

VETERANS BENEFITS ADMINISTRATION

ADMINISTRATIVE HISTORY

EXECUTIVE SUMMARY

Mission Statement

The mission of the Veterans Benefits Administration, in partnership with the Veterans Health Administration and the National Cemetery Administration, is to provide benefits and services to veterans and their families in a responsive, timely, and compassionate manner in recognition of their service to the nation.

Vision Statement

Our vision is that the veterans whom we serve will feel that our nation has kept its commitment to them; employees will feel that they are both recognized for their contribution and are part of something larger than themselves; and taxpayers will feel that we've met the responsibilities they've entrusted to us. Courage, honesty, trust, respect, open communication, and accountability will be reflected in our day to day behavior.

VBA Programs

The Veterans Benefits Administration (VBA), one of the three administrations comprising the Department of Veterans Affairs, is responsible for administering and delivering an array of Federally authorized benefits and services to eligible veterans and, in certain instances, their dependents and survivors. VBA programs (business lines) include disability and death compensation and pension, education, home loan guaranty, vocational rehabilitation and employment, and life insurance. These programs touch millions of lives in fundamental ways.

Compensation and Pension

Disability compensation is a monetary benefit paid to veterans with service-connected disabilities. "Service-connected" means that the disability was a result of disease or injury incurred or aggravated during active military service.

Dependency and Indemnity Compensation is payable to certain categories of survivors if the servicemember's or veteran's death was attributable to a disability incurred or aggravated during military service.

Disability pension benefits are payable, subject to income limitations, to wartime veterans who become permanently and totally disabled as the result of a nonservice-connected disability. Surviving spouses and dependent children of wartime veterans are potentially eligible for death pension benefits, subject to income limitations.

Education

VBA education programs provide veterans, reservists, and certain veterans' dependents with educational resources to supplement opportunities missed because of military service. These programs are also meant to help the Armed Forces and Reserves recruit and retain members.

Home Loan Guaranty

The Loan Guaranty program helps veterans and service persons enter the home-buying market. Assistance is in the form of a partial guaranty of loans made by private lenders in lieu of the substantial down payment and other investment safeguards required in conventional mortgage transactions.

Vocational Rehabilitation and Employment

The Vocational Rehabilitation and Employment (VR&E) program helps service-disabled veterans become employable and obtain and maintain suitable employment. VR&E also administers a program of rehabilitation services to help disabled veterans achieve independence in daily living. The VR&E program provides educational and vocational counseling for eligible servicemembers, veterans, and dependents.

Life Insurance

The life insurance programs administered by VBA provide insurance benefits for veterans and servicemembers who may not be able to get insurance from private companies because of the extra risks involved in military service or because of a service-connected disability.

Highlights

The underlying operating premises and structures of the Veterans Benefits Administration were established in the Post-WWII and Korean War Era. The last several years have seen the start of an enormous change process designed to bring VBA into the 21st Century. Given the broad range of benefits and services provided and VBA's decentralized organizational structure, the initiatives needed to bring about these changes are extensive. To date, over 150 major projects are underway covering issues such as organizational structure, business processes, training, recruitment and employment, information technology and telephones.

This administrative history discusses these changes, including the reengineered claims process; the consolidation of Education Service Unit functions; the consolidation of Loan Guaranty functions; the shift in focus of the Vocational Rehabilitation and Employment Service; the consolidation of insurance processing activities, and the establishment of organizational elements such as the Office of Field Operations, Service Delivery Networks and the Data Management Office.

This history discusses Compensation and Pension issues such as Undiagnosed Illnesses for Gulf War veterans and legislation affecting the payment of compensation benefits based on use of tobacco products during military service. It discusses technological initiatives such as Vocational Rehabilitation and Employment Service's corporate WINRS, the expansion of toll-free telephone service in the Education program, and the expansion of the National Automated Response System. There is considerable discussion regarding the various initiatives leading toward the goal of paperless processing of benefit applications (electronic enrollment certifications, automated claims processing, Internet verification of enrollment, The Education Expert System (TEES) and Virtual VA.

Included in this history is information regarding initiatives designed to improve service to veterans and their families. These initiatives include the Overseas Predischarge Program, expansion of toll-free telephone service, Reader-Focused Writing, improvements to the home loan program, partnerships with stakeholders (veterans service organizations, and other government agencies), implementation of comprehensive customer satisfaction surveys, and implementation of the Balanced Scorecard to assess, measure and reward performance of each business line.

This history contains a discussion of initiatives and activities designed to develop a high performing workforce and address our succession planning needs. These initiatives and activities include an employee orientation program, several leadership programs and a satellite broadcasting system.

This history also contains a discussion regarding VBA's success in addressing the technology challenges associated with the Year 2000 issue.

This history demonstrates the efforts that the Veterans Benefits Administration has undertaken over the past seven years to keep pace with our ever changing environment.

VBA Administrative History
Document List

Reorganization

Roadmap to Excellence – Planning the Journey.

Compensation and Pension

Briefing Book, VBA, C&P Service, Persian Gulf Illnesses, 1996.

Information Letter 10-97-008, Under Secretary for Health's Information Letter, Claims involving disabilities or death based on tobacco use during active service.

Training transcript for class on tobacco claims in Baltimore, MD, July 1997.

Testimony of the Honorable Jesse Brown, Secretary for Veterans Affairs, before the subcommittee on VA, HUD, and Independent Agencies of the House Committee on Appropriations, April 23, 1997.

Reengineering Claims Processing: A Case for Change, December 1996.

Blueprint for Change: Implementation Plan for Reengineering Claims Processing, June 1997.

Implementation Plan, Modeling and Measuring the Impact of BPR Case Management, Paul Koons October 1998.

The Compensation and Pension Claims Process: Case Management Service Guide, December 1999.

Virtual VBA Project Management Plan, March 1999.

C&P Systems Development Laboratory, Team Charter, FY 2000.

Functional Requirements Document for Virtual VBA, Impact Innovations, February 28, 2000.

Project Management Plan, VBA C&P Service for Predischarge Initiative, May 29, 1998.

Progress Report for Overseas Benefits Delivery at Discharge in Korea, October 5, 2000.

VBA Administrative History
Document List

Education

The GI Bill, From Roosevelt to Montgomery. Pamphlet

A Brief History of Reader Focused Writing in Education Service. Pamphlet.

50th Anniversary of the GI Bill of Rights. Proclamation

The GI Bill—The Law that Changed America. Promotional.

A Guide to the Program and its Outreach. PBS. Brochure.

Educational Record: The GI Bill's Lasting Legacy. Fall 1994.

Vanguard. May, 1994.

A Very Fine Thing: 50 Years of GI Bill. Video.

Program Evaluation Summary.

Montgomery GI Bill—Active Duty. Program Evaluation.

Montgomery GI Bill—Selected Reserves. Program Evaluation.

Survivor's and Dependents' Education Assistance Program. Program Evaluation.

Loan Guaranty

White Paper. (1996). Loan Guaranty Accomplishments and Plans for the Future.

Submission to Secretary's Key Issues Book. (1994). Outreach to Recently Discharged Veterans, Active Duty Servicemembers and DOD Civilian Employees Who Have VA Loans. 6/8/94.

Business Process Reengineering. (1997). The VBA Vision of the Future. 04/02/97.

Position Paper. (1993). Consolidate Loan Guaranty Activities.

Department Memorandum. (1997). Development of Measures for Customer Service Goals. 01/15/97.

VBA Administrative History
Document List

Loan Guaranty Accomplishments: Last 12 Months. (1995).

Reengineering Study of Loan Guaranty. (1992).

Executive Summary. (1995). Loan Servicing and Claims Reengineering Study.

Loan Guaranty Field Restructuring. (1996). Report of the Loan Guaranty Sub-Group of the Veteran Benefits Administration Restructuring Task Force.

Vocational Rehabilitation and Employment

Vocational Rehabilitation and Employment, *The Business Case Continues...*

The Vocational Rehabilitation and Employment Program "Working Partners" (VA Pamphlet 28-00-1).

Vocational Rehabilitation and Employment "*Serving Disabled Veterans is our Number One Mission*". (calendar).

Vocational Rehabilitation and Employment Balanced Scorecard.

Survey of Veterans' Satisfaction with the Vocational Rehabilitation and Employment Program (March 2000).

On Track to Employment: VR&E's Employment Program For Veterans With Disabilities (Employment Specialist concept report).

VR&E Case Management Task Force: Final Report June 1999

Quality Assurance Program Instrument and Manual.

Vocational Rehabilitation and Employment Internet Page.

Insurance

Memo entitled "St. Paul Insurance Consolidation Recap".

Presidential Memorandum on Regulatory Reform dated March 4, 1995.

Regulatory Reform Initiative Summary Report.

Presidential Memorandum on Plain Language, dated June 1, 1998

VBA Administrative History
Document List

Example of regulation (38 CFR 8.2) before and after amendment in Plain Language style.

Beneficiary Financial Counseling Service brochure.

Example of before and after RFW form letters President's March 4, 1995 Memorandum on Regulatory Reform.

VA NATIONAL NEWSLINK for Monday, 8/21/95.

Plain Language Training Materials and Protocol Guide.

Report to the Under Secretary for Benefits, Reader Focused Writing, Task Force on Simplified Communication, August 29, 1995.

Data Management

Veterans Benefits Administration Annual Report for Fiscal Year 1998.

Veterans Benefits Administration Annual Report for Fiscal Year 1999.

Field Operations

Roadmap to Excellence – Planning the Journey.

Balanced Scorecard Handbook.

“How to Manage Case Management – A Leadership Guide”.

Reengineering Claims Processing: A Case for Change, December 1996.

OFO Letter 201-00-02.

SIPA Team Deliberation Reports.

VBA Letter 20-00-15.

VBA Fast Letter 00-24.

OFO Letter 201-00-43

OFO Letter 201-00-48.

VBA Administrative History
Document List

Employee Development and Training

VBA Circular 20-99-3, The Veterans Benefits Administration (VBA) Learning Policy, Responsibility, and Administration, issued 11/29/99.

Program guide - SES Candidate Development Program.

Fact Sheets -Opportunity Program
Saba Learning Management System

OFO Letters -Mentoring for Division Level Management Training
Division Level Management Program

VBA Letter - Establishing the SDN Training Coordinators.

Statement of Work for Customer Service Training Program Development by Performax Corporation.

Other

The Veterans Benefits Administration: An Organizational History: 1776-1994.

History of Veterans Benefits (Video).

VBA Administrative History Reorganization

The Veterans Benefits Administration (VBA) has undergone change in the organizational structure to support the mission of the Department. The most significant changes occurred following the confirmation of the current Under Secretary for Benefits, Joseph Thompson. During his pre and post confirmation meetings with representatives from throughout the veterans support community, he received feedback regarding issues, challenges and opportunities facing VBA. Following his confirmation in late 1997, Under Secretary Thompson convened a group of senior managers for a planning session. The Road Map to Excellence – Planning the Journey was the result of the planning session and provided a vision and framework for the activities that VBA has undertaken and will undertake to reform the delivery of veterans benefits.

VBA's Central Office structure was revised to reflect selection of two Deputy Under Secretaries-- Deputy Under Secretary for Operations and Deputy Under Secretary for Management. This change addressed the need for centralized coordination and support for field station requirements, while dedicating attention to the many Department-wide program management and planning issues.

An additional change to the organizational structure involved the field organizational structure. Since the early 1990's, VBA's field structure had consisted of 4 Areas: East, South, Central, and West. Each Area had an Area Director who had oversight for the operation of regional offices within their respective jurisdiction. To create a field structure that is agile, responsive to the needs of veterans and their families and focused on teamwork among offices, regional offices were grouped into 9 Service Delivery Networks (SDN). Each SDN is responsible for the administration of benefits within its geographic area and reports to one of the two Associate Deputy Under Secretaries.

The Data Management Office was established to address VBA's data management needs.

Documents:

Roadmap to Excellence – Planning the Journey, May 29, 1998

VBA Administrative History
Compensation and Pension

Undiagnosed Illness for Gulf War Veterans

After the return of U.S. Forces from the Persian Gulf in 1991, some veterans began exhibiting symptoms of unexplained illnesses. They often complained of nonspecific symptoms that did not fit a single case definition. The characteristic signs or symptoms of known diseases could not explain these illnesses. Medical science was unable to define or explain the cause of some of these illnesses. There were concerns that these illnesses may have been caused by various "environmental hazards": medications, pesticides, chemical/biological warfare weapons, and parasites (leishmaniasis).

At that time, we were unable to pay compensation under the usual statutory authorities, which permit compensation for diseases or injuries only. We strongly supported legislation giving us specific authority to compensate undiagnosed illnesses of Gulf War (GW) veterans.

In 1994, the 103d Congress saw several measures intended to provide the relief we felt was needed for GW veterans. The President signed the Veterans' Benefits Improvement Act legislation on November 2, 1994, creating Public Law 103-446. Section 106 authorized VA to compensate GW veterans suffering from chronic disabilities due to undiagnosed illnesses. On February 3, 1995, VA published 38 CFR 3.317, to implement the GW compensation provisions of this PL to include the establishment of a 2-year presumptive period following GW service.

Initially, VBA centralized, to a single regional office (VARO Louisville), the processing of GW compensation claims based on exposure to environmental hazards. The volume increased at a higher level than anticipated, and in October 1994 the claims were redistributed to 4 Area Processing Offices (APOs): Louisville, Nashville, Phoenix, and Philadelphia. In February 1995, GW compensation claims based on undiagnosed illnesses were also centralized to the 4 APOs. Claims based on undiagnosed illness required the reconsideration of previously denied GW environmental hazard claims for possible entitlement under PL 103-446.

In response to public and the Department concerns over the evaluation of claims based on undiagnosed illnesses that appeared after the presumptive period, the Compensation and Pension (C&P) Service conducted five quality reviews of rating decisions between 1995 and 1996. Separate reviews of cases being tracked were conducted between March and May 1996. A second review of 11,000 cases was conducted from July 1996 through 1997.

