

**VETERANS' AFFAIRS, DEPARTMENT of**

**Annual Performance Progress Report (APPR) for Fiscal Year (2009-2010)**

**Proposed KPM's for Biennium (2011-2013)**

Original Submission Date: 2010

Finalize Date: 11/4/2010

2009-2010 KPM #	2009-2010 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.

<b>New Delete</b>	<b>Proposed Key Performance Measures (KPM's) for Biennium 2011-2013</b>
	<b>Title:</b>  <b>Rationale:</b>

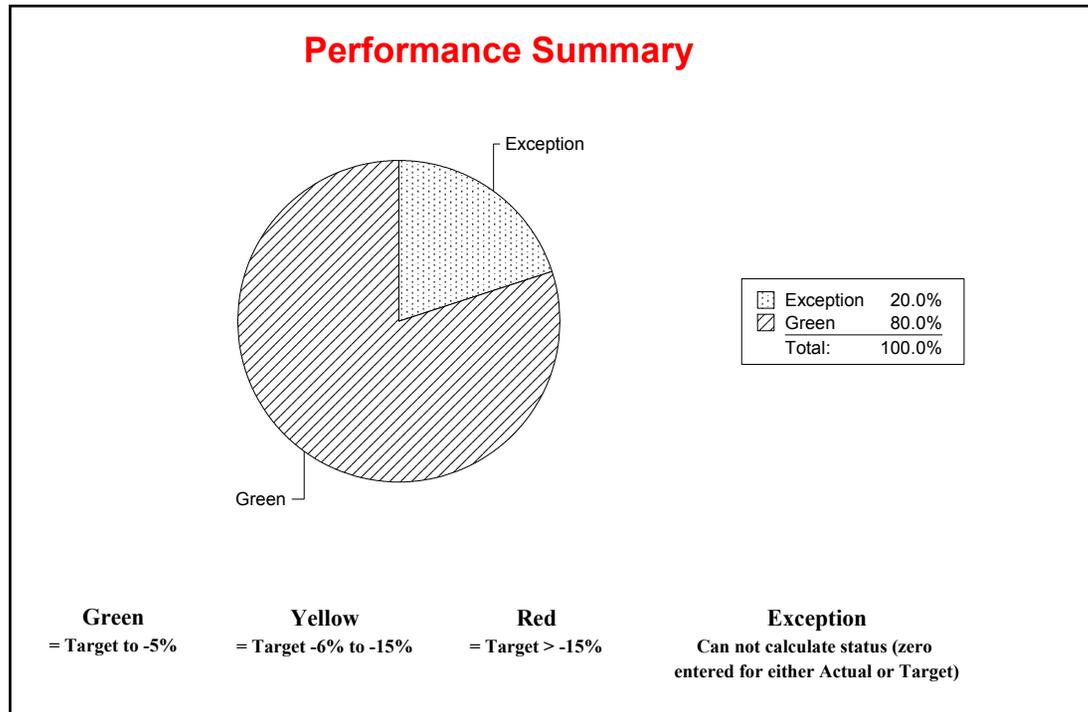
**Agency Mission:** The Oregon Department of Veterans' Affairs (ODVA), with the support of our citizens, recognizes and honors Oregon's veterans and their families by providing the highest quality programs, service and benefits.

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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 the 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 several 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 all but one of the Department's key performance measures have met or exceeded their targets: delinquent accounts, disability compensation, recovery of federal dollars, and Boards and Commissions Best Practices\*. Of the six components of the Department's customer satisfaction performance measure (KPM #4) , two areas did not reach the set target of 90 percent - Accuracy 89% and Availability of Information 87%. The four areas that did meet or exceed their targets were: Expertise 91%, Helpfulness 93%, Overall 92%, and Timeliness 90%. \*(See KPM #5 for clarification of the Department's Advisory Committee being measured by only 10 of the Boards and Commissions Best Practices criteria).

