1.0 FTE)
 HR Analyst 1
 Package 101

Total 2021-23 Agency Positions
 103 Positions
 (102.71 FTE)

Home Loan Program

	2017-19 Legislatively Approved	2019-21 Legislatively Adopted	2019-21 Legislatively Approved	2021-23 Governor's Budget
Other Funds	\$ 16,626,806	\$ 17,268,255	\$ 17,852,499	\$ 18,172,833
Other Funds (NL)	\$ 447,546,159	\$ 408,779,089	\$ 408,779,089	\$ 204,521,026
Total Funds	\$ 464,172,965	\$ 426,047,344	\$ 426,631,588	\$ 222,693,859
Positions	46	47	47	47
FTE	46.00	46.79	46.79	46.79

Note: 2019-21 Legislatively Approved includes actions taken through January 2021 Emergency Board.

Home Loan Program Overview

Wanting to provide a benefit to World War II veterans returning home, Oregon citizens voted in 1945 to create a Veterans' Home Loan program, establishing it in Article XI-A of the Oregon Constitution. Identified as the Home Loan program, this historically self-sufficient program provides low-interest rate mortgages on single-family owner-occupied homes to qualified veterans.

Oregon is one of only five states in the nation that have been grandfathered under federal tax law to offer a state veteran home loan program; the other four states include Alaska, California, Texas, and Wisconsin. The concept behind the veteran home loan programs is that these states want to provide an enhanced housing benefit to their veterans for their past service and sacrifice. Historically, this enhanced housing benefit has generally resulted in significantly lower home loan interest rates than are normally available in the marketplace, which have been achieved through the issuance of tax-free, state general obligation bonds called Qualified Veteran Mortgage Bonds (QVMB). Through this program, veteran borrowers can generally save between \$15,000 to \$50,000 by obtaining a 30-year ODVA Home Loan compared to similar products available in the conventional market. 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. The Home Loan Program also has access to limited amounts of less restrictive bond monies from which it can also make loans to veterans who apply for a loan after 25 years from date of discharge. It is this money that is being used to finance loans made to Oregon's veterans that were made eligible as a result of the passage of Measure 70 in 2010. The program offers financing up to the Fannie Mae limit, currently \$548,250 as of January 1, 2021.

Partnering with private mortgage brokers and lenders across the state in a unique public-private partnership allows veterans anywhere in the state to access this benefit that they have earned. These partnerships allow the Home Loan program access to every community, while minimizing the need for individual field offices throughout the state.

Since 1945, the program has provided more than \$7.9 billion of low-interest loans to more than 335,000 veterans and at one time, ODVA was one of the largest lenders in the state with a

portfolio of more than 140,000 loans. In addition to originating loans, the program currently services all of its loans. The benefit to the veteran of ODVA servicing its own loans, is the enhanced customer service provided to the veterans and their families, as well as the flexibility and ability to restructure loans if the veteran borrower experiences financial hardship.

The 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. In recent years, the fact that the veteran population is shrinking, coupled with the current housing market recession, high unemployment and underemployment, low conventional mortgage rates, and Federal restrictions on the use of QVMB monies for refinancing, has resulted in a significant portfolio reduction in this program. The portfolio as of June 30, 2020 was approximately 1,777 loans totaling more than \$347 million.

The largest cost drivers for the program are bond interest costs, personnel costs and operational services and supplies costs. As of June 30, 2020, ODVA had approximately \$394 million in bond indebtedness, with approximately 18% of the portfolio in variable rate bonds and 82% fixed rate. In the recent low interest rate environment, the variable rate debt has been extremely beneficial to be able to offer a low interest rate on mortgage loan product. Personnel costs include direct loan program staff and support staff. Operational services and supplies costs include expenses related to the program and certain veteran services expenses unaffiliated with the loan program.

Statewide Veteran Services Program

	2017-19 Legislatively Approved	2019-21 Legislatively Adopted	2019-21 Legislatively Approved	2021-23 Governor's Budget
General Funds	\$ 7,550,791	\$ 7,424,337	\$ 7,097,035	\$ 7,323,089
Lottery Funds	\$ 15,400,349	\$ 17,358,524	\$ 16,209,230	\$ 16,887,495
Other Funds	\$ 107,623	\$ 4,164,332	\$ 4,170,709	\$ 137,329
Federal Funds	\$ 1,000,000	\$ 1,525,000	\$ 1,560,975	\$ 1,617,844
Total Funds	\$ 24,058,763	\$ 30,472,193	\$ 29,037,949	\$ 25,965,757
Positions	49	41	41	40
FTE	46.13	40.68	40.68	39.80

Note 1: 2019-21 Legislatively Approved includes actions taken through January 2021 Emergency Board.

Note 2: 2021-23 Governor's Budget includes Debt Service of \$690,010 Lottery Fund related to the YMCA Affordable Housing project.

Statewide Veteran Services Program Overview

The Statewide Veteran Services Program is responsible for providing advocacy and benefits to veterans, their dependents, and survivors. The program provides benefits counseling, claims and appellate representation, certification and training for counties and national service

organizations, monitoring of postsecondary institutions as the State Approving Agency function, emergency financial assistance, and other service delivery partnerships across the state.

The Statewide Veteran Services Program encompasses the following major program areas:

- **Appeals and Claims** - ODVA employs federally accredited and state certified Veteran Service Officers (VSO's), who are subject matter experts in Federal VA law and are allowed to represent veterans who grant the VSO a Powers of Attorney. These VSO's represent veterans, their dependents, and survivors before the Federal VA in their claims and appeals. With its County and Tribal Veteran Service Officer and National Service Officer partners, ODVA provides claims advocacy, certification and representation to approximately 60% of Oregon's 290,000 veterans, resulting in more than 23,000 new claims filed in fiscal years 2019 and 2020.

Veteran claims submitted to the Federal VA by VSO's in Oregon's 36 counties, two tribal offices, and ODVA come under ODVA's Powers of Attorney. ODVA has a Power of Attorney through the USDVA Office of General Counsel that recognizes and allows the agency to assist claimants in the preparation, presentation, and prosecution of claims for VA benefits. This division provides claims quality assurance and liaisons with the Federal VA. This office also represents veterans on county and ODVA claims during various stages of appeals, and handles sensitive claims on a statewide basis.

Cost drivers for the program are based on the demand for services, which is anticipated to continue to increase in the next 20 years as the almost 60,000 Oregonians who have served after 9/11 in the Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn Era seek earned benefits, and as the 100,000 Vietnam era veterans in Oregon retire and begin seeking benefits for the first time in more than 40 years.

- **Training, Certification and Outreach** - ODVA is responsible for the training and certification of all county, tribal, and state veteran service officers. The agency holds initial onsite training for all new veteran service officers, one annual training conference and 10 regional one-day trainings. Additional trainings are also done through online learning webinars. Training is conducted on the latest Federal VA legal, medical and process information.

During fiscal years 2019 and 2020, ODVA trained 39 new Veteran Service Officers on how to file claims and 24 accreditations were awarded by the USDVA. Currently, there are a total of 85 trained and certified Veteran Service Officers across the state, with another 19 individuals in the process of becoming accredited, located in all 36 Oregon counties and two federally recognized tribal sovereign nations.

- **Special Advocacy Programs**
 - **Women Veterans** – House Bill 3479 (2016) created funding and authority to improve outcomes for Oregon women veterans in five specific areas: outreach, advocacy, data, research, and policy. Focused outreach and advocacy were achieved via listening sessions with women veterans around Oregon to increase awareness of women veterans and their unique experiences, issues, and needs as well as to assist in claims filing, especially related to difficult or challenging claims. From 2014 to 2018 the percentage of women veterans receiving disability benefits rose from 16.46% to 23.4% and has continued to climb annually. In fiscal year 2020, approximately 540 Oregon women veterans engaged for the first-time in their state or federal benefits.
 - **LGBTQ Veterans** - The LGBTQ Veteran Program was created by the legislature in 2016. This program offers direct services to veterans in the LGBTQ community to assist with military records corrections and service-connected claims work, especially as it relates to discharges that are related to their sexual orientation or gender identification. The program also assists many from this community with homelessness and housing support, advocacy and empowerment, support groups, and much more. Aggressive outreach into this community is needed in order to inform these veterans, who do not typically self-identify, about veteran benefits and services that they might be eligible for.
 - **Incarcerated Veterans** - The Incarcerated Veterans Program is in its fourth full year of operation and has been highly successful. The goal of this program is to work with veterans entering the state prison system and transitioning to release. Since the program began in August 2016, ODVA personnel in coordination with the Oregon Department of Corrections, have met with over 2,600 individuals transitioning through the state prison system in order to determine veteran status, and provide assistance as needed to veterans and families.
- **State Approving Agency** – In December 2018, ODVA received approval from the Emergency Board to build the foundational capacity necessary for the Federal VA to return the State Approving Authority (SAA) status to Oregon state government. The SAA function is responsible for approving and monitoring postsecondary institutions and training establishments participating in veterans’ education benefits administered by Federal VA to ensure compliance with state and federal laws. Cost drivers for the SAA program will be the number of institutions and training establishments approved by the Federal VA and the related monitoring required by ODVA.
- **Veterans’ Emergency Financial Assistance Program** - Emergency Aid offers a one-time grant to veterans who have emergency needs. As of June 30, 2020, ODVA has assisted approximately 1,886 veterans and their families through this program. This program has a demand for services that exceeds funding. In the first year of the biennium, fiscal

year 2020, ODVA received 120 applications but was only able to fund 34. Cost drivers for the program are determined by the number applications received.

- **County Veteran Service Officers Program** – ODVA’s statewide partnership with counties began when the legislature appropriated money to aid counties in an effort to promote services to veterans on a local level. The County Veteran Service Officers program provides funding to a network of trained county veteran service officers (CVSOs) in all 36 counties who provide veteran VA benefit and claims representation.

CVSO’s are not supervised by ODVA; however, the agency provides training and certification, counsel, and outreach to the CVSO’s. The vast majority of CVSO appeal cases also are handled by the Statewide Veteran Service office in Portland. CVSO’s perform the same function as state VSOs, ensuring veterans have access to benefits across the state.

Cost drivers for the CVSO program are dependent on the number of counties opting to provide veteran benefit services in their county.

- **Tribal Veteran Service Officer Program** – ODVA partners with tribal governments, through a Memorandum of Understanding, to support Tribal Veteran Service Officers (TVSO) who provide direct veteran VA benefit and claims representation through the federally recognized tribes in Oregon. TVSO’s are not supervised by ODVA; however, the agency provides training and certification, counsel, and outreach support to their programs. The vast majority of TVSO appeal cases are handled by the Statewide Veteran Service office in Portland. TVSO’s will pursue accreditation and ensuring veterans and families have access to benefits across their sovereign nation lands.

Cost drivers for the TVSO program are dependent on the number of tribes opting to provide veteran benefit services directly to veterans.

- **National Service Organizations** – ODVA partners with national veteran service organizations (NSO) in Oregon. National veteran service officers provide veteran benefit and claims representation like state and county veteran service officers, however, they do not work under ODVA’s POA. Currently, the American Legion, Disabled American Veterans, Veterans of Foreign Wars, and National Association of Black Veterans participate in this funding.

Cost drivers for the program are determined by the number of organizations opting to provide benefit and claims representation to their member base.

- **Veteran Services Grant Fund** - House Bill 2891 (2017) established the Veteran Services Grant Fund. The purpose of the grant funds is to leverage existing programs and resources available to veterans in local communities. Eligible grant recipients are not-

for-profit organizations, local and tribal governments, and other related entities that provide direct services to veterans in Oregon.

