

Oregon Department of Veterans' Affairs Annual Performance Progress Report (APPR) for Fiscal Year 2006-07

2007-09 Budget Form 107BF04c

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Agency Mission

We, the employees of the Oregon Department of Veterans' Affairs, are advocates for veterans, their dependents and survivors. We are dedicated to providing quality programs and services to meet their current and future needs.

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ABOUT THIS REPORT

Purpose of Report

The purpose of this report is to summarize the agency's performance for the reporting period, how performance data are used and to analyze agency performance for each key performance measure legislatively approved for the 2005-07 biennium. The intended audience includes agency managers, legislators, fiscal and budget analysts and interested citizens.

1. PART I: EXECUTIVE SUMMARY defines the scope of work addressed by this report and summarizes agency progress, challenges and resources used.
2. PART II: USING PERFORMANCE DATA identifies who was included in the agency's performance measure development process and how the agency is managing for results, training staff and communicating performance data.
3. PART III: KEY MEASURE ANALYSIS analyzes agency progress in achieving each performance measure target and any corrective action that will be taken. This section, the bulk of the report, shows performance data in table and chart form.

KPM = Key Performance Measure

The acronym "KPM" is used throughout to indicate **Key Performance Measures. Key performance measures are those highest-level, most outcome-oriented performance measures that are used to report externally to the legislature and interested citizens. Key performance measures communicate in quantitative terms how well the agency is achieving its mission and goals. Agencies may have additional, more detailed measures for internal management.**

Consistency of Measures and Methods

Unless noted otherwise, performance measures and their method of measurement are consistent for all time periods reported.

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2005-07 KPM#	2005-07 Key Performance Measures (KPMs)	Page #
1	DELINQUENT ACCOUNTS – Percentage of Oregon Department of Veterans' Affairs home loan accounts that are delinquent.	6
2	DISABILITY COMPENSATION – Average U.S. Department of Veterans Affairs (federal VA) disability compensation received per Oregon veteran.	7
3	RECOVERY OF NEW FEDERAL DOLLARS – Recovery of new U.S. Department of Veterans Affairs (federal VA) benefit dollars for Oregon veterans, their dependents, and survivors with Oregon Department of Veterans' Affairs claims representation.	8
4	CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	9
5	BEST PRACTICES: Percent of total best practices met by the Board.	10

I. EXECUTIVE SUMMARY

Agency Mission: We, the employees of the Oregon Department of Veterans' Affairs, are advocates for veterans, their dependents and survivors. We are dedicated to providing quality programs and services to meet their current and future needs.

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1. SCOPE OF REPORT

The Department's key performance measures address the Department's Veterans' Home Loans, Veterans' Services, and Veterans' Home programs.

2. THE OREGON CONTEXT

The Department is the State's advocate for veterans, their dependents and survivors. The Department's essential work contributes to Oregon Benchmark #36 (State general obligation bond rating – Standard and Poor's), Oregon Benchmark #58 (Percentage of seniors living independently), Oregon Benchmark #73 (Percentage of households that are owner occupied), and the Department's mission of advocating for veterans, their dependents and survivors to meet their current and future needs. The Department partners with the U.S. Department of Veterans Affairs, Oregon mortgage lenders and brokers, and several state and county agencies to help ensure the delivery of high-quality service to the veteran community in Oregon.

3. PERFORMANCE SUMMARY

As the table below indicates, four of the Department's five key performance measures have met or exceeded their targets: delinquent accounts, disability compensation, recovery of federal dollars, and customer satisfaction. One measure is reported as progress unclear as it is a new measure for which data was either not yet available or for which no baseline data was available upon which realistic targets could be based.

