

**VETERANS' AFFAIRS, DEPARTMENT of**

**Annual Performance Progress Report (APPR) for Fiscal Year (2007-2008)**

**Proposed KPM's for Biennium (2009-2011)**

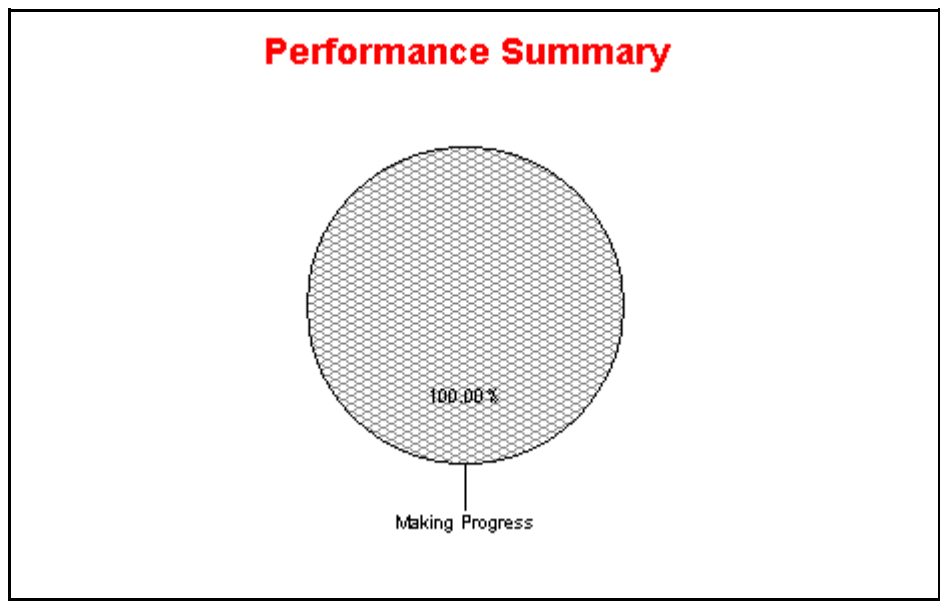
Original Submission Date: 2008

2007-2008 KPM #	2007-2008 Approved Key Performance Measures (KPMs)
1	DELINQUENT ACCOUNTS - Percentage of Oregon Department of Veterans' Affairs home loan accounts that are delinquent.
2	DISABILITY COMPENSATION - Average U.S. Department of Veterans Affairs (federal VA) disability compensation received per Oregon veteran.
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.
4	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.
5	BEST PRACTICES: Percent of total best practices met by the Board.

**Agency Mission:**

The Oregon Department of Veterans' Affairs (ODVA), with the support of our citizens, recognizes and honors Oregon's veterans and their families by providing the highest quality programs, service and benefits.

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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 as well as the best practices for boards and commissions that reasonably apply to the Governor's Advisory Committee to the Department.

**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 graph above indicates, all five of the Department's key performance measures have met or exceeded their targets: delinquent accounts, disability compensation, recovery of federal dollars, customer satisfaction and Boards and Commission Best Practices\*.

\*(See KPM #5 for clarification as to how the Department's advisory committee does not fit well within the measurements by these best practices).

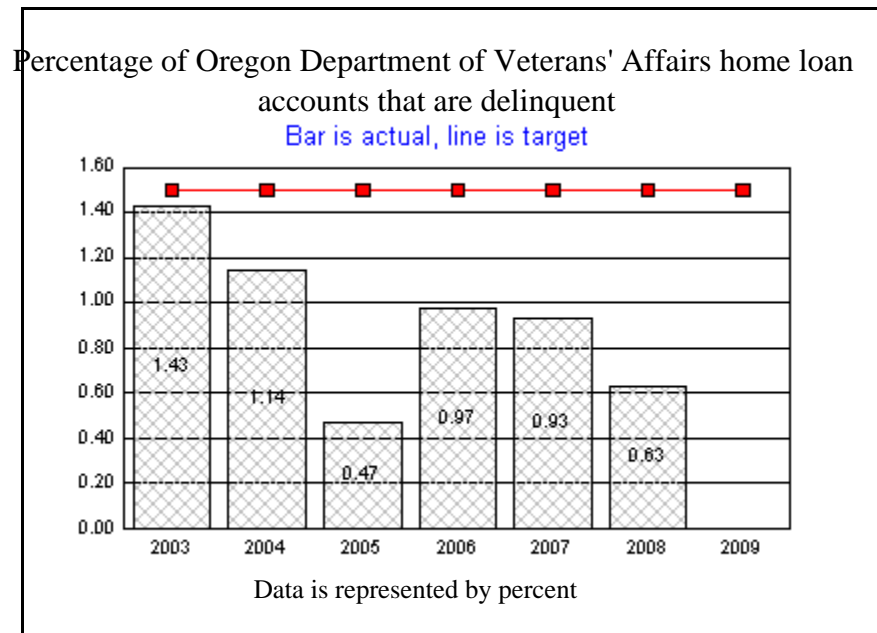
### **4. CHALLENGES**

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 may impact some 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 AND EFFICIENCY**

The Department's expenditures for the fiscal year were \$2,541,139.20 General Fund and \$17,678,223.09 Other Fund (does not include debt service and non limited Other Fund).

