

TESTIMONY OF

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PRESIDENT

NATIONAL ASSOCIATION  
OF  
STATE DIRECTORS OF VETERANS AFFAIRS

BEFORE THE  
HOUSE COMMITTEE ON VETERANS AFFAIRS  
SUBCOMMITTEE ON BENEFITS

JUNE 6, 2002

The National Association of State Directors of Veterans Affairs (NASDVA) welcomes this opportunity to comment on the status of the implementation of the VA Claims Task Force Recommendations. We also appreciate the interest shown by the Subcommittee on Benefits toward the potential for a greater VA/Veterans Service Organization (VSO) partnership.

As you have noted in our invitation to testify, numerous reports have made recommendations to improve claims services to veterans. In each case, NASDVA and the various VSOs were considered important “stakeholders” with potential for a greater role. As such, we were all involved in the task force study process.

Before we proceed with our current observations, I would like to comment briefly on the NASDVA organization and contrast our role to other organizations represented at this hearing. NASDVA is a non-profit organization whose membership includes the veterans’ directors of veterans affairs for each of the states and territories. We represent the voice of state government, the VA’s only full service partner in supporting the nation’s veterans. State veterans agencies each have statutory responsibility to serve and assist veterans and their families. This responsibility extends to all veterans residing in our states, regardless of which organization they may belong to.

During the past several years, NASDVA testified before joint hearings of the House and Senate Veterans Affairs Committees. During those hearings, NASDVA pointed out the important nature of our partnership and how we—as governmental counterparts—are dealing directly with exactly the same issues as USDVA. The states currently share the cost of veterans homes and cemeteries in partnership with the VA. We operate as approval agencies for G.I. Bill oversight. We provide claims assistance, direct education benefits, employment and training, and a host of other benefits and services that supplement, complement, and assist the federal VA. We also share in the cost of these services. At the request of Chairman Smith, we have gathered data on state government annual expenditures for veterans services. The national total is \$3.2 billion. As the VA’s established partner in providing services we are also their logical partner for improving the management of the claims process.

Two years ago we received the support of the National Governors Association (NGA) when they adopted a first-ever veterans policy agenda. That policy included the recommendation for an independent task force study of the claims process. The NGA is now on record with positions on a number of veterans issues involving federal-state partnership.

As for implementation of recommendations for reducing the backlog of claims, our sense is that it is slowly going down. This is being accomplished by a Herculean effort from nearly everyone who works at a Regional Office, plus the Cleveland Tiger Team and the BVA Team. It seems clear that making this the top priority for the VA has started to pay off. This progress isn’t coming easily or without a price and we see several areas of concern.

- Recent retirements of large numbers of experienced VA personnel have led to new hires with limited experience. The retirements affected the most senior people—usually rating specialists. Training personnel is an enormous task for VBA given the number of new hires and recently promoted staff. Time to train takes away from time to work cases, so no matter how a manager compensates for these retirements, at this point it will probably impact negatively on the backlog.
- We are watching the decisions being made as a result of this effort to see if there is any change in their quality. Faster and better would be great, but faster and appealed would not be gainful for any of us.
- There is a tendency to work the “easy” cases first and leave the more difficult ones on the desk in order to make quotas.

- Remands from VBA are not part of the quota workload, so they tend to sit until someone has time to work them or until there is a request to expedite the claim.
- The “over 70 over one year old” Tiger Team cases are being dealt with as priority cases. However, if a remand applies to an “over 70” veteran, it isn’t a Tiger Team case and waits in the queue like everybody else.

These items and others are part of the growing pains we see in the overall attempt to move forward. It is a major undertaking but there are definite signs of progress.

In order to present our views on how we might form a new partnership of effort to improve the processes that take place before an application ever gets to a VA Regional Office, we have participated in a series of meetings with Secretary Principi and his staff as well as with the leaders of NSOs and have drafted a proposal that we are coordinating with them. Currently, the kind of full partnership that is needed does not exist. For the most part, the actions of each of the players are independent of each other and, to some extent, are actually in competition. Although the Task Force report states that “a well developed network of VSOs and State Departments of Veterans Service Organizations is in place” the capabilities of these are inadequate in many areas of the country. We urgently need more standardization of effort to increase the quantity and quality of service and assistance that is available to all veterans who seek to become claims applicants.

