

VETERANS' AFFAIRS, DEPARTMENT of
Annual Performance Progress Report (APPR) for Fiscal Year (2011-2012)

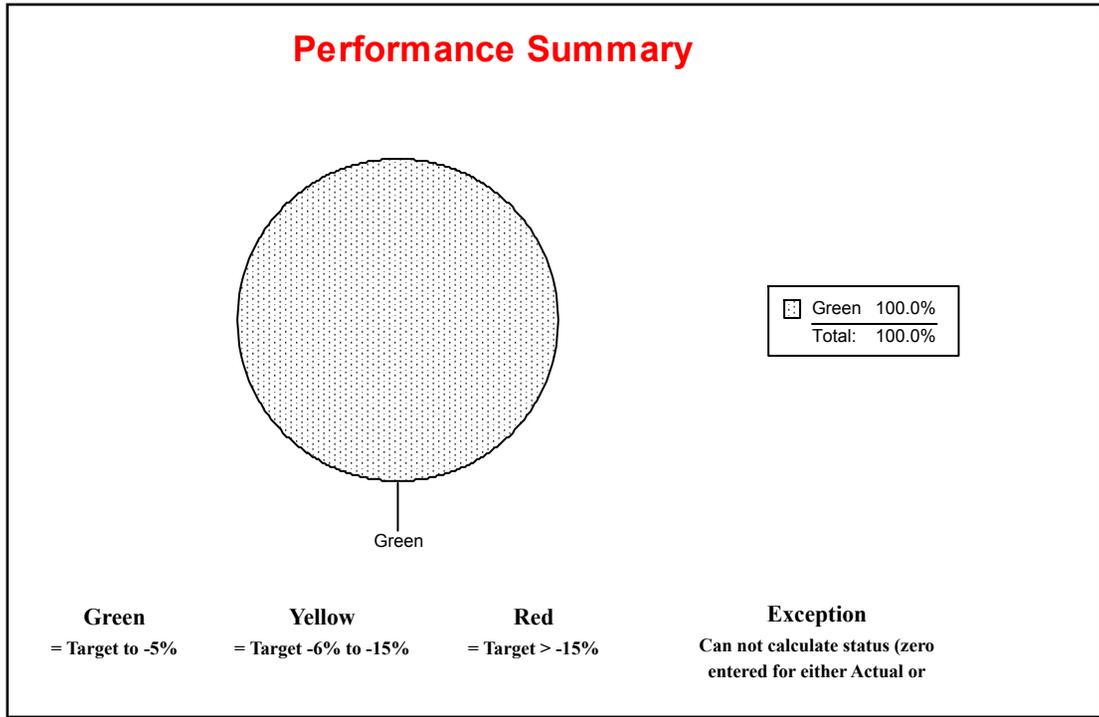
Original Submission Date: 2012

Finalize Date: 8/28/2012

2011-2012 KPM #	2011-2012 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.

New Delete	Proposed Key Performance Measures (KPM's) for Biennium 2013-2015
	Title: Rationale:

VETERANS' AFFAIRS, DEPARTMENT of		I. EXECUTIVE SUMMARY	
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 following Department programs - Veterans' Home Loans, Veterans' Services, and The Oregon Veterans' Home - as well as Best Practices criteria for Boards and Commissions that can be applied to the Governor's Advisory Committee to the Department.

2. THE OREGON CONTEXT

The Department is the states 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 #59 (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 (VA), Oregon mortgage lenders and brokers, and state and county agencies to help ensure the delivery of high-quality service to all Oregon veterans and thier families.

3. PERFORMANCE SUMMARY

The graph above should indicate that four of the Department's Key Performance Measures have met or exceeded their targets: disability compensation, recovery of federal dollars, customer satisfaction, and Boards and Commissions Best Practices*. Also, all six components of the Department's customer satisfaction performance measure (KPM #4) exceeded their targets during this fiscal reporting year. KPM #1 showing the percentage of ODVA veterans home loans in delinquent status increased this reporting cycle and is above the target of 1.5% set for this measure.*(See KPM #5 for clarification of the Department's Advisory Committee being measured by 10 of the Boards and Commissions Best Practices criteria).

