



OREGON DEPARTMENT *of* VETERANS' AFFAIRS

HB 4132 – CVSO Program Rules Advisory Committee (RAC) Packet

Message from ODVA Legislative Director

Thank you for your willingness to serve on the Oregon Department of Veterans' Affairs (ODVA) Rules Advisory Committee (RAC) for implementation of HB 4132 (2025 Session), Section 6, relating to County Veteran Service Officer (CVSO) Program Funding. Your participation is essential to ensure that ODVA's administrative rules are transparent, equitable, and responsive to the needs of Oregon's veterans and the local partners who serve them.

HB 4132 directs ODVA to update its rules governing CVSO program funding to align with new statutory requirements. The RAC will provide structured input on program criteria, funding distribution mechanisms, reporting expectations, and the practical impacts of proposed rule changes on Oregon Counties that receive State CVSO funding.

Your expertise, whether from county service delivery, nonprofit organizations, state or local government, will help ODVA develop rules that are workable, fiscally responsible, and supportive of Oregon's diverse veteran communities.

During the RAC process, ODVA will provide draft rule language, agency fiscal impact analyses, and background materials for review. Committee members will have opportunities to offer feedback, propose revisions, identify operational challenges, and ensure that the rulemaking record reflects a full range of stakeholder perspectives. Meeting agendas, materials, and summaries will be shared in advance to support meaningful participation.

We deeply appreciate your willingness to contribute your time and insight to this important work. Your involvement helps ensure that Oregon's CVSO program continues to deliver high-quality, accessible, and culturally informed services to veterans across the state.

We look forward to working with you throughout the rulemaking process.

Sincerely,

Jay DeFillipo

ODVA Legislative Director and Rules Coordinator

Rules Advisory Committee Overview

A Rules Advisory Committee (RAC) is a public-involvement body used by Oregon state agencies to assist in the development, review, and refinement of administrative rules. RACs ensure that rulemaking is transparent, informed, and representative of the communities affected.

Statutory Authority

- **ORS 183.333** - Establishes RACs as a tool for public involvement in rulemaking. Agencies may appoint RACs to assist in drafting rules and must ensure membership represents affected persons and communities.
- **HB 3569 (2025)** - Updates RAC requirements, including mandatory invitations to legislative sponsors for rules implementing new legislation.

Core Responsibilities

- **Review Draft Rules:** Examine proposed rule language for clarity, feasibility, and alignment with legislative intent and statutory requirements.
- **Evaluate Fiscal Impacts:** Assess the agency's fiscal impact statement, including effects on small businesses and local governments.
- **Provide Partner Input:** Offer perspectives from individuals, organizations, and communities likely to be affected by the rule.
- **Recommend Revisions:** Suggest changes to improve rule clarity, reduce unintended impacts, and support effective implementation.
- **Support Public Transparency:** Strengthen public trust by ensuring rulemaking is open, participatory, and well-documented.

Deliverables

- Annotated draft rule language
- Agency fiscal impact review notes
- Summary of partner concerns
- Recommendations for rule revisions
- Meeting summaries and attendance records

Value of a RAC

- Improving rule clarity and practicality
- Ensuring diverse perspectives are considered
- Identifying unintended consequences early
- Enhancing public trust and transparency

Responsibilities and Timeline

RAC Participation and term of service is at ODVA's discretion. Membership is intended to represent a diversity of expertise, skillsets, and viewpoints. Members may be represented by alternates and must provide notice to the rule's coordinator or facilitator at least 24 hours before the meeting.

The RAC will convene on September 28th, 2026, and is expected to meet at least 5 times. Unless requested by ODVA and agreed to by the RAC, the RAC's responsibilities will conclude at that time.

The following is a schedule of the RAC meetings.

*Please note RAC meetings will be recorded, and the public will be allowed to attend but not comment.

Date	Event	Topic
9/28	RAC meeting 1	Introductions and 1 st look DRAFT Rules
10/5	RAC meeting 2	Prompt questions, Review 30.500 - 30.515
10/12	RAC meeting 3	Final prompt questions, Review 30.520 - 30. 560
10/19	RAC meeting 4	Fiscal Impact and Review 30.536 - 30. 630
10/26	RAC meeting 5	Vote on final version of proposed rules
11/2	RAC meeting 6	If needed
Mid December	Public Comment	
Mid January	ODVA Executive Review	
End of January	Permanent Rules	

ODVA will incorporate feedback from the RAC into the final draft rules before holding a public meeting and public comment period. The public hearing will be noticed in the Oregon Secretary of State bulletin 14 days in advance of the public meeting. This will provide the public and any interested parties an opportunity to engage in the rule-making process.