KPM Progress Summary	Key Performance Measures (KPMs) with Page References	# of KPMs
KPMs MAKING PROGRESS at or trending toward target achievement	Delinquent accounts (page 6) – Met or exceeded target. Disability Compensation (page 7) – Met or exceeded target. Recovery of federal dollars (page 8) – Met or exceeded target. Customer Satisfaction (page 9) – Met or exceeded target.	4
KPMs NOT MAKING PROGRESS not at or trending toward target achievement	N/A	0
KPMs - PROGRESS UNCLEAR – New performance measure - target not yet set	Best practices (page 10) – Under development.	1
Total Number of Key Performance Measures (KPMs)		5

I. EXECUTIVE SUMMARY

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4. CHALLENGES

Challenges the Department faces relative to making its performance measure targets are primarily the factors over which the Department has little or no control, which include the interest rate environment and some aspects of the Oregon economy that impact the Department's delinquency rates. For example, despite excellent early intervention efforts by the Department, the state of Oregon's economy can still impact borrowers' ability to meet their financial obligations and therefore affect account delinquencies. Factors that can affect the measures relating to disability compensation, recovery of federal dollars, and customer service ratings include veterans' claim ratings (level of compensation) from the U.S. Department of Veterans Affairs, over which the Department has limited influence.

5. RESOURCES USED AND EFFICIENCY

The Department's expenditures for the fiscal year were \$2,815,824.87 General Fund and \$17,701,462.59 Other Fund (does not include debt service and non limited Other Fund).

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The following questions indicate how performance measures and data are used for management and accountability purposes.	
<p>1 INCLUSIVITY</p> <p>Describe the involvement of the following groups in the development of the agency's performance measures.</p>	<ul style="list-style-type: none"> • Staff: Department Senior staff and managers developed the Department's performance measures with the input of classified staff as needed. The Department's internal auditor audits the Department's measures and data annually. • Elected Officials: The Oregon Legislature directed the Department to delete a number of measures and to develop others for review by the Joint Legislative Audit Committee. The Department's performance measures were approved and the Department was directed to add one additional performance measure related to the Governor's Veterans' Affairs Advisory Committee. • Stakeholders: The Governor's Advisory Committee, charged with representing all veterans of the State, was consulted during initial measure development and thereafter as appropriate. • Citizens: Ongoing contact with external partners (county veterans' service officers, veterans' organizations, and public and private business partners) produced feedback useful in various areas, including the development of performance measures. New customer service performance measures will provide citizens with the opportunity to rate the Department on its customer service delivery.
<p>2 MANAGING FOR RESULTS</p> <p>How are performance measures used for management of the agency? What changes have been made in the past year?</p>	<p>Performance measures indicate how well the Department is meeting its challenges. Intermediate data is continually monitored and compared against upcoming targets to ensure all necessary actions are being completed and that agency resources are appropriately aligned. An interim shortfall on a Performance Measure may trigger a program review, with subsequent realignment of resources and activities. Performance measure results are also utilized for strategic planning purposes.</p>
<p>3 STAFF TRAINING</p> <p>What training has staff had in the past year on the practical value and use of performance measures?</p>	<p>Senior executive level and selected fiscal management staff receive performance measurement training and attend performance measure roundtable meetings. Specialized training in agency program areas provided to agency staff focuses on performance in support of agency mission and benchmarks.</p>

II. USING PERFORMANCE DATA

Agency Mission: We, the employees of the Oregon Department of Veterans' Affairs, are advocates for veterans, their dependents and survivors. We are dedicated to providing quality programs and services to meet their current and future needs.

<p>4 COMMUNICATING RESULTS How does the agency communicate performance results to each of the following audiences and for what purpose?</p>	<ul style="list-style-type: none">• Staff: The agency communicates its performance results internally and externally. Performance results are used internally as an essential part of the agency's monitoring and planning processes. Performance measures are shared with a variety of audiences to keep them informed and increase accountability.• Elected Officials: Results are provided to the Department of Administrative Services, Legislative fiscal, and the Oregon Progress Board as required. The Department's annual report is made available by the Progress Board and the Department on their websites for viewing by all including elected officials, staff, stakeholders, and citizens. The agency's performance documents may be viewed at www.oregon.gov/ODVA and click on "About Us".• Stakeholders: Same as for elected officials. Additionally, email is sometimes used as a means of providing performance measure information.• Citizens: The public is informed of the agency's successes as well as the continuing challenges, in an effort to both inform and increase accountability. Results are provided to the Governor's Advisory Committee.
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III. KEY MEASURE ANALYSIS

Agency Mission: We, the employees of the Oregon Department of Veterans' Affairs, are advocates for veterans, their dependents and survivors. We are dedicated to providing quality programs and services to meet their current and future needs.

