Individual State Agency Fiscal Note

Bill Number: 1102 HB	Title: Veteran support and services	Agency: 305-Department of Veterans Affairs

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.3	1.3	1.3	1.3	2.3
Account					
Veterans Service Officer Account-State 24F-1	775,000	349,000	1,124,000	788,000	1,199,000
Total $	775,000	349,000	1,124,000	788,000	1,199,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Martha Wehling	Phone: 360-786-7067	Date: 01/06/2025
Agency Preparation:	Troy Cerny	Phone: 3607252661	Date: 01/17/2025
Agency Approval:	Yacob Zekarias	Phone: 253-545-1942	Date: 01/17/2025
OFM Review:	Arnel Blancas	Phone: (360) 000-0000	Date: 01/22/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 2 generates fiscal impact to Washington State Department of Veterans Affairs (WDVA) by requiring the agency to provide veterans information regarding available veterans services. Subject to appropriated funding, this includes:
- Contacting veterans within 90 days of military discharge to provide information on benefits and services.
- Providing county-specific information on the department website about services and resources.
- Producing a biennial report to the governor and legislature detailing the Veteran Service Officer program.

Section 3 generates fiscal impact to WDVA by mandating the establishment and maintenance of a Veterans Service Officer program targeting “eligible counties”. Eligible counties are defined as those where the percentage of veterans receiving federal disability or pension compensation falls below the national average. Responsibilities include:
- Establishing a process to educate local governments, veterans, and active service members in the National Guard or Armed Forces Reserve about the program.
- Developing partnerships with local governments to assist in establishing and maintaining Veterans Service Officers in eligible counties that chose to participate.
- Providing funding to support eligible counties in establishing and maintaining local accredited Veterans Service Officers.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

To meet these requirements, WDVA assumes the following:
- The bill’s definition constitutes 25 "eligible counties".
- Per Section 1 of the bill, the legislature intends to expand the VSO program by up to two veterans service officers per biennium, beginning with the counties with the lowest percentage of benefits received. As such, WDVA assumes we will expand the program by up to six counties over the next three biennium budget cycles. It is our intent to eventually expand the VSO program to support all Washington counties, but growth beyond six counties will require additional FTEs in the future; however, we expect it will be at a lower rate than what is needed to support the initial scaling up of the program and new requirements of this bill.

- The bill provides up to $160,000 annually to expand the VSO program for each additional county. This request assumes continued funding for the six counties currently participating in the program.

- To support the initial implementation of this bill and meet new requirements, we are proposing reclassifying an existing WMS1 manager position to WMS2 that solely dedicates a full-time oversight of the program. This role will oversee the VSO program on a long-term basis. Since the program’s inception in 2019, WDVA has aligned existing resources to manage its operations. However, the absence of allocated FTEs and the loss of local funding that previously supported the program have created significant challenges.

Reclassifying the WMS1 manager position and adding a Program Specialist position are critical to the program’s success, ensuring compliance with federal regulatory requirements and mitigating risks associated with delivering VSO services.

- Enhancements will be required for the department’s information technology systems and public facing website.

- Rulemaking will be necessary to establish processes for counties to apply for Veteran Service Officer Program funds, allocate resources to eligible counties, and address situations where eligible counties choose not to participate. Additionally, rules will need to define requirements for participating counties to ensure their County Veteran Service Officers are trained, accredited, and monitored by WDVA. This includes allowing veterans from adjacent counties to access services from participating counties' Veteran Service Officers. It is recommended to create a new section under WAC 484-10 specific to the Veteran Service Officer Program.

As the state veteran agency, WDVA will also assume responsibility for:
- Providing Veteran Service Officer training and VA accreditation
- Ensuring access to IT systems for county officers
- Conducting quality assurance and reporting on VA claims
- Representing VA claims appeals submitted by county officers
- Ensuring compliance with federal rules related to County Veteran Service Officers

WDVA assumes a ramp-up from 1.3 FTE to 2.3 FTE impact when funding is expanded to additional counties: 1.0 WMS Band 2 (WMS2), 1.0 Program Specialist 5 (PS5), 1.0 Management Analyst 3 (PS3), and 0.3 IT App Development – Journey (ITAPP-J).

WMS2 position (FY26 Start): - Reclassifying an existing WMS1 to WMS2 position
The WMS 2 position is critical to oversee all aspects of this program, including:
- Contract Management: overseeing client service contracts with counties receiving program funding
- Legislative Reporting: developing and submitting required legislative reports
- Outreach and Education: providing education and support to local governments on program implementation
- Regulatory Compliance and VA Appeals Management: managing compliance with federal regulations related to the training, accreditation, and monitoring of veterans service offices and ensuring full representation before the U.S. Department of Veterans Affairs Board of Veterans Appeals
- Personnel Management: Supervising and coordinating other agency staff supporting the program. This includes staff responsible for:
  -- Outreach to new veterans
  -- Maintaining county-specific information on the department website
  -- Collecting and analyzing program data (demographic, workload, and outcomes)
  -- Veteran service officer training, accreditation, quality assurance, and VA appeals representation (as required by federal regulations)

To address program expansion and successfully meet contract and reporting requirements, WDVA proposes reclassifying an existing WMS1 to a WMS2 level. To accommodate the salary difference between the WMS 1 and WMS 2 classifications, we request additional $25,000/yr funding. This reclassification will provide the program with enhanced leadership and expertise to effectively serve veterans across the state.