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

As of June 30, 2008, only 0.63% 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 private sector prime loans during the 2007-08 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, the interest rate environment and natural disasters.

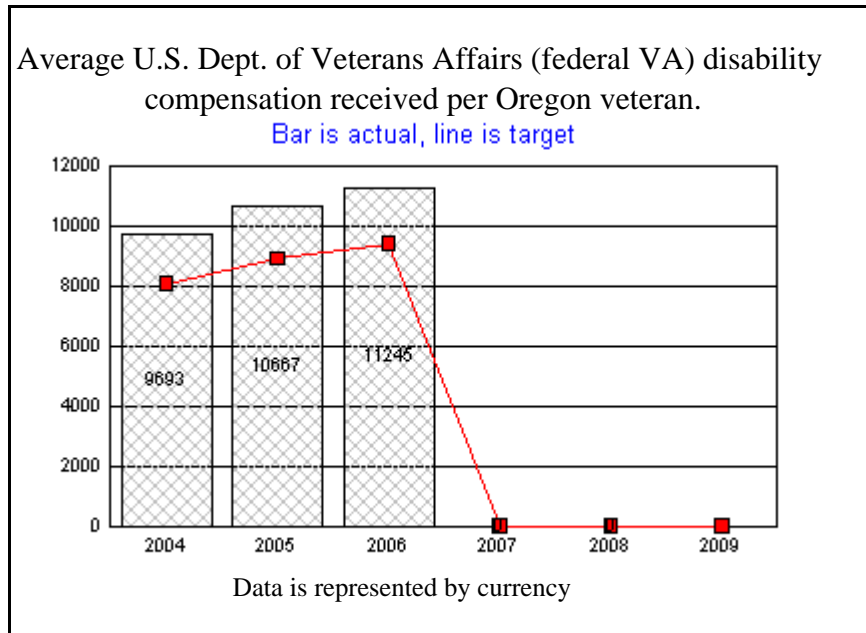
## **6. WHAT NEEDS TO BE DONE**

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.

<b>KPM #2</b>	DISABILITY COMPENSATION - Average U.S. Department of Veterans Affairs (federal VA) disability compensation received per Oregon veteran.	2004
<b>Goal</b>	Financial Stability - Improve the financial stability of Oregon's disabled population.	
<b>Oregon Context</b>	OREGON BENCHMARK #58 - Percentage of seniors living independently.	
<b>Data Source</b>	Federal Assistance Awards Data System Statistics Report from the Office of Planning and Analysis, U.S. Department of Veterans Affairs.	
<b>Owner</b>	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 2006 federal fiscal year, the average disability compensation for Oregon veterans of \$11,245 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 \$11,245 in 2006 exceeded the national average of \$9,400. Oregon is among the top ten states in the nation for veterans' disability compensation. Data for 2007 was unavailable at the time this report was prepared, as the United States Department of Veterans Affairs has not yet released the data."

## 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.

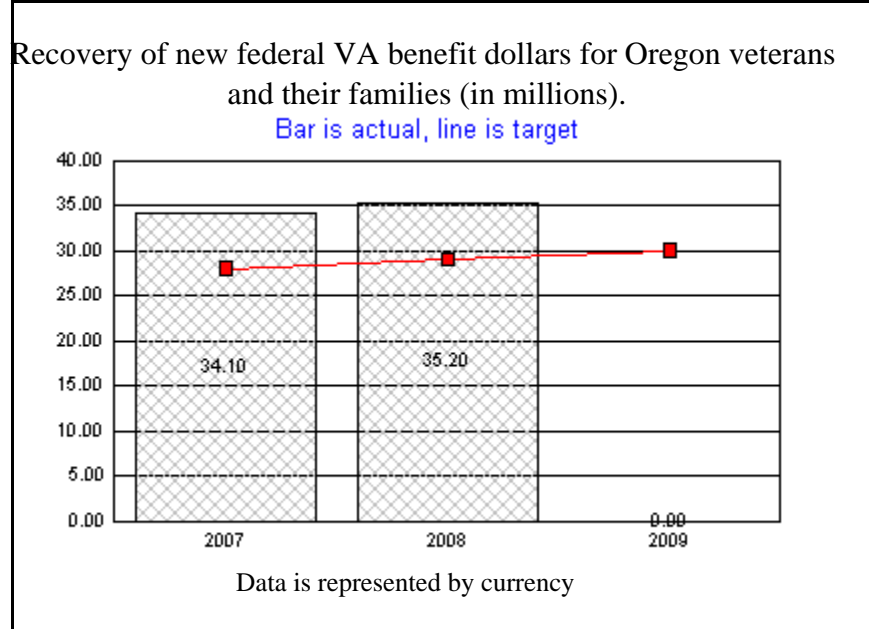
## 6. WHAT NEEDS TO BE DONE

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.