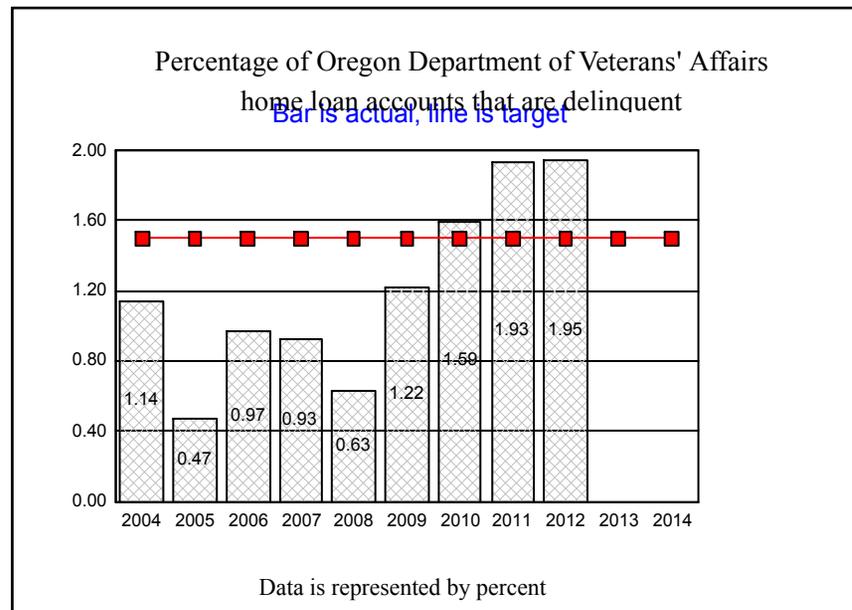
4. CHALLENGES

The largest challenge the Department faces relative to meeting its performance measure targets are primarily factors over which the Department has little or no control. These include the interest rate environment and 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 has impacted some borrowers ability to meet their financial obligations and therefore affected 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 (VA), over which the Department has limited influence.

5. RESOURCES AND EFFICIENCY

The Department's expenditures for the 2011-2012 fiscal year were \$2,678,635 General Fund and \$18,126,048 Other Fund (does not include debt service and Nonlimited Other Fund).

KPM #1	DELINQUENT ACCOUNTS - Percentage of Oregon Department of Veterans' Affairs home loan accounts that are delinquent.	2003
Goal	FISCAL INTEGRITY - Maintain fiscal integrity of the Oregon 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 Department with each nationally-recognized Municipal Securities Info Repository.	
Owner	Veterans' Home Loan program, Tom Mann, 503-373-2499.	



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 Departments underwriting and collection efforts. Lower delinquency rates are reflected in fewer delinquent accounts.

3. HOW WE ARE DOING

As of June 30, 2012, 1.95% of the Department's total loan accounts were delinquent which is slightly higher than the Department's goal of having less than 1.5% of its loan accounts in delinquent status.

4. HOW WE COMPARE

The Department's delinquency rate was consistently below that of private sector prime loans during the 2011-2012 reporting year.

