

To: ODVA (Jay DeFillipo and Sheronne Blasi) and HB 4132 RAC

From: Joseph Reiley

Date: 10/1/2026

RE: Definition of “moneys budgeted for all services”

Summary/Recommendation

Based on the text and context of HB 4132, the legislature intended to make a distinction regarding what “moneys that the county budgeted for services provided by the county veterans’ service officer for the fiscal year” were subject to the expenditure tests set forth in HB 4132, in comparison to all funds appropriated to the county veterans’ service officer program. In light of this intended distinction, the rules should define “moneys budgeted for county veterans’ service officers” to exclude such things as reserve accounts or other such funds.

Statutory Interpretation and the Language Used in HB 4132

The legislative language of HB 4132 has several references to “moneys budgeted for all services provided by the county veterans’ service officer” (see HB 4132, Section 6(2)(d), 2(e) and Section 6(3), all of which will be codified in ORS 406.462) however, this phrase is not currently defined in either statute (see, e.g., ORS 406.448) or rule (OAR 274-030-0500).

Since this phrase is at the heart of the changes being implemented by Section 6 of HB 4132, and creates the baseline against which expenditures will be measured to determine if a county will qualify for their full allocation of funding pursuant to ORS 406.454, establishing a clear definition, which captures the legislative intent, is necessary.

When considering the definition of this phrase the canons of statutory construction make it clear that the legislature intended something other than the entirety of the county veterans’ service officer program (CVSO) budget. We can conclude this because each time the CVSO budget is referenced, the legislature chose to modify the term “moneys budgeted” with “for all services provided by the CVSO” and even further modified it in Section 6(3) with “for the fiscal year.”

As was pointed out in the first meeting of the HB 4132 RAC (9/28/2026), HB 4132 is the law. As such, we must give weight to each and every word which the legislature chose. (See, ORS 174.010, discussed in more detail below). Accordingly, to define the phrase “moneys budgeted for all services provided by the CVSO” as “all funds appropriated” to the CVSO or as “the entirety” of the CVSO budget would negate and make a nullity of the “for all services provided by the CVSO” and of the “for the fiscal year” language. If the legislature intended the entirety of the budget to be considered, they could have simple said “moneys budgeted

for the CVSO,” or even more significantly they could have used the same language as they did in other provisions of ORS 406.448 – 406.462, specifically “the amount of moneys appropriated for county veterans’ services officer” or “the amount of moneys appropriated by the county governing body for county veterans’ service officers” (ORS 406.460).

The phrase “amount of moneys appropriated” is without modification and thus must be read as all moneys appropriated to the CVSO for whatever purpose, to be used, or perhaps even intended not to be used, for services in that given fiscal year.

The legislature chose different language in HB 4132 however and thus must be understood to mean a different thing. The Library of Congress has provided an overview of the “Canons of Statutory Construction” and therein states:

“Some semantic canons more specifically reflect assumptions about how Congress writes statutes. One example is the presumption of consistent usage and material variation. As [described](#) by the Supreme Court, this principle instructs that “[i]n a given statute, the same term usually has the same meaning and different terms usually have different meanings.” This canon assumes that Congress intentionally uses consistent phrasing across an act, and that any inconsistency is also intentional.” Published at <https://www.congress.gov/crs-product/IF12992>, last accessed 10/01/2026.

Oregon has adopted similar rules of statutory construction and interpretation. In ORS 174.010 the legislature specifically enjoins judges to “simply declare what is, ... not to insert what has been omitted, or **to omit what has been inserted.**” (emphasis added). The Oregon Supreme Court has also addressed this issue and in the seminal cases of PGE v. BOLI, 317 Or 606 (1993) and State v. Gaines, 346 Or 160 (2009), they set forth a three-part process to determine legislative intent. The primary and often definitive step is a review of the actual “text and context” of the statutory language to determine its meaning. The Supreme Court described context as the “other provisions of the same statute and other related statutes.... [F]or example, the rules that the use of a term in one section and not in another section of the same statute indicates a purposeful omission, and that use of the same term throughout a statute indicates that the term has the same meaning throughout the statute.” PGE v. BOLI, 317 Or 606, at 610-611 (1993) (citations omitted).

As the Library of Congress described it, we now have such a “material variation,” in the legislative act which creates and defines the program which provides state funding support for CVSOs. There is dramatic, and what must be understood to be intentional, inconsistency between the language previously used in ORS 406.448 to 406.462 to reference the entirety of the CVSO budget and the language chosen to be used in HB 4132. There must be some distinction between the entirety of the CVSO budget and the funds the legislature intended to relate to the “proportional” quarterly distribution of state funding

and against which expenditures should be measured to determine if the “90 percent” metric was satisfied.

Exclusion of Reserve Accounts

With the above in mind, a definition which excludes such things as reserve accounts or funds or other moneys budgeted but not necessarily intended to be expended in that specific “fiscal year” seems appropriate for HB 4132’s reference to “moneys budgeted for all services.” While such reserve funds are certainly part of the “amounts appropriated by the county governing body” they are equally certainly not “moneys that the county **budgeted for services** provided by the county veterans’ service officer **for the fiscal year.**” HB 4132, Section 6(3), emphasis added.

We are all well aware of the current pressures on public funding – whether at the state level, in our school districts or county general funds. Allowing counties the flexibility to create reserve accounts when funding allows, or in some cases to merely maintain such reserves which have existed years, provides a way in which counties may protect future CVSO services and effectively have a veteran services-specific rainy-day fund. Such accounts would still fall under the statutory language of “amounts appropriated by the county governing body” and if reduced would still be subject to the anti-supplanting test which has been part of this funding scheme since its inception in 2005. See, ORS 406.460. Accordingly, the clear public policy of ensuring such funds are forever dedicated to the service of veterans in local communities would be maintained.

Another consideration besides creating a rainy-day fund is to mitigate potential liabilities for errors in CVSO claim work. Self-insured counties often require the actual program to ultimately cover liability payments and those must come from budget allocations. Allowing counties to have a “Risk Reserve” to mitigate the impacts from such payments would ensure the viability of future services if liability were even determined.

Conclusion

Based on well-established maxims of statutory construction, as well as the legislatures own guidance (ORS 174.010), the references to “moneys budgeted for all services provided by the county veterans’ service officer for the fiscal year” should not be defined to include such things as reserve accounts. Interpreting that phrase to include such allocations would tend to defeat the legislative intent of expanding and enhancing local veteran services and so the Agency should consider establishing a definition of “moneys budgeted for all services” which specifically excludes reserves or other accounts not intended for expenditure in that specific fiscal year.