RAC Process Agreement

This is intended to be a collaborative space in which participants will be asked to respect the following process agreements:

- **Have grace, give grace:**, please have grace with yourselves, each other, and the technology.
- **Be mission-centric:** share all relevant information from your experience, think about how your connections and insights can strengthen the effort at hand.
- **Respect confidentiality,** be mindful of what you share in this, not all topics or ideas may be appropriate for discussion in a broader venue. If you mention something, always remember RAC meetings are open to the public and recorded.
- **Lead with curiosity:** test assumptions and inferences, balance clarifying questions with positional advocacy. Give people the benefit of good intent.
- **Take care of yourself:** we attempt to have high impact meetings where we use our limited time to the fullest, please do what you need to take care of yourself so you can participate fully and do your best thinking.
- **Please respect each other.** Lots of opinions will be shared in this space. ODVA is looking to gain a better understanding of the challenges, obstacles and benefits of this legislation. Your opinion matters and no opinion will be discarded.

DRAFT OAR – Chapter 274 Division 30 - Pre-decisional Administrative Rules

Division 30

STATE FUNDS FOR COUNTIES AND VETERANS ORGANIZATIONS

274-030-0500

Definitions for Division 30

- (1) "Accredited" means an individual officially recognized and authorized by the United States Department of Veterans Affairs (USDVA) to assist in the preparation, presentation, and prosecution of a claim for USDVA benefits.
- (2) "Advisory Committee" means the Advisory Committee to the Director defined in ORS 406.210.
- (3) "Capital Assets" means tangible and intangible property as defined as "capital assets" in the State of Oregon Accounting Manual, Number 10.50.00 PR, as amended, that have initial estimated useful lives beyond a single year and have an initial cost of at least \$5,000 and does not include items below \$5,000. Examples of capital assets include land, land improvements, buildings and building improvements, motor vehicles, equipment and machinery, works of art and historical treasures, and infrastructure items such as state highways and airports.
- (4) "Capital outlay" means expenditures for capital assets.
- (5) "County" means a county that carries on a program of veterans' rehabilitation work and that contracts for or employs a part-time or full-time Veteran Service Officer.
- (6) "County Veteran Service Officer" means a person appointed by a county under ORS 408.410 who is contracted or employed as a part-time or full-time agent or employee of a county to carry on a program of veterans' rehabilitation work.
- (7) "Department" means the Department of Veterans' Affairs as defined in ORS 406.005.
- (8) "Director" means the Director of Veterans' Affairs as defined in ORS 406.410.
- (9) "Funds" means monies that have been appropriated to the Department for distribution to veterans organizations and counties under ORS 406.310 and 406.454.
- (10) "Funds Available" shall mean the funds remaining, after any distributions have been made to veterans' organization and counties, from those funds appropriated to the Department for distribution to veterans organizations and counties under ORS 406.310 and 406.454.
- (11) "Qualified Veterans Organization" means a veterans organization qualified to apply for funds under ORS 406.310 and 406.320 that has carried on a program of veterans rehabilitation work by employing a part-time or full-time paid veteran service officer in Oregon for not less than two years immediately preceding an application for funds under ORS 406.410.

(12) "Rehabilitation Program" means conducting a program, in acting under power of attorney for veterans in connection with claims for benefits, in assisting veterans in prosecutions of their claims and in solution of problems arising out of previous military service as provided in ORS 406.310.

(13) "Supplant funds" means to use funds appropriated to the Department and distributed to a county under ORS 406.310 and ORS 406.454 to replace county funds that were previously appropriated by the county for county Veteran Service Officers and rehabilitation programs.

(14) "Veterans Organization" means an organization recognized by the United States Department of Veterans Affairs (USDVA), Office of General Counsel, to assist claimants for USDVA benefits in the preparation, presentation, and prosecution of their claims.

(15) "Veteran Service Officer" means a part-time or full-time paid accredited employee of an accredited state or national veterans organization, who is employed to represent veterans before rating boards of the United States Department of Veterans Affairs.

Statutory/Other Authority: ORS 406 & 408.410

Statutes/Other Implemented: ORS 406.030, 406.215, 406.217 & 406.450 - 462

274-030-0505

Application for Funds by a Veterans Organization

A veterans organization applying for funds under ORS 406.310 must submit a written application to the Department, on an approved form, on or before August 15 of the application year. The application shall include the organization's eligibility for funds under ORS 406.320, a description of its rehabilitation program, and a copy of the approved budget for its program for the next fiscal year.