A common criticism that we hear in Washington about state government veterans services, including claims assistance, is that they are different in every state. This is true, but the main reason we are different is because there is no federal direction for our mission. Each state has reached its current capabilities through evolution. There are major differences in structure. Just over one-half of the states have county veterans service officers. The size and capability of the service organizations differ greatly from one state to another yet there are important examples of common success. Although voluntary, the current VA partnership programs have received remarkable participation among the states. These programs have standards we must meet. This can be done with claims processing as well.

Our Association has completed an analysis of claims outcome data comparing the percentage of veterans population in each state that are service-connected with the size and type of service network infrastructure. We have considered socio-economic variances from one region to another. We believe there is conclusive evidence that aside from demographic differences, a veteran’s chances of receiving a service-connected disability rating from the VA depends greatly on the quantity and quality of local service officer assistance. To a great extent, the nature of the workloads at VA Regional Offices is a direct reflection of the relative effectiveness of VSO networks in their area.

We urge this Subcommittee to look closely at the differences in national outcomes for service connected disability. The attached table is a listing by state that shows the percentage of veterans residing in the state who currently have a service connected rating.

The total national average is approximately nine percent. A majority of the states are above that average but half the population resides in states that are below average. In five states more than eleven percent have service connected ratings, in four states less than seven percent. We do not see sufficient demographic differences among the veterans in these states to account for this much variance. We do see major differences in the size and scope of VSO networks compared to the size of the veterans population in these states. These differences determined whether a veteran knows how to apply or has the help to do it properly.

Chairman Smith also requested a summary of current VSO resources present in each state. We recently reported that 27 states have county service officers (CVSOs). CVSOs play a major role in assisting veterans with claims applications and they represent the largest majority of the national total of service officers with approximately 2,000.

We have looked at the CVSO portion of the network structure in detail, by county in each of the states that have them. We saw an interesting picture that is consistent with our overall conclusions. The trend is that there are larger percentages of veterans with service-connected ratings in counties with smaller populations. This is also the trend among state totals. Most of the states with the highest percentages of service connection have relatively small populations. This is true regardless of whether there are CVSOs; in fact, most of the higher-ranking states do not have them. There are two noticeable exceptions. Texas and Florida have large populations and high outcomes. These states are skewed demographically with large numbers of military retirees, and have extensive VSO networks that include county officers.

The point is that the number of qualified service officers available to assist a given population is a key variable. The service organizations and state government employees comprise the rest of the service officer networks. They are present in most states, and again, 23 states have no CVSOs. In terms of total numbers, the VSOs have an aggregate total of approximately 600 accredited service officers. State governments have a total of 750 service officers. There are approximately 3,200 accredited service officer activists. In many cases county service officers are subsidized with state funding. State government also provides funding partially or in full to the service organizations. Currently, there is no federal funding provided to state or county government or the service organizations for these important networks of service. We are not only underserved, but also feeling the pinch of state budget deficits and shrinking revenues among the service organizations. As we collectively strive to solve the claims challenge, we must address the resources needed for balancing the service network infrastructure. In this light, the VA should seriously consider potential returns for investment on resources going to VA Regional Offices versus those that might be redirected toward more balanced and efficient VSO network infrastructures.

We believe the following steps should be followed in order to achieve an effective VBA/VSO system that will facilitate a long-term solution for a prompt, efficient claims processing system.

First, NASDVA, in collaboration with NACVSO and the NSOs should develop a model for the ratio of service officers required to equally serve and assist all veterans and the appropriate training, certification and performance criteria required to enable the development of ready-to-rate claims by service officers throughout the network.

Second, we should coordinate this proposal with VBA and conduct a joint demonstration to measure the effectiveness of the proposal. This will require VA granting the necessary information and records access to the partnership networks participating in the demonstration.

Third, in conjunction with the VA, we should determine the resources necessary to implement a national VA/VSO partnership claims system.

Final implementation of this plan will require a management system that is able to adapt to differing circumstances and capabilities across the nation. It must enable flexibility in each state to tailor the network structure according to the circumstances. The standards should be the same but the mix of the

structures will differ depending on local capabilities. Again, nearly half the states don't have CVSOs.

The VA can look to its state government partners to coordinate and integrate the network structure in each state and also for accountability for its performance. This role would be similar to what we already have with other programs and services.

In closing, NASDVA is ready to move forward as part of the national solution for veterans claims processing. With the support of the Congress, we are confident that, as a veterans community, in full partnership, we will bring an end to the long history of veterans waiting and in some cases dying before a claims application can be processed and benefits awarded.