Cost drivers for the program are solely the grant funds directly awarded to organizations through the grant process.

- **Campus Veteran Resources Grant Fund** - Senate Bill 143 (2017) established the Campus Veteran Resource Center Grant Program for campus veteran resource centers and resource coordinators on the campuses of Oregon community colleges and public universities. The purpose of the grant funds is to help veterans successfully transition from military service to college life, succeed in college and complete educational goals, and transition from college to the workforce in the community.

Cost drivers for the program are solely the grant funds directly awarded to organizations through the grant process.

- **Highly Rural Transportation Grant** – In 2013, ODVA applied for and received grant funding from the federal VA to assist with VA-approved medical transportation needs to veterans in Oregon’s highly rural areas. ODVA disburses these funds to existing county transportation networks to pay for veteran transportation to and from VA-approved medical appointments. All 10 qualifying counties, which are defined as less than seven people per square mile, are participating in the grant.

Since the inception of this program, and through March 31, 2020, veterans have utilized transportation provided by this grant to take over 23,700 trips to their medical appointments. Cost drivers for the program are solely the grant funds directly awarded to organizations through the grant process.

- **Rural Veterans Healthcare Transportation Grant** – During the 2019 Legislative session, the Legislature appropriated funding to ODVA to create a transportation grant program for counties that are rural, but do not meet the federal restrictions defining the county as highly rural. ODVA partnered with the Oregon Department of Transportation (ODOT) to administer this supplemental grant funding. Cost drivers for the program are solely the grant funds directly awarded to organizations through the grant process.
- **Veterans Affordable Housing Grant** – During the 2019 Legislative session, the Legislature appropriated funding for a pre-development grant to the YMCA of Marion and Polk Counties to construct veterans affordable housing in Salem. Cost drivers for the program are solely the grant funds allocated to ODVA for this project.
- **Suicide Prevention and Crisis Line** – ODVA was allocated funding to contract with a provider for a suicide prevention and crisis line. ODVA awarded the funds and oversees

the contract that is intended to assist veterans in receiving services that help prevent and assist veterans in crisis. ODVA does not retain funds to administer this program.

Aging Veteran Services Program

	2017-19 Legislatively Approved	2019-21 Legislatively Adopted	2019-21 Legislatively Approved	2021-23 Governor's Budget
General Funds	\$ -	\$ 550,520	\$ 492,924	\$ 561,540
Lottery Funds	\$ -	\$ 3,201,323	\$ 3,063,600	\$ 3,667,936
Total Funds	\$ -	\$ 3,751,843	\$ 3,556,524	\$ 4,229,476
Positions	-	12	12	12
FTE	-	12.00	12.00	12.00

Note: 2019-21 Legislatively Approved includes actions taken through January 2021 Emergency Board.

Aging Veteran Services Program Overview

Aging Veteran Services was established to address the needs and concerns of our rapidly aging veteran demographic and their families. Currently more than 50% of Oregon veterans served during WWII, Korea and Vietnam eras and nationally, more than 12.4 million veterans are age 65 or older.

Long-term care needs for older Americans is a national concern. For the foreseeable future, older veterans and their families increasingly will need access to long-term care, adult foster care, home and community-based services, as well as access to prosthetics, mental health care, health care, dental and hearing aids, and prescription medication.

According to the Oregon Office of Economic Analysis, the population of adults 65 years and older will grow at a pace of 4% annually, and will comprise 22% of all Oregonians by 2040. Aging Veteran Services strengthens collaboration with all state, federal and community partners to ensure our veterans, their families, and caregivers receive the best advocacy and services available as they age.

The Aging Veteran Services Program encompasses the following major program areas:

- Conservatorship and Representative Payee** - ODVA provides conservatorship and representative payee services for veterans and their dependents who are determined to be “protected persons” and who are recipients of U.S. Department of Veterans Affairs’ benefits. Conservatorship services are provided when no other entity or person is willing or able to act as conservator and the agency is appointed as fiduciary. The staff serve as trust officers, file required legal reports, apply for all benefits due the veteran, and counsel with families, hospital personnel, social workers, and protected persons to ensure their needs are met within the resources available. Representative payee services are more limited in scope, with staff paying bills and advocating on behalf of

veterans. As of June 30, 2020, ODVA had 121 Conservatorship clients and 104 Representative Payee clients.

Cost drivers for this program vary, depending on the number of conservatorship and representative payee clients. Although this program charges a fee for services, the rate is much lower than the cost for similar services provided in the private sector and does not completely pay for the administrative costs associated with this highly specialized work.

- ***Veteran Volunteer Program***– This new program was established during the 2017 Regular Session and aimed to create a statewide network of volunteers trained to locate veterans, assist them in recognizing potential earned benefits and services, and connect them to individuals and organizations for additional assistance. This program provides training and oversight on an ongoing basis to volunteers, ensuring that volunteers are supported in assisting veterans regarding their benefits. Lastly, this program will continue to explore and identify additional opportunities to assist veterans.

The program sent out the first “call for volunteers” in January 2019 through a pilot program in Clackamas, Deschutes, and Polk counties. After the initial pilot program was complete, ODVA expanded the program into Marion, Washington, Multnomah, Columbia, and Yamhill counties. To date ODVA has trained 33 active volunteers in these 8 counties. Those volunteers have reported being in contact with more than 1,400 individual veterans regarding veteran benefits and services and making referrals to local County Veteran Service Offices.

- ***Aging Veteran Outreach Program***– This new program works collaboratively with agency partners statewide on behalf of aging veterans to coordinate benefits and services specific to the aging population. Additionally, this position is responsible for providing outreach presentations to educate other agencies and the general public regarding all benefits and assistance programs available to aging veterans. Lastly, this program assists in filing claims on behalf of veterans who are residing in one of ODVA’s Veterans’ Homes and is responsible for filing claims for veterans being served through the conservatorship or rep-payee program.

In prior biennia, Aging Veteran Services was budgeted as part of the Statewide Veteran Services Program. Aging Veteran Services was established as a new program area to reflect the needs of the growing aging veteran population and provide additional transparency in budgeted program expenditures.

Veterans’ Home Program

	2017-19 Legislatively Approved	2019-21 Legislatively Adopted	2019-21 Legislatively Approved	2021-23 Governor's Budget
General Funds	\$ 1,017,323	\$ 378,020	\$ 358,174	\$ 371,660
Other Funds	\$ 83,791,488	\$ 87,090,749	\$ 87,372,435	\$ 96,726,826
Federal Funds	\$ -	\$ -	\$ 1,706,284	\$ -
Total Funds	\$ 84,808,811	\$ 87,468,769	\$ 89,436,893	\$ 97,098,486
Positions	5	5	5	4
FTE	5.00	5.00	5.00	4.00

Note 1: 2019-21 Legislatively Approved includes actions taken through January 2021 Emergency Board.

Note 2: 2021-23 Governor’s Budget includes Debt Service of \$371,660 General Fund related to construction projects at the Oregon Veterans’ Homes.

Veterans’ Home Program Overview

The Oregon Veterans’ Homes provide the state’s veterans and qualified family members access to skilled nursing, rehabilitative care, and endorsed memory care services, in an environment that understands and honors the unique needs of the men and women who served our country. There are two Veterans’ Homes in Oregon, one is located in The Dalles and a second in Lebanon. ODVA provides oversight of the contracted operations of both Oregon Veterans’ Homes. The Oregon Veterans’ Home program is a self-sustaining program offering superior care at a lower cost to veterans and their families.

Care at the Oregon Veteran’s Homes is an “earned benefit” available to veterans, their spouses and parents who had a child die while serving in the United States Armed Forces. To be eligible for this benefit, qualifying veterans must have served as defined by the Federal VA and received an honorable discharge from their branch of service.

Residents receive 24-hour, long-term skilled nursing, Alzheimer’s and other memory-related, and rehabilitative care by a skilled nursing staff whose skills and understanding have been enhanced to meet the unique and special needs of veterans. The Home’s nursing team is complemented by physical, occupational and speech therapists who provide specific physician ordered services to help residents meet their maximum rehabilitative potential. In addition, the facility offers residents engaging daily activities, transportation to and from community outings and doctor’s appointments, customized nutrition based on individual resident needs by a dietitian, high quality meals prepared by the facility’s full-time chef, and an environment that honors and remembers veterans. Most importantly, the Veterans’ Homes enable what most veterans desire – a home where they are understood and among other veterans.

Both Veterans’ Homes have received quality achievement awards from the American Health Care Association and National Center for Assisted Living. In 2014, The Dalles Veterans’ Home was the first Veterans Home in the nation to be awarded the Gold Award for Excellence in

Quality. In 2019, five years after opening, the Lebanon Veterans' Home received the Silver Award for Commitment to Quality.

The Dalles Veterans' Home opened in November 1997 and has a bed capacity of 151 residents. Since the Home has been in operation for over 20 years, ongoing repairs, maintenance, and capital renewal are necessary to keep the facility in good operating condition. Interior renovations were completed in the 2017-19 biennium and exterior upgrades to the facility were completed in 2021. Both the interior and exterior renovation projects were funded in part through federal grants. As of June 30, 2020, The Dalles Veterans' Home had an average annual occupancy rate of 88%.

A second Veteran's Home in Lebanon opened in 2014. The Edward C. Allworth Veterans' Home has capacity for 154 residents. Skilled nursing, including inpatient rehabilitative care, is provided using a small house model, providing a home-like setting with "neighborhoods" that include landscaped courtyards and a community center. As of June 30, 2020, the Lebanon Veterans' Home was at 95% capacity.

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. As of December 31, 2020, the Oregon Veterans Homes had received six separate payments totaling approximately \$2.3 million (Federal Funds).

ODVA maintains the self-sufficient Oregon Veterans' Home program by continually reviewing costs and resident census. It is anticipated that the average annual census at both Homes will decrease in 2021 due to COVID-19. Census is anticipated to begin to rebound in 2022. The most significant cost driver is staffing/personnel costs, which is approximately 70% of the total operating expenses. Minimum nursing staff ratios are mandated by the Oregon Department of Human Services.

Partnerships with Other State Agencies

ODVA partners with multiple agencies in order to provide services to veterans across Oregon. Examples of partnerships include:

- Oregon Department of Transportation (Rural Veteran Healthcare Transportation Grant)
- Oregon Colleges and Universities (Campus Veteran Grant Program)
- Department of Corrections (Incarcerated Veteran Outreach Program)
- Oregon Housing and Community Services (Veteran Homelessness & YMCA Affordable Housing Project)
- Oregon Health Authority (Veteran Behavioral Health)

Additionally, ODVA partners with other entities such as counties (County Veteran Service Officer Program), national service organizations, the Federal VA, and non-profit organizations.

Proposed Legislation

House Bill 2139: Rural Veteran Healthcare Transportation Grant

This proposed legislation will allow ODVA, in partnership with ODOT, to continue to provide free transportation to veterans in rural areas seeking healthcare (including behavioral healthcare) at Veteran's Administration (VA) facilities, VA-authorized community healthcare providers, and other healthcare-related sites, such as pharmacies. The goal of the RVHT program is to overcome transit-based barriers between veterans living in rural areas and the healthcare benefits they have earned.

There is a 2021-23 budget request to renew the funding currently available in order to provide critical medical transportation to veterans in rural areas.

House Bill 2140: Technical Amendments Relating the Home Loan Program

This proposed legislation amends ORS Chapter 407, relating to the agency's home loan program, 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. Inadvertently, the Department's explicit statutory authority to offer certain types of lending products was also removed (e.g. limited loan refinances permitted under federal tax law). HB 2140 would give ODVA explicit statutory authority to offer a number of different loan products.