<b>KPM #3</b>	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.	2007
<b>Goal</b>	FINANCIAL STABILITY - Improve the financial stability of Oregon's disabled population.	
<b>Oregon Context</b>	OREGON BENCHMARK #58 - Percentage of seniors living independently.	
<b>Data Source</b>	Oregon Department of Veterans' Affairs Monthly Statistical Report.	
<b>Owner</b>	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 state fiscal year 2008, \$35.2 million new U.S. Department 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**

The Department's quality claims representation results in the receipt of higher veterans' benefit 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.

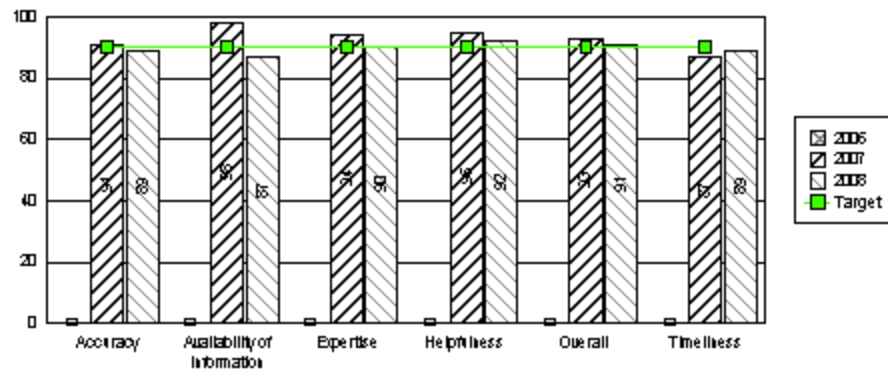
**7. ABOUT THE DATA**

The reporting cycle is the 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.

<b>KPM #4</b>	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.	2007
<b>Goal</b>	Customer Satisfaction - Provide excellent customer service to veterans, their dependents and survivors, and other Department customers.	
<b>Oregon Context</b>	Department Mission - to recognize and honor Oregon's veterans and their families by providing the highest quality programs, service and benefits.	
<b>Data Source</b>	Surveys completed by customers and returned to the Department and contractor provided surveys from Veterans' Home customers.	
<b>Owner</b>	All programs.	

Percent of customers rating their satisfaction with customer service good or excellent.



**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-one percent of those surveyed indicated their overall satisfaction with the Department to be excellent or good.

**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 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**

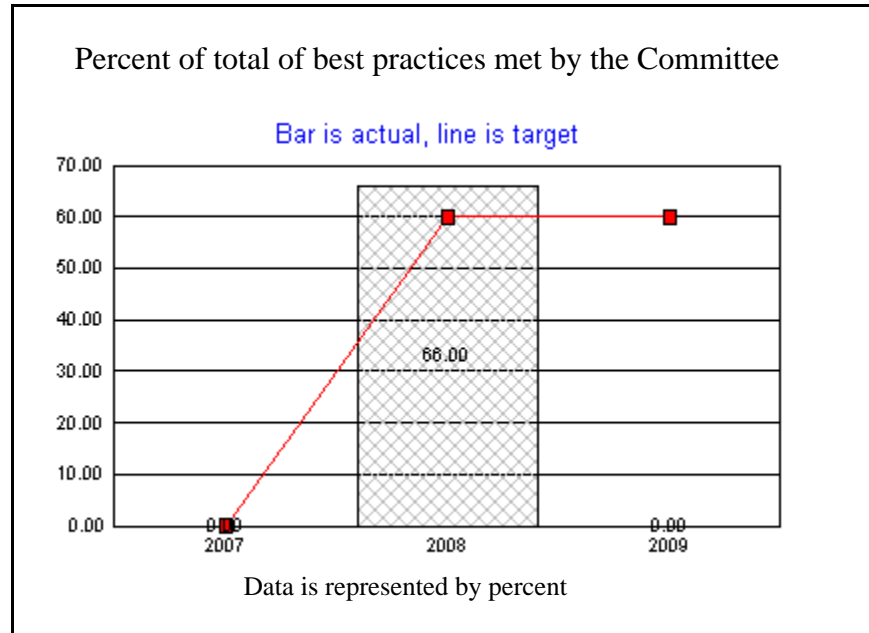
The Department needs to continue to strive to meet and/or exceed its customer service goals. The Department may need to consider increasing its veterans' services staff to help improve timeliness. The aging of veterans of the Korea and Vietnam wars along with an increased number of veterans returning 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.