VBA Administrative History
Compensation and Pension

Documents:

Briefing Book, VBA, C&P Service, Persian Gulf Illnesses, 1996

VBA Administrative History
Compensation and Pension

Tobacco Legislation

Medical research has identified many disabilities that may be potentially caused by the use of tobacco products such as cigarettes, cigars, pipe tobacco, snuff, and chewing tobacco. Disabilities that may be caused by cigarette smoking include, but are not limited to, cancer of the lung, larynx and esophagus, coronary artery disease, atherosclerotic peripheral vascular disease, emphysema, chronic bronchitis, and chronic obstructive pulmonary disease. Cancers of the cheek and gum have been potentially linked with snuff and chewing tobacco. Medical literature has also indicated a possible link between cigar and pipe smoking and cancers of the lip, tongue, larynx, and esophagus. There may be other disabilities related to the use of tobacco products.

Over the past few years, the Department of Veterans Affairs has been faced with the implications of tobacco-related diseases on the disability compensation program. In general, in 1990, Congress precluded service connection for disabilities due to the abuse of alcohol and drugs. But, the 1991 Court of Veterans Appeals case, *Sawyer*, 1 Vet. App. 130 indicated that a veteran could establish service connection for his disability based on the 14-year history of smoking in the service. Not long after that in 1992, the Board of Veterans' Appeals reviewed the case of a veteran who died of lung cancer. In this case, a medical expert said that it was more likely that the veteran's 40-year history of smoking was the cause of the veteran's lung cancer. This case raised several questions, of which the two most revealing questions were: "Is Nicotine Dependence a disease?" and "Do we service connect on the basis of smoking?"

In January 1993, the VA General Counsel issued an opinion to address the Board's questions. This opinion stated that tobacco use was not considered drug abuse and that direct service connection of disability or death may be established if the evidence shows that injury or disease resulted from tobacco use (i.e. nicotine dependence) in line of duty during military, naval, or air service. As a result of this opinion, the Compensation and Pension Service instructed their regional offices to defer making decisions on any claim involving the use of tobacco products during active service. They were to maintain a log of the cases for which action was deferred.

In March 1993, Secretary Jesse Brown requested that VA write legislation to preclude service connection for a disability on the basis of its relationship to tobacco use. The first piece of legislation was submitted to the Office of Management and Budget in 1995, but did not move forward from there. The second proposal was sent forward to Congress in January 1997. This proposal precluded service connection for post service diseases whose only relationship to service is the theoretical link to smoking in service, with no distinction between

VBA Administrative History Compensation and Pension

whether you smoked prior to 1965. 1965 was the year in which the first Surgeon General's warnings were placed on the cigarette packs.

There was another Court of Veterans Appeals decision in 1995. In this case, the Board of Veterans' Appeals service connected the veteran's emphysema based on findings of nicotine dependence from service. This decision led the Compensation and Pension Service to request additional guidance from General Counsel. The General Counsel opinion indicated that VA may compensate a veteran for an illness or death resulting from tobacco use arising after discharge that is secondary to nicotine dependence incurred during service. The Compensation and Pension Service then instructed regional offices to take action on any claims deferred since 1993 that involved the use of tobacco products during military service.

In 1997, legislation was proposed to amend title 38 to prohibit service connection for disabilities or deaths based solely on the veterans' use of tobacco products during service. In 1998, the law was amended by the Veterans Benefits Act of 1998 to prohibit service connection for disability or death on the basis of the use of tobacco products during service except where the disability or death appeared during service or during any applicable presumptive period.

Sources:

Information Letter 10-97-008, Under Secretary for Health's Information Letter, Claims involving disabilities or death based on tobacco use during active service.

Training transcript for class on tobacco claims in Baltimore, MD, July 1997.

Testimony of the Honorable Jesse Brown, Secretary for Veterans Affairs, before the subcommittee on VA, HUD, and Independent Agencies of the House Committee on Appropriations, April 23, 1997.

Transition to the Reengineered Environment

In 1996, the C&P Business Process Reengineering (BPR) Team documented their recommendations for a reengineered claims process in *A Case for Change*, which was endorsed by the Secretary. In December 1996, top managers from every VA Regional Office gathered to hear and discuss the recommendations of the C&P BPR Team. The BPR Team – comprised primarily of Adjudication Officers – presented a comprehensive vision for the future of claims processing. This vision –

- Puts veterans first by redesigning processes to suit their expectations and unique needs

VBA Administrative History Compensation and Pension

- Fosters partnerships between VBA, veterans, and their service representatives
- Exploits advances in information technology and training to improve claims processing timeliness and quality to unprecedented levels
- Places management focus on desired customer service, not just efficiency.

In July 1997, six implementation teams presented a detailed implementation plan, *Blueprint for Change*. The purpose of this plan was to communicate the future vision for the reengineered claims process and the execution plan for implementation. It enhanced and supplemented the concepts advanced in the *Case for Change* in a very specific way, giving VBA leadership a detailed blueprint to the future.

In this *Blueprint for Change*, the reengineered environment was defined as the Veterans Service Center (combination of the former Adjudication and Veterans Service activities) staffed with employees who have the authority to interact with veterans, make decisions, and identify and resolve issues at the earliest opportunity without handoffs. More importantly, these employees work with veterans and their representatives to assess eligibility for benefits based on objective evidence and criteria, so that all see the process and its outcomes as fair and equitable. Veterans and their representatives become partners in developing the claim and post-decision review.

The Blueprint was to be achieved in four transition levels. The first level, to be completed by 1999, required stations to undertake major cultural and organizational shifts as they merged their Adjudication and Veterans Service Divisions while cross training personnel to staff a Veterans Service Center. The Claims Automated Processing System (CAPS), which tracks claims, was deployed to all regional offices in 1999. The Decision Review Officer (DRO) process was tested in 1999.

The second level, to be completed by 2001, involved having fully trained Veterans Service Representatives and selected automation enhancements. Cross training of all personnel was completed by September 2000, and the DRO process was implemented in October 2000. Predischarge claims processed stateside have an average processing time of 25 days. Rating Redesign and RBA 2000 were deployed nationwide by October 2000.

The third level, to be completed by 2002 involves the availability of Benefits Delivery Network enhancement modules and advanced telecommunications capability.

The fourth level, to be achieved by the end of 2003, will have all employees in their new positions and trained. IT enhancements will provide management with

VBA Administrative History
Compensation and Pension

increased flexibility in conducting operations, and a rules-based system and a paperless environment will reduce human involvement in the claims process.

Sources:

Reengineering Claims Processing: A Case for Change, December 1996.

Blueprint for Change: Implementation Plan for Reengineering Claims Processing, June 1997.

BPR Sites

The Blueprint for Change stated that the successful implementation of the BPR recommendations required testing and analysis in a "real" working environment. Testing would include establishing baseline measures and conducting ongoing measurements to confirm the effectiveness of initiatives. Testing sites would continually measure performance so that the real impact of individual initiatives could be monitored.

These sites (labs) would serve as the focal point for VBA since they will be full and active partners in implementation, measurement, and development of modifications of Information Technology (IT) applications. The expected life cycle of the labs will be from eighteen to forty-eight months or more, depending on the results of testing, and the pace at which supporting initiatives, including IT, can be implemented. When an initiative proves successful as documented by supporting objective measurement data, a procedure and timeline for nationwide deployment will be activated.

In February 1999, the six sites selected to serve as BPR sites were Cleveland, Phoenix, Pittsburgh, Portland, Salt Lake City, and Little Rock. In FY 2000, they tested the impact of case management and RBA 2000.

Compensation and Pension Service has developed a plan for the future as well. The plan calls for training Veterans Service Representatives (VSRs), completing automation enhancements, realizing national partnerships, and instituting a pre-discharge program by 2001. The plan also calls for enhancement of Benefits Delivery Network modules and telecommunication capabilities by 2002. By 2003, employees will be in new positions and all VSR certifications will be complete.

Sources:

Reengineering Claims Processing: A Case for Change, December 1996.

VBA Administrative History
Compensation and Pension

Blueprint for Change: Implementation Plan for Reengineering Claims Processing, June 1997.

Case Management

Redesigning the claims process to suit the expectations and needs of the veterans is part of VBA's vision. In 1998, the Under Secretary for Benefits expressed that –

“Case management is our claims processing approach to ensure we meet and exceed this expectation [of responsiveness]. If a claim requires development, we will advise the claimant – in clear, plain language, either written, by telephone or in person – what evidence is needed, what the claimant's responsibility is, when to expect a decision, and who he or she can contact when needed. And case management will be proactive rather than reactive. We will not wait for the claimant to contact us with a question or problem. We will periodically contact him or her to advise how the claim is progressing. Our Veterans Service Representative will basically handle a portfolio of cases, managing these cases through the claims process from time of receipt until the claimant is notified of the decision.”

In February 1999, the six BPR sites began to use case management and continue to do so. The Claims Automated Processing System (CAPS) was also used by the BPR sites and deployed nationwide in FY 2000.

Source:

The Compensation and Pension Claims Process: Case Management Service Guide, December 1999.

Virtual VA

A paperless totally electronic claims folder was part of VBA's vision of a reengineered environment. The first step was taken when VBA entered into a partnership with the Highway I consortium comprised of Eastman Kodak, CSC, Radian, Cisco Systems, IBM, and Microsoft. This consortium agreed to establish and test the concept of a paperless electronic environment at the Washington Regional Office on a pro bono basis.

The concept testing took place between July and December 1998. It proved that a paperbound claims folder could be converted into a paperless electronic environment. However, the proof of concept also revealed that additional

VBA Administrative History
Compensation and Pension

functionality would be needed in order to use this tool to increase efficiencies in the claims process

In February 1999, a project manager and 8 team members with rating and authorization knowledge were assigned to the project. By October 1999, the Virtual VA Lab was built and functional in space donated by the Washington Regional Office. This team then worked closely with several contractors to develop the functional requirements document for the construction of Virtual VA. The contract for the construction was awarded in September 2000. By September 2000, the necessary equipment to support a point of presence in Service Delivery Network 3 was obtained and the expansion of the Lab was accomplished in October 2000.

Sources:

Virtual VBA Project Management Plan, March 1999.

C&P Systems Development Laboratory, Team Charter, FY 2000.

Functional Requirements Document for Virtual VBA, Impact Innovations, February 28, 2000.

Overseas Predischarge

The Predischarge Program began in 1995 with a pilot test initiative which would provide transition assistance and continuity of care to service members who retired or were medically separated from the military. With the success of this test, a new predischarge program was initiated to help service members file for and receive service-connected disability compensation benefits in a more timely manner.

The goal of this new initiative was to process claims within 30 days of the service member's separation from service. Initially, this effort was focused on stateside military installations. In FY 1999, approximately 10,000 predischarge claims were finalized. In FY 2000, more than 100,000 claims were processed in an average of 25 days.

Such favorable results have led VBA to consider expanding this effort to Germany and Korea. By 2nd quarter of Fiscal Year 2001, VBA will place personnel in Korea to field pre-discharge claims. VBA is also currently seeking to establish the Predischarge Program in Germany.

Sources:

VBA Administrative History
Compensation and Pension

Project Management Plan, VBA C&P Service for Predischarge Initiative, May 29, 1998.

Progress Report for Overseas Benefits Delivery at Discharge in Korea, October 5, 2000.

VBA Administrative History

Education

Education

VBA administers five education programs that provide benefits to veterans, servicepersons, dependents and survivors of veterans and servicepersons, and members of the Selected Reserve. Through these education programs, claimants receive education assistance allowance benefits for the pursuit of education and training offered by:

- Universities and Colleges
- Business and Technical Schools
- Correspondence Schools
- Flight Schools
- Apprenticeship and other on-the-job training establishments

In addition to education claims processing, VBA is responsible for support functions affecting administration of the education benefit programs. These functions, referred to by VBA as Education Support Unit (ESU) functions, include approval of courses, liaison with school officials and State Approving Agencies, and the conduct of surveys to ensure that training establishments, and their approved courses, are in compliance with provisions of the laws administered by VA.

Consolidation of Education Services Unit (ESU) Functions

Education Services functions were performed by an Education Services Unit (ESU) in each regional office. Sometimes the ESU was small enough that it was an employee's adjunct duty rather than a full-time job. VBA looked at the consolidation of the ESU functions and centralization of the allocation and management of ESU resources as the next logical step in improving service to VA education claimants. Some of the benefits to be gained by this consolidation were:

- More consistent direction and dissemination of information resulting in a reduction of interpretive error and an improvement in quality of service
- More consistent approval processing resulting in reduced number of local inquiries
- Increased flexibility in distributing work across geographic lines
- Easier cost analysis and budgeting
- Elimination of the duplication of tasks by multiple ESUs

Planning for consolidation began in 1995. By the end of 1997, all ESU functions had been consolidated under the four existing Regional Processing Offices.

VBA Administrative History Education

Paperless Processing:

Over the last few years VBA Education Service has taken great strides toward a paperless processing environment. The accomplishments range from providing information on the Internet to automated processing of claims.

Education Service Web Page

Education Service was one of the first services within the Veterans Benefits Administration to have a home page on the Internet. The web page, www.gibill.va.gov, provides veterans and their dependents with information on eligibility, links to the Regional Processing Offices (RPO's), education news and frequently asked questions.

Electronic Enrollment Certifications

To facilitate paperless processing between schools and VBA, VACert was developed. This program allows school certifying officials to complete a VA Form 22-1999 (Enrollment Certification) or VA Form 22-1999b (Notice of Change in Student Status) using a GUI interface. The school can then transmit the certifications to the Regional Processing Office (RPO) having jurisdiction over their school. The schools sign a Memorandum of Understanding that is used in lieu of a signature. Once these documents are received, they are not printed. Instead, the information is fed electronically into the Enrollment Certification Automated Processing program.