House Bill 2141: Veterans' Educational Bridge Grant

House Bill 2201 (2019) created the Veterans' Educational Bridge Grant Program to provide grants to individual veterans experiencing a gap in GI Bill benefits due to a course/class not being available. The bill sets the program to sunset on January 2, 2022. HB 2141 seeks to extend the sunset of the program to January 2, 2024. Extending the program will benefit veterans experiencing a stoppage to their educational program due to COVID-19 and allow ODVA to monitor the program post-COVID to evaluate its necessity in a non-emergency period.

There is a 2021-23 budget request to partially renew the funding currently available in order to provide grants to veterans facing financial hardship due to the lack of availability of a course at a post-secondary educational institution.

Budget Reductions

Reductions Included 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.

Reduction Options Requested by Legislative Fiscal Office

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. Submitted budget reduction options included reductions to:

- 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.

Vacant Positions

As of December 31, 2020, ODVA had a total of 21 vacant positions. Of those vacant positions:

- 1 position is in the final stages of the recruitment process;
- 5 positions are set for recruitment this spring;
- 3 positions are funding either limited duration or contract employees; and
- 4 positions are being held open for required vacancy savings, or abolished due to pending reclassification requests.

Of the remaining eight positions, which are primarily funded through Other Funds (Loan Program), one is being held open to pay for future personnel reclassification actions, and timing to recruit for the remaining seven are being evaluated based on state and program economic and operational factors.

Pandemic/Coronavirus Relief Fund Issues

Health and Safety

The most critical issue related to the COVID-19 pandemic for ODVA is the health and safety of residents of the two state veterans' homes that ODVA owns and operates under a contracted partnership with Veterans Care Centers of Oregon. The most vulnerable veteran populations served by ODVA include residents at the Oregon Veterans Homes and clients within the Conservatorship program. Both the residents and clients depend on ODVA, or its contracted partners, to provide medical and financial assistance on a daily basis.

Between March 2020 and January 25, 2021, the two Veterans Homes experienced a total of 33 total COVID-19 cases among their resident populations. Of those, 22 residents medically

recovered from COVID-19. COVID-19 was identified as a contributing cause in the passing of the other 11 residents.

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). The reduced census levels have resulted in lower revenues for the Veterans Homes. Costs for the Veterans Homes have remained consistent with higher census levels due to the level of staffing needed to care for residents and other infection prevention measures. 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. Increasing resident census levels, while ensuring safety of all residents, is a priority moving into the next biennium. Specific information on CARES Act Provider Relief Funding that the agency has received is included in the “Changes to Budget” section below.

Additionally, as of December 31, 2020, ODVA had received approximately \$362,000 in Coronavirus Relief Funds (CRF). The CRF monies have been used to reimburse certain ODVA personnel and services and supplies costs associated with COVID-related activities. ODVA anticipates limited effect/impact related to the Coronavirus Relief Fund in the 2021-23 biennium.

Governor’s Budget - Hyperlink

The 2021-23 Governor’s Budget for ODVA is available at:

<https://www.oregon.gov/odva/Connect/Pages/Reports.aspx#Budget>

Secretary of State Audits

The Secretary of State Audits Division did not conduct any audits under ORS 297.070 (Performance Audits) of ODVA during the current biennium.

Changes to Budget

Recent changes to ODVA’s budget include the following:

- Legislative 2nd Special Session (August 2020):
 - Budget Reductions from the 2nd Legislative Special Session (August 2020):

<u>Description of Reduction</u>	General Fund Reduction	Lottery Fund Reduction	Total General and Lottery Fund Reduction
Reduction to Veteran Services Grant Fund from \$1,070,900 to \$570,900 (45% reduction).		\$ (500,000)	\$ (500,000)
Reduction to Campus Veteran Grant Fund from \$1,000,000 to \$900,000 (10% reduction).		\$ (100,000)	\$ (100,000)
Eliminated funding to purchase/implement Conservatorship system in current biennium.		\$ (400,000)	\$ (400,000)
Reduction to County Veteran Service Officer pass-through (5% reduction of Lottery Fund pass-through; or 4% reduction of total combined Lottery Fund and General Fund pass-through).		\$ (358,325)	\$ (358,325)
Reduction to National Service Organization pass-through (5% reduction of Lottery Fund pass-through; or 4% reduction of total combined Lottery Fund and General Fund pass-through).		\$ (23,868)	\$ (23,868)
Reduction to Tribal Pass-through dollars (50% reduction). Amount reduced was not anticipated to be expended, due to limited number of tribes currently participating in program.		\$ (100,000)	\$ (100,000)
Reduction to Services and Supplies in Statewide Veteran Services and Aging Veteran Services. Reductions impacted Appeals & Claims, Outreach, Training & Certification, Conservatorship and the Veteran Volunteer programs.	\$ (157,723)	\$ (177,000)	\$ (334,723)
Reduction to Personal Services, including vacancy savings and holding two positions open for biennium. Positions include an Executive Support Spec. 2 (GF) and an Admin. Spec 2 (LF). Impacts ability to support programs. Additionally, one of the positions was planned to be included in a Permanent Finance Plan with another position to create a Homeless Veteran Coordinator position.	\$ (480,131)	\$ (113,147)	\$ (593,278)
Total Reductions	\$ (637,854)	\$ (1,772,340)	\$ (2,410,194)

- Other Budget Adjustments from the 2nd Legislative Special Session (August 2020):

<u>Description of Adjustments</u>	General Fund	Lottery Fund	Federal Fund	Other Fund	Total Adjustments
Establish Federal Funds limitation for CARES Act Provider Relief Fund payments to the Oregon Veterans' Homes.			\$ 1,706,284		\$ 1,706,284
Technical Adjustment - limitation for balance of committed Lottery Funds carried over from 2017-19 biennium.		\$ 213,860			\$ 213,860
Debt Service Adjustment	\$ (19,846)			\$ 20,000	\$ 154
Total Adjustments	\$ (19,846)	\$ 213,860	\$ 1,706,284	\$ 20,000	\$ 1,920,298

- Emergency Board Actions
 - December 2020 Emergency Board: Employee Compensation and Pension Obligation Bonds
 - \$252,956 (General Fund)
 - \$271,463 (Lottery Fund)
 - \$552,307 (Other Fund)
 - \$ 35,975 (Federal Fund)
 - January 2021 Emergency Board: Coronavirus Relief Funds
 - \$300,000 (Other Fund)

- Receipt of Provider Relief Funds (Federal Funds) for the Oregon Veterans Homes:

As of December 31, 2020, the Oregon Veterans Homes had received six separate payments totaling approximately \$2.3 million from the CARES Act Provider Relief Fund (Federal Funds).

These payments were provided by the US Health and Human Services Department to prevent, prepare for, and respond to the coronavirus and could be used for healthcare related expenses, reimbursement of lost revenues attributable to the coronavirus and costs associated with “infection control expenses (such as administering COVID-19 testing, reporting test results, hiring of staff for patient care or administrative support, expenses to improve infection control; and providing additional services to residents).

ODVA is looking forward to presenting its 2021-23 Governor’s Budget to the Subcommittee in the near future. Please let us know if you have any questions, or need additional information.

Sincerely,



Kelly Fitzpatrick
Director

Attachments:

1. Supervisory Span of Control Report
2. Summary of Proposed Technology and Capital Construction Projects
3. Program Prioritization for 2021-23 (Form 107BF23)
4. Other Funds Ending Balance Form
5. Annual Key Performance Measure Report (2020)



PROPOSED SUPERVISORY SPAN OF CONTROL REPORT

In accordance with the requirements of ORS 291.227, **Oregon Department of Veterans' Affairs (ODVA)** presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2021-2023 biennium.

Supervisory Ratio for the last quarter of 2019-2021 biennium

The agency actual supervisory ratio as of 9/30/2020 is not included (as 2021-23 will be the first reporting period for ODVA).
 (Date) (Enter ratio from last Published DAS CHRO Supervisory Ratio)

The Agency actual supervisory ratio is calculated using the following calculation;

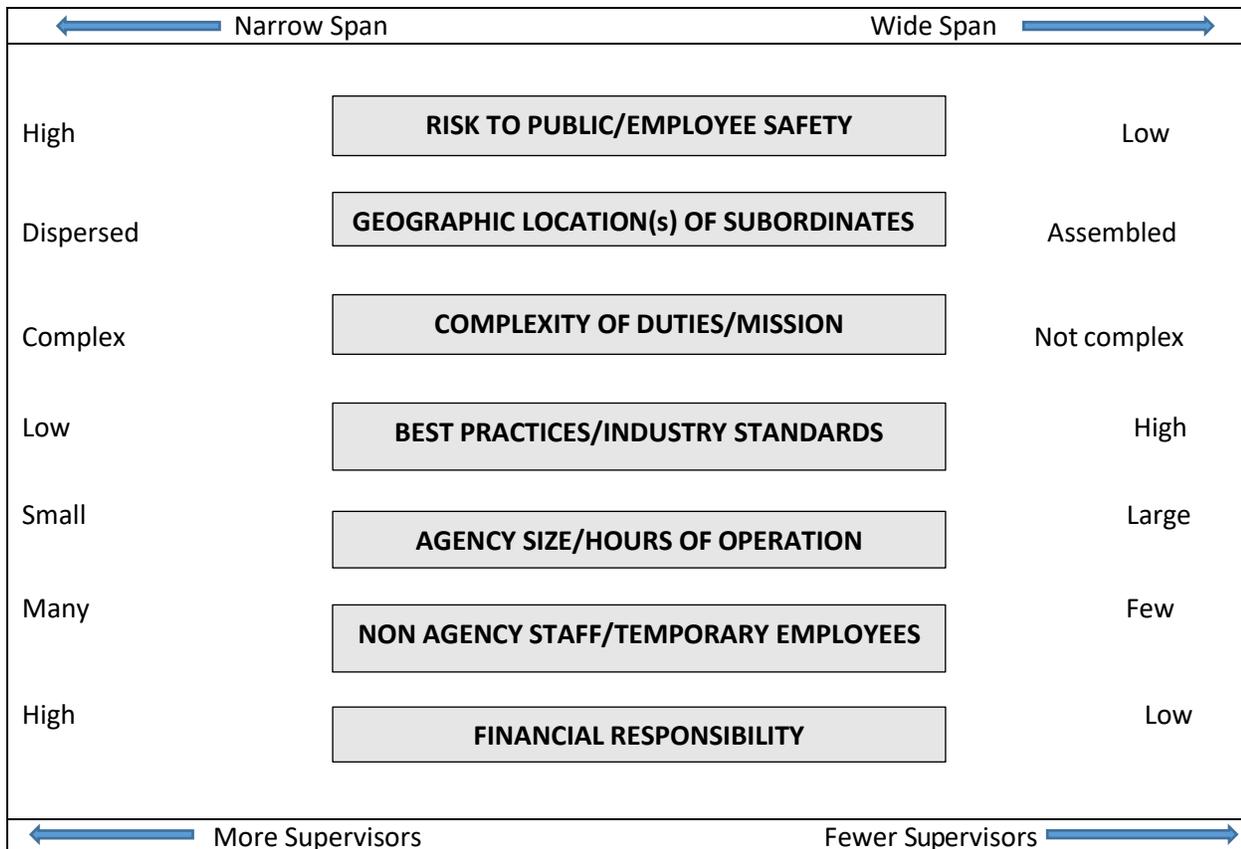
$$\frac{16}{\text{(Total supervisors)}} = \frac{16}{\text{(Employee in a supervisory role)}} + \frac{1}{\text{(Vacancies that if filled would perform a supervisory role)}} - \frac{1}{\text{(Agency head)}}$$

$$\frac{89}{\text{(Total non-supervisors)}} = \frac{70}{\text{(Employee in a non-supervisory role)}} + \frac{19}{\text{(Vacancies that if filled would perform a non-supervisory role)}}$$

The agency has a current actual supervisory ratio of-

$$1: \frac{5.56}{\text{(Actual span of control)}} = \frac{89}{\text{(Total non - Supervisors)}} / \frac{16}{\text{(Total Supervisors)}}$$

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:11, and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency.