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030 & 406.310 - 406.340

274-030-0515

Distribution of Funds to a Veterans' Organizations

(1) The Department shall review the applications and qualifications of each veterans organization that applied for funds and distribute the funds appropriated to qualified veterans organizations based on the number of veterans served by the organization, the number of organizations applying for funds, and the amount of the organization's financial contribution to its veterans rehabilitation program.

(2) After reviewing the quarterly reports required under OAR 274-030-0520, the Department shall distribute funds to veterans organizations on a quarterly basis, based on the Department's fiscal year that begins on July 1 and ends June 30.

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030, 406.210, 406.215 & 406.310 - 406.340

274-030-0520

Quarterly Reports and Audits from Veterans Organizations

(1) Veterans organizations that receive funds from the Department shall submit quarterly reports of the activities of their accredited Veteran Service Officers and program expenses on an approved form. The Department shall review and approve the quarterly reports and authorize disbursement.

(2) The Director may audit and examine the activities and expenditures of veterans organizations before approving reimbursements or at any time during the fiscal year.

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030 & 406.450 - 406.462

274-030-0525

Fiscal Division of Funds for Veterans' Organizations

The Department shall not disburse more than one-half of the funds available for disbursement to veterans organizations under ORS 406.310 during the first 12 months of the Department's fiscal biennium.

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030, 406.310 & 406.330

274-030-0535

Limitation on Distribution of Funds to Veterans Organizations

The Department shall not allocate funds to a veterans organization in an amount that is more than 50 percent of the organization's approved budget. However, if the national headquarters of a state veterans organization bears the major portion of the expenses of the Veteran Service Officer, the state veterans organization may submit as its own expense that portion of the annual member dues that are sent to its national headquarters as payment for a portion of the expenses of its Veteran Service Officer. For purposes of this rule, a "Veteran Service Officer" may be referred to by a veterans organization as a "State Service Officer" or a "National Service Officer."

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030, 406.210 - 406.217, 406.310 & 406.450 - 406.462

274-030-0541

Application of Rules

The rules under OAR 274-030-050 and 274-030-0541 through 274-030-630 apply to all funds allocated to the Department and distributed to the counties under ORS 406.310 (Director

authorized to aid veterans organizations) and under ORS 406.454 (Distribution formula; rules; use of funds).

Statutory/Other Authority: ORS 406.005, 406.330, 406.454 & 406.456

Statutes/Other Implemented: ORS 406.310, 406.320, 406.440, 406.450, 406.452, 406.454, 406.456, 406.460 & 406.462

274-030-0545

County Application for Funds

(1) A county applying for funds under ORS 406.310, ORS 406.454, and 406.462 must submit written application to the Department, on an approved form, on or before August 30 of the application year. The application shall include budget reports, revenue and expense reports, and a copy of the approved budget for its program for the next fiscal year.

(2) A county may not apply for or use funds for capital outlay.

(3) A county may not apply for or use funds to supplant county funds that were previously appropriated by the county for county Veteran Service Officers and rehabilitation programs.

(4) The Director shall distribute moneys appropriated to the Director for the purposes described in ORS 406.450 on a quarterly basis as follows:

(a) Each fiscal year, the Director shall notify each county governing body of the amount of moneys to be distributed to the county governing body for the fiscal year.

(b) The county governing body shall provide the Director a copy of the county's budget for the services to be provided by the county Veterans Service Officer for the fiscal year.

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030, 406.215 & 406.310

274-030-0550

Late Applications

The Director may approve a distribution of funds to a county that files an application under OAR 274-030-0550 after August 30 only if sufficient funds are available.

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030, 406.215, 406.217, 406.450 & 406.450 - 462

274-030-0560

Quarterly Reports and Audits

(1) At the end of each fiscal quarter, the county governing body shall provide the Director quarterly reports and supporting documentation described subsections (a) and (b) of this rule, no later than the last working day of the month following the end of a fiscal quarter.

(a) Quarterly expense reports of the county's veteran services program; and

(b) Quarterly county Veteran Service Officers activity reports.

(2) The Director may audit and examine the activities and expenditures of a county before approving the disbursement of funds, or at any point during the fiscal year.

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030 & 406.450 - 462

274-030-0565

Fiscal Division of Funds

(1) At the end of each calendar quarter, the county governing body shall provide the Director a report on the moneys the county expended during the calendar quarter for the services provided by the county Veteran Service Officers.

(2) Upon receipt of the county governing body's quarterly report, the Director shall distribute to the county governing body a portion of moneys allocated to the county governing body in an amount that is based on the proportion of all moneys budgeted for all services provided by county Veteran Service Officers that were expended during the calendar quarter.