<b>KPM #5</b>	BEST PRACTICES: Percent of total best practices met by the Board.	2008
<b>Goal</b>	Meet Best Practices - Meet best practices set for Boards that reasonably apply to an Advisory Committee.	
<b>Oregon Context</b>	Coming from BAM analyst input.	
<b>Data Source</b>	Boards and Commissions Best Practices Assessment.	
<b>Owner</b>	All programs	



**1. OUR STRATEGY**

The Governor’s Veterans' Affairs Advisory Committee to the Oregon Department of Veterans’ Affairs is neither a board nor a commission. It is an advisory committee that acts solely in an advisory capacity. As noted in the Legislative Fiscal Office Recommendations in the Legislative Adopted 2007-09 Key Performance Measures, the Veterans' Affairs Advisory Committee does not select the Executive Director and thus does not have any

management authority over that position. Of the 15 Best Practices measures, five are not applicable to the advisory responsibilities of the committee. The remaining 10 Best Practices measures are not perfect fits, but touch on work done by the committee and can be considered accomplished this biennium. The advisory committee's strategy to meet Best Practices key performance measures is to continue working within its mandate advising the Oregon Department of Veterans' Affairs and its director in all areas of the Department's responsibilities.

## 2. ABOUT THE TARGETS

Because the advisory committee does not perform duties measurable by the enumerated Best Practices targets, the Department has extrapolated like duties and responsibilities and tied them to these targets. Unfortunately, this means there will be five targets that are not applicable to the committee, resulting in the committee not meeting those targets because they should not be targets for such a committee. This will lower the Department's outcomes statistically; however, it must be noted that the committee meets 100 percent of the applicable Best Practices key performance measures. The committee will not meet non-applicable standards.

## 3. HOW WE ARE DOING

Since the advisory committee does not perform the duties of a board or commission, it is not possible to meet all best practices assessment targets set for those entities. The Governor's advisory committee meets every one of the best practices assessments that do apply to the committee and its duties.

## 4. HOW WE COMPARE

The Veterans' Affairs Advisory Committee cannot be compared to boards and commissions with management and oversight responsibilities. The advisory committee acts in an advisory role only and does not have management and oversight authority. The advisory committee compares favorably to other advisory committees in that its members are active on the main committee and in subcommittees, the committee actively engages in advising the Director and the agency, and regular meetings and trainings are held.

## 5. FACTORS AFFECTING RESULTS

As previously noted, the Boards and Commissions Best Practices Key Performance Measures is not a good fit for 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 only, thus five Best Practice measures are not applicable and will show as not being met, lowering the Department's outcome on this performance measure. However, the advisory committee does meet 100 percent of the Best Practice targets that are applicable.

#### **6. WHAT NEEDS TO BE DONE**

The advisory committee will continue to do the work it is chartered to perform and strive to continue to meet best practices applicable to an advisory committee.

#### **7. ABOUT THE DATA**

The data to measure the Best Practices Key Performance Measures was collected during the 2007-2008 state fiscal year. The data is based upon work performed by the advisory committee and how that work meets the Best Practices targets. The weakness of this report is the Best Practices Key Performance Measures is designed for boards and commissions that have a different set of duties and responsibilities than the Department's advisory committee. Measuring the advisory committee's effectiveness by standards established for boards and commissions will not accurately reflect the advisory committees accomplishments.

**Agency Mission:**

The Oregon Department of Veterans' Affairs (ODVA), with the support of our citizens, recognizes and honors Oregon's veterans and their families by providing the highest quality programs, service and benefits.

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The following questions indicate how performance measures and data are used for management and accountability purposes.

**1. INCLUSIVITY**

\* **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 has added 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.

**2 MANAGING FOR RESULTS**

Performance measures indicate how well the Department is meeting its challenges. Intermediate data is

	<p>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><b>3 STAFF TRAINING</b></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>
<p><b>4 COMMUNICATING RESULTS</b></p>	<p>* <b>Staff</b> : 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.</p> <p>* <b>Elected Officials</b>: 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 <a href="http://www.oregon.gov/ODVA">www.oregon.gov/ODVA</a> and click on “About Us”.</p> <p>* <b>Stakeholders</b>: Same as for elected officials. Additionally, email is sometimes used as a means of providing performance measure information.</p> <p>* <b>Citizens</b>: 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.</p>
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