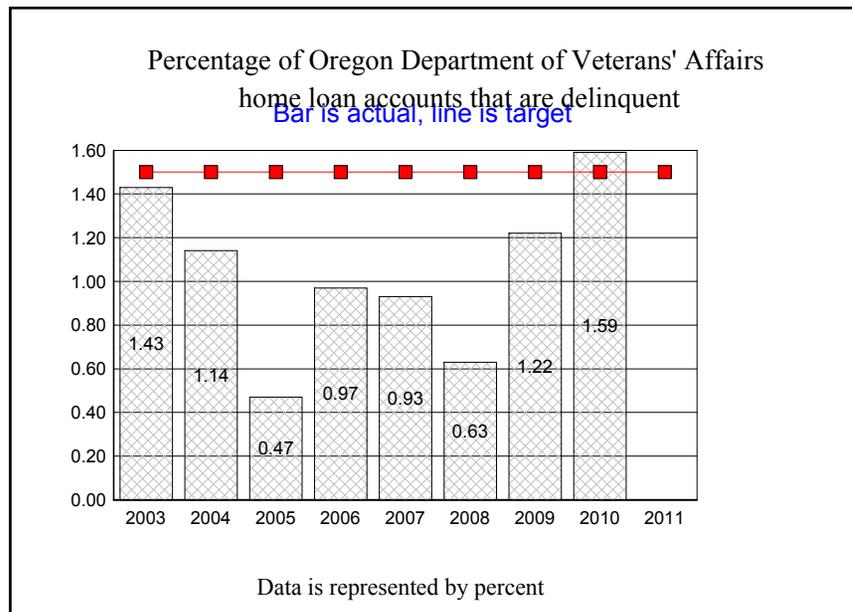
### **4. CHALLENGES**

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 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 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, over which the Department has limited influence.

### **5. RESOURCES AND EFFICIENCY**

The Departments expenditures for the 2009-2010 fiscal year were \$2,467,858 General Fund and \$18,602,881 Other Fund (does not include debt service and nonlimited 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 the Oregon 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 Departments underwriting and collection efforts. Lower delinquency rates are reflected in fewer delinquent accounts.

## 3. HOW WE ARE DOING

As of June 30, 2010, 1.59% 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 below that of private sector prime loans during the 2009-2010 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 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.

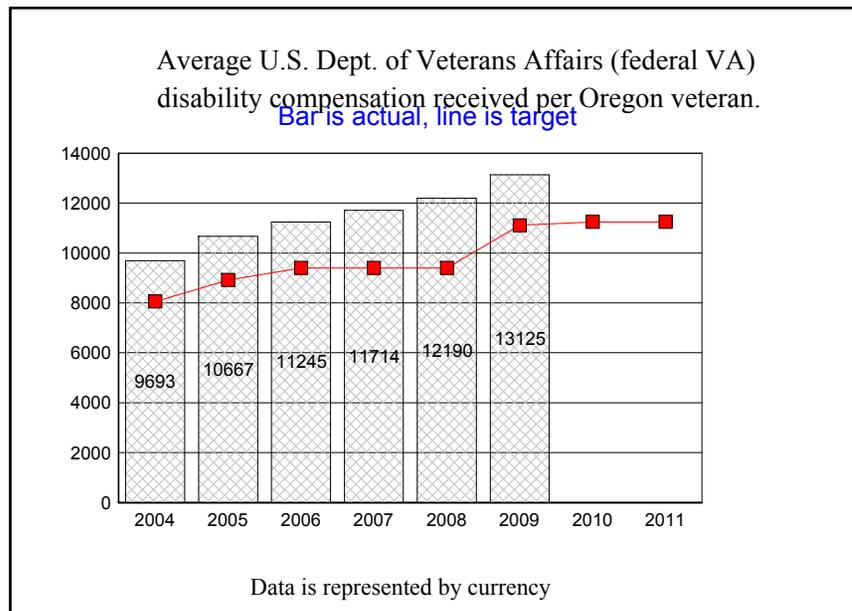
## 6. WHAT NEEDS TO BE DONE

The Department needs to continue to closely monitor customer account payment histories and 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.

<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 #59 - 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

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 Departments 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 2009 federal fiscal year, the average disability compensation for Oregon veterans of \$13,125 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 \$13,125 in 2009 exceeded the national average of \$11,110. Oregon is among the top ten states in the nation for veterans disability compensation.

## 5. FACTORS AFFECTING RESULTS

The Departments 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.

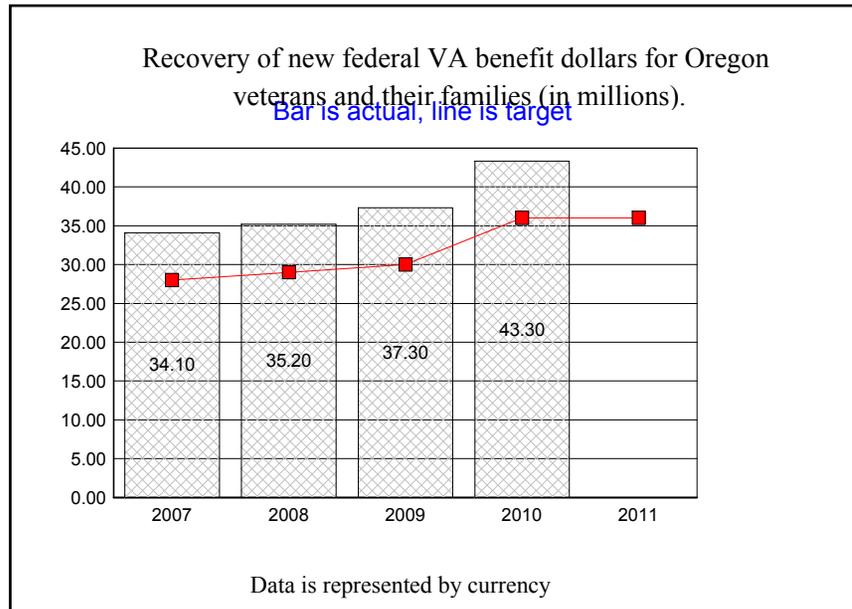
## 6. WHAT NEEDS TO BE DONE

The Department needs to assure that Department staff and county 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.