Ratio Adjustment Factors

Is safety of the public or of State employees a factor to be considered in determining the agency maximum supervisory ratio?

Yes

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

ODVA has two primary programs that have an impact on the safety of the public and one program that has an impact on the safety of employees.

Safety of Public:

- The Conservatorship and Representative Payee programs assist veterans in managing their financial affairs. As conservator, ODVA staff manages all income and assets for the veteran. Representative Payees act in a more limited capacity to pay bills and provide additional resources. If ODVA were unable to provide these services, veterans may not have money to buy food, have transportation, and risk homelessness. Combined, these two programs serve over 250 veterans. These two programs have 8 employees, including 1 manager.
- The Oregon Veterans' Homes are two skilled-nursing facilities located in The Dalles and Lebanon, that provide 24-hour skilled-nursing and memory-care services to some of Oregon's most vulnerable veterans. ODVA contracts with a non-profit organization to provide direct services to veterans, but is responsible for contractor oversight at each facility. This oversight consists of support from multiple program areas of ODVA as well as facilities, financial services, communications, central services. ODVA has a total of 3 employees for this program, including 1 manager.

Safety of Employees:

- ODVA owns and maintains the Veterans Building in Salem and the Veterans' Homes in The Dalles and Lebanon. Located in the Salem building is the majority of the ODVA employees, along with two tenant agencies. ODVA is responsible for all ongoing maintenance, along with the safety and security of all staff and tenants, in the Salem building. Additionally, the Facilities team works with the contractors at the Veterans Homes, performing physical plant inspections, oversight of maintenance contractors, and leads efforts in major projects at the Homes (additions, renovations, new construction, etc.). ODVA has a Facilities team of 8 employees, including 1 manager.

The potential impact to the safety of the public, ODVA employees, and tenant agency staff should be a consideration for a narrower span of control.

Is geographical location of the agency's employees a factor to be considered in determining the agency maximum supervisory ratio? **Yes**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

ODVA's four separate geographic locations should be a consideration for a narrower span of control:

- Salem Office
- Portland Office
- The Dalles Veterans Home
- Lebanon Veterans Home

In addition, ODVA provides outreach services to veterans across the State of Oregon. Veteran Service Officers and Coordinators often travel throughout the state providing awareness and connecting veterans to services offered through ODVA and partners.

Is the complexity of the agency's duties a factor to be considered in determining the agency maximum supervisory ratio? **Yes**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

ODVA's complexity is in the diversity of programs and services provided to veterans. Major program areas include:

- Veterans Loan Program. Responsible for origination of home loans to veterans and servicing of mortgages through the life of the loan.
- Veterans Home Program. Responsible for skilled-nursing and memory-care for veterans in skilled-nursing facilities.
- Conservatorship and Representative Payee Programs. Responsible for management of veterans' financial affairs.
- Volunteer Program. Responsible for coordination of volunteer efforts to provide outreach to veterans.
- Special Advocacy Programs. Responsible for outreach to traditionally underserved veteran communities, such as women veterans, tribal veterans, LGBTQ veterans, incarcerated veterans, and aging veterans.
- Training and Certification. Responsible for the training and certification of Veteran Service Officers (VSOs) across the State, including representation in all 36 counties, tribal veteran representatives, and ODVA employees who represent veterans.
- Appeals and Claims. Responsible for filing appeals and claims to the federal government on behalf of veterans. Includes quality assurance function for all claims filed by County Veteran Service Officers.
- Veterans Educational Program. Responsible for educational programs that provide services to veterans, including the State Approving Agency function, Campus Veteran Coordinator, grants to universities and community colleges, and the Veteran Educational Bridge Grant program.
- Core functions, including finance/accounting, human resources, facilities, reception, information technology and records management, public information, internal audit, and inter-governmental relations.

ODVA's complexity and diversity of duties should be a consideration for a narrower span of control.

Are there industry best practices and standards that should be a factor when determining the agency maximum supervisory ratio? **No**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-
N/A.

Is size and hours of operation of the agency a factor to be considered in determining the agency maximum supervisory ratio?
Yes

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

ODVA is a relatively small organization, with 103 budgeted employees (2019-21 biennium). However, as identified in the complexity of duties section above, the programs and services provided to veterans is diverse. Each of these programs require specific expertise, creating the need for supervisors with similar expertise. Some examples of these programs include:

- Veterans Educational Program. 5 employees, 1 supervisor.
- Human Resources. 3 employees, including 1 supervisor (Human Resources Manager).
- Financial Services. 10 employees, including 2 supervisors (Chief Financial Officer and Controller).
- Information Technology. 8 employees, including 1 supervisor (Information Technology Manager).
- Public Information and Records Management. 6 employees, 1 supervisor.

Reporting on Span of Control for the 2021-23 biennium will be the first time for ODVA, as agency FTE levels in prior biennia did not exceed 100 FTE. It is possible that ODVA may not exceed the 100 FTE level in 2021-23 or future biennia, due to administrative and legislative actions on positions.

ODVA's hours of operations are generally Monday-Friday, 8 am – 5 pm. However, the Oregon Veterans Homes are open 24 hours a day, 7 days a week, providing skilled-nursing care to residents.

ODVA's agency size and hours of operations should be a consideration for a narrower span of control.

Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency maximum supervisory ratio? **Yes**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

ODVA has unique personnel needs, including the following:

- County Veteran Service Officers (CVSOs). CVSOs are either county employees or contracted employees of the county, but ODVA is responsible to provide certification and annual training in order for CVSOs to file claims on behalf of Oregon's veterans. There are approximately 85 CVSOs in Oregon. ODVA provides intensive initial training, ongoing support, testing and accreditation for CVSOs. Additionally, as part of the quality assurance function, ODVA reviews veteran claim files submitted by CVSOs prior to submission to the federal VA.
- Veteran Volunteer Program. The Veteran Volunteer Program was created in the 2017-19 biennium and is intended to be a statewide program that utilizes volunteers to identify at risk aging veterans and refers them to programs and services that can be of assistance. The program is currently operational in 8 counties with 33 active volunteers. ODVA has received inquiries from an additional 230 individuals covering 29 of the 36 Oregon counties.
- Veterans Home Program. ODVA contracts with a non-profit for the direct operations of the Veterans' Homes. The two Homes have approx. 350 employees, which include nurses (RNs), certified nursing assistants (CNAs), other medical personnel, recreation, housekeeping, kitchen, maintenance, and support staff.

ODVA's coordination, training, and varying level of oversight needed for these groups of additional individuals should be a consideration for a narrower span of control.

Is the financial scope and responsibility of the agency a factor to be considered in determining the agency maximum supervisory ratio? **Yes**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

ODVA has significant financial scope and responsibility. The Financial Services Division is responsible for accounting, receivables/payables, financial reporting, receipt of monies (primarily monthly Home Loan Program borrower mortgage payments and Conservatorship client income), budget, payroll, and bond financing.

Some complexities of these responsibilities include:

- Home Loan Program. Since inception, ODVA has lent \$7.9 billion of low-interest loans to more than 335,000 veterans. Over the past four fiscal years, ODVA has averaged nearly \$70 million in new home loans to veterans. In order to fund the loans, ODVA must access the capital markets (i.e., bond financing), which requires coordination with bond underwriters, bond and tax counsels, financial advisors, Oregon State Treasury, Department of Justice and Department of Administrative Services. After issuance of bonds, ODVA is required to perform post-issuance activities to remain in compliance with IRS regulations for tax-exempt debt.
- Size of Budget. For the 2019-21 Legislatively Adopted Budget, ODVA had a total budget of nearly \$550 million (including nonlimited and debt service).
- Funding Sources. ODVA manages multiple funding sources for multiple programs including: dedicated Measure 96 lottery funds, general funds, other funds (Veterans Loan Program and Veterans Home Program), and federal funds. Veterans Loan Program and Veterans Home Program are self-sufficient programs, which require active management to ensure that programs and services are available for future generations of veterans.

ODVA's financial complexity, diversity of financial management for programs and size of budget should be a consideration for a narrower span of control.

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1: 5.

Unions Requiring Notification: SEIU

Date unions notified: 12.23.2020

Submitted by: _____

Date: _____

Signature Line  _____

Date: 1/12/2021

Signature Line _____

Date: _____

Signature Line _____

Date: _____

Signature Line _____

Date: _____

Oregon Department of Veterans' Affairs
Summary of Proposed Technology & Capital Construction Projects
Governor's Budget: 2021-23 Biennium

Technology Project #1:

Conservatorship Technology Modernization

The purpose of this funding request is to continue efforts to improve the Conservatorship and Representative Payee Program services for veterans by replacing outdated technology that manages the approximately \$30 million in client assets and create efficiencies to program delivery service models.

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)
<u>\$250,000</u>	Lottery Funds	Professional Services (Capital Outlay)
\$750,000	Lottery Funds	TOTAL

Requested amount is included in Policy Option Package 101.

Technology Project #2:

Home Loan Servicing Modernization

The purpose of this funding request is to continue to invest in modernizing the Home Loan Program information systems that ensure delivery of one of the agency's core benefits to veterans in Oregon, improve agency performance, and to mitigate risks associated with aging technologies.

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)
<u>\$100,000</u>	Other Funds (Loan Program)	Professional Services (Capital Outlay)
\$400,000	Other Funds (Loan Program)	TOTAL

Requested amount is included in Policy Option Package 101.

Capital Construction Projects: None

PROGRAM PRIORITIZATION FOR 2021-23

Oregon Department of Veterans' Affairs																			Agency Number: 27400						
Agency-Wide																									
Agency-Wide Priorities for 2021-23 Biennium																									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22				
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request					
Agcy	Prgm/ Div																								
1	1	ODVA	C&A	Statewide Veteran Services	KPM#3, KPM#4	12	5,858,195	6,197,732	137,682		574,844	\$ 12,768,453	41	40.92	N	Y		Oregon Constitution Article XI-A, ORS 406		See PKG 101 Human Resources Position					
2	2	ODVA	AP	Aid Programs Pass-Through to Counties, Tribes and National Service Orgs.	KPM#3, KPM#4	12	2,082,693	8,181,149				\$ 10,263,842	0	0.00	N	Y		Oregon Constitution Article XI-A, ORS 406							
3	1	ODVA	LS	Loan Services	KPM#1a, KPM#1b	6			4,343,513			\$ 4,343,513	12	12.00	N	Y	C	Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.	See PKG 101 IT Modernization and Reduction of Loan Program Subsidy					
3	1	ODVA	NL	Non Limited Loan Services		6				153,025,000		\$ 153,025,000			N	N	C	Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.						
5	1	ODVA	VHTD	Veterans Home-The Dalles	KPM#2a, KPM#2b	10			42,859,410			\$ 42,859,410	3	3.00	N	Y	FO	ORS 408.365; CFR Title 38, Part 59	CFR Title 38, Part 59.110 requires a minimum 20 year participation from the closing date of the construction grant. Failure to operate the facility for the required 20 years results in recapture of the grant monies.						
5	1	ODVA	VHL	Veterans Home-Lebanon	KPM#2a, KPM#2b	10			53,909,214			\$ 53,909,214	1	1.00	N	Y	FO	ORS 408.365; CFR Title 38, Part 59	CFR Title 38, Part 59.110 requires a minimum 20 year participation from the closing date of the construction grant. Failure to operate the facility for the required 20 years results in recapture of the grant monies.						
7	1	ODVA	CS	Conservatorship	KPM#3, KPM#4	12	600,495	3,068,500				\$ 3,668,995	10	10.00	N	Y		Oregon Constitution Article XI-A, ORS 406		See PKG 101 IT Modernization					
8	3	ODVA	PT	Service Delivery Partnerships		12		2,374,371		1,043,000		\$ 3,417,371	0	0.00	N	Y		Oregon Constitution Article XI-A, ORS 406		See PKG 102 Mobilize Partnerships (Grant Programs)					
9	2	ODVA	VV	Veteran Volunteer Program		12		335,621				\$ 335,621	1	1.00	N	Y		Oregon Constitution Article XI-A, ORS 406							
10	3	ODVA	OP	Aging Veteran Outreach Program		12		334,757				\$ 334,757	1	1.00	N	Y		Oregon Constitution Article XI-A, ORS 406							
11	4	ODVA	EA	Aid Programs Agency Administered	KPM#3, KPM#4	12	112,270					\$ 112,270	0	0.00	N	Y		Oregon Constitution Article XI-A, ORS 406							

