

Oregon Department of Veterans Affairs | Agency Overview

Introduction

The 1945 Legislative Assembly created the Oregon Department of Veterans' Affairs (ODVA). The sale of general obligation bonds was authorized to provide funding for home, farm purchase and educational loans. Program supporters argued that it would aid in the rehabilitation of veterans and facilitate their return to a lifestyle similar to that they enjoyed prior to the war.

The Veterans' Home and Farm Loan Program was authorized by a constitutional amendment approved by the voters in 1944. It was patterned after a similar program adopted in 1921 to benefit World War I and Spanish-American War veterans. The amendment established a loan fund for the purchase of homes and farms by Oregon residents who served in the armed forces during World War II. Persons who joined the armed forces on or after September 1, 1940 were eligible to receive loans if they served for at least 90 days after mobilization and were honorably separated or discharged, or furloughed into a reserve unit. An Advisory Committee was also established in 1945 to provide advice to the Director.

History

Since 1945, the scope and size of the loan program has grown tremendously. Constitutional and statutory changes broadened loan eligibility, provided loans for other purposes, and allowed individuals to obtain multiple home or farm purchase loans. ODVA was given greater flexibility in the methods of funding and loan repayment.

The number of veterans and dependents able to receive aid and loans from the ODVA has expanded over the years. In 1950, eligibility for benefits was expanded to include World War II veterans who had become state residents for at least two years following their military service. In 1952, eligibility for benefits was further expanded to include Korean War veterans.

In 1968, non-war veterans who served after January 1955 were made eligible for the program if they were Oregon residents at the time they entered military service. In 1972, the program was further expanded to include spouses of veterans who died while on active duty, or who were listed as missing in action or as a prisoner of war.

Eligibility criteria were changed again in 1976. Non-war veterans who served between 1955 and 1960 were required to meet the same standards as Korean War veterans. For post-1960 veterans, eligibility for benefits and loans was expanded by allowing those who were not state residents when they entered military service to qualify, providing they had become residents for two years prior to 1977.

In 1980, the eligibility requirements were standardized and simplified. As a result, program participation was limited to those who served for a minimum of 210 days, any part of which was between September 15, 1940 and December 31, 1976. Loan applicants must have been Oregon residents at the time they entered military service or for at least five years since leaving the armed forces. Finally, loan applications must be made within 30 years following release from the armed forces. With the passage of Measure 83 in the November 2000 General Election, the ODVA now allows certain post-1976 veterans to be eligible for ODVA home loans.

As the eligibility standards have changed over the years there has also been an expansion of services and loans available through the agency. In 1949, the Legislative Assembly authorized the agency to

provide social services and rehabilitative relief to veterans in need. The agency aided veterans, dependents and survivors in applying for state and federal benefits.

In November of 1950 the agency was authorized to distribute the World War II bonus to Oregon veterans. The bonus program expired in 1955. The application period for further educational benefits to World War II vets ended June 30, 1959.

In 1955, ODVA was authorized to offer loan cancellation life insurance on loans made through the program. Such insurance can now be obtained by the veteran, their spouse, or former unremarried spouse. Policies are issued for the amount of principal and interest due on the loan and this amount is payable to ODVA should the policyholder die. ODVA contracts with a private insurer to provide this coverage on an at cost basis.

In 1964, the Legislative Assembly authorized the Conservatorship program to manage the financial affairs of veterans who were unable to oversee their own affairs and had no other recourse.

Originally, program loans were limited to home, educational, and farm loans. But over the years, ODVA received authority to approve additional types of loans. Legislation permitting ODVA to issue loans for mobile homes and houseboats was enacted in 1975. In 1977, the Legislative Assembly allowed ODVA to make weatherization loans on certain homes for which purchase loans had or would be made. The 1977 Legislative Assembly also authorized loans to install alternative energy devices, such as those providing wind or solar energy. In 1983, the agency was permitted to make loans for energy efficiency improvement. In 1997, general home improvement loans were authorized by the Legislative Assembly through the Veterans' Home Improvement Loan Program.

The most recent expansion of services provided to Oregon veterans has been resident living for the sick. The 1993 Legislative Assembly authorized the Director of Veterans' Affairs to establish and administer a State Veterans' Home to provide long-term care for needy, disabled veterans. The Dalles was selected as the location for the first Oregon Veterans' Home and opened in the fall of 1997.