5. FACTORS AFFECTING RESULTS

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

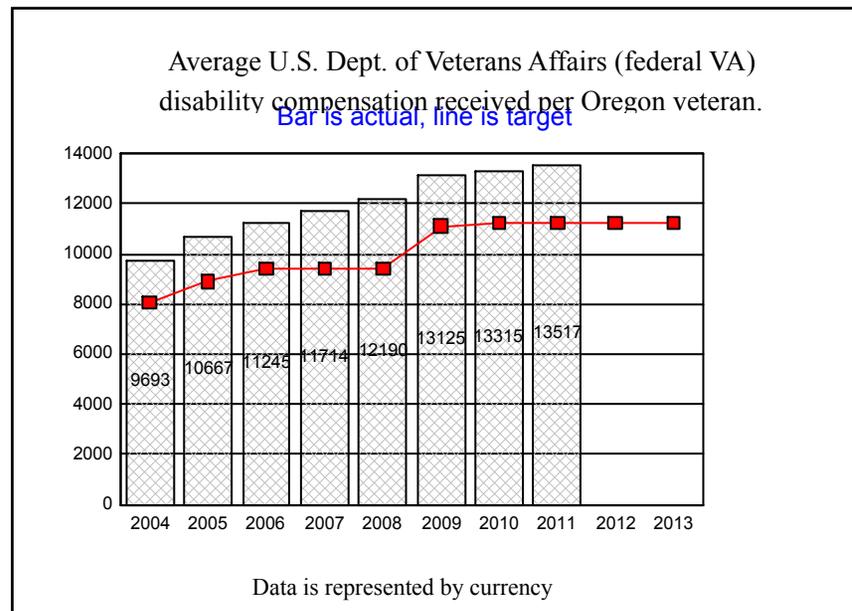
6. WHAT NEEDS TO BE DONE

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

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year. A review of each key performance measure and the supporting documentation is completed to verify reliability and accuracy.

KPM #2	DISABILITY COMPENSATION - Average U.S. Department of Veterans Affairs (federal VA) disability compensation received per Oregon veteran.	2004
Goal	Financial Stability - Improve the financial stability of Oregon's disabled population.	
Oregon Context	OREGON BENCHMARK #59 - Percentage of seniors living independently.	
Data Source	Federal Assistance Awards Data System Statistics Report from the Office of Planning and Analysis, U.S. Department of Veterans Affairs.	
Owner	Veterans' Services program, Tom Mann, 503-373-2249.	



1. OUR STRATEGY

Quality claims representation will be delivered to obtain the highest awards possible on veterans disability claims. Partners include veteran organizations national service officers and county veteran 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 impacts the financial stability of Oregon veterans and their families.

3. HOW WE ARE DOING

In 2011 federal fiscal year, the average disability compensation for Oregon veterans of \$13,517 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 \$13,517 in 2011, exceeded the national average of \$11,737. Oregon is among the top states in the nation for veterans disability compensation.

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 (VA) claims rating policies and procedures could affect compensation received.

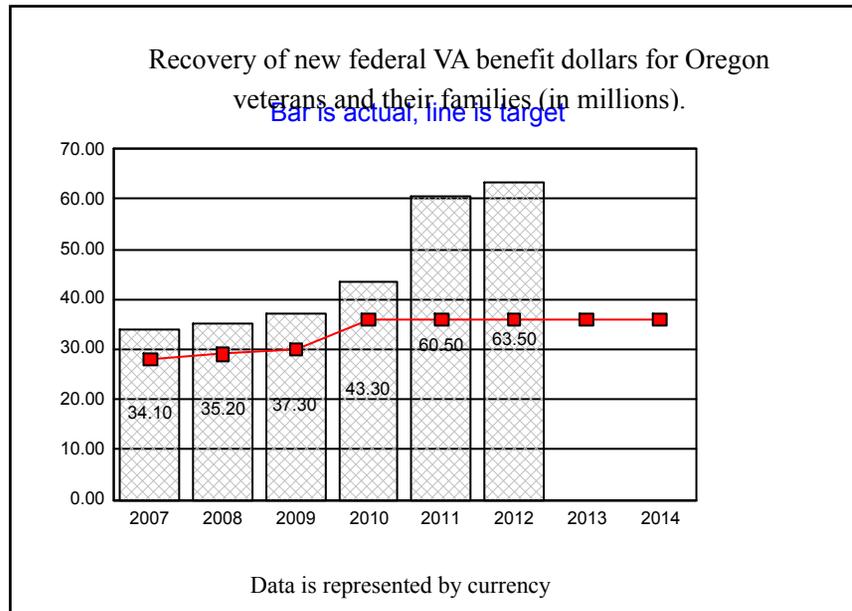
6. WHAT NEEDS TO BE DONE

The Department needs to assure that Department staff and county veteran 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. A review of each KPM and the supporting documentation is completed to verify reliability and accuracy.

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.	2007
Goal	FINANCIAL STABILITY - Improve the financial stability of Oregon's disabled population.	
Oregon Context	OREGON BENCHMARK #59 - Percentage of seniors living independently.	
Data Source	Oregon Department of Veterans' Affairs Veterans' Services Monthly Statistical Report.	
Owner	Veterans' Services program, Tom Mann, 503-373-2249.	



1. OUR STRATEGY

Quality claims representation will be delivered to obtain the highest awards possible on veterans disability claims. Partners include veteran organizations national service officers and county veteran 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 impacts the financial stability of Oregon veterans and their families.