	ODVA	DS	Debt Service-Loan Program		6			136,662,331										Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.
	ODVA	DS	Debt Service-Lebanon	KPM#2a, KPM#2b	6	184,990												ORS 408.365; CFR Title 38, Part 59	CFR Title 38, Part 59.110 requires a minimum 20 year participation from the closing date of the construction grant. Failure to operate the facility for the required 20 years results in recapture of the grant monies.
	ODVA	DS	Debt Service-The Dalles	KPM#2a, KPM#2b	6	186,670												ORS 408.365; CFR Title 38, Part 59	CFR Title 38, Part 59.110 requires a minimum 20 year participation from the closing date of the construction grant. Failure to operate the facility for the required 20 years results in recapture of the grant monies.
	ODVA	DS	Debt Service-Affordable Housing (YMCA)		12		690,010											ORS 408.365; CFR Title 38, Part 59	CFR Title 38, Part 59.110 requires a minimum 20 year participation from the closing date of the construction grant. Failure to operate the facility for the required 20 years results in recapture of the grant monies.
	ODVA	DO	Administration & Other Support Services	KPM#1a, KPM#1b	6			5,712,245			17	16.79						Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.
	ODVA	FS	Financial Services	KPM#1a, KPM#1b	6			4,518,862			10	10.00						Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.
	ODVA	SS	Facilities Services	KPM#1a, KPM#1b	6			3,928,800			8	8.00						Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.
						9,025,313	21,182,140	115,409,726	289,687,331	1,617,844	-								

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

Prioritize each program activity for the Agency as a whole

Document criteria used to prioritize activities:

- Direct benefits/services provided to veterans, their dependents and survivors.
- Number of veterans, their dependents and survivors served.
- Type and impact of benefits received (financial, medical, educational, etc.).
- Impact on Oregon's citizens and ODVA's public stewardship responsibilities.
- Impact on the credit rating of the State of Oregon.
- Implementation of Oregon constitutional and statutory authority/intent.
- Economic impact of services/funding provided and the inherent multiplier effect that occurs throughout Oregon's communities.
- Impact on state general fund resources.
- Required administrative and infrastructure related services.

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

PROGRAM PRIORITIZATION FOR 2021-23

Oregon Department of Veterans' Affairs																								
2021-23 Biennium																			Agency Number: 27400					
Loan Program																								
Program/Division Priorities for 2019-21 Biennium																								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22			
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request				
Agcy	Prgm/ Div																							
3	1	ODVA	LS	Loan Services	KPM#1a, KPM#1b	6		4,343,513				\$ 4,343,513	12	12.00	N	Y	C	Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.	See PKG 101 IT Modernization and Reduction of Loan Program Subsidy				
		ODVA	DO	Administration & Other Support Services	KPM#1a, KPM#1b	6		5,712,245				\$ 5,712,245	17	16.79	N	Y	C	Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.					
		ODVA	FS	Financial Services	KPM#1a, KPM#1b	6		4,518,862				\$ 4,518,862	10	10.00	N	Y	C	Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.					
		ODVA	SS	Facilities Services	KPM#1a, KPM#1b	6		3,928,800				\$ 3,928,800	8	8.00	N	Y	C	Oregon Constitution Article XI-A, ORS 407	Veteran Loan Program funds are Constitutionally restricted and are subject to federal tax law and bond covenants.					
								18,503,420				\$ 18,503,420	47	46.79										

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

- Direct benefits/services provided to veterans, their dependents and survivors.
- Number of veterans, their dependents and survivors served.
- Type and impact of benefits received (financial, medical, educational, etc.).
- Impact on Oregon's citizens and ODVA's public stewardship responsibilities.
- Impact on the credit rating of the State of Oregon.
- Implementation of Oregon constitutional and statutory authority/intent.
- Economic impact of services/funding provided and the inherent multiplier effect that occurs throughout Oregon's communities.
- Impact on state general fund resources.

· Required administrative and infrastructure related services.

The Loan Program figures shown above include all of the Department's business infrastructure and support costs such as accounting, information services, central office facility expenses, administrative rulemaking, etc.

PROGRAM PRIORITIZATION FOR 2021-23

Oregon Department of Veterans' Affairs																						
2021-23 Biennium																			Agency Number: 27400			
Veteran Services																						
Program/Division Priorities for 2021-23 Biennium																						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request		
Agcy	Prgm/Div																					
1	1	ODVA	C&A	Statewide Veteran Services	KPM#3, KPM#4	12	5,858,195	6,197,732	137,682		574,844	\$ 12,768,453	41	40.92	N	Y		Oregon Constitution Article XI-A, ORS 406		See PKG 101 Human Resources Position		
2	2	ODVA	AP	Aid Programs Pass-Through to Counties and National Service Orgs.	KPM#3, KPM#4	12	2,082,693	8,181,149				\$ 10,263,842	0	0.00	N	Y		Oregon Constitution Article XI-A, ORS 406				
8	3	ODVA	PT	Service Delivery Partnerships		12		2,374,371			1,043,000	\$ 3,417,371	0	0.00	N	Y		Oregon Constitution Article XI-A, ORS 406		See PKG 102 Mobilize Partnerships (Grant Programs)		
11	4	ODVA	EA	Aid Programs Agency Administered	KPM#3, KPM#4	12	112,270					\$ 112,270	0	0.00	N	Y		Oregon Constitution Article XI-A, ORS 406				
		ODVA	DS	Debt Service-Affordable Housing (YMCA)		12		690,010				\$ 690,010	0	0.00	Y	N	D					
												\$ -										
												\$ -										
							8,053,158	17,443,262	137,682	-	1,617,844	-	\$ 27,251,946	41	40.92							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

- Direct benefits/services provided to veterans, their dependents and survivors.
- Number of veterans, their dependents and survivors served.
- Type and impact of benefits received (financial, medical, educational, etc.).
- Impact on Oregon's citizens and ODVA's public stewardship responsibilities.
- Impact on the credit rating of the State of Oregon.
- Implementation of Oregon constitutional and statutory authority/intent.
- Economic impact of services/funding provided and the inherent multiplier effect that occurs throughout Oregon's communities.
- Impact on state general fund resources.
- Required administrative and infrastructure related services.

The figures shown above do not include all of the Division's share of the infrastructure and support costs such as accounting, information services, central office facility costs, administrative rulemaking, etc. These costs are included in the Loan Program's figures.

PROGRAM PRIORITIZATION FOR 2021-23

Oregon Department of Veterans' Affairs																					
2021-23 Biennium																			Agency Number: 27400		
Veterans' Homes																					
Program/Division Priorities for 2021-23 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/Div																				
5	1	ODVA	VHTD	Veterans Home-The Dalles	KPM#2a, KPM#2b	10		42,859,410				\$ 42,859,410	3	3.00	N	Y	FO	ORS 408.365; CFR Title 38, Part 59	CFR Title 38, Part 59.110 requires a minimum 20 year participation from the closing date of the construction grant. Failure to operate the facility for the required 20 years results in recapture of the grant monies.	See PKG 101 Invigorate Core Operations (Higher Expenditure Limitation)	
5	1	ODVA	VHL	Veterans Home-Lebanon	KPM#2a, KPM#2b	10		53,909,214				\$ 53,909,214	1	1.00	N	Y	FO	ORS 408.365; CFR Title 38, Part 59	CFR Title 38, Part 59.110 requires a minimum 20 year participation from the closing date of the construction grant. Failure to operate the facility for the required 20 years results in recapture of the grant monies.	See PKG 101 Invigorate Core Operations (Higher Expenditure Limitation)	
		ODVA	DS	Debt Service-Lebanon	KPM#2a, KPM#2b	6	184,990					\$ 184,990	0	0.00	N	N	D	ORS 408.365; CFR Title 38, Part 59	CFR Title 38, Part 59.110 requires a minimum 20 year participation from the closing date of the construction grant. Failure to operate the facility for the required 20 years results in recapture of the grant monies.		
		ODVA	DS	Debt Service-The Dalles	KPM#2a, KPM#2b	6	186,670					\$ 186,670	0	0.00	N	N	D	ORS 408.365; CFR Title 38, Part 59	CFR Title 38, Part 59.110 requires a minimum 20 year participation from the closing date of the construction grant. Failure to operate the facility for the required 20 years results in recapture of the grant monies.		
							371,660	-	96,768,624	-	-	\$ 97,140,284	4	4.00							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

- Direct benefits/services provided to veterans, their dependents and survivors.
- Number of veterans, their dependents and survivors served.
- Type and impact of benefits received (financial, medical, educational, etc.).
- Impact on Oregon's citizens and ODVA's public stewardship responsibilities.
- Impact on the credit rating of the State of Oregon.
- Implementation of Oregon constitutional and statutory authority/intent.
- Economic impact of services/funding provided and the inherent multiplier effect that occurs throughout Oregon's communities.
- Impact on state general fund resources.
- Required administrative and infrastructure related services.

PROGRAM PRIORITIZATION FOR 2021-23

Oregon Department of Veterans' Affairs																					
2021-23 Biennium																			Agency Number: 27400		
Aging Veteran Services																					
Program/Division Priorities for 2021-23 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/Div																				
7	1	ODVA	CS	Conservatorship	KPM#3, KPM#4	12	600,495	3,068,500				\$ 3,668,995	10	10.00	N	Y		Oregon Constitution Article XI-A, ORS 406		See PKG 101 IT Modernization	
9	2	ODVA	VV	Veteran Volunteer Program		12		335,621				\$ 335,621	1	1.00	N	Y		Oregon Constitution Article XI-A, ORS 406			
10	3	ODVA	OP	Aging Veteran Outreach Program		12		334,757				\$ 334,757	1	1.00	N	Y		Oregon Constitution Article XI-A, ORS 406			
												\$ -									
												\$ -									
							600,495	3,738,878	-	-	-	\$ 4,339,373	12	12.00							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

- Direct benefits/services provided to veterans, their dependents and survivors.
- Number of veterans, their dependents and survivors served.
- Type and impact of benefits received (financial, medical, educational, etc.).
- Impact on Oregon's citizens and ODVA's public stewardship responsibilities.
- Impact on the credit rating of the State of Oregon.
- Implementation of Oregon constitutional and statutory authority/intent.
- Economic impact of services/funding provided and the inherent multiplier effect that occurs throughout Oregon's communities.
- Impact on state general fund resources.
- Required administrative and infrastructure related services.