Automated Claims Processing

Also known as ECAP, the Enrollment Certification Automated Processing program automates the interchange between VACert, the Benefits Delivery Network (BDN), and the approval file. The program awards benefits, generates payment, and stores the record of actions in a paperless environment. The project began in 1997 and has been an ongoing effort. ECAP attempts to process electronic enrollment certifications and notices of change in student status using the same BDN screens that adjudicators use to process education claims. If ECAP is unable to process a case, it is referred for further action along with the reason processing was stopped. Currently 20% of cases received electronically are processed to completion without human intervention. This has been a huge benefit to veterans because, unlike the time it takes a person to receive and process a case, ECAP processing occurs on the day the case is

VBA Administrative History Education

received. All cases, whether completed or referred, are moved electronically into The Image Management System (TIMS).

Imaging

The Image Management System (TIMS) has been one of the largest undertakings in Education Service. Over the course of the last few years TIMS was installed and/or upgraded in the four Education Regional Processing Offices. This is an imaging system that has replaced the paper folders in Atlanta, Buffalo, Muskogee, and St. Louis. All claims for education benefits are scanned into this system. Each claimant has an electronic folder instead of the traditional paper one. This has significantly cut down on the number of lost folders and the amount of misplaced mail. The system was also developed to be a management system. Through TIMS, management can control workflow, track the process of any claim and maintain an accurate count of the pending workload. TIMS is an extraordinary asset for our toll-free telephone service.

Toll-Free Phone Service

The toll-free telephone service specifically for education benefits began in the summer of 1998. The 1-888-GI BILL-1 number allows veterans and dependents to phone in and speak to an education case manager. The imaging system has facilitated this service by enabling Veterans Case Managers to look at the folder without having to pull it from a file bank. The folder is readily available on their computer screen. By looking at the electronic folder, a case manager can tell if a claim has been received, at what stage the case is in processing, and what additional information the claimant needs to submit, if any. This has greatly improved our customer service.

Another way the telephone is improving service by moving the organization toward a paperless environment is by allowing students to verify their enrollment via a touch-tone phone. Veterans attending school must verify their enrollment each month. Previously this was done only through the mail. VA would mail a monthly certification form, which the student would complete and then send it back to VA. If there has been no change in enrollment, students now can use the phone for this verification, eliminating the need to sign and return the form.

Internet Verification of Enrollment

The monthly verification process is also expanding to give students other paperless options. Web Automated Verification of Enrollment (WAVE) was recently implemented. WAVE allows students to verify their enrollment via the

VBA Administrative History Education

Internet. Unlike the phone verification, this process allows students to report changes in their enrollment and to see what their school has certified.

On-Line Application for Benefits

In a move toward E-Government, Education Service has joined with the Compensation and Pension Service and the Vocational Rehabilitation and Employment Service to develop Veterans On-line Applications (VONAPP). Developed to be interactive, this program guides veterans through filling out application forms. It provides help for each field on the form as well as the option to select more in-depth help. For Education Service, once the veteran submits the form it will be transmitted directly into TIMS. This will eliminate the time it takes to mail an application and for the application to work its way through the VA mail system. VONAPP provides the added convenience of filling out applications at home rather than going to a VA office.

Other Paperless Advances

Initiatives that are currently underway are workload sharing, digital certificates and The Education Expert System (TEES). A limited amount of workload sharing currently takes place. RPO's are able to "point" their computers to a station with a higher workload and help them work cases. This is still in the experimental stages, but will eventually eliminate the need for help teams to travel in order to decrease workload in certain regions. Digital certificates are being explored as a way to 'sign' applications, certifications and verifications. This will allow VBA to process a case as soon as it is received electronically instead of waiting until the claimant's signature is received. The Education Expert System (TEES) is an expansion of the ECAP program. TEES is being built to process 90% of education cases without manual intervention. Though still in the early development stages, this program will revolutionize the way education claims are processed.

All of these initiatives have expanded, and will continue to expand, Education Service's efficiency and ability to serve the veteran in a paperless environment.

Reader Focused Writing

VBA launched its Plain English initiative in 1995 calling the initiative, "Reader-Focused Writing." Reader-Focused Writing is a method for creating readable texts, and is based on research in technical communication and related fields. Writers systematically analyze their readers' needs in order to choose appropriate:

VBA Administrative History

Education

- Words
- Sentence length and syntax
- Style
- Tone
- Organization
- Formatting

Authors of multiple-use documents like pattern letters, forms, manuals, and circulars often test them with representative readers. In fact, testing is an essential part of the writers' training. Before they can be competent designers of multiple-use documents, writers have to learn how their readers comprehend and use the texts. To do this, they must test some documents themselves.

Reader Focused Writing encourages collaborative writing (i.e. writing letters as a team) because multiple viewpoints usually enhance clarity and usability. Reader Focused Writing, when it involves multiple-use documents, consists of four activities:

- Audience analysis in which the needs of all the parties to the communication are assessed
- Information design, that is, the actual composing of the paper or on-line "document"
- Usability testing
- Collaboration among writers

Education Service created its first Reader-Focused Writing (RFW) team in April 1994, before the VBA initiative was launched. The Education Service RFW team has been meeting weekly since 1994. They have rewritten virtually all multiple use letters used by the RPOs. The team currently writes new letters to accommodate changes in laws and regulations and works to make existing letters more clear.

GI Bill 50th Anniversary

On June 22, 1944, President Roosevelt signed into law The Servicemen's Readjustment Act of 1944—"The GI Bill of Rights." On June 22, 1994, the Nation celebrated the 50th Anniversary of the signing of the GI Bill. Education Service chaired VA Secretary Brown's committee to organize VA's commemoration of this piece of legislation, which many historians describe as America's greatest single piece of social legislation from that time.

VBA Administrative History
Education

Program Evaluation as a Result of GPRA

The Department of Veterans Affairs (VA) selected its education benefit programs as the first programs to be independently evaluated under The Government Performance and Results Act of 1993. The three education programs evaluated were:

- The Montgomery GI Bill (MGIB) program - 38 U.S.C., Chapter 30;
- The Montgomery GI Bill - Selected Reserve (MGIB-SR) program - 10 U.S.C., Chapter 1606
- The Survivors' and Dependents' Education Assistance (DEA) program - 38 U.S.C., Chapter 35.

Klemm Analysis Group, Inc., conducted the evaluation of the three benefit programs for VA. The programs were evaluated to determine how well the programs are meeting statutory objectives and to provide VA with information about program results and service quality.

The evaluation includes the results of a comprehensive telephone survey of 2,018 MGIB eligible individuals, 2,033 MGIB-SR eligible individuals, and 1,897 DEA eligible individuals. Those surveyed included eligible individuals who used the benefits and those who did not use them.

Klemm Analysis Group wrote three reports, which contained information on program administration, benefit-cost relationship, program communication, summary of stakeholder views, survey results, and recommendations. The major findings, in all three programs, is that the purchasing power of the education benefits has not kept pace with rapidly increasing cost of higher education.

Public Laws That Improved Education Benefit Programs

PL 103-160

Expanded the definition of veterans who are eligible to elect chapter 30 benefits based on involuntary separation from the armed forces.

Allowed, effective November 30, 1993, members of the Selected Reserve to receive chapter 106 benefits for graduate training subject to availability of funds.

Extended Servicemen's Occupational Training Act (SMOCTA) eligibility dates by 1 year subject to the availability of funds. Required a veteran to apply by September 30, 1996, and begin training by March 31, 1997.

The SMOCTA program was designed to assist veterans to obtain employment. The program was originally scheduled to end on September 30, 1994. Initial

VBA Administrative History
Education

funding for this program was \$75 million. This law provided an additional \$6.25 million.

PL 103-335

The Department of Defense Appropriation Act for Fiscal Year 1995 allowed the remaining funds from the original SMOCTA appropriation to be used during FY 1995.

The law extended the program to September 30, 1995. It provided no additional funding beyond the \$75 million initially provided. Funds were low and a waiting list was operated on a first come first serve basis. A veteran on the waiting list was enrolled in SMOCTA if unused money became available. Unused money became available when a veteran already enrolled in SMOCTA terminated his/her training program before completing it.

PL 103-446

Provided, effective October 1, 1994, flight training as a permanent program for chapter 30 and chapter 1606.

Prior legislation authorized VA to pay education benefits for vocational flight training to individuals eligible for chapters 30, 1606, and 32 ending September 30, 1994. This law made vocational flight training a permanent program by removing the ending date.

Established, effective October 1, 1994, a two-year pilot program for alternative teacher certification.

The pilot program allowed beneficiaries to receive benefits for alternative teacher program. An alternative teacher certification program is designed for an individual who has a bachelor degree, but does not have enough education credit to obtain a teacher's certificate. The alternative certification program permits an individual to obtain this certificate without reenrolling in an institution of higher learning and pursuing another bachelor degree. Often the training is conducted at a college or university, in addition, to classroom experience and training provided by other entities. Prior to the enactment of this law, some programs offered by entities other than colleges or universities could not be approved because the law required that a program of education must be offered by an educational institution. This law amended the definition to include an entity (such as a school district) offering training required for completion of a State-approved teacher certificate program. This permits approval of alternative teacher certification programs which include various modes of instruction, including classroom instruction, internships, and practice teaching.

VBA Administrative History
Education

Permitted, effective October 8, 1994, VA to approve courses leading to a standard college degree offered by foreign colleges and universities which include non-traditional training away from the school.

This law deleted the requirement that courses offered outside the U. S. must be offered in residence on the campus of the school. Courses which are part of a standard college degree offered by a college or university outside the U. S. may be approved without regard to the mode of instruction.

Extended chapter 30-category IIIa eligibility to members of the Coast Guard who served on active duty before September 30, 1994, and were involuntarily separated during the five-year period beginning on October 1, 1994.

Individuals who were involuntarily separated and elected not to participate in the chapter 30 program or did not meet all of the eligible requirements were afforded the opportunity to revoke their election.

PL 104-106

Permitted Department of Defense, effective February 10, 1996, to provide additional payment (kickers) of chapter 1606 and chapter 30 benefits.

Increased by up to \$350 per month the educational assistance allowance (kickers) permitted to personnel possessing a skill or specialty designated as on which there is a critical shortage or for which it is difficult to recruit.

PL 104-188

Provided for an increase in the Federal minimum wage to \$4.75 hourly effective October 1, 1996, and for a further increase to \$5.15 hourly effective September 1, 1997. (This affected the work-study program.)

The work-study program offers an additional allowance to students in return for their performance of services in VA related activities. A student pursuing a program of education or training at the three-quarter-time rate of higher under chapters 30, 31, 32, or 35 has potential eligibility for a work-study allowance. VA is authorized to base work-study allowance payments in the higher of the Federal minimum wage or the State minimum wage, if indicated. The hours performed on or after the October 1, 1996, and September 1, 1997, effective dates were paid at the higher rates.

PL 104-201

Extended chapter 30 eligibility, effective October 1, 1996, to ROTC graduates who went on active duty as commissioned officers after October 30, 1996, and who received \$2,000 or less in any one year under the ROTC program.

VBA Administrative History
Education

Previously the law did not allow persons who were commissioned as a result of a ROTC scholarship program to be eligible for chapter 30 benefits. This law permitted such persons to participate in chapter 30 if they received \$2,000 or less each year under the program.

PL 104-275

Eliminated, effective October 9, 1996, the requirement that open circuit TV courses be taken concurrently with at least one resident course.

Previously the law required that a student enrolled in one or more courses offered by open circuit TV must be concurrently enrolled in least one resident (classroom) course. The law eliminated the requirement. Open circuit TV courses may now be considered just another type of independent study course. Since independent study courses must be accredited. Effective October 9, 1996, all open circuit courses must also be accredited.

Eliminated, effective October 9, 1996, the 80 percent rate for cooperative training

Cooperative programs combine academic course work with work cooperative. Cooperative programs have their own separate approval criteria and must be full-time. Previously VA was required to pay a special rate for cooperative training that was 80 percent of the institutional rate for full-time training. This reduced rate applied to student enrolled under chapters 30, 32, 35, and 1606. For chapters 30, 32, and 1606, entitlement was reduced 80 percent of the full-time charge. For chapter 35, full entitlement was charged. Cooperative training is now paid at 100 percent of the institutional rate for full-time training. This rate applies during both the work-experience and academic phases of cooperative training.

Modified, effective October 9, 1996, the requirement that courses may not be approved if they have been in operation for less than two-years (the "two-year" rule).

Allowed additional chapter 32 (and section 903) participants to elect chapter 30 during a one-year open season ending on October 8, 1997.

Allowed additional persons to elect chapter 30 who first performed full-time National Guard duty under title 32 U. S. C. between July 1, 1985 through November 28, 1989.

PL 105-114

VBA Administrative History
Education

Provided, effective retroactively to October 9, 1996, an increased rate of payment for chapter 30, category II benefits for veterans pursuing cooperative training.

Clarifies that the rate of payment for chapter 34/30 converters pursuing cooperative programs on or after October 9, 1996, will be increased by the amount equal to one-half of the educational assistance allowance that would be applicable for pursuit of full-time institutional training under chapter 34.

Required that individuals who, during the one-year period beginning on October 9, 1996, made the election from chapter 32 to chapter 30 must have an honorable discharge.

Clarifies that those individuals under chapter 32 who elect chapter 30 benefits during the one-year period must have an honorable discharge at the time of discharge from service.

PL 105-178

Canceled the automatic increase due October 1, 1998, and substituted a 20 percent rate increase.

Montgomery GI Bill educational assistance benefits are increased annually based upon the increase in the Consumer Price Index (CPI) each October. Effective October 1, 1998, in lieu of the cost of living increase chapter 30 rates were increased by 20 percent.

