

**Statement of William Fillman
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**Before the
Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
U.S. House of Representatives**

**Field Hearing
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Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss both the role of the Veterans Benefits Administration (VBA) in administering education benefits through the Regional Processing Offices (RPO) in Muskogee and St. Louis, and the efforts the Little Rock Regional Office has taken to provide transitional assistance for members of the National Guard and Reserves in the state of Arkansas. Today I am accompanied by: Mr. Sam Jarvis, Director of the Muskogee Regional Office, Mr. William Nicholas, Director of the Little Rock Regional Office, and Ms. Francie Wright, Education Officer at the Muskogee RPO.

My testimony will address two topics: the workload and performance trends at the Muskogee and St. Louis Regional Processing Offices and the outreach efforts of the Little Rock Regional Office to ease the transition of Arkansas's National Guard and Reserve members back into civilian life.

Regional Processing Office (RPO)—St. Louis and Muskogee

The Regional Processing Offices were established in St. Louis and Muskogee in the late eighties. The St. Louis office began its education operation during the summer of 1987 with a staff of 10 employees. Today, the St. Louis RPO has 160 employees and oversees a 16-state jurisdiction in the central region of the United States. During FY 2005, the office administered \$478 million in educational assistance, answered nearly 403,000 education phone calls, and processed over 280,000 claims for benefits

(an 8.7 percent increase over the FY 2004 level). The St. Louis jurisdiction comprises 23 percent of the veteran and dependent students nationwide.

The Muskogee RPO began operating in 1989 with a staff of 9 employees. Now the largest RPO with a staff of 235 employees, the Muskogee office has jurisdiction over 14 western states and the Philippines, encompassing 37 percent of veteran and dependent students. During FY 2005, Muskogee provided \$974 million in education benefits, answered over 557,000 education phone calls, and completed 543,000 education claims (a 7.6 percent increase over the FY 2004 level).

Nationwide, the education claims processing workload has increased over the past several years, both in terms of the number of claims received and in the number of students using their benefits. In 2005, VA received over 1.5 million benefit claims, an increase of 5.6 percent over the prior year. The number of students rose from 490,000 in 2004 to nearly 500,000 in 2005. From FY 2004 to FY 2005, the St. Louis RPO received 10.9 percent more incoming workload. A portion of the increase in education claims can be attributed to the realignment of Tennessee education claims processing from the Atlanta RPO to St. Louis in May 2005. The Muskogee RPO noted a 7.1 percent increase in workload during FY 2005. We expect these elevated workload levels will be sustained throughout 2006 and 2007.

In terms of performance indicators, Regional Processing Offices are measured under three primary criteria: 1) timeliness of processing original claims, 2) timeliness of processing supplemental claims, and 3) payment accuracy. "Original claim" refers to the first claim for a benefit. "Supplemental claim" refers to subsequent enrollments or information received after the original claim.

Performance for FY 2005 was as follows:

- Original claims (Target: 25 days) – USA 32.6 days, St. Louis 38.9 days, Muskogee 21.8 days

- Supplemental claims (Target: 13 days) – USA 18.9 days, St. Louis 23.8 days, Muskogee 11.9 days
- Payment Accuracy (Target: 94 percent) – USA 96 percent, St. Louis 96 percent, Muskogee 96 percent

Performance for FY 2006 through February 2006 is as follows:

- Original claims (Target: 25 days) – USA 37.1 days, St. Louis 50.9 days, Muskogee 23.4 days
- Supplemental claims (Target: 13 days) – USA 22.1 days, St. Louis 28.9 days, Muskogee 15.1 days
- Payment Accuracy (Target: 95 percent) – USA 96 percent, St. Louis 97 percent, Muskogee 94 percent

Because of the cyclical nature of the education workload and the fact that the peak fall enrollment period overlaps fiscal years, a direct comparison of the RPOs' performance for FY 2005 and the first five months of FY 2006 cannot be made. Typically, a significant portion of the reenrollments for the fall term are received and processed in the fourth quarter of the preceding fiscal year as advance payments. The timeliness of processing therefore improves during the end of the fiscal year. Despite the increasing demands for services and the rise in workload, VBA anticipates it will end FY 2006 closely approaching our performance targets of 25 days for original claims and 13 days for supplemental claims.