The figures shown above do not include all of the Division's share of the infrastructure and support costs such as accounting, information services, central office facility costs, administrative rulemaking, etc. These costs are included in the Loan Program's figures.

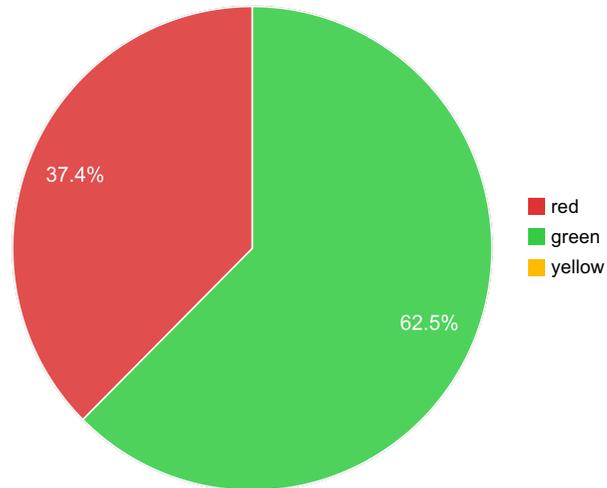
Veterans' Affairs, Department of

Annual Performance Progress Report

Reporting Year 2020

Published: 9/17/2020 8:01:51 AM

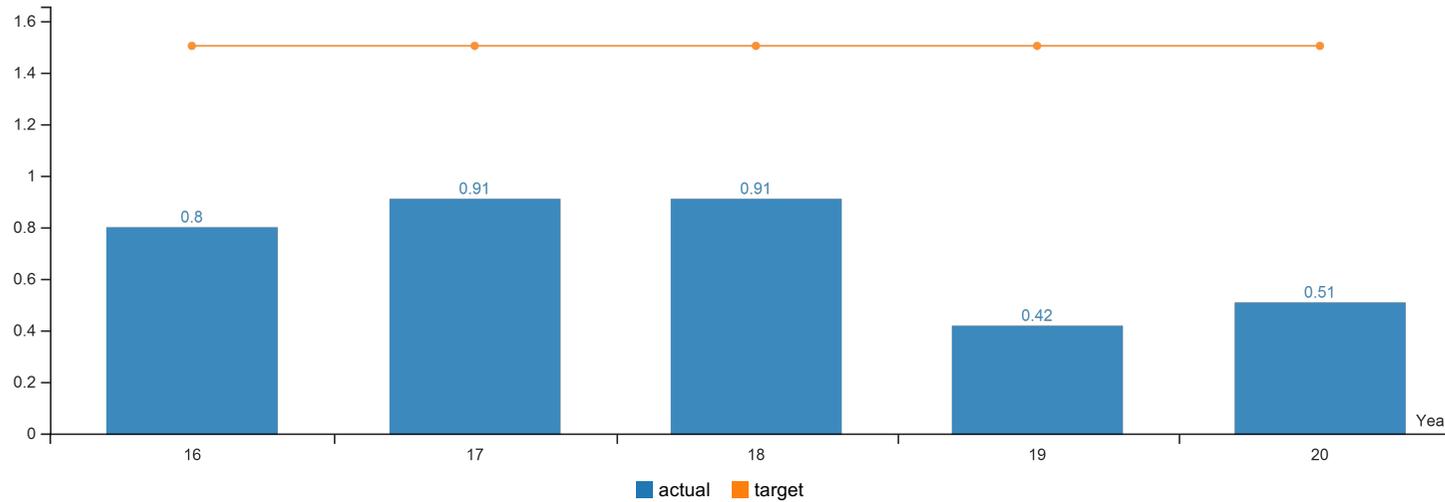
KPM #	Approved Key Performance Measures (KPMs)
1	a. Loan Program - Delinquent Accounts - Percentage of Oregon Department of Veterans Affairs home loan accounts that are delinquent.
1	b. Loan Program - Loan Origination. Increase the loan origination volume to \$60 million or more in new loans per year.
2	a. Oregon Veterans Homes - Maintain an occupancy rate of at least 80% for licensed beds in both Veteran Homes.
2	b. Oregon Veterans Homes - Maintain below-market veteran private pay rates.
3	Veteran Services - Disability Compensation and Pension Benefits - Amount of average U.S. Department of Veterans Affairs (federal VA) disability and pension compensation received per Oregon Veteran who receives these benefits.
4	Veteran Services - Power of Attorney (POA) - Number of powers of attorney granted by veterans to veteran service officers and the Department.
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.
6	Best Practices - Percent of total applicable best practices met by the Board.
7	Reducing Veteran Homelessness - Percentage of veteran homeless households who exited into permanent housing and retained that housing for six months or longer.



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	62.50%	0%	37.50%

KPM #1	a. Loan Program - Delinquent Accounts - Percentage of Oregon Department of Veterans' Affairs home loan accounts that are delinquent.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = negative result



Report Year	2016	2017	2018	2019	2020
Percentage of Oregon Department of Veterans' Affairs home loan accounts that are delinquent					
Actual	0.80%	0.91%	0.91%	0.42%	0.51%
Target	1.50%	1.50%	1.50%	1.50%	1.50%

How Are We Doing

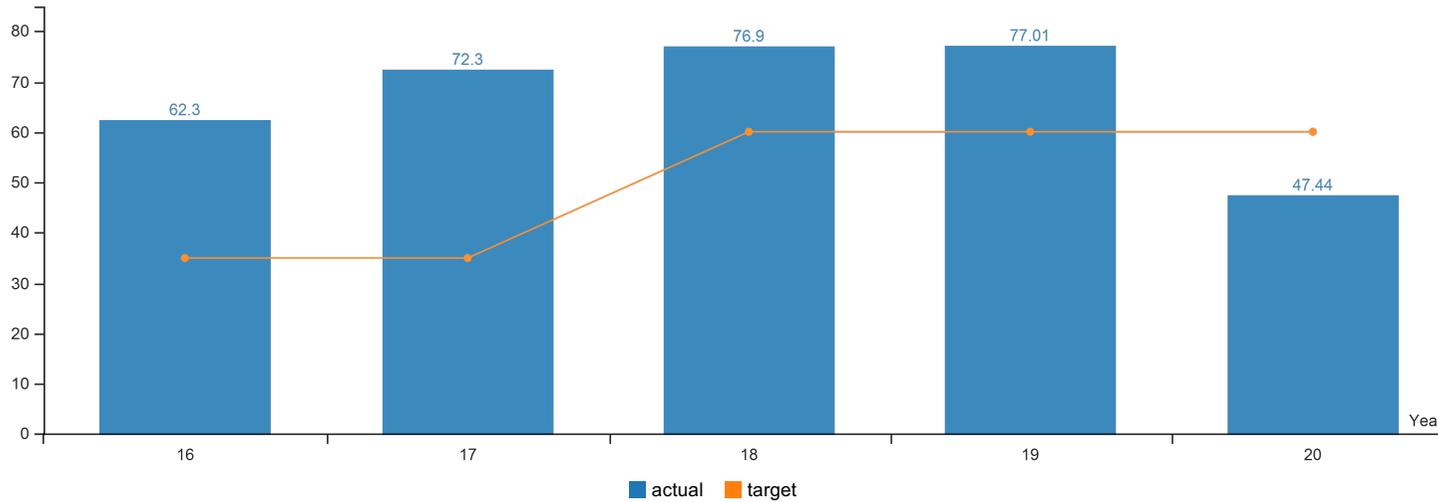
This metric measures the percentage of the Department's home loans (in units) that are 90 or more days delinquent or in foreclosure. For fiscal year 2020, the Department successfully achieved better results than the Key Performance Measure target.

Factors Affecting Results

Oregon's strong economy and low unemployment levels through most of the fiscal year, and real estate appreciation, contributed to a continued low percentage of mortgage delinquency. These factors along with prudent loan underwriting and timely contact with borrowers experiencing payment difficulties helps prevent most loan accounts from becoming seriously delinquent. The reason for the slight increase from the previous year was directly related to the reduction in the number of loans in the servicing portfolio.

KPM #1	b. Loan Program - Loan Origination. Increase the loan origination volume to \$60 million or more in new loans per year.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Loan Origination shown in Millions					
Actual	\$62.30	\$72.30	\$76.90	\$77.01	\$47.44
Target	\$35.00	\$35.00	\$60.00	\$60.00	\$60.00

How Are We Doing

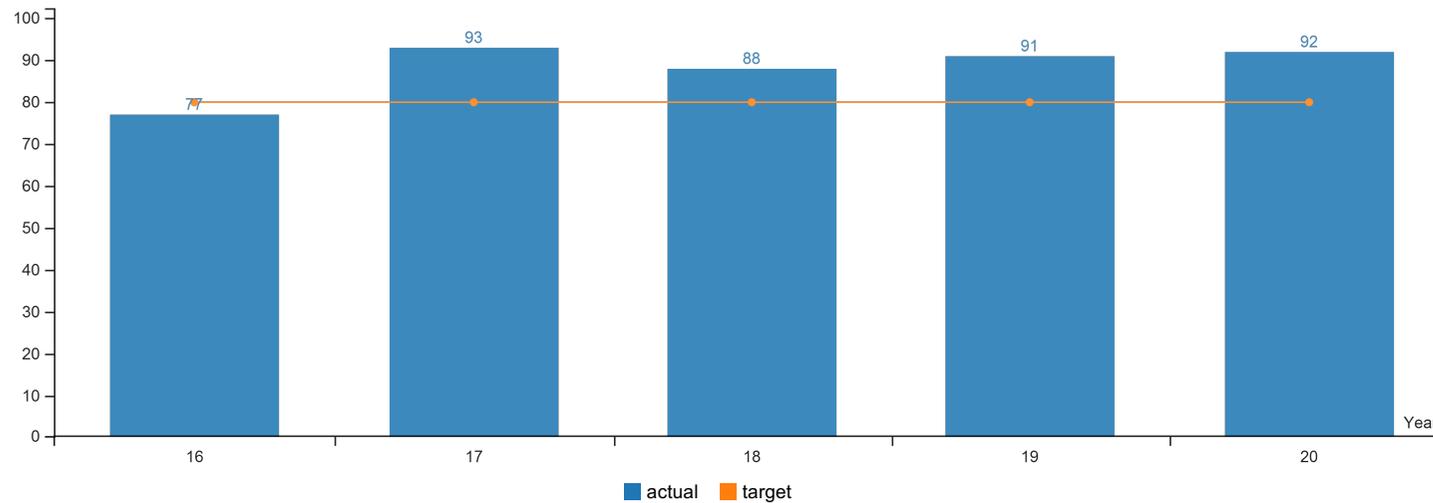
After five consecutive years of increases in loan origination volume, the Department experienced a reduction in loan production for fiscal year 2020. The primary reason for the reduction was related to historically low mortgage interest rates for conventional loans.

Factors Affecting Results

The open market interest rates moved to historic lows during the course of this fiscal year. Generally, ODVA has higher loan origination production when there is greater differential between the rates ODVA is able to provide and rates in the conventional market.

KPM #2	a. Oregon Veterans Homes - Maintain an occupancy rate of at least 80% for licensed beds in both Veteran Homes.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Oregon Veterans Homes: Occupancy					
Actual	77%	93%	88%	91%	92%
Target	80%	80%	80%	80%	80%

How Are We Doing

The two Oregon Veterans' Homes averaged greater than 90% occupancy for fiscal year 2020, exceeding the targeted 80% occupancy for the Key Performance Measure.

