Veterans Benefits Administration
Progress & Results Webcast
For Fiscal Year 2019 Quarter 1
October 1, 2018 through December 31, 2018

Under Secretary for Benefits Paul R. Lawrence, Ph.D.
January 31, 2019
Today’s Agenda

**Present VBA results** in FY 2019 Quarter 1
(October 1 to December 31, 2018)

**Explain the benefits** we deliver to our Veterans

**Describe engagement** with Veterans

**Discuss special topics**

**Appeals Modernization:** Dave McLenachen
Director, Appeals Management Office

**Forever GI Bill:** Charmain Bogue
Interim Executive Director, Education Service

**Answer questions** from VSO partners

**Disabled American Veterans:** Jim Marszalek
National Service Director

**Wounded Warrior Project:** René Bardorf
Senior Vice President of Government and Community Relations
VBA Priorities

Provide Veterans with the benefits they have earned in a manner that honors their service

Ensure we are strong fiscal stewards of the money entrusted to us

Foster a culture of collaboration
VBA Overview

The mission of the **Veterans Benefits Administration** is to serve as a leading advocate for Servicemembers, Veterans, their families and survivors, delivering benefits and services that honor their service, assist in their readjustment, enhance their lives, and engender their full trust.

- 56 **REGIONAL OFFICES**
- 39 **OTHER SPECIAL PROCESSING AND CALL CENTERS**
- **$28B IN BENEFITS DISTRIBUTED IN FY19 Q1**
- **540 INTAKE SITES, OUT-BASED FACILITIES, VETSUCCESS ON CAMPUS SITES, AND VR&E OFFICES**
- **24,200 EMPLOYEES**
  - 57% VETERANS
E. To care for him who shall have borne the battle and for his widow, and his orphan.

—Abraham Lincoln
FY19 Q1 Results: Compensation

Disability Compensation is a monthly, tax-free benefit to eligible Veterans in recognition of the effects of disabilities, diseases, or injuries incurred or aggravated during active military service.

**COMPENSATION PROGRAM FY19 Q1 RESULTS**

<table>
<thead>
<tr>
<th></th>
<th>FY19 Q1</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterans Served</td>
<td>4.8M</td>
<td>-</td>
</tr>
<tr>
<td>Dollars Paid</td>
<td>$21.1B</td>
<td>-</td>
</tr>
<tr>
<td>Claims Completed</td>
<td>315.8K</td>
<td>324.2K</td>
</tr>
<tr>
<td>Average Days to Complete</td>
<td>104.5 Days</td>
<td>125 Days</td>
</tr>
<tr>
<td>Issues Per Claim</td>
<td>5.2</td>
<td>-</td>
</tr>
<tr>
<td>Issues Completed</td>
<td>1.6M</td>
<td>-</td>
</tr>
<tr>
<td>Issue Quality</td>
<td>95.2%</td>
<td>96.0%</td>
</tr>
</tbody>
</table>

**Program Highlights**

- **Military Sexual Trauma (MST):** To ensure these high priority and complex claims continue to receive special emphasis, VBA has designated specific groups of claims processors at each regional office to handle MST claims.

- **Amyotrophic Lateral Sclerosis (ALS):** Also designated specific groups of claims processors to handle ALS claims, and meeting with VSOs to discuss ways we can take a more proactive approach in the way we serve this specialized group of Veterans.
The **Appeals** process is in place for Veterans who disagree with decision(s) on their claim(s). VBA began the **Rapid Appeals Modernization Program (RAMP)** in November 2017. RAMP allows eligible Veterans with pending compensation appeals the option to have their decisions reviewed in the new Higher-Level Review or Supplemental Claim lanes under the **Appeals Modernization Act of 2017**, prior to the law's effective date.

## FY19 Results: Appeals

### RAMP RESULTS

<table>
<thead>
<tr>
<th>Opt-Ins</th>
<th>Total</th>
<th>66K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opt-In Rate</td>
<td></td>
<td>17.6%</td>
</tr>
<tr>
<td>Average Days to Complete</td>
<td></td>
<td>124.2</td>
</tr>
<tr>
<td>Awards</td>
<td></td>
<td>$155.6M</td>
</tr>
<tr>
<td>Completed Claims</td>
<td></td>
<td>37.5K</td>
</tr>
</tbody>
</table>

### APPEALS FY19 Q1 RESULTS

<table>
<thead>
<tr>
<th>FY19 Q1 Actual</th>
<th>FY19 Q1 Projected Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>VBA Appeals Inventory</td>
<td>267.22K</td>
</tr>
<tr>
<td>Below 125-day target</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY19 Q1 Actual</th>
<th>FY19 Q1 Projected Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>VBA Appeals Inventory</td>
<td>266.97K</td>
</tr>
<tr>
<td>Below 125-day target</td>
<td></td>
</tr>
</tbody>
</table>
FY19 Q1 Results: Pension

Veterans Pension is a tax-free, needs-based benefits to wartime Veterans who are permanently and totally disabled or age 65 or older. Survivors Pension is a tax-free monetary benefit payable to qualifying spouses and children of a deceased Veteran with wartime service.