As the pool of veterans and dependents and the services they request have expanded the responsibilities of the agency have also expanded beyond veterans' services. In 1963 the Legislative Assembly gave ODVA responsibility for the acquisition, leasing, managing and administering of the Boardman Space Age Industrial Park and other state-owned properties. Since agency inception, ODVA has had the authority to foreclose and acquire properties for non-payment of loans either through legal proceedings or the acceptance of a deed in lieu of foreclosure. The Legislative Assembly directed the inclusion of additional properties for management into the existing organizational structure.

Since 1980, the number of foreclosures and payment delinquencies on veterans' loans has increased significantly. As a result, the Legislative Assembly enacted legislation in 1982 that established a policy to make "every reasonable attempt" to avoid foreclosure when payments cannot be made due to illness, injury death, involuntary job loss or economic factors beyond individual control.

The funding and financing of debt issued by the agency has also changed over the years. In 1981, the Legislative Assembly gave ODVA authority to sell limited amounts of commercial debt to finance the issuance of new loans. The 1983 Legislative Assembly gave ODVA the authority to issue short-term tax notes. In 1985, ODVA was authorized to enter into a credit agreement with the Federal

Financing Bank (FFB), under which FFB could buy short-term veterans notes issued by ODVA. As the complexity of loan financing and repayment has increased, ODVA has sought outside financial advice. In 1982, ODVA established, for the first time, a contractual relationship designating the Morgan Bank of New York as the Department's financial advisor. But ODVA's agreement with Morgan was not renewed in July 1985.

In 1987 initial steps were taken toward creating a Veteran's Home when the Legislative assembly commissioned a study to determine the feasibility and need (O.L. 1987 ch. 637). By 1993 legislation passed providing funding support to the Oregon's Veteran's Home via the Oregon Housing Fund (O.L. 1989 ch. 795). The Oregon Veteran's Home is now cleared to begin construction.

The 1995 Legislative Assembly laid ground work for establishing a second Veteran's Home to be operated by a non-government entity (O.L. 1995 ch. 591). The statute limits Oregon to two Veteran's homes until they are constructed and operated for a period of time to determine efficiency and feasibility.

ODVA was cleared to loan up to fifteen million dollars from the Oregon War Veterans Fund to the Transportation Reinvestment Act (O.L. 1999 ch. 1087). The Oregon Veteran's Home Account was established to develop, operate and maintain Oregon's Veteran Homes (O.L. 1999 ch. 51). Funding sources include resident's fees and charges, per diem payments from the US Department of Veterans Affairs and Medicare.

In 2001 the Department of Administrative Services was directed to create a veterans memorial in the Capitol Area (O.L. 2001 ch. 985). Ultimately the memorial was cited on the north side of the Department of Veterans Affairs located at 725 Summer St. The location contains memorials for veterans who served from the Spanish –American War through the wars in Iraq and Afghanistan.

In 2003 the Legislative Assembly directed that High School Diplomas are to be issue, upon request, to individuals who failed to receive a diploma due to service during World Wars One and Two and Korea (O.L. 2003 ch. 182).

In 2005 the Office of Veteran's Affairs is renamed the Department of Veteran's Affairs with all duties and responsibilities transferred to the new department (O.L. 2005 ch. 625). Appropriations were made for the construction of a memorial to veterans of the wars in Afghanistan and Iraq (O.L. 2005 ch. 824). The Legislative Assemble passed legislation to establish the Oregon Veteran's Emergency Assistance program to provide financial assistance to veterans and their immediate families to meet specific needs.

In 2007 legislation passed making it a crime to assume the character of/impersonate a veteran of the United States Armed Forces (O.L. 2007 ch. 510) while spouses of veteran's were cleared for admittance to Oregon's second Veteran's Home (O.L. 2007 ch. 668).

The Task Force on Veteran's Transportation was established by Legislative Assembly in 2009 to study methods for creating statewide transportation system to assist veteran's to access health care facilities (O.L. 2009 ch. 167). The Director of ODVA or their designee was named a member of the Task Force and ODVA was charged with providing staff services. In addition, the

Legislative Assembly passed statute to create the Task Force on Women's Veteran's Health charged with studying the health care needs of women veteran's and make recommendations to address the needs

(O.L. 2009 ch. 699). The Campus Veteran's Service Officers Program is established to provide educational outreach assistance to veterans on all community college campuses and institutions of the Oregon University System (O.L. 2009 ch. 759). The Legislative Assembly directed ODVA to create a Task Force on Veteran's Reintegration to design and develop programs to assist veteran's reintegrating into civilian life (O.L. 2009 ch. 814 and to develop a website allowing the public to request information on veteran's services and benefits (O.L. 2009 ch. 851).