KPM #1	DELINQUENT ACCOUNTS Percentage of Oregon Department of Veterans' Affairs home loan accounts that are delinquent.	Measure since: 2003
Goal	FISCAL INTEGRITY - Maintain fiscal integrity of Veterans' Home Loan Program.	
Oregon Context	OREGON BENCHMARK #36 – State general obligation bond rating (Standard and Poor's).	
Data source	Annual Continuing Disclosure Certificates filed by the Departemnt with each nationally-recognized Municipal Securities Info Repository.	
Owner	Veterans' Home Loans	

1. **OUR STRATEGY**

Underwriting and Collection - Quality underwriting and early intervention efforts are made to reduce delinquencies. Partners include Department approved mortgage lenders and brokers, veterans' organization national service officers, and county veterans' service officers.

2. **ABOUT THE TARGETS**

This performance measure demonstrates the effectiveness of the Department's underwriting and collection efforts. Lower delinquency rates indicate fewer delinquent accounts.

3. **HOW WE ARE DOING**

In 2006-07, only .93% of the Department's total loan accounts were delinquent meeting the Department's goal of having less than 1.5% of its accounts being delinquent.

4. **HOW WE COMPARE**

The Department's delinquency rate was below that of the private sector during the 2006-07 reporting year.

5. **FACTORS AFFECTING RESULTS**

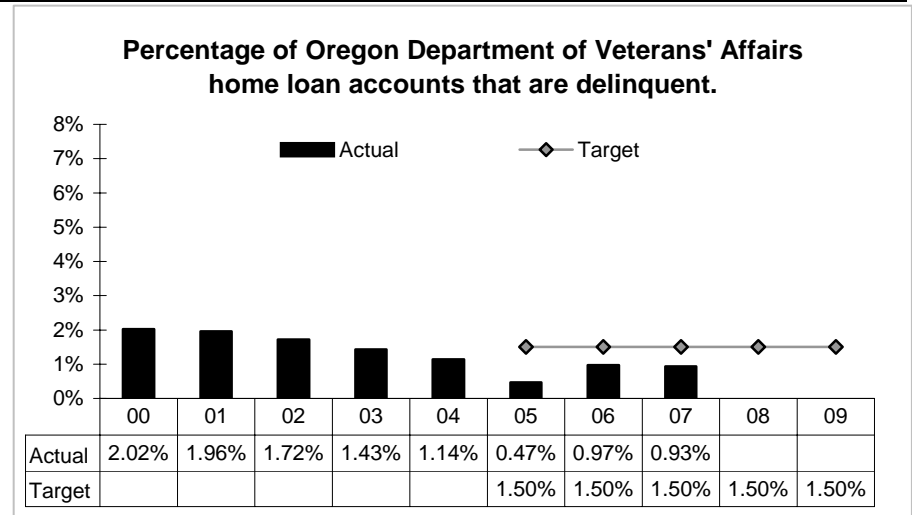
The Department's early intervention efforts have successfully helped keep delinquencies low. The Department works with its veteran borrowers to ensure receipt of veterans' benefits to which they are entitled. This sometimes provides the necessary funds to help the borrower avoid account delinquency. Factors that could affect results that are beyond the Department's control are the Oregon economy and the interest rate environment.

6. **WHAT NEEDS TO BE DONE**

The Department needs to continue to closely monitor customer account payment histories and use early intervention to assist borrowers.

7. **ABOUT THE DATA**

The reporting cycle is the Oregon fiscal year. An annual audit of performance measures is performed by the Department's internal auditor to verify reliability and accuracy of data reported.



III. KEY MEASURE ANALYSIS

Agency Mission: We, the employees of the Oregon Department of Veterans' Affairs, are advocates for veterans, their dependents and survivors. We are dedicated to providing quality programs and services to meet their current and future needs.