<table>
<thead>
<tr>
<th>PENSION PROGRAM FY19 Q1 RESULTS</th>
<th>FY19 Q1</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries Served</td>
<td>447K</td>
<td>-</td>
</tr>
<tr>
<td>Dollars Paid</td>
<td>$1.3B</td>
<td>-</td>
</tr>
<tr>
<td>Claims Completed</td>
<td>22.8K</td>
<td>30.9K</td>
</tr>
<tr>
<td>Average Days to Complete</td>
<td>88.5 days</td>
<td>-</td>
</tr>
<tr>
<td>Quality</td>
<td>94%</td>
<td>93.5%</td>
</tr>
</tbody>
</table>

Program Highlights

- Pension team is working hard on claims processing
- Pension claims are entering National Work Queue – worked for disability compensation – same approach
FY19 Q1 Results: Fiduciary

The Fiduciary Program appoints fiduciaries for beneficiaries who are unable to manage their benefits as a result of injury, disease, or age.

<table>
<thead>
<tr>
<th>FIDUCIARY PROGRAM FY19 Q1 RESULTS</th>
<th>FY19 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiduciaries on the rolls</td>
<td>173K</td>
</tr>
<tr>
<td>Field Examinations (Fiduciary/beneficiary relationship and wellness checks)</td>
<td>19.8K</td>
</tr>
</tbody>
</table>

- Slightly less than last quarter
- Slightly below track to match/exceed FY18 Total of 94k
FY19 Q1 Results: Insurance

The Insurance Program is the 14th largest Insurance program in the U.S., providing coverage under 10 lines of life insurance protection for Servicemembers, Veterans, and their families.

INSURANCE PROGRAM FY19 Q1 RESULTS

<table>
<thead>
<tr>
<th></th>
<th>FY19 Q1</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage Amount</td>
<td>$1.2T</td>
<td>-</td>
</tr>
<tr>
<td>Total Lives Insured</td>
<td>5.9M</td>
<td>-</td>
</tr>
<tr>
<td>Timeliness of Disbursements</td>
<td>3.2 Days</td>
<td>4.0 Days</td>
</tr>
<tr>
<td>Accuracy</td>
<td>98.9%</td>
<td>99%</td>
</tr>
</tbody>
</table>

Program Highlights

- In Q1, VBA successfully located and paid 373 difficult-to-find beneficiaries, totaling around $1.5M in death claim benefits.

Current timeliness is down from 4.1 days in FY18 and below target.

Check out VA's Quality Life Insurance Video.
The Education Program advances the education and skills of Veterans, Servicemembers, family members, and survivors through a number of different programs, including the Post-9/11 GI Bill.

### POST-9/11 GI BILL FY19 Q1 RESULTS

<table>
<thead>
<tr>
<th></th>
<th>FY19 Q1</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trainees</td>
<td>480,000</td>
<td>-</td>
</tr>
<tr>
<td>Dollars Paid</td>
<td>$3.1B</td>
<td>-</td>
</tr>
<tr>
<td>Timeliness of Processing Original Applications</td>
<td>Oct 32.6 Days</td>
<td>Nov 23.8 Days</td>
</tr>
<tr>
<td>Accuracy</td>
<td>96%</td>
<td>98%</td>
</tr>
</tbody>
</table>

For issues or concerns, call 1-888-GI-BILL1

### FY19 Q1 TARGETS

- **Trainees:** 480,000
- **Dollars Paid:** $3.1B
- **Timeliness of Processing Original Applications:**
  - Oct: 32.6 days
  - Nov: 23.8 days
  - Dec: 23.2 days
  - Target: 28 days
- **Accuracy:** 96%
- **Target:** 98%

### Harry W. Colmery Educational Assistance Act (Forever GI Bill)

- **Restored 970 months of GI Bill entitlement to Veterans affected by school closures in Q1**
  - Notified 1,645 students of eligibility for restoration of benefits following three new school closures in this quarter
  - If you feel you qualify for entitlement restoration please complete the Entitlement Restoration form
- **Implementation reset – more to follow**

For issues or concerns, call 1-888-GI-BILL1
The **VR&E Program** helps Servicemembers and Veterans with service-connected disabilities and an employment handicap prepare for, find, and keep suitable careers with added benefits of counseling and case management.

VR&E employs over **1,000** professional vocational rehabilitation counselors and delivers services through a network of over **350** office locations, including **93** VetSuccess on Campus (VSOC) schools/sites.