Current Organization

Director's Office – Also called "Administration," this unit includes Deputy Director, Communications, Internal Audit, and Oregon Veterans' Home. The Director acts as the chief advocate for veterans in the State of Oregon and advises the Governor and elected officials on veterans' issues.

Deputy Director – The Deputy Director supervises the various divisions within ODVA and acts as head of the agency in the Director's absence.

Communications – This program disseminates information to the public about agency programs, events and operations through the agency website and various brochures.

Internal Audit – This program provides internal audit services, systems evaluations and recommends any changes or consultation with management.

Oregon Veterans' Home - The Dalles, in Wasco County, was selected as the location for the first State Veterans' Home. The facility is a single story structure of approximately 75,000 square feet, offering skilled nursing care and Alzheimer's disease care. The bed capacity is 151 residents with semi-private rooms. The Home opened in November of 1997. In 1999, the Oregon's Veterans' Home Account was created to develop, operate and maintain the Home.

Administrative Services – This division includes ASD Administration, Business Services, Hearings, Human Resources, Information Services, Records and Information Management Services, Standards and Publications, Statistics, and Year End Processing. Administration is responsible for the agency's compliance with HIPAA and all other federal, state and local laws and regulations. Division also creates policy and procedure manuals and disseminates them throughout the agency.

Business Services – This program provides facilities, fleet and asset management for the agency, as well as building security, space planning and mail processing.

Hearings – This program conducts and coordinates various hearings for the agency, including informal case hearings, legal case hearings and may be in charge of any agency follow-up in enforcing judgments reached in hearings.

Human Resources – This program provides classification, recruitment and selection, labor relations and employee relations and development services to the agency.

Information Services – This program provides support for programs, hardware, software and the Local Area Network of the agency. The program also provides system analysis, design, program creation, program implementation and maintenance for the agency's computer system.

Records and Information Management Services – This program manages and controls all agency records systems and records centers and oversees all records maintenance and organization.

Statistics – This program analyzes existing agency statistical data and provides reports, charts and graphs for management use.

Year End Processing – This program oversees the distribution of payment coupons, statements of accounts and year-end reports.

Financial Administration - This division includes Accounts Payable/Budget Officer, Cashiers, Financial Management, Financial Reporting, General Accounting, and Payroll/Benefits.

Accounts Payable/Budget Officer – This program pays accounts due for the agency and also does budget preparation work.

Cashiers – This program provides financial processing support to programs within the agency.

Financial Management – This program oversees and prepares numerous cash flow and financial analyses of agency funds and monitors agency assets and liabilities.

Financial Reporting – This program manages the preparation of agency financial statements and tracking bond information and develops accounting procedures for the agency.

General Accounting – This program is responsible for all accounting activities for the agency including debt service, account reconciliations and disbursements.

Payroll/Benefits – This program manages payroll and benefits coordination for the agency.

Veterans' Services - This division oversees such services to veterans as Claims Assistance, Conservatorship, Educational Aid, Emergency Grant Program and contracting with counties and veterans' organizations to assist the Department in reaching veterans throughout the state.

Agency Programs

Oregon Veterans Home

Care at the Oregon Veteran's Home (Home) 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 U.S. Department of Veterans Affairs (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 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 Home 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 Home's full-time chef, and an environment that honors and remembers veterans. Most importantly, the Home enables what most veterans desire – a home where they are understood and among other veterans.

ORVET Home Loan Program

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 ORVET 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 grandfathered 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 rates than are normally available in the marketplace and have been achieved through the issuance of tax-free, state general obligation bonds called Qualified Veteran Mortgage Bonds (QVMB). 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. ORVET 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 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 ORVET program offers financing up to the Fannie Mae limit, currently \$417,000.

The ORVET program has provided more than \$7.7 billion of low-interest loans to more than 334,000 veterans and at one time, the Oregon Department of Veterans' Affairs (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 ORVET program 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. However, since those conflicts, warfare has changed and large "draft" armies are not being deployed, which means large numbers of veterans are not returning to Oregon seeking loans. In recent years, that fact, coupled with the current housing market recession, high unemployment, low conventional mortgage rates, and the inability to legally use QVMB monies for refinancing, has resulted in a significant portfolio reduction in this program. The portfolio as of June 30, 2013 was approximately 2,057 loans totaling \$200 million.