One of the ways we are addressing the workload increase is by hiring additional staff in the education business line. Since May 2005, the St. Louis RPO has filled 12 education positions and the Muskogee office has hired 26 employees. The Muskogee RPO plays a key role in supporting the other RPOs through electronic brokering of work. For example, in December 2005 the Muskogee office assisted the St. Louis RPO with a mail backlog and helped associate the paperwork with the electronic folder, processing over 10,000 documents.

More recently in response to the unexpected high volume of work received by the St. Louis RPO, the St. Louis RPO's education phone calls were transferred to the Muskogee RPO over a two-week period in February. This phone transfer allowed the St. Louis RPO to focus additional resources on claims processing, reducing its pending inventory by over 13,000 cases. Following this initial success, a special work team was sent from Muskogee to St. Louis to further assist in the workload reduction. The employees from the Muskogee RPO processed over 11,000 claims for the St. Louis office over a 10-day period. The combined efforts of both RPOs reduced the pending education workload in St. Louis by more than 60 percent.

Arkansas National Guard and Reservist Transitional Assistance

VBA is actively involved in educating servicemembers about VA benefits, providing claims processing assistance, and supporting a smooth transition from military duty back into civilian life. The Benefits Delivery at Discharge (BDD) Program, Transition Assistance Program, Disability Transition Assistance Program, and Seamless Transition Initiative all exemplify VBA's commitment to the readjustment process.

Returning servicemembers, including members of the National Guard and Reserves, may elect to attend formal 3-day workshops provided through the Transition Assistance Program (TAP) – a joint effort of VA, the Department of Defense, and the Department of Labor. At TAP workshops, servicemembers are provided information describing the VA benefits available to them and are encouraged to apply for all benefits to which they are entitled.

The Little Rock VA Regional Office (RO) actively supports the commitment to provide a seamless transition for returning military members. In FY 2005, the office conducted 18 TAP and Disability Transition Assistance Program (DTAP) briefings at the Little Rock Air Force Base for 669 participants. To date in FY 2006, the office has conducted 10 briefings for 318 participants.

Employees from the Little Rock RO also participated in the “Welcome Home” celebration for returning troops from Operation Iraqi Freedom and Operation Enduring Freedom, to include the 39th Infantry Brigade. This celebration was held at War Memorial Stadium in May 2005. The office set up an informational booth and spent the day answering questions concerning VA benefits and distributing informational material. The RO is working diligently to ensure Arkansas National Guard Members’ transitions are as seamless as possible and are doing whatever they can to ensure members and their families are aware of and know how to access VA medical care and benefits. Additional support activities have included a joint venture with the Arkansas National Guard Headquarters and the VA Central Arkansas Veterans Health Care System to provide health and benefit services to returning members of the National Guard and Reserve Units.

A total of 34 National Guard installations have been visited in Arkansas and the office made contact with 910 individuals. A total of 377 disability claims were taken during these interviews. Dedicated VA employees took the time to listen to the concerns and views of our military men and women and stayed at each location until every Guard member who wanted to see them had the opportunity to do so. The service provided reflects the dedication of our employees to our mission.

Mr. Chairman, we at VA are proud of our continuing role in ensuring our nation’s servicemembers and veterans are timely provided education benefits and assisted in their transition back to their communities. We continually evaluate and seek opportunities to improve the quality and scope of our outreach efforts to members of the National Guard and Reserves. I hope that my testimony today has provided you and the committee with a better understanding of the levels of service currently provided by the Muskogee and St. Louis Regional Processing Offices as well as the transitional assistance extended by the Little Rock Regional Office to the veterans of Arkansas. Thank you for the opportunity to appear before you today.