3. HOW WE ARE DOING

In the state fiscal year 2011-2012, \$63.5 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 previous to this fiscal year.

4. HOW WE COMPARE

Oregon remains among the top states nationally 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.

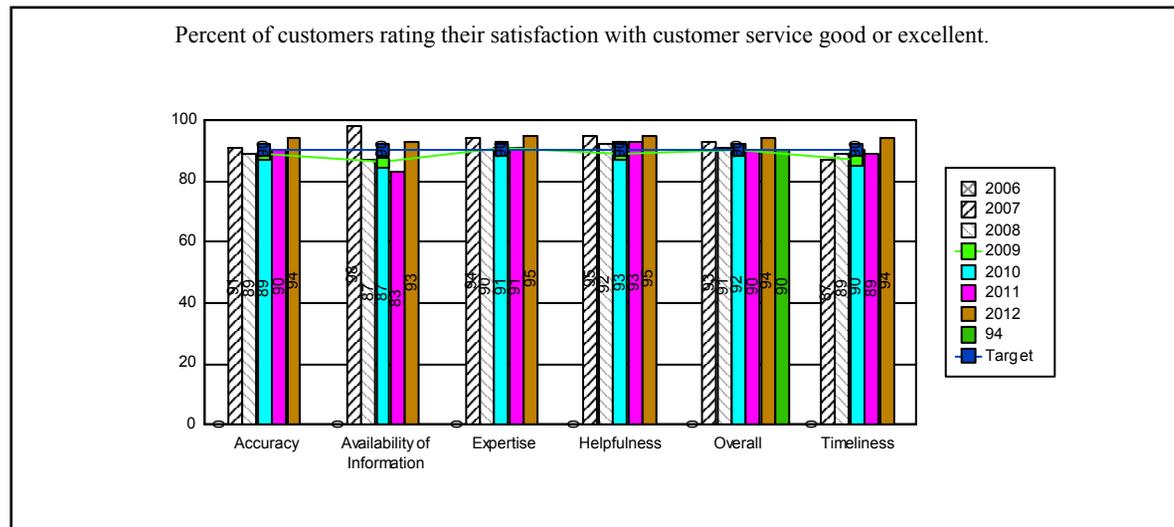
6. WHAT NEEDS TO BE DONE

The Department needs to assure that Department staff and county veteran 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 2011-2012. A review of each KPM and the supporting documentation is completed to verify reliability and accuracy.

KPM #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.	2007
Goal	Customer Satisfaction - Provide excellent customer service to veterans, their dependents and survivors, and other Department customers.	
Oregon Context	Department 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.	
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

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

2. ABOUT THE TARGETS

The target for this key performance measure are currently set at 90 percent for the year 2011-2012.

3. HOW WE ARE DOING

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

4. HOW WE COMPARE

It is unknown how the Department's customer satisfaction performance compares to other state agencies or departments.

5. 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. 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 or the length of time it may have taken to receive a decision.