(3) At the end of each calendar quarter, the county governing body may also provide the Director documentation for moneys the county expended during a previous calendar quarter in the fiscal year for the services provided by the county Veteran Service Officer that the county had not previously reported to the director and for which the county governing body has not received a distribution of moneys from the Director. Upon receipt of the documentation, the Director shall distribute to the county governing body a portion of moneys allocated to the county governing body in an amount that is based on the proportion of all moneys budgeted for all services provided by county Veteran Service Officers that were expended during the calendar quarter within which the county expended the moneys for which the county governing body provided the Director documentation.

(4) At the end of each fiscal year, the Director shall calculate the remaining monies not distributed during the fiscal year and distribute the remaining moneys using a formula established under ORS 406.454 to each county governing body that expended 90 percent or more of the monies that the county budgeted for services provided by the county Veteran Service Officers for the fiscal year. The Director shall distribute the remaining monies within 90 days from the last date of the fiscal year.

(5) The Department shall not disburse more than one-half of the total funds available for distribution to a county under ORS 406.310 and 406.454 during the first 12 months of the Department's fiscal biennium.

(6) The Director may reduce the amount of moneys distributed to county governing bodies for county Veteran Service Officers if there is a decrease in the amount of General Fund or State Lottery Fund revenues appropriated to the Director for the purposes described in ORS 406.450 for the same period of time.

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030 & 406.450 - 462

274-030-0570

Formula for the Distribution of Funds to Counties under 406.454

(1) The formula in subsection (2) of this rule for the distribution of funds described in 406.454 to the counties is based on the consideration of the following factors:

(a) A base amount will be provided for each county;

(b) The number of veterans residing in each county;

(2) The Department will review applications from all qualified counties and distribute funds allocated to the Department under ORS 406.454 for counties based on the following formula:

(a) Base funds. The Department will distribute 55% of all funds available to qualified counties as a base amount. After subtracting the base funds distributed to the counties that share services of a county Veteran Service Officer as described under section (3) of this rule, the remaining base funds will be distributed equally among the remaining counties that do not share a county Veteran Service Officer.

(b) Veteran population funds. The Department will distribute 45% of all funds available to qualified counties based on the total veteran's population in Oregon divided by the number of veterans residing in a county.

(3) As an allocation of the base funds available described under subsection (2)(a) of this rule, if two or more counties share the expenses of a county Veteran Service Officer who provides veteran services to these counties for at least 1,000 hours per year, the Director shall determine a base amount of funds for each of these counties and distribute that amount, after considering the following factors:

(a) Number of veterans served;

(b) Geographical accessibility to veterans served; and

(c) Number of county Veteran Service Officers needed.

Statutory/Other Authority: ORS 406

Statutes/Other Implemented: ORS 406.030, 406.215, 406.217, 406.330 & 406.450 - 462

274-030-0630

Withholding Funds

(1) The Department may withhold funds from a county based on one or more of the following:

(a) A county failed to submit required quarterly reports to the Department in a timely manner as required under OAR 274-030-0620;

(b) A county submitted one or more required quarterly reports to the Department containing inaccurate or unverifiable information;

(c) A county used funds distributed by the Department for capital outlay, as defined in OAR 274-030-0500, which is prohibited under OAR 274-030-0545;

(d) A county supplanted funds previously appropriated by the county for county Veteran Service Officers and rehabilitation programs with funds distributed by the Department to a county under ORS 406.310 and ORS 406.454.

(2) The Department may release funds to a county that were withheld under section (1)(a) of this rule when a county submits all required quarterly reports to the Department that were not submitted in a timely manner.

(3) The Department may release funds to a county that were withheld under section (1)(b) of this rule when a county submits all amended quarterly reports to the Department containing corrected, accurate and verifiable information.

(4) The Department may release funds to a county that were withheld under section (1)(c) of this rule when a county submits an amended and corrected report that demonstrates that funds used for capital outlay were county funds and not funds distributed to the county by the Department.

(5) The Department may release funds to a county that were withheld under section (1)(d) of this rule when a county amends and corrects the expense reports that showed the county supplanted funds. The amended and corrected report must demonstrate that funds distributed to the county by the Department were not used to supplant county funds.

(6) At the conclusion of the Department's biennium, the Department may disburse withheld funds equally to all remaining counties as determined by the Director.

Statutory/Other Authority: ORS 406.030, 406.050, 406.310 - 406.340, 406.450 - 406.462 & 408.410

Statutes/Other Implemented: ORS 406.030, 406.050, 406.450 - 406.462 & 408.410