Veteran Services Claims and Counseling

The Veterans' Services Division (VSD) at the Oregon Department of Veterans' Affairs (ODVA) performs a key component of the agency's core mission – providing advocacy and benefits to veterans, their dependents and survivors. The program provides benefits counseling, claims representation and

prosecution, conservatorship services, educational assistance, emergency financial assistance and other service delivery partnerships across the state. VSD is the front line for all veteran benefits in the State of Oregon, ensuring that veterans obtain all the benefits to which they are entitled as a result of their service in the United States Armed Forces.

Veterans' Claims and Counseling Advocacy and Representation - The United States Department of Veterans Affairs (Federal VA) benefit system actually is a legal system. In order to qualify for benefits, veterans must file a claim against the United States proving they are eligible for these benefits through the submission of legal, military and medical evidence.

ODVA employs federally accredited and state certified Veteran Service Officers (VSOs) who are subject matter experts in Federal VA law (Chapter 38 United States Code and Chapter 38 Code of Federal Regulations) and are allowed to practice by taking Power of Attorney for veterans seeking benefits. These VSOs represent veterans, their dependents and survivors before the Federal VA in their claims and appeals. With its County Veteran Service Officer and National Service Officer partners, ODVA provides claims and counseling advocacy and representation to Oregon's 334,000 veterans, resulting in more than 32,000 claims filed on their behalf during 2011. Currently, ODVA holds Power of Attorney for nearly 70,000 Oregon veterans.

In addition to representing veterans, ODVA's Portland office also is the submission point for all claims under ODVA Power of Attorney. This office inputs, catalogs, provides quality assurance and liaisons with the Federal VA on all claims, as well as represents veterans during various stages of appeal hearings.

County Veteran Service Officers(CVSO's) Program – ODVA's statewide partnership with counties began in 1947 when the Legislature appropriated money to aid counties in an effort to promote services to veterans on a local level. Today it is an effective network of trained VSOs, with 34 of 36 counties opting to have a County Veteran Service Officer.

CVSOs are not supervised by ODVA; however, the agency provides training, certification, accreditation, counsel and outreach to the CVSOs. The vast majority of CVSO appeal cases also are handled by the Portland ODVA staff.

National Veteran Service Officers (VSO) Program – ODVA partners with national veterans' service organizations in Oregon. National VSOs provide the same veteran benefit and claims representation as VSOs. Currently, the American Legion, Disabled American Veterans, Veterans of Foreign Wars, and Military Order of the Purple Heart participate in this partnership.

Certification, Training and Outreach - ODVA is legally responsible for the training, certification and accreditation of all VSOs and CVSOs. The agency holds initial onsite training for all new CVSOs, as well as two semi-annual conferences a year, conducting training on the latest in legal, medical and Federal VA process information. The agency also conducts extensive outreach to veterans and partner organizations.

Conservatorship - When a veteran is deemed by a judge or the Federal VA to be incompetent to manage their own finances, ODVA is appointed to provide conservatorship services, which include managing all assets for the veteran as fiduciary. The agency currently has 153 clients under conservatorship and will soon be accepting new clients as the Representative Payee which is a program in which the agency will act in a more limited capacity to pay the bills of these veterans.

Educational Aid - Educational Aid is a state benefit that provides veterans \$150 a month for a full-time student and \$100 a month for a part-time student who has no other military or veteran education benefits. While the monthly stipend may seem insignificant, for a student veteran the money provides funds for monthly bills, school expenses or other needs.

Veterans' Emergency Financial Assistance Program - Emergency Aid offers a one-time grant to veterans who have emergent needs. Examples include a veteran whose car needs repair and without this repair cannot work or a homeless veteran who obtains a job, but needs help with rent and deposits for a place to stay. The key is sustainability; the veteran must be able to sustain their finances after receiving the bridge funding via this grant.

Primary Agency Statutes and Administrative Rule Chapters

Oregon Constitution, Article XI-A; XI-F(2)

OAR Chapter 274

ORS Chapter 406

ORS Chapter 407

ORS Chapter 408

Chronology

1944 Veterans' Home and Farm Loan Program established by a constitutional amendment.

1945 Oregon Department of Veterans' Affairs established by the Legislative Assembly.

1945 Nine-member Advisory Committee established to provide advice to the ODVA director.

1949 Agency began to provide social services and rehabilitative relieve to veterans and their spouses and dependents in need.

1964 Conservatorship program established to aid in the management of the financial affairs of veterans in need.

1993 Legislative Assembly authorized the creation of the Oregon Veterans' Home for the long-term care of Veterans.

1997 Opening of the Oregon Veterans' Home in The Dalles.

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