PL 105-206

Increased, effective October 1, 1998, the basic chapter 35 full-time monthly rate from \$404 to \$485.

The chapter 35 education benefit is not tied to the CPI. Instead Congress enacted an increase in the monthly benefit.

PL 105-261

Permitted Department of Defense, effective October 1, 1998, to increase the additional payment (kicker) of chapter 30 benefits to \$950.

The maximum amount of monthly basic educational assistance available to individuals first entering the Armed Forces with a skill or specialty in which there is a critical shortage or personnel or for which it is difficult to recruit is increased to \$950 per month.

Permitted individuals, retroactive to October 7, 1997, who receive an enlistment bonus to also be eligible for a kicker.

VBA Administrative History
Education

Persons who receive an enlistment bonus may now also receive a kicker.

PL 105-368

Changed reporting fees to educational institutions from yearly based on the number of veterans enrolled on October 31 of the year or a later date selected by individual schools to the number of veterans who enroll in a school during the entire calendar year.

Changed the work-study program to make optional, rather than mandatory, an advance payment of work-study allowance.

Previously VA was required to pay, in advance, a claimant selected for the work-study program an amount equal to 40 percent of the total amount of the work-study allowance. This amount is limited to 50 times the applicable minimum wage that is payable under the work-study agreement. The new law makes it optional, rather than mandatory. A claimant applying for a work-study allowance may elect to be paid in advance or to be paid upon completion of each 50 hours worked.

Changed the high school requirement under chapter 30 to allow servicemembers to use college granted credits for life experiences as a means of meeting the high school requirement.

Required an individual to meet the medical requirements on the day he or she began a course of flight training.

Provided a waiver of some of the wage requirements when the United States or a State or local government operates the training program.

Requires VA and military service branches to expand outreach services concerning VA education program requirements to members of the armed forces.

Required the military service branches to ensure separating servicemembers are well informed of the eligibility requirements for VA education benefits.

The law requires the military service branches to ensure separating servicemembers are well informed of the eligibility requirements for their education benefits. Any servicemember who has not completed his or her initial obligated period of active duty, and who indicates the intent to be discharged or released for the convenience of the government, must be informed of the minimum active duty requirements for entitlement to chapter 30 benefits.

PL 106-117

VBA Administrative History
Education

Restored chapter 35 eligibility to remarried surviving spouses of veterans who terminated their remarriage on or after November 30, 1999.

Previously, VA was required to terminate a surviving spouse's chapter 35 benefits if the surviving spouse remarried or lived with another person and held themselves out openly to the public as the person's spouse. The amendment to the law permits reinstatement of the surviving spouse's eligibility to chapter 35 benefits upon the termination of the remarriage. The termination must be due to death, divorce, or ceasing to live with another person and holding oneself out openly to the public to be that person's spouse. This provision was effective November 30, 1999.

Requires VA, effective retroactively to July 1, 1985, for an enlisted member or warrant officer who serves continuously on active duty and successfully completes officer training school and is discharged to accept a commission as an officer on active duty, to consider the individual to have served without a break in service, provided the break does not exceed 90 days.

Previously, the law classified a person as ineligible for chapter 30 benefits if they had been discharged to accept a commission after completing officer training school, but before completing the initial obligated period of service. Now VA is required to consider the period before and after the person's discharge and reenlistment as a continuous period of active duty provided the break does not exceed 90 days. This provision is effective July 1, 1985. Individuals under this provision will have 10 years after their release from active duty or December 1, 2009, whichever is later.

Documents:

The GI Bill, From Roosevelt to Montgomery. Pamphlet

A Brief History of Reader Focused Writing in Education Service. Pamphlet.

50th Anniversary of the GI Bill of Rights. Proclamation

The GI Bill—The Law that Changed America. Promotional.

A Guide to the Program and its Outreach. PBS. Brochure.

Educational Record: The GI Bill's Lasting Legacy. Fall 1994. Educational Record:
The GI Bill's Lasting Legacy. Fall 1994.

Vanguard. May, 1994.

A Very Fine Thing: 50 Years of GI Bill. Video.

VBA Administrative History
Education

Program Evaluation Summary.

Montgomery GI Bill—Active Duty. Program Evaluation.

Montgomery GI Bill—Selected Reserves. Program Evaluation.

Survivor's and Dependents' Education Assistance Program. Program Evaluation.

VBA Administrative History

Loan Guaranty

Restructuring

Loan Guaranty Service has restructured its organization in several ways. Beginning in 1996, loan origination and servicing functions were consolidated from forty-five Regional Offices to nine Regional Loan Centers. This reorganization was completed in August 2000. During this time period, the number of full time employees (FTE) in the field decreased by 478; almost all of which can be attributed to the consolidation. In addition, Loan Guaranty's eligibility functions were also consolidated into two Eligibility Centers. This process was begun in the spring of 1997 and was completed in the fall of 1999. Portfolio Loan Servicing was contracted out, and a computer system was developed by Loan Guaranty Information Technology staff to support the change. In addition to this, a Portfolio Loan Oversight Unit (PLOU) was established to monitor the now outsourced loan servicing.

Electronic Data Interchange

The issuance of Loan Guaranty Certificates is now an automated process. Loan file data and requests for guaranty are transmitted electronically. Additionally, appraisal reports to VA and to the lender are also submitted electronically. The automation of these processes not only eliminates paper handling, but also speeds processing times.

Loan Policy/Construction & Valuation

An on-line application (VA Assignment System), which allows case numbers and appraisal assignments to be obtained through the use of the Internet, has been developed. The Lender Appraisal Processing Program (LAPP) was implemented, allowing lenders to review appraisals and set property values. Since 1993, lender participation in this program has risen from 15 percent to 72 percent.

Loan Processing

A complete revision of the Lender Handbook has been completed. It has been rewritten in "Reader Focused Writing" and formatted in "Information Mapping", making it much easier for lenders to understand and use it as a reference guide. The handbook, which is a tool to correctly guide lenders through the VA loan process, has historically been distributed to over 20,000 lender program participants in 'hard' copy. However, the revised edition is only available online so that lenders may either refer to it there, or download and print out a 'hard'

VBA Administrative History

Loan Guaranty

copy. As the handbook was a particularly extensive volume, posting it online will enable the Loan Guaranty program to allocate to other areas of the program, the large amounts of resources that would have otherwise been spent on 'hard' copy distribution.

Two customer satisfaction surveys have been implemented. The Veteran Customer Satisfaction Survey, which measures the veteran's satisfaction with the VA Loan process, has completed its 'Pre-Test phase' with very favorable results. In short, the overwhelming majority of veteran home buyers are not only satisfied with the overall process of obtaining a VA home loan, but 98 percent would recommend the VA home loan program to other veterans.

In order to provide excellent customer service, a special mailing was sent to veterans who were eligible to refinance their existing VA loan. In the early and mid- 1990's, when interest rates dropped significantly, personalized letters to 1.66 million veteran homeowners were mailed, notifying the veteran that his/her home loan could be refinanced at a lower interest rate.

Loan Management

As a response to the Government Performance and Results Act (GPRA), a supplemental servicing performance measure was implemented. Foreclosure avoidance through servicing has enabled VBA employees to help veterans by intervening in a delinquent situation and working to arrange alternative repayment options so that the loan may be brought current. A FATS (Foreclosure Avoidance Through Servicing) ratio, which represents the number of cases 'saved' from foreclosure as a proportion of all delinquent cases, is then determined for each individual Regional Loan Center and entered as a performance measure on Loan Guaranty's Balanced Scorecard. The Servicer Loss Mitigation Program (SLMP), which allows private-sector servicers to approve alternatives to foreclosure in delinquent cases, was also established. Successful interventions by VA employees have not only enabled veterans to reinstate their home loans, but also have saved VA over \$100 million dollars in costs associated with foreclosure.

Other accomplishments in the area of loan management include tracking delinquent VA loans; industry partner outreach efforts, including publishing a VA Servicing Guide; and encouraging continued private industry participation in the program by implementing procedures to speed payments for properties conveyed to VA. Further activities were aimed at addressing Government Accounting Office and Office of the Inspector General concerns regarding VBA's annual financial statements. This was done through the establishment of control measures that ensure accurate data. Consequently, VA was deemed 'clean' in regard to its annual financial statements. An automated data processing (ADP) system was implemented to track delinquent VA loans.

VBA Administrative History Loan Guaranty

Property Management

The inventory and holding times of properties acquired as a result of foreclosure have decreased to the lowest level in 15 years. For the properties that still remain under VA control, the online application Property Management Local Area Network (PLAN), is now used to manage and track their status and support automated payment and collection processes.

Monitoring Unit

In the past years, a growing number of lenders have been granted the authority to underwrite and close VA loans. Due to the inherent risk involved in the delegation of such authority, an oversight mechanism must be present to prevent waste, fraud, and abuse. Since its inception in 1992, the Lender Monitoring Unit has conducted over 250 lender package submission audits, and has enabled the Federal government to recover and avoid losses of an estimated \$20 million dollars.

Information Management and Technology

Over the past eight years, several important applications to manage, track and maintain data, as well as train program participants have been implemented. The Standard General Ledger (SGL) conversion was a result of the former system's lack of compliance with government mandates. The old system was shut down and converted to the current program, which is in compliance with government standards. An automated Loan Processing (LP) system has been put in place to automatically issue guaranties, perform quality control measures and run automatic edits of data. The Electronic Lender Information (ELI) program has also been developed for use in the Loan Guaranty Program. The major function of the application, which serves as the centralized data file for several other Loan Guaranty software programs, is maintenance of lender information. In addition, ten computer-based training modules, covering a variety of subjects, have been designed and are available for staff as well as lender training and information.

Public Laws:

Several public laws, which have affected the VA Loan Guaranty Program have been passed over the course of the last eight years.

- P.L. 103-66 (1994) increased the maximum amount of guaranty to \$50,750.

VBA Administrative History
Loan Guaranty

- P.L. 103-446 (1994) states that VA can restore entitlement on a one-time basis for a veteran who has paid off the prior loan, but has not yet disposed of the property. The law also provides for extension of loan guaranty eligibility to Reservists discharged with service-related disabilities, and to their surviving spouses should the Reservist die in service or as a result of service-connected disability. The law also states that the 24-month active duty requirement also be amended to include extension of benefits to those who do not meet the 24-month criteria due to a reduction in force.
- P.L. 105-368 (1998) Extended the home loan eligibility of individuals who are not otherwise eligible and who have completed a total of at least six years honorable service in the Selected Reserves, to September 30, 2003.
- P.L. 104-275 (1996) reauthorized VA to make direct loans to Native American veterans.
- P.L. 105-114 (1998) extended the Native American Veteran Housing Loan Pilot Program until December 31, 2001.

Documents:

White Paper. (1996). Loan Guaranty Accomplishments and Plans for the Future.

Submission to Secretary's Key Issues Book. (1994). Outreach to Recently Discharged Veterans, Active Duty Servicemembers and DOD Civilian Employees Who Have VA Loans. 6/8/94.

Business Process Reengineering. (1997). The VBA Vision of the Future. 04/02/97.

Position Paper. (1993). Consolidate Loan Guaranty Activities.

Department Memorandum. (1997). Development of Measures for Customer Service Goals. 01/15/97.

Loan Guaranty Accomplishments: Last 12 Months. (1995).

Reengineering Study of Loan Guaranty. (1992).

Executive Summary. (1995). Loan Servicing and Claims Reengineering Study.

Loan Guaranty Field Restructuring. (1996). Report of the Loan Guaranty Sub-Group of the Veteran Benefits Administration Restructuring Task Force.

Vocational Rehabilitation and Employment

The Vocational Rehabilitation and Employment (VR&E) program has made a substantial shift in focus on the outcomes of suitable employment and independence in daily living. Several aggressive and significant reengineering initiatives serve as the foundation for this successful shift. These efforts, which are described below, are recognized by stakeholders as positive responses to criticisms levied against the program for a lack of focus on statutory mandates. Additionally, these reengineering efforts have permitted the program to streamline and redesign employment services and rehabilitation practices, create effective communication loops and tools, and establish accountability systems to measure performance. The VR&E program continues to refine existing strategies and develop new ones to successfully serve the rehabilitation and employment needs of disabled veterans.

Accomplishments

- **Positive Outcomes:**
 - FY 1999: 10,281 rehabilitated disabled veterans in FY 1999, exceeded an early stretch goal of 10,000 originally set for FY 2000
 - FY 2000: 10,603 rehabilitated veterans in FY 2000
- **Rehabilitation rate:**
 - FY 1999: Rehabilitation rate of 53% at the end of FY 1999, up from 41.9% at the beginning of FY 1999; Rehabilitation rate of 49.2% at the end of FY 1999 for veterans with serious employment handicaps
 - FY 2000: Rehabilitation rate of 64.5% at the end of FY 2000; Rehabilitation rate of 62% for veterans with serious employment handicaps
- VBA Balanced Scorecard - High standards and challenges for balanced improvements and service delivery to disabled veterans
- VR&E joins C&P in initial roll-out of e-VA (VONAPPS) – A new Internet application, which has been designed to be veteran friendly and extremely helpful, by walking a veteran through applying for VA benefits online
- National Customer Satisfaction Surveys conducted in 1999 revealed:
 - 77.3% overall satisfaction in the evaluating the veteran's need for rehabilitation services
 - 81.2% overall satisfaction in planning the veteran's program of rehabilitation
 - 86.1% overall satisfaction in tailoring the path to rehabilitation (i.e., training or education to achieve rehabilitation)
 - 69.2% overall satisfaction in the VR&E program as a whole

VBA Administrative History
Vocational Rehabilitation and Employment

The VR&E Business Case

In August 1998, the VR&E program published its first Business Case describing the new vision for the management of the VR&E program. It was the program's initial effort to document the state of the program and publicize its outcome accountability to disabled veterans, the Administration, Congress, and stakeholders. Additionally, this document outlined strategies that would help the program achieve its vision.