<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 #59 - Percentage of seniors living independently.	
<b>Data Source</b>	Oregon Department of Veterans' Affairs Veterans' Services Monthly Statistical Report.	
<b>Owner</b>	Veterans' Services	



**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 Departments 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 2009-2010, \$43.3 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 is among the top ten 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 (thus 2009 is most recent reporting data). A review of each KPM and the supporting documentation is completed to verify reliability and accuracy.

<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 - 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.	
<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.	



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**

Targets for this key performance measure are currently set at 90 percent for the years 2009, 2010, and 2011.

**3. HOW WE ARE DOING**

Over 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. The Department advocates for veterans to help them obtain their benefits. The U.S. Department 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 or the length of time it may have taken to receive a decision from the U.S. Department of Veterans Affairs.

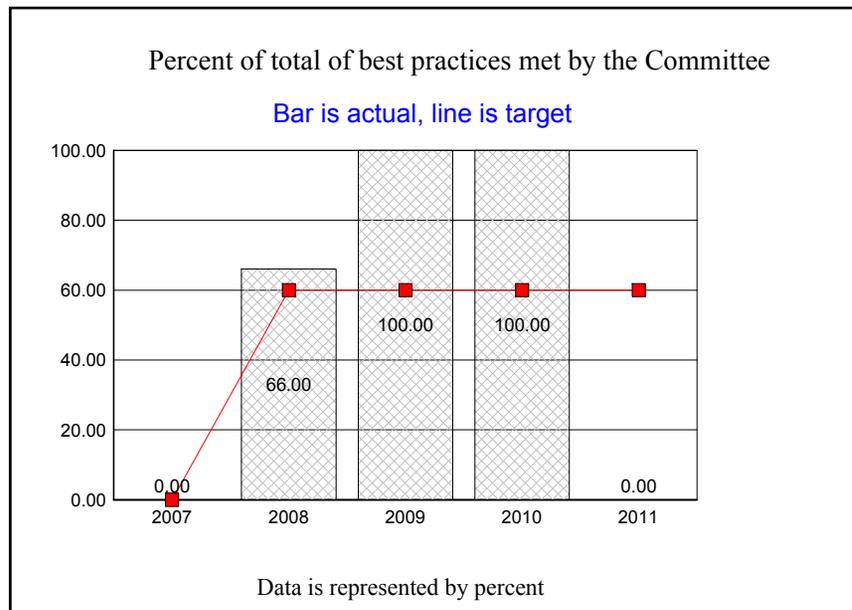
**6. WHAT NEEDS TO BE DONE**

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 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. A review of each key performance measure and the supporting documentation is completed to verify reliability and accuracy.

<b>KPM #5</b>	BEST PRACTICES: Percent of total best practices met by the Board.	2008
<b>Goal</b>	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 criteria.	
<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. 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 ten 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 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 opportunities are provided.

## **5. FACTORS AFFECTING RESULTS**

As previously noted, not all of the the Boards and Commissions Best Practices Key Performance Measures 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 measures 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 Best Practice targets that are considered 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 criteria that are applicable.

**7. ABOUT THE DATA**

The data to measure the Best Practices Key Performance Measures was collected during the 2009-2010 state fiscal year. The data is based upon work performed by the Advisory Committee and how that work meets the Best Practices criteria.

<b>VETERANS' AFFAIRS, DEPARTMENT of</b>	<b>III. USING PERFORMANCE DATA</b>
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**The following questions indicate how performance measures and data are used for management and accountability purposes.**

<p><b>1. INCLUSIVITY</b></p>	<p>* <b>Staff :</b> Department senior staff and managers developed the Departments 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>* <b>Elected Officials:</b> The Oregon Legislature directed the Department during the 2009 legislative session to rate its Advisory Committee based on the measures of Best Practices that can be applied considering the Committee is neither a board or council.</p> <p>* <b>Stakeholders:</b> 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>* <b>Citizens:</b> 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>
<p><b>2 MANAGING FOR RESULTS</b></p>	<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 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 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 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 the 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 [www.oregon.gov/ODVA](http://www.oregon.gov/ODVA).

\* **Stakeholders:** Same access is available elected officials. Additionally, email is sometimes 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.