KPM #2	DISABILITY COMPENSATION Average U.S. Department of Veterans' Affairs (federal VA) disability compensation received per Oregon veteran.	Measure since: 2003
Goal	Financial Stability – Improve the financial stability of Oregon's disabled population.	
Oregon Context	No. & SHORT TITLE of Oregon Benchmark(s) or other high-level outcome measure(s) to which this measure aligns.	
Data source	Federal Assistance Awards Data System Statistics Report from the Office of Planning and Analysis, U.S. Dept of Veterans Affairs.	
Owner	Veterans' Services	

1. OUR STRATEGY

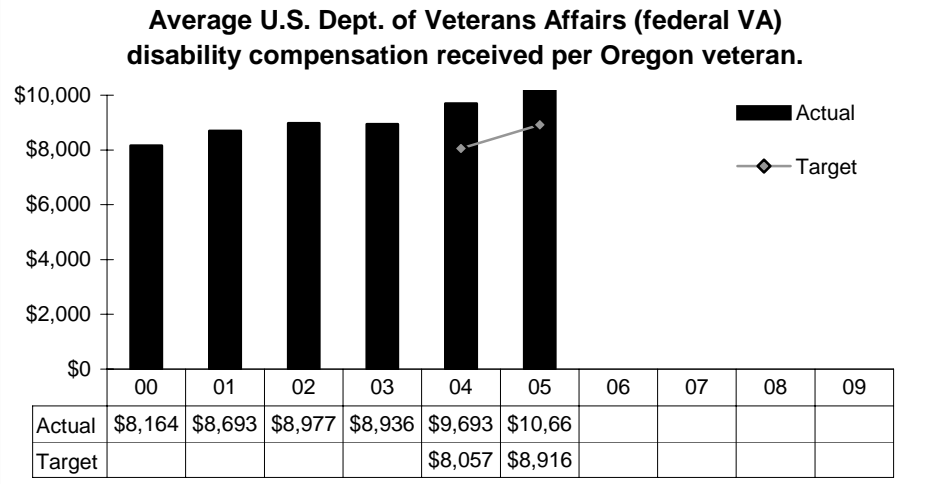
Claims Representation – Quality claims representation will be delivered to obtain the highest awards possible on veterans' disability claims. Partners include veterans' organization national service officers and county veterans' service officers.

2. ABOUT THE TARGETS

This performance measure demonstrates the effectiveness of the Department's claim representation. Higher federal disability compensation dollars flowing into Oregon positively impact the financial stability of Oregon veterans and their families.

3. HOW WE ARE DOING

In 2005 federal fiscal year, the average disability compensation for Oregon veterans of \$10,667 met the target of Oregon veterans receiving higher compensation dollars than the national average. Federal disability compensation dollars received by Oregon veterans have exceeded the national average on a consistent basis for several years.



4. HOW WE COMPARE

Average disability compensation received by Oregon veterans of \$10,667 in 2005 exceeded the national average of \$8,916. Oregon is among the top ten states in the nation for veterans' disability compensation. Data for 2006 was unavailable at the time this report was prepared, as federal fiscal year data is used.

5. FACTORS AFFECTING RESULTS

The Department's quality claims representation results in the receipt of higher disability compensation dollars by Oregon veterans and their families. U.S. Department of Veterans Affairs claims rating policies and procedures could affect compensation received.

6. WHAT NEEDS TO BE DONE

The Department needs to assure that Department staff and county veterans' services officers continue to receive regular training and current information relating to successful claim submission. General Fund dollars will need to continue to be allocated for this important training.

7. ABOUT THE DATA The reporting cycle is the federal fiscal year. An annual audit of performance measures is performed by the Department's internal auditor to verify reliability and accuracy of data reported.

III. KEY MEASURE ANALYSIS

Agency Mission: We, the employees of the Oregon Department of Veterans' Affairs, are advocates for veterans, their dependents and survivors. We are dedicated to providing quality programs and services to meet their current and future needs.