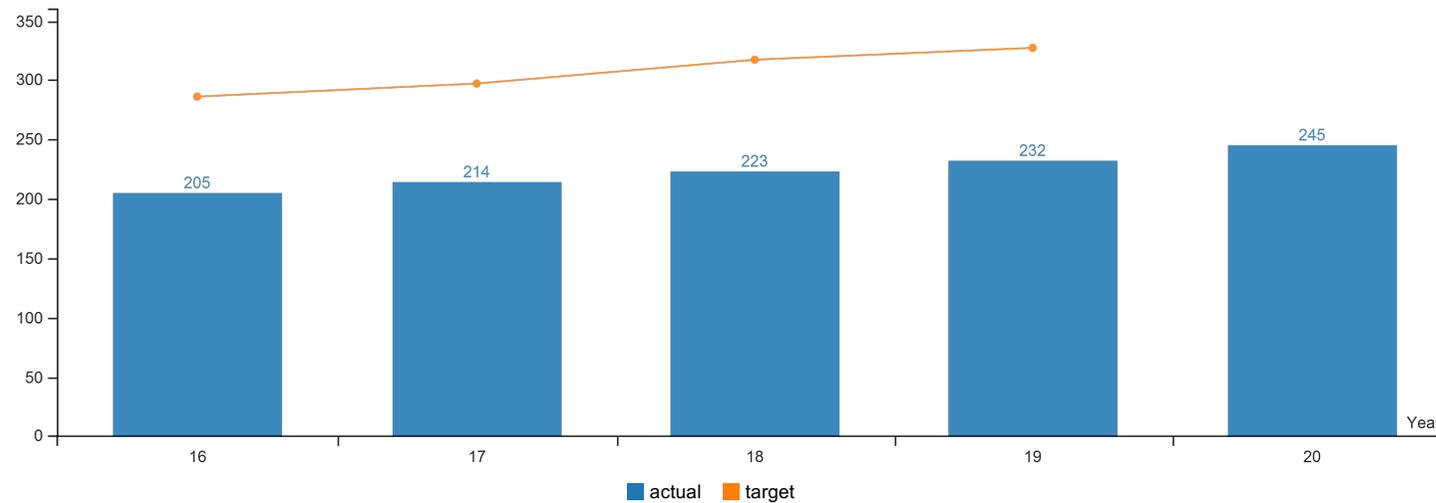
Factors Affecting Results

While other private Skilled Nursing Facilities (SNFs) in Oregon have averaged occupancy rates in the 60%-65% range, the two Oregon Veteran Homes are generally well-above the target of 80% occupancy.

The two homes are limited to admitting only veterans, their spouses and Gold Star Parents (parents who have lost a child in service to our country). Due to federal regulation, seventy-five percent (75%) of the occupancy in each home must be the veteran themselves. Both facilities provide high quality care that honors veteran service and is sensitive to military culture and aging issues. Both Homes have endorsed memory care communities, which is very rare for nursing homes in Oregon. Below market private pay rates at the two Veteran Homes also positively impact occupancy levels. It is anticipated that the average occupancy rates will decline during fiscal year 2021 due to the COVID-19 Pandemic.

KPM #2	b. Oregon Veterans Homes - Maintain below-market veteran private pay rates.
	Data Collection Period: Oct 01 - Sep 30

* Upward Trend = negative result



Report Year	2016	2017	2018	2019	2020
Oregon Veterans' Homes Private Pay Rates					
Actual	\$205.00	\$214.00	\$223.00	\$232.00	\$245.00
Target	\$286.00	\$297.00	\$317.00	\$327.00	TBD

How Are We Doing

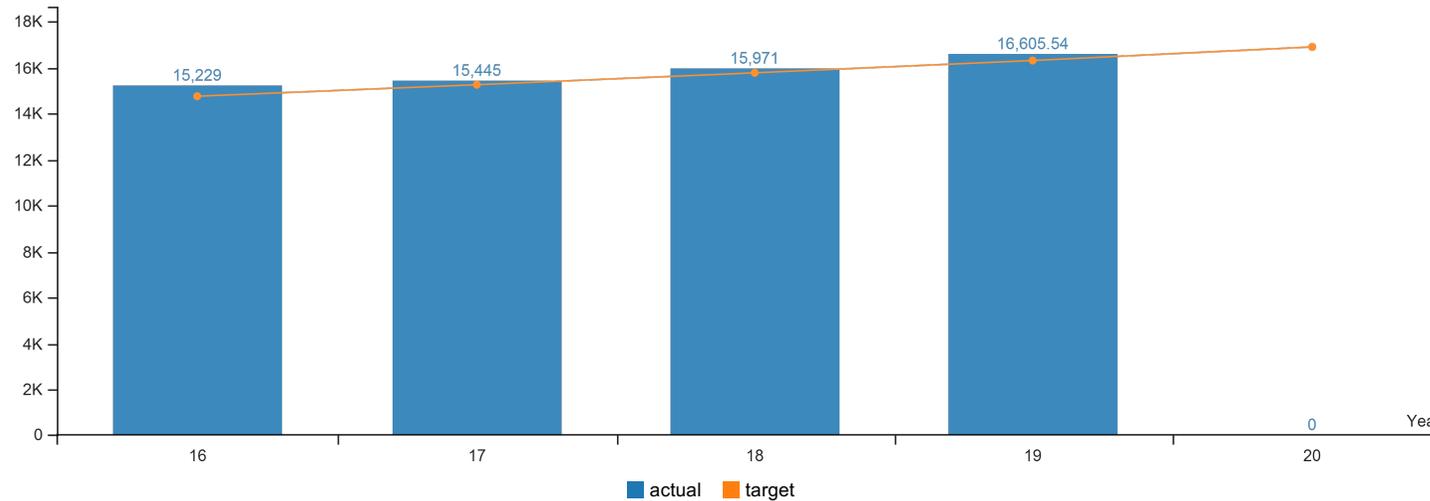
The two Oregon Veteran Homes have historically, and will continue to, offer private pay rates for veterans that are below the median charged by Oregon skilled nursing facilities. By offering this reduced rate, veterans who require skilled nursing care can have the same access to veteran-specific care in our two Homes at a rate lower than the private market in civilian nursing facilities across Oregon.

Factors Affecting Results

The factors influencing the veteran private pay rates generally include traditional cost drivers in the long-term industry including the needs of the veteran requiring care and reimbursement from the Federal VA/Medicare/Medicaid sources. Inherent in these factors are the critical costs of recruiting, training and maintaining a qualified nursing workforce who provide care to residents in the Veterans' Homes. Due to the COVID-19 Pandemic, private pay rates in the future may continue to increase to cover the additional costs of care during these unprecedented times.

KPM #3	Veteran Services - Disability Compensation and Pension Benefits - Amount of average U.S. Department of Veterans Affairs (federal VA) disability and pension compensation received per Oregon Veteran who receives these benefits.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Disability Compensation and Pension Benefits per Veteran					
Actual	\$15,229.00	\$15,445.00	\$15,971.00	\$16,605.54	No Data
Target	\$14,766.00	\$15,268.00	\$15,787.00	\$16,324.00	\$16,916.00

How Are We Doing

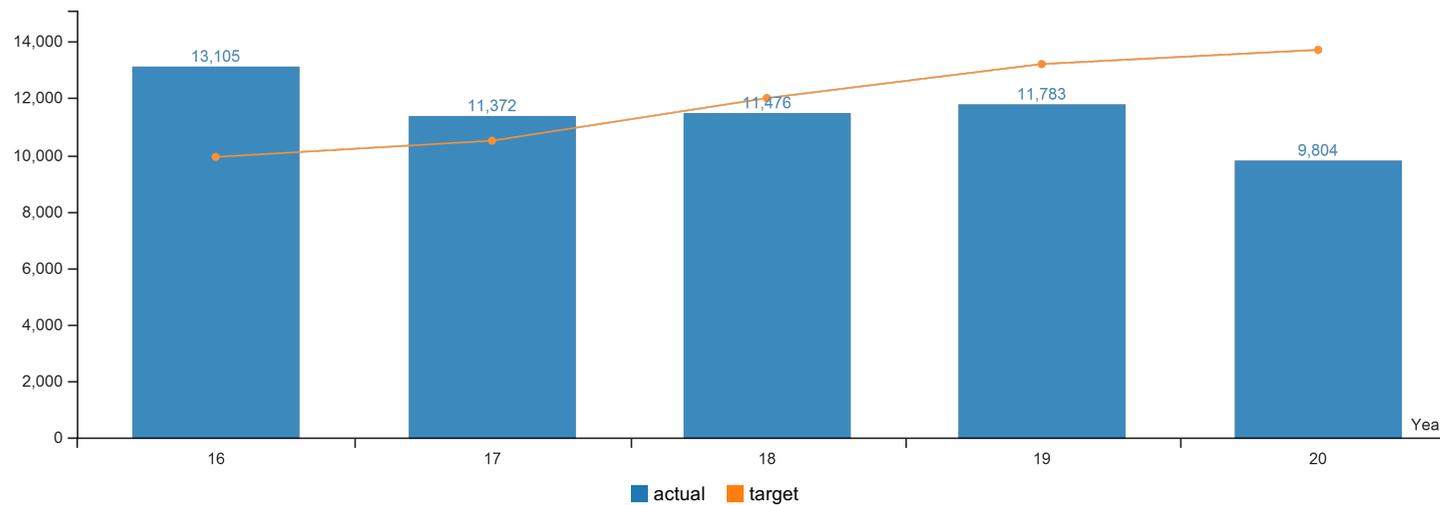
The Oregon Department of Veterans' Affairs (ODVA) strives to provide the highest quality of claims representation to Oregon's veterans. ODVA is responsible for accrediting and training County, Tribal, and State Veteran Service Officers to ensure veterans are served by skilled, certified professionals. These Veteran Service Officers are assisted by a strong ODVA Appeals team which represent veterans and families in USDVA Board Hearings, and Virtual Hearings. This performance measure compares the average annual Oregon disability compensation and pension benefit made to an individual veteran (actual) to the national average (target). Federal Fiscal Year 2019 exceeded the national average. Federal Fiscal Year 2020 target is based upon a four-year average increase of 3.36%. Actual 2020 data is anticipated to be released by the USDVA in September 2021.

Factors Affecting Results

The factors influencing the dollar amount of a disability compensation and pension payment include the quality of representation (reflected in the knowledge and expertise of the Veteran Service Officer and board hearings officer) and the type of claim (disability compensation or pension) presented to the USDVA. Other factors include the age and overall health of veterans. For instance, older veterans may receive a pension benefit, which is designed to support them by augmenting fixed incomes burdened by exceptionally high out of pocket medical costs such as assisted living facilities, or to prevent homelessness for those veterans with an extremely low income.

KPM #4	Veteran Services - Power of Attorney (POA) - Number of powers of attorney granted by veterans to veteran service officers and the Department.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Power of Attorney					
Actual	13,105	11,372	11,476	11,783	9,804
Target	9,928	10,500	12,000	13,200	13,700

How Are We Doing

Partnerships between the Oregon Department of Veterans' Affairs (ODVA), Tribes, and Counties providing services to veterans and families have never been stronger. Coordinated efforts to reach and engage with veterans from all walks of life and historically underserved populations continue to grow. The number of new Powers of Attorney (POA)/Appointments of Representation provided by veterans to ODVA, Tribes, and Counties is generally a reflection of new claims being filed on behalf of veterans and their family members. For fiscal year 2020, there was a decrease in the number of new POAs from the prior year.