In June 2000, VR&E published a supplement to this Business Case. This publication continued the program's accountability posture, documented the positive shift in the program's focus on outcomes, and demonstrated progress toward achieving the program's vision.

The VR&E Business Case:

- Accurately reflects the program's performance and progress
- Presents refinements and adjustments to VR&E's strategic plan
- Clearly and honestly discusses the challenges facing the program
- Provides a line of sight through our strategies and initiatives that move us closer to achieving our program's mission and vision and ultimately to VBA's and VA's mission and vision
- Reflects VR&E's efforts to comply with the requirements of the Government Performance and Results Act

Reengineering Efforts

Employment Specialist Pilot Project

One of the first steps that VR&E took to intensify its efforts to shift the focus of the program to employment for disabled veterans was in the creation of a new career position within the VR&E community – Employment Specialist. The step that followed was the establishment of a proof-of-concept pilot to test the effectiveness this new skill would have on veterans' success.

Through the Employment Specialist Pilot, VR&E has abandoned its traditional *push* strategy of placing veterans in rehabilitation program that push particular skills thought to be desirable by employers. This ineffective concept relied on the all too often flawed premise that skills desirable at the start of a veteran's rehabilitation program would still be marketable at the end of the veteran's training program. In its place, the new *pull* strategy that lies in the vision of the Employment Specialist project involves employers at the beginning of a veteran's rehabilitation program and ensures that rehabilitation programs and services are aligned with future needs and demands of employers. Early employer involvement creates better long-range planning for anticipated labor needs and solidifies a workforce network in which both veterans and employers are equally well served.

VBA Administrative History
Vocational Rehabilitation and Employment

Employment Specialist Program

- Focuses on suitable employment as outcome
- Stimulates employer demand for well trained, motivated disabled veteran employee
- Communicates career opportunities not just job opportunities
- Interim success was so significant that one SDN committed to hiring at least one ES in each regional office. Also, approximately 30 non-piloting offices have realigned their staffs to focus on the concept envisioned in the ES pilot program
- Data: At the beginning of this project, the piloting stations had 53% of their participants in plans leading to jobs in the top ten 1999 career categories for their geographic region. By the end of the third quarter of the fiscal year, that number increased to 83.2%. Also, there is a focus on anticipating jobs that would be available two to five years out, at the end of a veteran's training. In this area, the baseline at the beginning of FY 1999 was 24% in the top ten projected career categories based on market analyses and economic forecasts. At the end of the third quarter, this number increased to 87.5%. This substantially addresses the challenge to the VR&E program to ensure that we are training our veterans for careers that will truly exist when they complete their program.

Case Management

Good case management practices are an essential element of any successful rehabilitation program. Rather than a "one size fits all" type of process, VR&E is engaged in a case management initiative that links the intensity of case management services with the individualized needs of the veteran. This model incorporates a standardized tiered approach that enables field staff to identify and apply the appropriate intensity of services that each case requires. These new case management practices bring the VR&E program more in-line with the general trends in the field of rehabilitation by focusing our case managers to assist veterans to increase their capacities for self-sufficiency and allow our veterans to have a more active role in their rehabilitation program.

The Case Management Program:

- Streamlined application processing
- Emphasizing a continual assessment of the veterans' needs
- Provided better caseload management tools
- Re-directing case managers' time to severely disabled veterans with multiple rehabilitation needs
- Maximizes program resources

Corporate WINRS

At the corporate level, VR&E has been without an adequate information management system to support its case management practices. The Corporate WINRS Project which grew out of the 1997 field-initiated WINRS program is a new centralized case management information system that will assist VR&E management and individual VR&E case managers to make well-informed decisions affecting the Chapter 31 Program. (The acronym, WINRS, stands for the five regional offices which collaborated to develop the system: Waco, Indianapolis, Newark, Roanoke, and Seattle.) This new system will have added functionality and will be converted to a standard VBA applications environment with a centralized database. Corporate WINRS will enable management to more effectively allocate resources and measure staff productivity. Equally important, Corporate WINRS will provide improved support for field operations by allowing case managers to track case data, generate reports and form letters, access real-time data, process expense vouchers, and schedule and track appointments from anywhere in the country.

Quality Assurance Program

VR&E re-instated the Quality Assurance (QA) program in FY98 and further refined the QA instrument and process beginning FY01.

This collaborative process between field and headquarters staff fills a tremendous void created by four years of ignoring quality assurance. It ensures all services are provided consistent with the provisions of law.

The QA process:

- assesses program performance accuracy in support of the appropriate outcomes
- is automated to facilitate timely feedback
- supports the review and reporting process at the SDN and RO levels
- intensifies the focus on continuous improvement of service delivery while providing individualized rehabilitation services to disabled veterans
- supports regulation re-write, policy bulletins and identification of training needs

Communications

VR&E completed a thorough evaluation of its communications methods and materials. Based on these findings, VR&E developed an overall strategy to improve communications. The multi-phased, integrated plan includes a strategic approach and rationale, message development, and tactical implementation plan. The first significant communications outcome from this strategy occurred with a

VBA Administrative History
Vocational Rehabilitation and Employment

change in the name of the program in January 2000 from Vocational Rehabilitation and Counseling to Vocational Rehabilitation and Employment. This name change effectively redirects the focus of the program, while still emphasizing the importance of rehabilitation. VR&E has also developed a number of communication tools, both external and internal that have also substantially contributed to the attainment of positive outcomes for our communications initiative.

External Communications

- VR&E 2000 Calendar -- to promote the name change, provide a history of VR&E, and clarify the mission of the program
- Program Brochure – published *Working Partners*, an updated brochure for potential Chapter 31 participants
- Web Site – VR&E redesigned its Web site in January 2000. The web site provides accurate, up-to-date information on the program and is accessible to visually impaired individuals. It also links into the home pages of VR&E program partners
- Public Forums – VR&E in addition to participating in job fairs and professional workshops, regularly conducts stakeholder briefings to share information on the progress of major program initiatives and to solicit important feedback
- Reader-Focused Writing – VR&E developed a team to retool VR&E form letters so that they are more reader-friendly and clearly communicate to the veteran each letter's purpose.

Internal Communications

- Policy Bulletins – VR&E now makes use of policy bulletins to disseminate information to field staff. These bulletins assist in clarifying existing policy
- Intranet – VR&E updated its Intranet pages to assist employees to perform their jobs more effectively and efficiently.
- Regulations Rewrite – A collaborative regulations rewrite team was formed to rewrite the regulations to incorporate public law changes, Court of Veterans Appeals Decisions, and necessary changes identified by the field

Partnerships

VR&E has established strategic partnerships with other government agencies, its contractors, employers, employment service providers, and educational and training institutions to improve the percentage of veterans who successfully complete a program of rehabilitation. By establishing these networks and linkages, VR&E has developed an effective way for staff to expand its knowledge on a variety of issues including new trends in rehabilitation, training, labor markets, and comprehensive employment services. These collaborative efforts also save time and money on activities such as training and outreach.

VBA Administrative History
Vocational Rehabilitation and Employment

Documents:

Vocational Rehabilitation and Employment, *The Business Case Continues...*

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Survey of Veterans' Satisfaction with the Vocational Rehabilitation and Employment Program (March 2000).

On Track to Employment: VR&E's Employment Program for Veterans With Disabilities (Employment Specialist concept report).

VR&E Case Management Task Force: Final Report June 1999

Quality Assurance Program Instrument and Manual.

Vocational Rehabilitation and Employment Internet Page.

VBA Administrative History Insurance

Consolidation of St. Paul and Philadelphia Insurance Functions

Since 1963, the Government life insurance programs have been managed by the Department of Veterans Affairs Regional Office and Insurance Center in Philadelphia, with a field operating office at the VA Regional Office and Insurance Center in St. Paul, Minnesota. In conjunction with a Reinventing government (REGO II) proposal, the Insurance functions were consolidated in Philadelphia in April 1999. Combining the two offices resulted in economies of scale and a cost savings of \$4 million over a 3-year period. The annual savings thereafter have been calculated to be \$1.4 million. Philadelphia was able to assume the St. Paul workload without additional staffing.

National Performance Review (NPR) Regulatory Reform Initiative

The President issued a Memorandum on March 4, 1995, which directed agency heads to perform certain tasks as part of the administration's Regulatory Reform initiative. One of the tasks of this initiative was to eliminate and/or improve existing regulations. The Memorandum directed each agency to review its regulations and identify any provisions that could be eliminated or reinvented. Regulations that were targeted for removal were those that merely restated a statutory provision, or those that were obsolete and no longer applicable. The review also included an identification of regulations that could be rewritten for clarity. The Insurance Service conducted a review of regulations found in title 38 of the Code of Federal Regulations. Results of the review were submitted in a table and included in the "Eliminating and Improving Regulations Report."

Under the final phase of the initiative, the Insurance Service submitted regulatory amendments of Parts 6, 7, 8, 8a and 9 of title 38 CFR. Under these amendments, the Insurance Service eliminated a total of 109 CFR pages and reinvented another 27 pages.

Reader-Focused Writing (RFW) Initiative

During the past seven years, the VA Insurance Service staff has worked with the National Performance Review (NPR) staff to improve the quality of its products. One of the key initiatives resulting from this partnership was Reader Focused Writing (RFW). The initiative, championed by the Insurance Program was eventually exported to the entire Veterans' Benefits Administration (VBA) as well as other agencies. VBA Headquarters currently manages (RFW and its related training.) This program improves the quality and clarity of written correspondence by adopting a rigorous process which includes veterans' involvement in focus groups. The Insurance Service assisted VA in developing,

VBA Administrative History

Insurance

training, and airing the course over satellite broadcasts. The techniques, known nationally as the "Plain English Network," have spread to other agencies.

Plain Language Use in Proposed and Final Rulemakings and Agency Documents

In accordance with the "Presidential Memorandum on Plain Language" dated June 1, 1998, the Insurance Service began writing all proposed and final regulations in Reader-Focused Writing (RFW) style. In addition, the Insurance Service began a vigorous process of rewriting all existing insurance regulations in RFW style. We have submitted three regulations in this style, two of which have been published in the Federal Register.

In addition to regulations, the Insurance Service now uses plain language in writing other types of documents. In using this method, written communications with customers, both internal and external, have been simplified. Insurance employees joined with Regional Office employees to form writing teams, which examine pattern letters and determine how to revise them using the RFW technical writing techniques. Approximately 130 Insurance program letters have been rewritten. The RFW techniques have also been applied in revising the designs of our Insurance forms.

Interagency Relations/Partnerships

- The Insurance Service developed a partnership with the Social Security Administration whereby numerous matching programs were conducted to exchange data for the purpose of updating Insurance Master records. This project enhanced the Insurance Service's ability to locate policyholders in order to send them Annual Statements and to pay them money that was returned as undeliverable. The Service was able to obtain missing Social Security numbers and verify those on hand. In addition, they were able to obtain updated addresses on a routine basis. As of March 2000, 42,000 addresses had been corrected and \$5 million had been paid to policyholders that had been located.
- VA Insurance Service joined in a partnership with the Department of Treasury to develop the 'Combo II' printing system that allows Treasury to mail an Insurance letter or Explanation of Benefits (EOB) statement with Insurance checks. Previously, the EOB statements were sent separately and sometimes arrived before the check, causing confusion for the customer. This initiative reduces postage costs and improves communications with the customers.

VBA Administrative History

Insurance

- The VA Insurance Service worked with the National Performance Review (NPR) staff on the Reader Focused Writing (RFW) initiative to improve the quality and clarity of written correspondence in government. A member of the Insurance Service staff conducted training of Reader Focused Writing (RFW) techniques, known nationally as the "Plain English Network," to the Social Security Administration, Internal Revenue Service, Health Care Financing Administration and Department of Agriculture. The Insurance Service maintains communications with these other agencies to facilitate the RFW initiative.
- The Office of Servicemembers' Group Life Insurance (OSGLI), a division of the Prudential Life Insurance Company of America, directly administers the Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) programs. The VA Insurance Service maintains oversight of OSGLI in the administration of these programs. The Insurance Service coordinates with the Department of Defense and Prudential in developing program initiatives, proposed legislation and regulations.

Computer Based Training Initiative

In October 1996, the VA Insurance Service Employee Development and Training staff contracted with an independent training contractor (Interactive Media) to develop on-line training modules for its Policyholders Services/Veterans Insurance Phone System (VIPS) Division. The modules are intended to improve training and decrease the amount of refresher training sessions required. Five modules were developed to meet different aspects of training needs. The first module was developed and delivered to VA in January 1998. It consists of an interactive on-line tutorial, a process flow diagram, document screen job aids, and three sets of tests (pretests, lesson tests and posttests). The module was directed primarily towards new students who had no prior knowledge of the subject. The Insurance program received very positive feedback from employees who have received the training. The contractor is developing the remaining four modules, which will emphasize "on-the-job" assistance.

Awards

The Insurance Center has received two Hammer Awards. The Hammer Award is presented by the National Partnership for Reinventing Government (NPR) to teams of federal employees who have made significant contributions in support of reinventing government principles. The first award was presented to the Award Data Entry (ADE) Team for developing a replacement for an outdated, inefficient system that was used to process over 100,000 beneficiary claims per year. The VA Insurance Center/Social Security Administration Partnership to Improve Insurance Quality Service also won a Hammer Award for simplifying the

VBA Administrative History

Insurance

processes used by the Insurance Service to update its records and ensure record accuracy.

The Insurance Service was selected as the winner of the Robert W. Carey Award in the Benefits Category for the year 2000. The Carey Award is the most prestigious award given by the Department of Veterans Affairs for overall quality in all facets of an organization's management approach.