KPM #3	RECOVERY OF NEW FEDERAL DOLLARS Recovery of new U.S. Department of Veterans Affairs (federal VA) benefit dollars for Oregon veterans, their dependents, and survivors with Oregon Department of Veterans' Affairs claims representation.	Measure since: 2006
Goal	FINANCIAL STABILITY - Improve the financial stability of Oregon's disabled population.	
Oregon Context	OREGON BENCHMARK #58 – Percentage of seniors living independently.	
Data source	Federal Assistance Awards Data System Statistics Report from the Office of Planning and Analysis, U.S. Dept. of Veterans Affairs.	
Owner	Veterans' Services	

1. OUR STRATEGY

Claims Representation – Quality claims representation will be delivered to obtain the highest awards possible on veterans' disability claims. Partners include veterans' organization national service officers and county veterans' service officers.

2. ABOUT THE TARGETS

This performance measure demonstrates the effectiveness of the Department's claim representation. Higher federal veterans' benefit dollars flowing into Oregon positively impact the financial stability of Oregon veterans and their families.

3. HOW WE ARE DOING

In federal fiscal year 2006, \$17.9 million new U.S. Dept. of Veterans Affairs (USDVA or federal VA) dollars flowed into Oregon. New dollars means monies that were not received by veterans and their families the previous year.

4. HOW WE COMPARE

Oregon is among the top ten states for receipt of both pension and veterans' disability compensation.

5. FACTORS AFFECTING RESULTS

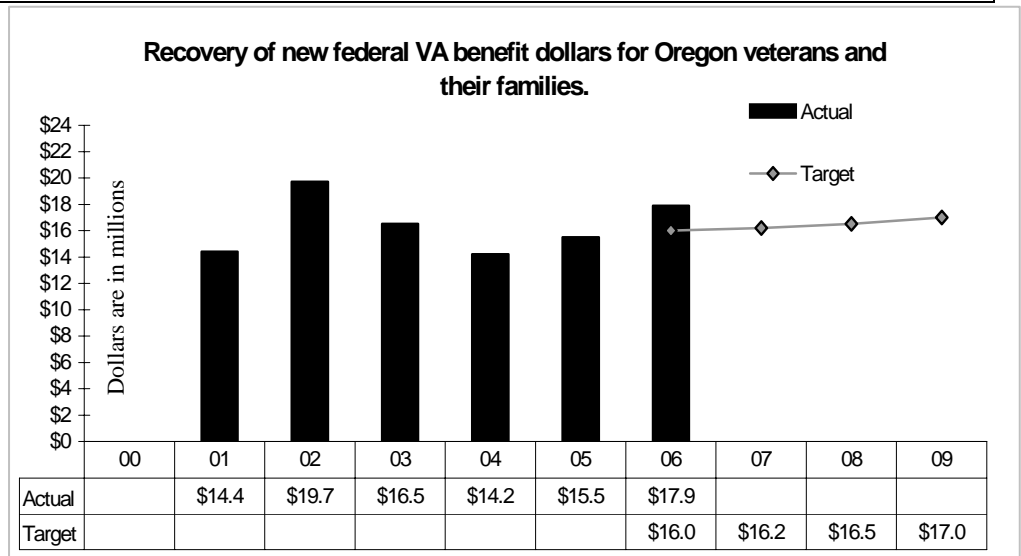
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6. WHAT NEEDS TO BE DONE

The Department needs to assure that Department staff and county veterans' services officers continue to receive regular training and current information relating to successful claim submission. General Fund dollars will need to continue to be allocated for this important training.

7. ABOUT THE DATA

The reporting cycle is the Oregon calendar year. An annual audit of performance measures is performed by the Department's internal auditor to verify reliability and accuracy of data reported.



III. KEY MEASURE ANALYSIS

Agency Mission: We, the employees of the Oregon Department of Veterans' Affairs, are advocates for veterans, their dependents and survivors. We are dedicated to providing quality programs and services to meet their current and future needs.