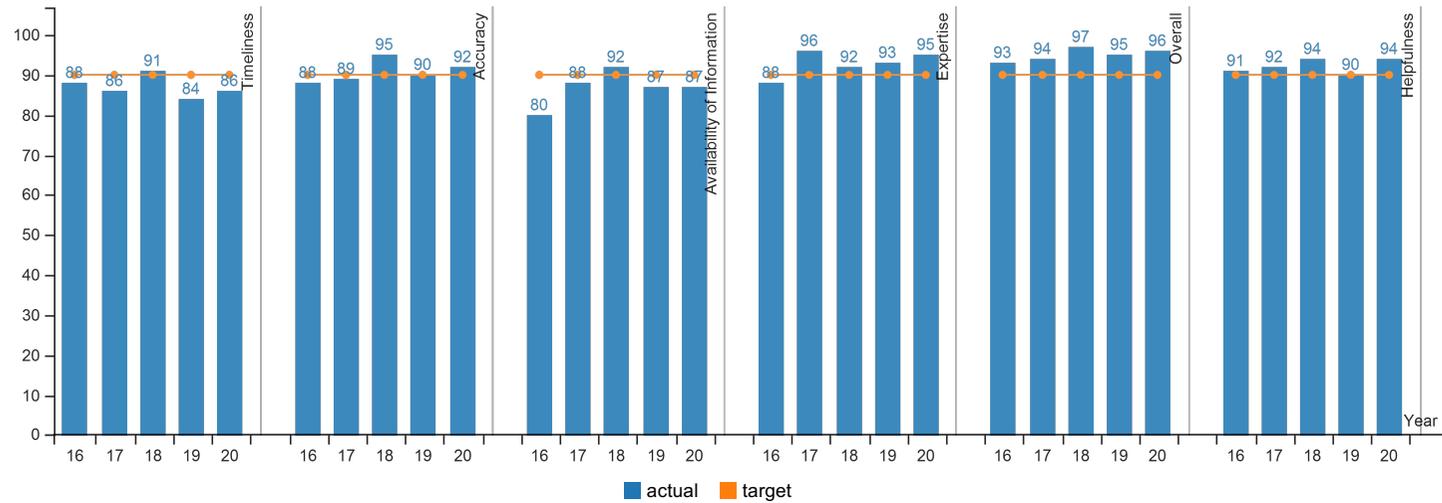
Factors Affecting Results

The primary factor affecting recent results was a 2015 directive from the USDVA mandating that all historical POA's older than five years old be renewed. These POA renewals resulted in substantial increases to the total number of POAs filed between 2015-2017 as established clients had to be refreshed. Starting in 2018 and continuing into 2020, the number of new POA filings began to average to totals typically seen prior to 2015. Due to the leveling off of POA's, after the required refresh from USDVA, ODVA plans to adjust the targets to more realistic levels going forward.

Despite the reduction in total POA's and decrease in overall population of veterans as Oregon's veteran population age, outreach efforts to underserved veteran's population has improved. For example, over 1,400 new claims were submitted in FY20 for elderly and extremely low income or homeless veterans as well as surviving spouses.

Note: Beginning in March 2020, County and Tribal Veteran Service Offices, and ODVA experienced an immediate decrease in monthly POA's obtained. The noticeable decline in new POA's is attributed to the reduced ability for in-person meetings and more limited outreach activities due to the COVID-19 Pandemic. Additionally, ODVA was able to run its own POA reports that provide verifiable and repeatable data, resulting in a restatement of actual POAs dating back to 2015.

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	2016	2017	2018	2019	2020
Timeliness					
Actual	88%	86%	91%	84%	86%
Target	90%	90%	90%	90%	90%
Accuracy					
Actual	88%	89%	95%	90%	92%
Target	90%	90%	90%	90%	90%
Availability of Information					
Actual	80%	88%	92%	87%	87%
Target	90%	90%	90%	90%	90%
Expertise					
Actual	88%	96%	92%	93%	95%
Target	90%	90%	90%	90%	90%
Overall					
Actual	93%	94%	97%	95%	96%
Target	90%	90%	90%	90%	90%
Helpfulness					
Actual	91%	92%	94%	90%	94%
Target	90%	90%	90%	90%	90%

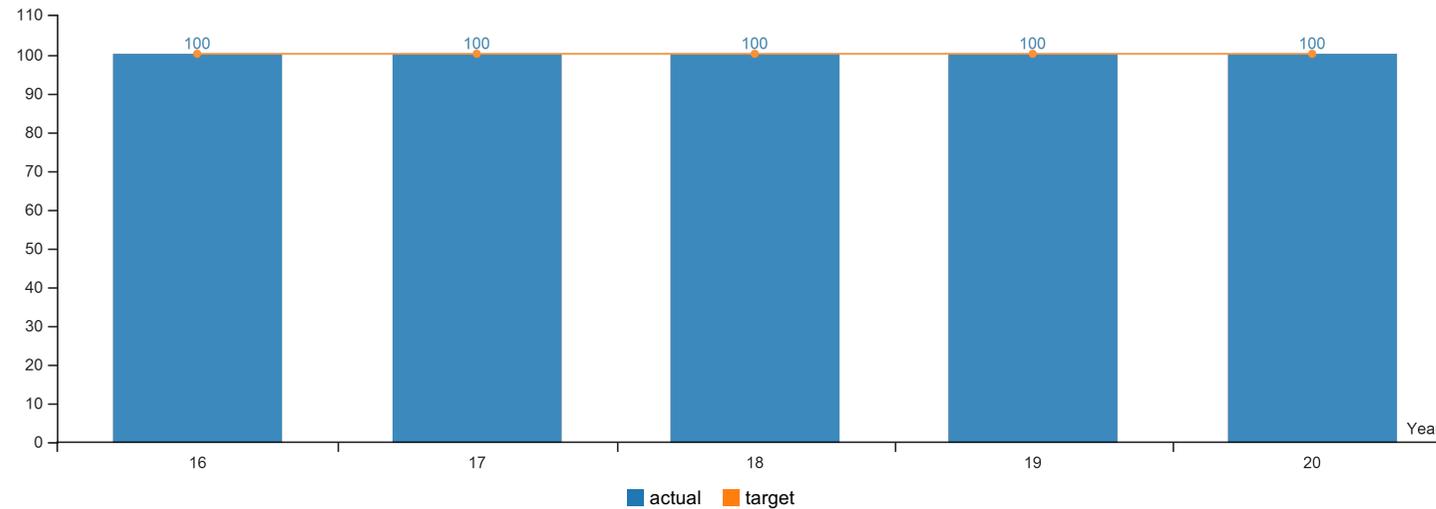
96% of those surveyed indicated their overall satisfaction with the Department to be excellent or good.

Factors Affecting Results

Some customers mistake the Oregon Department of Veterans' Affairs for the U.S. Department of Veterans' Affairs (Federal VA). The Department advocates for veterans to help them obtain their benefits. The Federal VA adjudicates veterans claims for benefits. This is a potential that may result in confusing the Department with the Federal VA that could result in lower ratings in cases where the veteran is not pleased with how the federal agency rated their claim for benefits or the length of time it may have taken to receive a decision.

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

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Percent of total of best practices met by the Committee					
Actual	100%	100%	100%	100%	100%
Target	100%	100%	100%	100%	100%

How Are We Doing

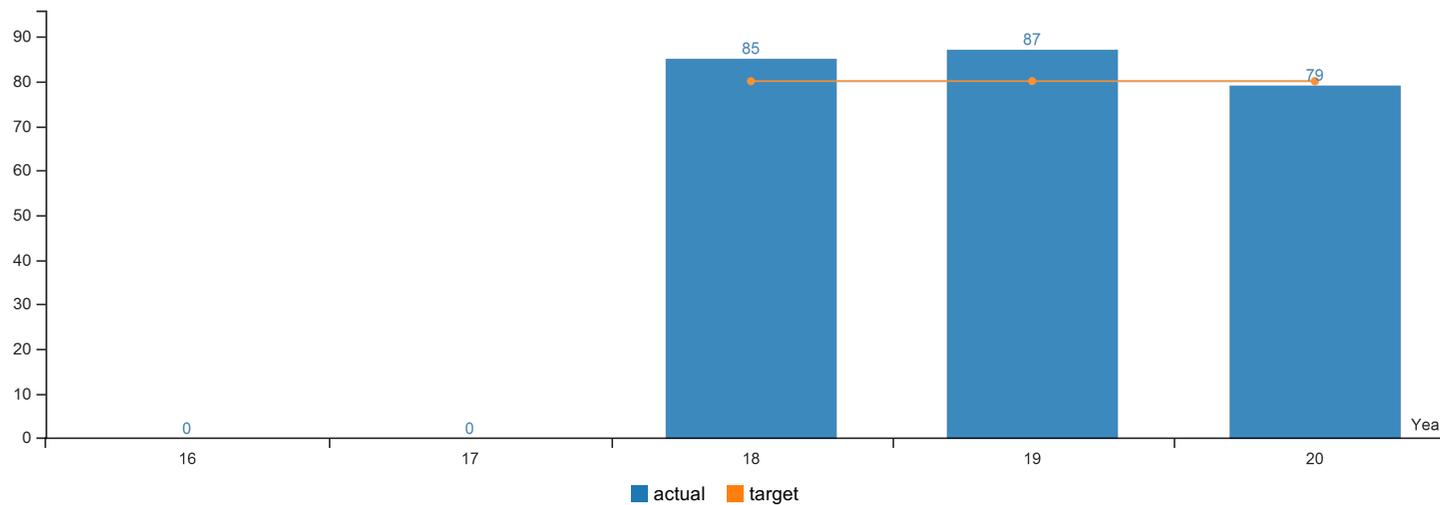
The Governor's Advisory Committee meets every one of the best practice assessments that can be applied to the committee and its duties.

Factors Affecting Results

Not all the Boards and Commissions Best Practice Key Performance Measures apply 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.

KPM #7	Reducing Veteran Homelessness - Percentage of veteran homeless households who exited into permanent housing and retained that housing for six months or longer.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Reducing Veteran Homelessness					
Actual	No Data	No Data	85%	87%	79%
Target	TBD	TBD	80%	80%	80%

How Are We Doing

From July 1, 2019 through June 30, 2020, 6 months after exiting to a permanent destination, 79% of Veteran households who were contacted after receiving OHCS homeless assistance funds had retained their permanent housing. This is in-line with the target of 80%.

Factors Affecting Results

Shifting program attention from emergency shelters toward a "housing first" model, which prioritizes putting people into permanent housing immediately, has been ongoing for the past few years and may contribute to meeting this goal. Obstacles to meeting this goal include: difficult economic circumstances, high unemployment rates, a shortage of affordable housing units, low rental vacancy rates, impacts from COVID -19, and poor data quality and collection over the past several years.

It is important to note that the denominator used in this calculation is the number of people successfully contacted after six months, not everyone who was due for a follow-up. The KPM therefore reflects the percentage of those contacted who are still in permanent housing after 6 months and does not include those who were not contacted

There are several possible reasons some clients were not contacted after exiting homeless assistance programs. As noted in last year's report, due to the way the past KPM report is written in the data system, not everyone due for a follow-up was being entered into the system. Therefore, it is probable that a large number of people due for follow-up were not contacted. In response, OHCS staff has recently updated the report to automatically prompt service providers to conduct the correct amount of follow-ups. While this has resulted in improved information and data accuracy, it has also resulted in a lower contact percentage overall. OHCS recognizes that improving data quality and reports is an iterative process and is continuing to work on addressing these issues over time.

Lastly, the KPM is only a limited snapshot of the services provided to Veterans and their families. OHCS housing and shelter programs provided services such as emergency shelter, rapid rehousing, case management and more to Veterans throughout the state. In addition, the OHCS Veteran Leadership Team helped convene our State counterparts, Federal partners, and other service providers to discuss best practices and build collective knowledge through peer-to-peer sharing across regions. Through increased collaboration and improved data, we are hopeful in continuing to make progress towards placing more Veterans in permanent housing.