The Director of the VA Regional Office and Insurance Center, Director Thomas Lastowka, received the prestigious Caspar J. Knight Award from the Philadelphia United Veterans Council. This award is given to recognized outstanding service to the veteran community. Mr. Lastowka also received the Silver Bayonet Award from the American Veterans (AMVETS) Department of Pennsylvania. This is the highest award that the AMVETS Department of Pennsylvania can give an individual.

Initiatives

Insurance Self Service Initiative

The VA Insurance Service has begun the process of developing self service functions for our customers. Insurance policyholders will be able to access their records, make inquiries, make certain changes to the records and release certain disbursements. These self service functions will be performed either through a personal computer, using our enhanced web site, or through the telephone by using the Interactive Voice Response (IVR) system. The first web site option has been developed and permits policyholders to request a copy of their Policy statement. The Self Service functions will result in improvements in other areas of service as well, such as toll free call blockage rates, toll free average hold time, processing days for disbursements and maintenance cost per policy.

Paperless Processing Initiative:

The Insurance Service has begun an initiative to develop Paperless Processing which is accomplished primarily through an imaging system which provides electronic storage of Insurance records and on-line access to images of those records. This service has improved both timeliness and quality of service, while reducing costs for policyholders. This initiative also involves not only obtaining current beneficiary forms from policyholders who have not updated such information in several years (sometimes decades), but also addresses retiring 2.2 million Insurance paper files by the end of 2001.

VBA Administrative History Insurance

Electronic Fund Transfer/Direct Deposit

This program gives policyholders and beneficiaries the advantage of having disbursements deposited directly into their bank accounts thereby eliminating the risks and postage costs associated with mailing checks. Direct deposit of disbursements also eliminates the need to ask the U.S. Treasury to conduct check tracer actions on lost or stolen checks.

SGLI/VGLI Alliance Accounts

In June 1999, the Office of Servicemembers' Group Life Insurance (OSGLI) with the approval of VA Insurance Service began to distribute SGLI/VGLI insurance proceeds through the use of the Alliance Account. The Alliance Account provides beneficiaries with a "checking account" in lieu of a lump sum payment of proceeds. The beneficiary has the option of cashing a single check for the total amount of the insurance proceeds or maintaining a free checking account which earns interest at a competitive rate. There is no cost to the insured or the beneficiary to set up this account. The Alliance Account is not designed to be a long-term investment tool but instead to provide flexibility for the beneficiary to meet his or her immediate financial obligations following the insured's death. Consequently, while the funds in the accounts do earn interest, these types of accounts do not have deposit capability and other similar features provided by long term investment products. As of May 2000, 86 percent of those receiving SGLI/VGLI proceeds through the Alliance Account were writing more than one check which means that the account is fulfilling its intended purpose.

Beneficiary Financial Counseling

The VA Insurance Service staff worked with the Department of Defense and the Office of Servicemembers' Group Life Insurance to develop a new benefit for beneficiaries of Servicemembers' Group Life Insurance (SGLI) and Veterans Group Life Insurance (VGLI). The new benefit, Beneficiary Financial Counseling Services (BFCS), was introduced in October 1999. This benefit provides **free**, personalized, objective financial advice to SGLI and VGLI beneficiaries who choose to take advantage of the service. Ernst & Young provides the counseling. In addition to a one-on-one counseling session, the beneficiaries receive a detailed, step-by-step financial plan and have access to financial counselors for one year. Beneficiaries also receive a financial planning resource kit and a one-year subscription to Ernst & Young financial planning newsletter.

Since the Beneficiary Financial Counseling Services' inception, 134 out of 1,418 eligible beneficiaries (9.45 percent) have taken advantage of the service. According to Ernst & Young, this participation rate is higher than the average participation of their BFCS customers.

VBA Administrative History Insurance

Accelerated Benefits

With the enactment of legislation which became effective February 9, 1999, the SGLI/VGLI program began offering an accelerated benefits option to terminally ill insureds. Clients insured are considered terminally ill if they have a written medical prognosis of nine months or less to live. All terminally ill insureds are eligible to take up to 50 percent of their SGLI or VGLI coverage in a lump sum. Payments are available in increments of \$5,000. This legislative initiative was intended to defray medical costs or other needs of an insured during the last months of life. The face amount of the insurance is reduced by the amount of the accelerated benefit that is authorized.

Legislation

SGLI/VGLI program

- Increased the basic amount of SGLI/VGLI coverage to \$200,000
- Merged Retired Reservist SGLI into VGLI program
- Extended VGLI to members of Ready Reserves
- Allow members to convert VGLI to a commercial policy at any time
- Renamed the SGLI program from "Servicemen's" to "Servicemembers"
- Provided accelerated benefits to members diagnosed with terminal conditions
- Increased SGLI/VGLI coverage to \$250,000
- Provide coverage for dependents of SGLI insureds

Administered Programs (S-DVI) (NSLI) USGLI)

- Exclude government life insurance benefits for Federal income/asset-limit programs

Proposed Legislation

Administered Programs (S-DVI) (NSLI) USGLI)

- Alternated Beneficiary to Claim NSLI and USGLI policy proceeds (proposed)
- RH Term Capping (proposed)
- Lower S-DVI program premiums to a competitive level (proposed)
- Increase maximum coverage under VMLI program from \$90,000 to \$200,000 (proposed)
- Allow insured clients to retain VMLI past age 70 (proposed)

VBA Administrative History
Insurance

Documents:

Memo entitled "St. Paul Insurance Consolidation Recap".

Presidential Memorandum on Regulatory Reform dated March 4, 1995.

Regulatory Reform Initiative Summary Report.

Presidential Memorandum on Plain Language, dated June 1, 1998
Example of regulation (38 CFR 8.2) before and after amendment in Plain
Language style.

Beneficiary Financial Counseling Service brochure.

Example of before and after RFW form letters President's March 4, 1995
Memorandum on Regulatory Reform.

VA NATIONAL NEWSLINK for Monday, 8/21/95.

Plain Language Training Materials and Protocol Guide.

Report to the Under Secretary for Benefits, Reader Focused Writing, Task Force
on Simplified Communication, August 29, 1995.

VBA Administrative History Data Management

Data Management Office

The Data Management Office (DMO) was created in 1998 to manage VBA's data and information requirements. The DMO has established organizational components to focus on organization, collection, and display of business information, veterans' statistics and survey data, as well as emerging technological solutions such as data warehousing. As part of this effort the DMO has created a web-enabled electronic library of information products containing national statistical data on core business processes. To facilitate improved workload forecasting, the DMO has coordinated the development of an actuarial-based modeling tool, compiled an inventory of the data needs of internal and external customers and stakeholders. DMO has also established an online data integrity matrix to document vulnerabilities and record corrective actions being taken.

Reporting and Data Storage Capabilities

The Data Management Office has developed an automated online report inventory system. The primary criteria for a report's inclusion in the inventory are its usefulness and accuracy. This system provides customers with access to numerous reports including: budget, customer satisfaction, finance, General Accounting, Inspector General, productivity, and workload. Each report has an associated information template, which provides specific details about the report and the system that generates it.

In FY 1998 and 1999, at the request of the Under Secretary for Benefits, DMO compiled and published the Annual Benefits Report. The reports focused on VBA's six program areas identifying the level of participation in those areas for each of the specified fiscal years. Veteran demographic data was presented for each fiscal year. The report also identified the number of beneficiaries who came on our rolls during each fiscal year as well as the number exiting the rolls, including the reason for termination of benefits. The report highlighted the economic impact VBA programs have on veterans, their families, and the Federal government.

DMO also created an enterprise data warehouse and operational data store to support consistent information throughout the VBA. The warehouse provides increased access (via the Operations Center) to information in support of business processes and service improvements.

The Data Management Office has also established a Gulf War Veterans Information System (GWWIS) to provide statistical data on the Gulf War service members and veterans. The GWWIS provides information in three categories:

VBA Administrative History
Data Management

Conflict, Theater, and Era. GWWIS provides demographic and service-connected, issue specific data. It also provides information on service members potentially affected by the incidents at Khamisiyah and Al Jubayl.

VBA Program Enhancements

DMO has established and implemented comprehensive customer satisfaction surveys for several VBA business lines (Compensation and Pension, Loan Guaranty, Education and Vocational Rehabilitation & Employment). The surveys capture customer perceptions in addition to providing accurate and timely feedback from veterans and their families relating to VA's service delivery performance. The information is then used to suggest areas most in need of improvement; prompting initiatives aimed at these areas. Information is also used to monitor regional office, Service Delivery Network, and national performance against established customer satisfaction performance goals.

The Data Management Office has also established a 'top of the line' electronic balanced scorecard performance measurement system. This system provides all employees with access to performance data from throughout the organization.

Documents:

Veterans Benefits Administration Annual Report for Fiscal Year 1998.

Veterans Benefits Administration Annual Report for Fiscal Year 1999.

Employee Development and Training

VBA's Office of Employee Development and Training has been developing a comprehensive, state-of-the-art employee development and training system that is learning, skill, and performance based. It encompasses a very broad spectrum of initiatives using the latest technology and includes corporate sponsored management and leadership development, mentoring, competency development, support service, end-user, and external partner training and performance based technical training for employees. These initiatives are part of VBA's efforts to become a premier learning organization and its commitment to developing a high-performing workforce.

Today's dynamic, rapidly changing work environment continuously challenges employees, managers, and leaders to adapt and grow. VBA is ensuring that all employees have the support necessary to learn and develop the knowledge and skills needed for their current responsibilities and to enhance their ability to anticipate and meet the needs of the veteran of the future.

Infrastructure Development

Recognizing that to be successful, the learning process must be consistent and properly coordinated across the organization, VBA issued in November of 1999, a comprehensive policy statement on learning within the organization. This directive, The Veterans Benefits Administration Learning Policy, Responsibility and Administration, defines VBA's policy on learning, which includes the methods used to educate, train, and develop employees. It also assigns responsibilities for learning management, administration, development and budgeting.

To further enhance the coordinated delivery of learning across the organization, VBA established training coordinators within each service delivery network throughout the country. These coordinators play a key role in the development and maintenance of a learning infrastructure for VBA by enhancing the consistency of learning initiatives, fostering and supporting a communication network on learning issues, reducing duplication of learning activities and taking advantage of the economy of scale in procuring learning products. They also serve as points of contact for centrally directed training initiatives and facilitate communication on learning issues between field and headquarters components.

Acknowledging that much learning takes place in more informal settings, VBA has nurtured "communities of practice" within the organization. VBA's recognition of the concept of communities of practice is an attempt to take full advantage of a valuable learning tool. Communities of practice are individuals, informally bound to one another through exposure to a common class of

VBA Administrative History

Field Operations

problems, common pursuit of solutions and thereby themselves embodying a store of knowledge. Members of the community may include novices as well as experts. Members coach and mentor each other to help transfer knowledge. Knowledge transfer is effected as they share ideas and information, identify common challenges and develop solutions to those challenges. It is an effective way of leveraging the informal interests and skills of employees and provides an opportunity for them to help each other develop on the job.

Employee Orientation/Training

To enhance its ability to recruit and retain quality employees, VBA has enhanced its recruitment procedures and significantly expanded and systematized efforts to properly orient new employees to the organization. New employees participate in performance-based interviews and competency assessments and acquire insights into the competencies and skills they possess and will need to acquire in the future. Once on board, these new employees participate in a two-week orientation program, Opportunity 2000. The program provides an in depth learning experience about the mission, vision, values, structures, partners, and context of work in VBA. It provides the employee a clear understanding of their roles and responsibilities in carrying out that mission. The orientation program provides an excellent opportunity for the new employee to develop a network of practitioners they can draw upon as they progress in their careers

Upon reporting to their place of work, new employees join with incumbent staff to learn the specific technical skills they need to perform effectively on their jobs. This systematic, technical skills training may take up to 24 months to complete.

VBA has established a working relationship with the Franklin Covey Organization. We are working closely with their consultants to evaluate the participants' and their supervisors' perceived effectiveness of the Opportunity program.

Leadership

VBA's workforce planning also incorporates a systematic strategy to address our leadership succession planning needs. Four programs have been developed to meet the leadership development and training needs from initial high potential management candidates to senior executive development. The programs are: Leadership Enhancement and Development (LEAD), Introduction to Leadership (including Human Resources and Labor Management Relations), Division Leadership and Management Training (DLMT), and a SES Candidate Development Program. These programs are designed to identify leadership potential early in an individual's career and then provide the individual with progressively more challenging leadership development opportunities. Mid-level

VBA Administrative History

Field Operations

employees have the opportunity to participate in the Introduction to Leadership and Division Level Management Training program. High potential employees have an opportunity to pursue the Leadership Enhancement and Development (LEAD) program. This program provides the employee exposure to the major issues facing the organization and the opportunity to work on a team that studies and reports on a specific issue. Participants are matched with mentors from various parts of the organization to further broaden their experiences and establish effective networks.

Given the potential attrition in its SES ranks, VBA has proactively developed and implemented a SES Candidate Development Program. The 175 applicants for this year's program were rigorously screened and the 16 successful applicants will acquire and enhance skills in the five executive core qualifications of SES service during the 12-18 month program, which began in October 2000.

Recognizing the importance of mentoring in leadership development, VBA is integrating a strong mentoring component into these leadership development efforts.

Customer Service

VBA is working to develop a high performance workforce to successfully serve America's veterans of today and tomorrow. The VBA workforce must possess contemporary customer service knowledge, skills and tools to serve veterans to their satisfaction, to work effectively together and with stakeholders. To that end, VBA is developing a state-of-the-art customer service training program. To meet the varying learning styles of the workforce, this program will be a self directed, multi-media training program that lends itself to an individual or group learning style. This basic customer service program is intended as the first of a number of customer service training programs to be developed in the future.

Learning Delivery

VBA has developed a number of delivery mechanisms to meet the differing logistical needs of the organization and the varied styles of adult learners to include: the Veterans Benefits Network Satellite Broadcasting System, the VBA Video-teleconferencing System, the Training Performance and Support System computer based training modules for business line technical skills, as well as a traditional capability of classroom-based seminar and workshop training through the Veterans Benefits Academy.