KPM #4	CUSTOMER SERVICE Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information	Measure since: 2006
Goal	Customer Satisfaction – Provide excellent customer service to veterans, their dependents and survivors, and other Department customers.	
Oregon Context	Dept Mission – Advocate for veterans, their dependents, and survivors providing programs and services to meet current and future needs.	
Data source	Surveys completed by customers and returned to the Department and contractor provided surveys from Veterans' Home customers.	
Owner	All programs.	

1. OUR STRATEGY

Quality Services – Enhance employee expertise to help ensure the delivery of quality services in a professional, timely, and helpful manner.

2. ABOUT THE TARGETS

This performance measure was new as of 2006. 2007 targets were set using 2006 data as a baseline.

3. HOW WE ARE DOING

Ninety-three percent of those surveyed indicated their overall satisfaction with the Department to be excellent or good. The Department's goals for timeliness, accuracy, helpfulness, expertise, and information availability were all met or exceeded.

4. HOW WE COMPARE

It was unknown at the time of this report how the Department's performance compared to other agencies of departments.

5. FACTORS AFFECTING RESULTS

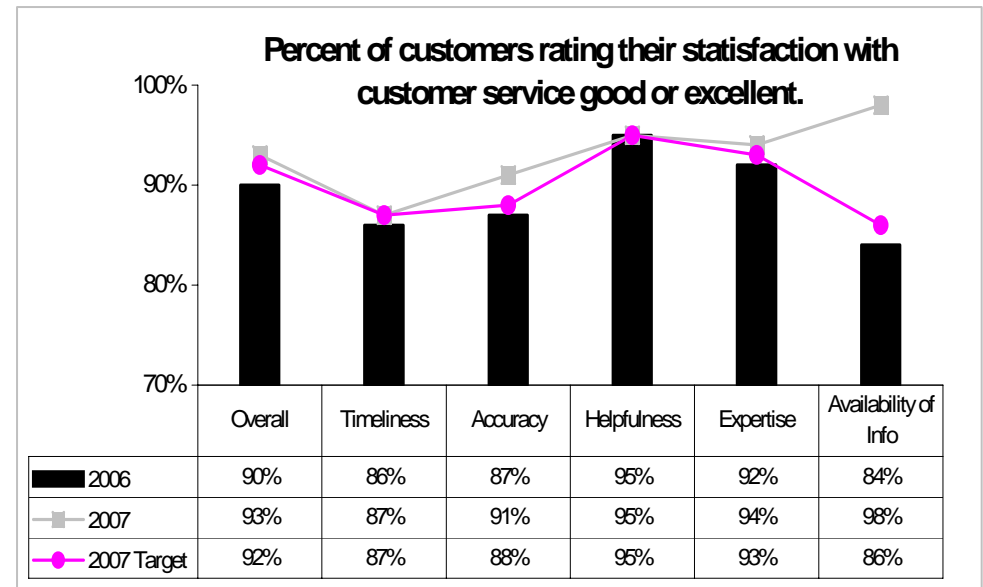
Some customers may mistake the Oregon Department of Veterans' Affairs for the U.S. Department of Veterans Affairs. The Department advocates for veterans to help them obtain their benefits. The U.S. Dept. of Veterans' Affairs adjudicates veterans' claims for benefits. There is a potential that confusing the Department with the federal agency could result in lower ratings in cases where the veteran is not pleased with how the federal agency rated their claim for benefits.

6. WHAT NEEDS TO BE DONE

The Department needs to continue to strive to meet and/or exceed its customer service goals. The Department may need to consider increasing its veterans' services staff to help improve timeliness. The aging of veterans of the Korea and Vietnam wars along with an increased number of veterans returning from deployments to Iraq and Afghanistan will mean a continued high demand for the services offered by the Department.

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year. An annual audit of performance measures is performed by the Department's internal auditor to verify reliability and accuracy of data reported.



III. KEY MEASURE ANALYSIS

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The Department's last performance measure, BEST PRACTICES: Percent of total best practices met by the Board, which refers to the Governor's Veterans' Affairs Advisory Committee, is under development.