PS5 position (FY26 Start):
The PS5 position plays a vital role in the success of the Veteran Service Officer Program by educating stakeholders and delivering high-quality training to county officers. This position conducts outreach to local governments, veterans, and service members to increase awareness of the program and ensures county Veteran Service Officers are well-equipped to assist veterans effectively and comply with federal regulations.
Comprehensive training, provided by this position, is critical for both new and experienced Veteran Service Officers to stay current with the complex and rapidly changing state and federal rules and regulations governing veterans' benefits. These include disability compensation, pensions, healthcare, education, and employment benefits. By ensuring the delivery of high-quality training, this role directly impacts veterans' ability to access the benefits they deserve.
Success Metrics:
- Number of outreach events conducted (e.g., workshops, presentations, community meetings)
- Number of partnerships established with relevant organizations

- Number of county Veteran Service Officers trained
- Participant satisfaction with training programs

MA5 position (FY30 Start):
The MA5 position is responsible for compiling and analyzing demographic, program workload, and outcome data required by this bill and collected through the Veteran Service Officer Program. This data supports the Program Manager in completing legislative reports.
Additional duties include managing administrative requirements related to contracts, budgets, revenues, and expenses. The position also ensures veterans are contacted within 90 days of receiving their military discharge and maintains veterans' discharge data. Furthermore, the MA5 develops and maintains county-specific information on the department's website, identifying services and resources available to veterans.

ITAPP-J position:
The ITAPP-J position ensures the ongoing maintenance and updates of information technology systems supporting the Veteran Service Officer Program. This role is critical for implementing new features, ensuring system functionality, and aligning technology with evolving state and federal legislative requirements.

In addition to FTE, WDVA assumes the following impact:

$386,000 impact in FY26 for contractor support:
- 1044 hours for an augmented Business Analyst: $146,000
- 2088 hours for an augmented Developer, $240,000

These resources are necessary to fulfill the following requirements and associated tasks:

-Enhance the case management system and implement a new Power Automate process to streamline and track the creation and delivery of department outreach to newly discharged veterans.
-Provide augmented development support to design, build, and test the required database functionality.
-Collect development requirements, map individual program processes, and establish an integrated process framework based on program needs.
-Develop, create, and test user stories and wireframe diagrams to guide system functionality and design.
-Ensure all products comply with OCIO standards for usability and accessibility.
-Integrate a new website with Power BI to categorize and display available services by county, implement enhanced query features, and ensure effective collection of website presentation requirements. This includes developing wireframe concepts, testing, and refining user stories.
-Integrate data from case management systems and Veteran Service Officer claims systems, consolidating information from multiple data sources for seamless access and analysis.

$100,000/year for specialized training: assumption is 50 people, to include department FTEs and county veteran service officers, trained at approximately $2,000/person. Training would include in-person and web-based virtual training using the National Veterans Legal Services Program (NVLSP), which ensures the highest quality of updated instruction on VA benefits and claims.

$42,000/year travel costs for 3.0 FTE, and key leaders, to attend meetings with county stakeholders and partners at stand downs and host Town Halls and/or public meetings, trainings, across the state to disseminate information and talk with veterans and their families in their local settings. Tasks include:
- Building relationships with county officials, veteran service officers, and community partners
- Gather input and feedback to ensure the program meets the needs of veterans in different regions
- Provide on-the-ground support and address challenges faced by local stakeholders
- Promote awareness of the program and its services among veterans and their families

$20,000/year for postage, envelopes, and printing letterhead and brochures: assumes welcome home letters mailed to new veterans within 90 days of receipt of discharge, approximately 7,000 letters per year.

$35,000/year for 50 Tyler Technologies' licenses at $700 each: required EVCMS enhancement to establish the new Veterans Service Officer program.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
24F-1	Veterans Service Officer Account	State	775,000	349,000	1,124,000	788,000	1,199,000
		Total $	775,000	349,000	1,124,000	788,000	1,199,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.3	1.3	1.3	1.3	2.3
A-Salaries and Wages	146,000	146,000	292,000	292,000	488,000
B-Employee Benefits	50,000	49,000	99,000	98,000	168,000
C-Professional Service Contracts	386,000		386,000		
E-Goods and Other Services	72,000	87,000	159,000	254,000	318,000
G-Travel	28,000	28,000	56,000	56,000	84,000
J-Capital Outlays	6,000		6,000		6,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	87,000	39,000	126,000	88,000	135,000
9-					
Total $	775,000	349,000	1,124,000	788,000	1,199,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
107L: PROGRAM SPECIALIST 5	88,800	1.0	1.0	1.0	1.0	1.0
109M: MANAGEMENT ANALYST	98,040					1.0
483AD: IT APP DEVELOPMENT - JOURNEY	107,148	0.3	0.3	0.3	0.3	0.3
Total FTEs		1.3	1.3	1.3	1.3	2.3

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Veterans Services (020)	775,000	349,000	1,124,000	788,000	1,199,000
Total $	775,000	349,000	1,124,000	788,000	1,199,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.