The satellite broadcast system is an invaluable distance learning tool for timely communicating information to the workforce. The system provides one way video and two way audio capability for all VBA stations. It has proven to be a

VBA Administrative History Field Operations

cost-effective mechanism for delivering training, including mandatory training, IT technical training, new program applications and changes in policies and procedures.

The video-teleconferencing system has similarly proven its cost effectiveness in facilitating interactions, communications, and augmenting learning activities. All VBA regional offices now have access to the video conferencing system as well as many of the satellite office locations.

The computer based Training Performance and Support System (TPSS) is effective in preparing new employees to meet the challenges of working in the Compensation and Pension business line. The TPSS currently contains learning modules to assist employees involved with rating compensation cases. The next step is to develop learning modules to assist Veteran Service Representatives who work directly with veterans in resolving their concerns and assuring they receive the benefits to which they are entitled. This computer based training system will be expanded to all business lines in the future.

The Veterans Benefits Academy provides a wealth of classroom based training for all VBA staff and is working on establishing a Learning Resource Center to better meet the learning needs of VBA employees nationwide.

Learning Management System

In order to provide all employees and managers with a system of record and an ability to create a career development plan that links their skills and competencies with training that can fill gaps, enhance performance, and provide growth, VBA is piloting a project with the help of the Saba Corporation to test the use of a customized version of their web based learning management system. The system will support VBA in the implementation of the Skills Matrix for positions in each of its business lines and in tracking employee development.

Documents:

VBA Circular 20-99-3, The Veterans Benefits Administration (VBA) Learning Policy, Responsibility, and Administration, issued 11/29/99.

Program guide - SES Candidate Development Program.

Fact Sheets -Opportunity Program
Saba Learning Management System

OFO Letters -Mentoring for Division Level Management Training
Division Level Management Program

VBA Administrative History
Field Operations

VBA Letter - Establishing the SDN Training Coordinators.

Statement of Work for Customer Service Training Program Development by Performax Corporation

Balanced Scorecard (GPRA)

VBA's Balanced Scorecard, which is an information system for the organization, provides employees at all levels of the organization with information on both program outcome and performance measures that they will be able to influence. The Balanced Scorecard uses five measures: customer satisfaction, accuracy, speed, cost, and employee development and satisfaction. Each type of measure will consist of one or more sub-measures that will create a picture of service delivery and of how VBA is translating its strategic objectives into action.

Field Re-organization (Area Office to OFO structure)

Since January 1990, VBA was operating in an area office structure where fifty-eight regional offices were managed by one of four area offices geographically dispersed throughout the country. Each area office had a staff and an Area Director who had line authority over all regional offices within the area jurisdiction. Beginning in 1998, this structure was reorganized into the current Office of Field Operations (OFO) structure. Among the reasons for re-organization were the difficulty in managing critical restructuring initiatives and day-to-day operations from dispersed locations, and the duplication of effort in responding to the myriad of issues presented by Regional Offices. In addition, the area office structure sometimes resulted in inconsistent messages to the field, and did not allow for close coordination between VBA services and the field. For these reasons, the Office of Field Operations was established in March 1998. The benefits of this new structure include an organization which is better positioned to direct, integrate and coordinate critical VBA initiatives; a single staff that will have the ability to ensure delivery of a clear and consistent message; and a presence within VA Central Office that will enhance coordination and communication between programs and field liaison staff.

Documents:

Roadmap to Excellence – Planning the Journey.

Balanced Scorecard Handbook.

OFO HQ mission

The OFO Headquarters redesign process currently underway, is designed to shift the organization's focus away from operational activities generally associated with field operations and permit it to concentrate on strategic issues. The basic framework for this process is based on 6 value creating activities.

- **Strategy Development** - Focus on new or better ways to serve veterans that transcends the current business lines. Gather and interpret data, generate ideas and develop strategies to implement new, and expand or eliminate existing programs.
- **Product Development** - Develop and implement ideas for new ways to serve veterans. Look outside the existing program framework and develop, experiment, test and assess new ideas/products.
- **Demand Management** - Determine how much of our market is reached and how relationships are formed with those responsible for program oversight.
- **Service Delivery** – Examine day to day operations of the organization, including process guidance, quality assurance and quality control. Business lines and the field will collaborate on service delivery issues.
- **People Development** - The human resources need to support the organizational structure, e.g., number of FTE, skills, training, succession planning, etc.
- **Systems Development** – Determine and develop the information and technology resources needed to support the organization.

Under Headquarters Redesign, OFO's responsibility will be to assess the ability of the organization to meet the needs of veterans and to provide resources necessary to meet this challenge.

Documents:

Roadmap to Excellence – Planning the Journey.

Case Management

Case management in claims processing ensures that customers' expectation of responsiveness is met and exceeded. If a claim requires development, the claimant is advised - in clear, plain language, either in written, by telephone, or in person - what evidence is needed, what his or her responsibility is, when to expect a decision, and who he or she can contact regarding the matter. Case management is proactive rather than reactive. Rather than waiting for the claimant to contact the VA, the VA Veterans Service Representatives (VSRs) periodically contacts him or her to advise how the claim is progressing. VSRs

VBA Administrative History
Field Operations

manage a portfolio of cases throughout the claims process; from time of receipt until the claimant is notified of the decision. Case management is beneficial not only because veterans and claimants have a better understanding of the claims process, but also receive excellent customer service. Veterans and claimants have direct access to teams that process their claims, and are fully informed of the status of their claims and trust in the information they receive. Surveys of case managed claims show that claimants now have more confidence in the claims process and a higher opinion of VA.

Documents:

"How to Manage Case Management – A Leadership Guide".

Decision Review Officer

In a Case for Change, the post decision process (PDR) is envisioned as a new way to handle disagreements with a regional office decision. This process is further outlined in the Blueprint for Change which states the Decision Review Officer (DRO) position (which replaces the Hearing Office position), is an integral part in the PDR process. The main goal of the post decision process is to shorten, simplify and improve the appeals process at the regional office level. To accomplish this, the DRO will focus the issue, obtain all relevant evidence, hold an informal conference (if necessary), and conduct a hearing (if requested). The Decision Review Office is a highly skilled individual with the training and knowledge to perform his or her duties. The DRO position includes "de novo review" authority to review claims for which the appeal period has not expired and to grant benefits sought in connection with those claims. The success of the post decision process (PDR) is premised on the existence of a close, proactive, positive and cooperative relationship between the Decision Review Officer, the claimant (and or his/her representative) and the Veterans Service Center team responsible for the specific case. Frequent and productive direct contact between all parties involved at each stage of the PDR process will be the norm. Successful partnership increases efficiencies in the work process, improves timeliness and accuracy, and increases customer satisfaction.

Documents:

Reengineering Claims Processing: A Case for Change, December 1996.

VBA Administrative History Field Operations

N-ARS

The National Automated Response System (N-ARS) serves as a single point of telephone entry for veteran-customers seeking information and services from any business line activity. The system contains a menu-series of programmed messages that allow a caller to receive general benefits information on all five of VBA's business lines. Inter-active voice response capability also exists so that a veteran can determine the status of his/her education or disability benefit's payments. The caller also has the option to transfer to an employee at any time in the messaging system. As of February 2000, VBA had a total of fifty-two stations connected to NARS. This represents 91% of all VBA field stations. As an enhancement to the NARS system, case specific call routing was being developed for deployment. Case specific call routing allows callers to access a specific case team or person at each regional office regardless of the regional office jurisdiction in which the calls originate. Callers will dial 1-800-827-1000 from anywhere in the United States and will have the option to enter a 5-digit case specific code assigned to them by each regional office. This code will transfer the caller directly to the designated team, queue or phone number in the regional office of jurisdiction. The 5-digit code may represent a single phone or group of phones, and will be accessible through the Automatic Call Distributor (ACD) queue. This N-ARS enhancement is an important step in improving VBA's customer service and is particularly critical for the implementation of case management at each regional office. It also provides a method for identifying the volume of calls for each business-line. As VBA's business process re-engineering efforts extend to the Vocational Rehabilitation and Employment, Loan Guaranty, and Education business lines, it is important that the appropriate infrastructure is in place to facilitate this transition.

Virtual Information Center

The Virtual Information Center combines each Service Delivery Network's (SDN) resources that serve inbound telephone calls. Veteran Service Representatives remain at their assigned duty locations, while being managed as a single work force. A pilot test has been designed to include all stations within SDN 2. The test includes the following functions:

- All callers will gain immediate access into N-ARS.
- All routine, general questions that normally do not require staff assistance will automatically be answered by N-ARS; this will reduce volume and blocked calls.
- The test will include routine callers from the Education menu to the appropriate Regional Processing Office (RPO).
- All other callers will be routed to the office of jurisdiction.

Should all VSRs at the office of jurisdiction be busy, programming will direct the call to the next least busy VSR within the SDN thus maximizing available

VBA Administrative History
Field Operations

resources. As with the N-ARS initiative, the goal is to ensure customer accessibility to VBA information and services, while reducing costs by leveraging VBA's capital investments in telephone switch technology.

Documents:

Reengineering Claims Processing: A Case for Change, December 1996.

OFO Letter 201-00-02.

Systematic Individual Performance Assessment

In order to identify individual deficiencies, ensure maintenance of journey-level skills, promote accuracy and consistency of claims adjudication, and restore credibility to the system, local management must consistently monitor individual performance. Furthermore, a recent Inspector General's (IG) report identified eighteen internal control vulnerabilities within the Compensation and Pension benefit program that could potentially lead to fraud. Several of the vulnerabilities identified referred to the lack of contemporaneous reviews for disability ratings and adjudication actions. It is believed that Systematic Individual Performance Assessments (SIPA) will bring accountability to the journey-level individual, and serve as an internal control mechanism to minimize the potential for fraud since performance reviews will focus on program and data integrity concerns, proper signatures, supporting documentation, etc.

Documents:

SIPA Team Deliberation Reports.

Training, Responsibility, Involvement, Preparation

TRIP is a partnership between VBA and Veterans Service Organizations. TRIP stands for: Training (must be provided); Responsibilities (need to be assigned); Involvement (between participants); and Preparation (of claims). TRIP stemmed from a previous successful initiative piloted in Florida called Partner Assisted Rating and Development System (PARDS). The goals of TRIP (the VAVSO partnership) are to foster cooperation among VBA, VSO's and claimants, to improve customer service, effectiveness and efficiency and to reduce duplication of effort. In order for these goals to be reached, Veteran Service Organizations need access to information contained in VA systems, uniformed training, advocacy by RO trainers, and an honest and objective certification instrument. The first level of training is designed to formalize skills that many VSOs already

VBA Administrative History
Field Operations

have. The first level of training will focus on BDN inquiry commands and basic development. Future levels of TRIP training will be designed to provide training on more advanced development issues and access to additional VBA data systems.

Documents:

VBA Letter 20-00-15.

Rewards and Recognition Program

The FY 2001 rewards and recognition program was developed by a task force which was convened to review VBA's existing incentive awards program and propose recommendations for improvement. The discussion for improvement centered on creating multiple funding levels, and continuing funding for SDN/RO achievements, but focused largely on tying awards to local, SDN and/or national balanced scorecard accomplishments. VBA's rewards and recognition is based on the following six principles: 1) Recognizing employee contributions and efforts in meeting VBA's mission; 2) Establishing balanced scorecard targets in each program with accomplishments recognized at the SDN and national levels using a two-tier pay-out plan; 3) Fostering and maintaining our mission; 4) Communicating the importance of an awards program that is commensurate with local, SDN and national accomplishments; 5) Recognizing employees in both program and support areas and 6) Providing funding for Directors to recognize local achievements and initiatives.

Documents:

OFO Letter 201-00-48

Executive Appraisal System (inclusion of peer assessment and 360 degree evaluation)

The new executive performance appraisal system was implemented May 1999 for the period from July 1, 1999 to September 30, 1999. The introduction of the system for only part of the performance year allowed all Regional Office Directors to gain experience with the new system prior to full implementation for the entire FY 2000 appraisal period beginning October 1, 1999. The new executive performance system recognized the many changes that occurred in the Veterans Benefits Administration. The new system includes balanced scorecard performance measures and introduces the use of surveys to assist all Directors in identifying both individual and corporate strengths and weaknesses and to

VBA Administrative History
Field Operations

pinpoint areas for personal and corporate development. As part of their self assessment, station Directors' are encouraged to review OPM's Executive Competencies and to assess their individual strengths and weaknesses in order to develop a plan for improvement. Individual development plans outlining planned developmental activities are to be completed and forwarded to the appropriate Associate Deputy Under Secretary for Operations. A peer assessment tool has been developed to determine how successful each Director is within the Service Delivery Network environment and on national programs within VBA. In addition, a 360^o instrument is being developed to assist VBA executives in identifying their individual and corporate strengths and weaknesses. When fully developed, the 360^o appraisal will provide the primary input for assessment and development plans as outlined earlier. The new appraisal system introduces several changes, most notably the expectation that VBA executives will work as a team in addressing the challenges that the organization faces, that performance will be measured by using the balanced scorecard and that Directors will continue to grow individually. With experience, VBA expects to refine this system in order to become, to the fullest extent possible, performance driven and results oriented.

Documents:

OFO Letter 201-00-43

VBA Administrative History
Information Technology

Y2K Accomplishments

Early Y2K Awareness:

Even though VBA's Year 2000 project officially began in 1996, there was very early awareness of this potential problem. In the 1980's, modifications were made to correct year 2000 failures, or to prevent them. By late 1991, many of the computer specialists understood that the year 2000 problem could be a major problem, and a detailed analysis was performed on all VBA applications.