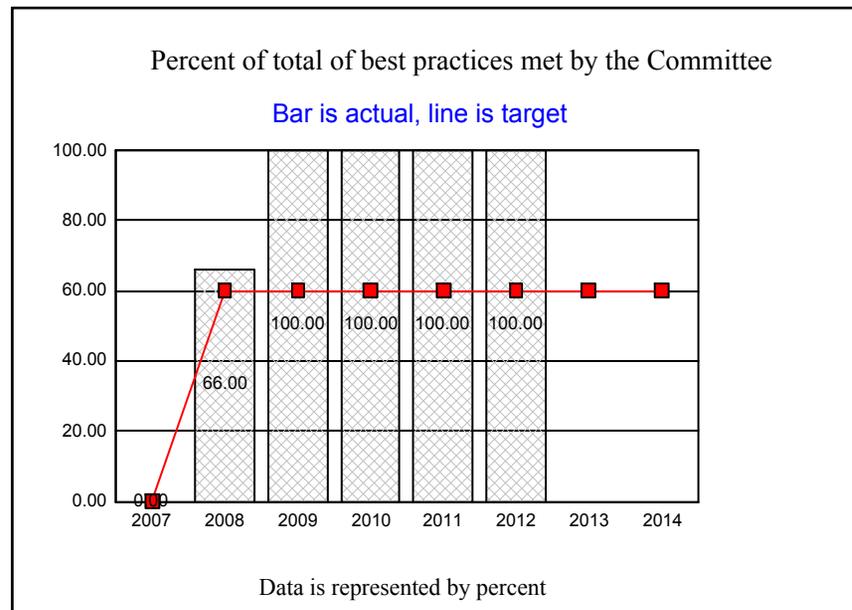
6. WHAT NEEDS TO BE DONE

The Department needs to continue to strive to meet and/or exceed its customer service goals. The aging of veterans of the Korea and Vietnam Wars along with the number of veterans returning from deployments to Iraq and Afghanistan means continued high demand for the services offered by the Department .

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year 2011-2012. A review of each key performance measure and the supporting documentation is completed to verify reliability and accuracy.

KPM #5	BEST PRACTICES: Percent of total best practices met by the Board.	2008
Goal	Meet best practices set for Boards that reasonably apply to an Advisory Committee.	
Oregon Context	Coming from BAM analyst input.	
Data Source	Boards and Commissions Best Practices assessment criteria.	
Owner	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. Of the 15 Boards and Commissions Best Practices criteria, five are not applicable to the advisory

responsibilities of the Committee. The remaining 10 Best Practices criteria touch on work done by the Committee and can be considered accomplished during this fiscal year. Per instruction from the Legislative Ways and Means Subcommittee on Transportation in 2009, the percentage for this performance measure should be based solely on the 10 Best Practices that apply to the Department's Advisory Committee. The Advisory Committee's strategy to meet the 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 10 of the 15 that reasonably apply. As instructed by the 2009 Ways and Means Legislative Committee to base the total percentage using the 10 that the Committee meets.

3. HOW WE ARE DOING

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

4. HOW WE COMPARE

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 all of its members are active on the main Committee and in Subcommittees. The Committee actively engages in regular meetings, advising the Director and the agency, and any training opportunities that may be provided.

5. FACTORS AFFECTING RESULTS

As previously noted, not all of the Boards and Commissions Best Practices Key Performance Measure applies 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.

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 the Best Practices Criteria that are applicable.

7. ABOUT THE DATA

The data to measure the Best Practices Key Performance Measure was collected during the 2010-2011 state fiscal year. The data is based upon work performed by the Advisory Committee and how that work meets the applicable criteria.

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The following questions indicate how performance measures and data are used for management and accountability purposes.
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1. INCLUSIVITY	<p>* Staff: Department senior staff and managers developed the Department's performance measures with input from classified staff as needed. The Department's performance measures and the supporting data are reviewed annually for accuracy and reliability.</p> <p>* Elected Officials: The Oregon Legislature directed the Department during the 2009 legislative session to rate its Advisory Committee based on the criteria of Best Practices that can be applied considering the Committee is neither a board or commission.</p> <p>* Stakeholders: The Governor's Advisory Committee, charged with representing all veterans of the state, was consulted during initial measure development and are provided with copies of the annual performance measures report.</p> <p>* Citizens: Ongoing contact with external partners (county veteran service officers, veteran organizations, and public and private business partners) produces feedback useful in various areas, including the development of performance measures. Customer service performance measures provide citizens and clients with the opportunity to rate the Department on its customer service delivery.</p>
2 MANAGING FOR RESULTS	<p>Performance measures indicate how well the Department is meeting its goals and challenges. Intermediate data is monitored and compared against upcoming targets to ensure 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>
3 STAFF TRAINING	<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 and Advisory Committee members, focuses on performance in support of the agency's mission and benchmarks.</p>

4 COMMUNICATING RESULTS

* **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 external audiences to keep them informed and increase accountability.

* **Elected Officials:** Results are provided to the Department of Administrative Services and Legislative Fiscal as required. The Department's annual report is made available on the websites of Department of Administrative Services and this Department for viewing by all including elected officials, staff, stakeholders, and citizens. The Department's performance documents may be viewed at <http://www.oregon.gov/ODVA/index.shtml>.

* **Stakeholders:** They experience the same access available to elected officials. Additionally, email is often used as a means of distributing 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 for their information, review and feedback.