

Economic and Community Development

DEPARTMENT OF VETERANS' AFFAIRS

	1999-2001 Actuals	2001-03 Legislatively Adopted at Close of Session	2001-03 Legislatively Approved through Fifth Special Session	2003-05 Governor's Balanced
General Fund	\$2,577,619	\$2,626,159	\$2,487,073	\$2,486,698
Lottery Funds	0	0	0	0
Other Funds	29,421,956	39,170,684	39,928,758	39,165,089
Federal Funds	0	0	0	0
Other Funds (Nonlimited)	675,439,387	948,798,402	948,798,402	805,581,377
Federal Funds (Nonlimited)	0	0	0	0
Total Funds	\$707,438,962	\$990,595,245	\$991,214,233	\$847,233,164
Positions	175	165	165	148
Full-time Equivalent	175.00	165.00	165.00	147.54

Overview

The Department of Veterans' Affairs serves Oregon veterans, their dependents, and survivors. Specific programs include:

- The Veterans' Loan Program provides home loans at a favorable interest rate. Tax-exempt bond revenue is used to finance the loans. Loan repayments and investment earnings pay off the bonds and cover the cost of program administration.
- The Veterans' Services Program provides benefit counseling, claims assistance, conservatorship services, and education assistance. It operates through service centers in 34 of the state's counties. The agency headquarters in Salem serves veterans in Marion and Polk counties. Along with local government, the Department finances these centers, up to \$12,500 per county annually.
- The Oregon Veterans' Home Program opened for business in November 1997. This is a 151-bed facility in The Dalles, providing skilled nursing care and Alzheimer's disease care. The Department of Veterans' Affairs contracts out facility operation. The home was 66 percent occupied as of late Summer 2002.

Balanced Budget

The Governor's balanced budget for the Department of Veterans' Affairs is \$847,233,164 total funds. This is a 14 percent decrease from the 2001-03 Legislatively Adopted Budget through the Fifth Special Session. Excluding Nonlimited Other Funds, the balanced budget is a 0.3 percent reduction from the 2001-03 Legislatively Adopted Budget.

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The balanced budget continues existing services, including assistance to county and veterans' service organizations, but at a reduced level. The total number of positions in the agency has declined due to reduced activity in the Loan Program.

The balanced budget recognizes an upcoming liability for implementing the Health Insurance Portability and Accountability Act by including a \$1 General Fund placeholder. Potential additional funding depends on the development of a statewide implementation and funding strategy.

Revenue

Most of the Department's budget is Other Funds. This money primarily comes from the bond-financed Loan Program. Specific sources include mortgage loan and contract repayments, investment earnings, mortgage insurance payments, property tax payments, fee and rental income, and bond proceeds.

General Fund mostly supports direct services to veterans. The Department earns some revenue through its conservatorship activities. The amount is not enough to pay for services.