CONGRESS/GAO:

There was extensive Congressional, media and public scrutiny of the Year 2000 project because of the serious consequences of the problem. VBA was one of the first to have its Year 2000 efforts subject of a Congressional hearing, and as the subject of a General Accounting Office audit. These oversight efforts did much to reinforce awareness and the criticality of the project at the very senior management levels.

Office of Information Management:

The VBA Year 2000 Project (Y2K) addressed the necessary modifications to VBA systems to avoid the potential disastrous impact that could occur. With this realization of the impact on VBA systems and the grave consequences to veterans, the VBA Office of Information Management gave Year 2000 Project its highest priority.

VBA/Y2K SCOPE:

The VBA Year 2000 Project scope included all applications, hardware, software, compilers, third party products, telecommunications, interfaces and anything else that could cause a Year 2000 problem. This included applications and products residing on the Honeywell (Bull) and IBM mainframes, Wang, personal computer and LAN environment (Stage I and Stage II).

VBA/Y2K STRATEGY:

VBA's primary strategy was to make applications compliant in their current environment. The Compensation, Pension, Education and Vocational Rehabilitation systems were made compliant on their Honeywell (Bull)

VBA Administrative History
Information Technology

mainframes. Insurance was made compliant on the IBM platform. In a few instances, application redesign was used to make applications compliant.

Other components of VBA's strategy were the categorization of applications into three priorities (mission critical, administrative, and those to be retired), to know our "fail dates", and setting an internal goal of having everything compliant by December 1998.

EARLY ACCOMPLISHMENTS:

VBA began making applications compliant in 1993. In April 1996, the VBA formally appointed the Year 2000 Project Manager and Team. In July 1996, the first VBA Year 2000 Project Plan was published. This plan has been continually updated and enhanced.

Y2K Project Plan:

This plan outlines the direction, strategy, and milestones VBA pursued to ensure that all ADP applications, operating systems, third party products, hardware, utilities, etc., are year 2000 compliant. (see Attachment A)

Contractor Support/Oversight:

In October 1996, the first of VBA's contracting partners was brought on board. To date, seven more contracts have been awarded for Y2k tasks including code renovation, project support, oversight and independent verification and validation (IV&V) activities.

VBA made excellent progress in resolving Year 2000 issues. As of March 31, 1999, VBA was 100% through the renovation phase, 100% through the validation phase, and 100% through the implementation phase. All applications and systems were implemented by VBA by the March 31, 1999 deadline, as mandated by OMB.

VBA Administrative History
Information Technology

Documents:

Year 2000 VBA's Plan for Compliance

VBA/Y2K Intranet Website

VBA/Y2K Internet Website

History of Y2K

VBA Y2K Lessons Learned Brief

The NARS Story

During the past several years, there has been increased focus on customer service that reshaped how VBA approaches customer access to services. VBA has adopted guidelines contained in the February 1995 National Performance Review report entitled Federal Consortium Benchmark Study Report on Serving the American Public: Best Practices In Telephone Service. This Report focused on customer expectations of courtesy, promptness, accuracy and excellence, putting customers first, empowering front-line employees, and the need for customer service standards measured against best practices. In attempting to achieve excellence in these areas, world-class service organizations establish a telecommunications infrastructure which enables them to set and maintain high standards when it comes to measuring customer service. Key quantitative measures used to predict customer satisfaction levels are shown below.

Telecommunications Standards for World Class Organizations

Performance Measure	Performance Goal
Busy Rate	Less than 1 percent
First Call Resolution	85 percent
Average Speed of Answer	Less than 20 seconds

In 1996, VBA began a comprehensive effort to evaluate and improve customer service through its general toll-free number, 1-800-827-1000. The initial assessment of customer accessed revealed that VBA had a blocked call rate of 60% -- far in excess of World Class organizations.

This finding led VBA to initiate an aggressive effort to take advantage of the improvements in telecommunications technologies and changing business processes. The centerpiece of this effort was to develop and deploy the National Automated Response System (NARS). This automated service, which is available 24 hours a day, 7 days a week, allows callers to check on the status of their monthly recurring benefits for compensation and pension, provides general information on the full range of VA benefits and services, as well as office hours and directions to VA regional offices. In addition, veterans in VBA education programs can also receive information about their individual education account. NARS provides the option to speak directly to a Veteran Service Representative at any step in the process if a customer so chooses.

VBA Administrative History
Information Technology

The numbers tell the real story. Over the four year period (1996-2000), during which NARS was conceived, developed, tested and deployed, the VBA blocked call rate decreased from 60% to less than 5%. Not only have customers realized greatly improved access, but VBA has also added specialized call routing to ensure that callers are connected to the individual or team in VBA that is best able to provide the service.

This initiative is the foundation upon which the VBA toll free customer service strategy is being built and will serve as an important legacy to the customer service improvements developed during the Clinton Administration.

SYSTEMS ARCHITECTURE ACCOMPLISHMENTS

- In 1993, VBA deployed Local Area Networks, Servers and Personal Computers to all VBA employees nationwide. This effort eliminated proprietary, outdated, and costly character-based terminals and provided VBA employees with state of the art technology, enabling them to perform their jobs efficiently.
- In 1996, VBA deployed the Web browser to all VBA workstations in support of the Government wide Internet accessibility initiative. VBA employees were equipped with proper tools to determine eligibility effectively: access to legislative information, a medical dictionary, and reference manual information available on the Internet.
- In 1998, VBA first implemented its Internet gateway services at the Philadelphia Benefits Delivery Center. This implementation includes firewall, proxy, and virtual private network technologies. Today, this gateway offers VBA the capability to quickly and securely deploy web browser's on-line applications. This gateway also interconnects VBA systems with other Government agencies and partners, exchanging information by using the Internet backbone as the communication medium.
- In 1999, VBA deployed Virtual Private Networking (VPN) capabilities to all regional offices to provide remote users with secure connectivity across a public media to gain access to VBA's network resources.
- In 2000, VBA was the first government agency to accomplish the transition to the FTS 2001 telecommunications contract. VBA realized millions of dollars in savings by lowering telecommunication costs and employing economies of scale throughout the country.
- During the period 1992 through 2000, VBA built new applications which process 22 million services per month on behalf of VBA Regional Office claims processing (see Attachment 1, Summary of VBA Modernization Production Platforms and Applications).
- During the period 1992 through 2000, VBA continued to administer an Adaptive Technology program in compliance with Section 508 of the Rehabilitation Act Amendment of 1998 (see Attachment 2, Adaptive Technology: Veterans Benefits Administration's Adaptive Technology Program Pursuant to Section 508 of the Rehabilitation Act Amendment of 1998).
- VBA maintains a library of documented studies that were prepared while planning the environment we have implemented (see Attachment 3, Index of VBA Modernization Studies).

VBA Administrative History
Information Technology

Attachment 1

**SUMMARY OF
VBA PRODUCTION PLATFORMS AND APPLICATIONS
SEPTEMBER 2000**

<u>PLATFORM</u>	<u>DEPLOYMENT DATE</u>
<u>PC</u>	
Hearing Officer Letters and Reports System (HOLAR)	<i>December 1996</i>
Committee on Waivers and Compromises (COWC)	<i>July 1997</i>
Ch32 Bank Transaction-Recertification/Operations Div.	<i>November 1997</i>
Chapter 32 Accounts Receivable System (CARP)	<i>October 1998</i>
Premium Refund 21B	<i>February 1998</i>
<u>LAN</u>	
Construction and Valuation (C&V)	<i>1994</i>
PC Generated Letters (PCGL)	<i>February 1994</i>
Waco, Indianapolis, Newark, Roanoke, and Seattle System (WINRS) (current)	<i>January 1998</i>
Property Management LAN Application (PLAN)	<i>August 1998</i>
Federal Beneficiary System (FBS)	<i>December 1998</i>
On-Line Approval File (OLAF)	<i>December 1998</i>
<u>Centralized NUMA-Q Platform</u>	
Claims Processing System (CPS) (<i>original claims</i>)	<i>February 1998</i>
Automated Voucher Payment System (AVAPS)	<i>March 1998</i>
Extended Lender Information System (ELI)	<i>June 1998</i>
Control of Veterans' Records System (COVERS)	<i>May 1998</i>

VBA Administrative History
Information Technology

Rating Board Automation (RBA)	May 1998
Automated Loan Production System – Loan Processing (ALPS-LP)	May-August 1998
Common Security Services	July 1998 (beta) December 1998 (nationwide)
Personnel Information Exchange System (PIES)	September 1998 (beta) December 1998 (nationwide)
Loan Service and Claims (LS&C)	August 1999 (beta) September 1999 (nationwide)
Share	September 1998 (beta, BINQ capability) December 1998 (MINQ for C&P M01, M11-18)
Claims Automated Processing System Phase 1	December 1998 (beta) March 1999 (demo sites) TBD (nationwide)
RBA 2000	April 2000 (beta) September 2000 (nationwide)
Education Certification Automated Process (ECAP)	December 1999
Corporate Waco, Indianapolis, Newark, Roanoke, and Seattle System (Corporate WINRS)	July 2000 (beta) August 2000 (nationwide)
MAP-D	December 2000
Chapter 30	September 2002

VBA Administrative History
Information Technology

Chapter 32	<i>September 2002</i>
Chapter 35	<i>September 2002</i>
VETSNET Compensation and Pension (C&P)	<i>December 2001</i>

Intranet Server

National Control Listing (LGY)	<i>July 1997</i>
Gulf War Application (C&P)	<i>August 1997 (no longer in use)</i>
Web Security Module	<i>August 1997</i>
Tobacco Disorder Tracking System	<i>September 1997 (no longer in use)</i>
Contract Exam (C&P)	<i>May 1998</i>
Intranet/BDN/BIRLS Access (IBBA)	<i>January 1999</i>

Internet Server

Virtual Service Center, Des Moines (VSC) C & P Form 526 V R & C Form 1900	<i>July 1999</i>
VA Assignment System (VAAS) (Appraiser Assignment Process System/AAAPS replacement) 1999	<i>March (beta) - June</i>
Education WAVE	<i>July 1999 (beta with a few schools) August 1999 (open for all)</i>
VA Net Cert	<i>November 1999</i>

VBA Administrative History
Information Technology

Attachment 2

ADAPTIVE TECHNOLOGY:

VETERANS BENEFITS ADMINISTRATION'S ADAPTIVE TECHNOLOGY PROGRAM PURSUANT TO SECTION 508 OF THE REHABILITATION ACT AMENDMENT OF 1998

Goal: To provide electronic information technology to VBA disabled employees

For more than five years, a full time Veterans Benefits Administration (VBA) employee from the Office of Information Management's Systems Architecture Division has worked on the Adaptive Technology Initiative.

To comply with the Americans with Disabilities Act of 1998, this employee, with contractor assistance, coordinates the effort to supply technical support to VBA disabled employees nationwide. These services include supplying hardware and software, technical services, and training so that disabled employees can perform their assignments at the same level as any other employee. This employee coordinates between the disabled users, appropriate people in the regional offices, and contractors to schedule Disabled User Needs Assessments to determine the extent of the disabilities and to match adaptive hardware and software with the existing computer platforms. It is our responsibility to procure the required hardware, software, and training in the practical use of the adaptive equipment. Much of the Information Technology Special Needs Assessments have now grown to Comprehensive Needs Assessments addressing not only the technology required for the disabled, but also ergonomic considerations such as furniture and other devices that facilitate an appropriate working environment.

Once the Special Needs Assessments or the Comprehensive Needs Assessments are completed, proposals are submitted to VBA's Office of Resource Management for needed actions. The proposals identify the specialized hardware, software, training, and script development needed to integrate the specialized equipment in the day-to-day business processes. VBA is responsible for budgeting for adaptive technology, conducting Needs Assessments, procuring the necessary hardware and software, installations, preparing scripts, and arranging initial and follow-up training. Members of the information technology staff have attended workshops and symposiums and observed the adaptive technology programs from the Census Department, the Department of Agriculture, the Social Security Administration, and the Veterans Health Administration. VBA, in cooperation with its contractors, has conducted demonstrations showcasing the various types of adaptive equipment. In addition, VBA prepares nationwide broadcasts to make regional office employees aware of reasonable accommodations.

VBA Administrative History Information Technology

As a result of Section 508 of the Rehabilitation Act of 1998, we have worked with contractors in updating the Graphical Users Interface (GUI) standards to allow mainstream technology for our employees with disabilities. Such functional factors that have been taken into consideration include keyboard criteria, screen elements, font size, colors, and icon displays. The recent GUI standards have been reviewed and approved by the application development committees and by VBA's Architectural Change and Review Board (ACRB) for implementation and for the development of support guidelines.

VBA is also participating in the VA's Section 508 Advisory Group. This working group held its first meeting on September 19th, and is currently creating a working group charter.

VBA Administrative History
Information Technology

Attachment 3

INDEX OF VBA MODERNIZATION STUDIES

<u>DATE</u>	<u>MODERNIZATION STUDY</u>	<u>AUTHOR</u>
10/85	Modernization Implementation Plan - Department of Veterans Benefits	McMannis
01/87	Comprehensive Study of DVB Regional Office Operations Functional Requirements Document - Eight Volumes	Maximus
01/88	Comparative Analysis of the DVB Approaches to Planning a Modernization Program	McMannis
07/88	Assessment of the Usability and Transferability of HUD ADP Support Applicable to the VA Loan Guaranty Program	McMannis
08/88	Comprehensive Study of the BDN Regional System Performance - Economic Assessment	ATI
04/89	VBA Data Communications Networking and Security Study - Local Area Network Requirements	PEC
05/89	Requirements and Cost Benefit Analysis for Reducing Batch Cycle Processing Times Utilizing Excess Gov't Owned Equipment	PSI

Note: Copies of the above studies may be obtained through the Freedom of Information Act by contacting the Department of Veterans Affairs, Veterans Benefits Administration, 810 Vermont Avenue, Washington, DC 20420.