### VR&E PROGRAM FY19 Q1 RESULTS

<table>
<thead>
<tr>
<th>Positive Outcomes (Employment, independent living, persisting in school)</th>
<th>FY19 Q1</th>
<th>FY Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,878</td>
<td>16,000</td>
</tr>
</tbody>
</table>

| Total Counselors Hired | 128 | 169 |

### Program Highlights

- Rolled out **Tele-counseling** nationwide – great for rural Veterans or those whose jobs make it difficult to schedule in-person appointments

On track!
FY19 Q1 Results: Home Loan Guaranty

**Home Loan Guaranty** helps Servicemembers, Veterans, and their families obtain, retain, and adapt a home or refinance an existing home loan, with typically no down payment and no mortgage insurance, limited closing costs, no pre-payment penalty, and foreclosure assistance. VA also offers Specially Adapted Housing (SAH) grants for Veterans with certain service-connected disabilities.

### HOME LOAN GUARANTY PROGRAM FY19 Q1

<table>
<thead>
<tr>
<th></th>
<th>FY19 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Loans</td>
<td>130.69K</td>
</tr>
<tr>
<td>Total Loan Amount</td>
<td>$34.54B</td>
</tr>
<tr>
<td>Veterans We Worked With</td>
<td>23.7K</td>
</tr>
<tr>
<td>to Avoid Foreclosure</td>
<td></td>
</tr>
<tr>
<td>Certificates of Eligibility Issued within 5 Days</td>
<td>99.64%</td>
</tr>
</tbody>
</table>

### Program Highlights

- On Oct. 1, 2018, began executing **Specially Adapted Housing construction projects** for Veterans in the Vocational Rehabilitation and Employment program
- On Dec. 17, 2018, published an **interim final rule to protect Veterans seeking cash-out refinance loans**
- Currently over **3.17M** VA home loans on the books
Office of Transition and Economic Development

- **Mission:** To support Veteran transition from military service to civilian life and assist them in finding post-service careers

- **First Major Event:** San Juan, Puerto Rico Economic Development Roundtable in November 2018
  - VBA convened partners from across the federal government, local Puerto Rican officials, private and non-profit organizations, VSOs and community leaders to support Veterans and Servicemembers in Puerto Rico through:
    - Benefits and Claims Clinic
    - Economic Development Roundtable
    - Partnership Service Project with Team Rubicon, Wounded Warrior Project, and The Mission Continues
    - Hiring our Heroes Job Fair
    - Transition Assistance Program Benefits Briefing for remotely-located Coastguardsmen at Sector San Juan
FY19 Q1 Results: Transition and Economic Development

FY19 Q1 Program Highlights

- Puerto Rico Economic Development Roundtable
  - 900 Veterans served during a benefits and claims clinic
  - $262,000 in retroactive benefits awarded on the spot
  - Hiring 71 full-time VBA employees from a Hiring our Heroes event to answer Veterans’ phone calls and process claims and appeals
  - Team Rubicon, Wounded Warrior Project, and The Mission Continues invested $10,000 using 60 volunteers to repair 5 damaged Veteran homes
FY19 Q1 Engagement with Veterans & Stakeholders

Under Secretary Engagement

• GI Bill Roundtable with Texas A&M students
• VFW Posts in Tulsa, OK and Austin, TX
• Washed the Disabled American Veterans for Life Memorial with DAV
• Cleveland, Seattle, Muskogee and Atlanta Regional Office employees & leadership teams
• Facebook Live Events
  – Veterans Day
  – Pearl Harbor Day
  – Wreaths Across America

Outreach Accomplishments

• VBA has completed over 1,000 outreach events in Q1, including multiple Veterans Day events nationwide
• VBA Overseas Military Service Coordinators had over 4,500 interactions with Servicemembers and Veterans in Europe and Japan in Q1 – personal, tailored service
• We heard you – we’re working with the Federal Communications Commission (FCC) to combat robocallers who claim to support America’s Veterans or be representatives of VA

• Secretary Wilkie visited the following VA Regional Benefits Offices in Q1:
  New Orleans, LA
  Muskogee, OK
  Los Angeles, CA
  Honolulu, HI
## FY19 Q1 Budget

<table>
<thead>
<tr>
<th></th>
<th>2019 Dollars (in millions)</th>
<th>1st Quarter Actuals (in millions)</th>
<th>% Actuals Obligated in Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>$2500</td>
<td>$620</td>
<td>25%</td>
</tr>
<tr>
<td>Contracts</td>
<td>$1700</td>
<td>$429</td>
<td>25%</td>
</tr>
<tr>
<td>Rent, Comm, Utilities</td>
<td>$177</td>
<td>$31</td>
<td>18%</td>
</tr>
<tr>
<td>All Other</td>
<td>$36</td>
<td>$3</td>
<td>8%</td>
</tr>
<tr>
<td>Travel</td>
<td>$36</td>
<td>$3</td>
<td>8%</td>
</tr>
<tr>
<td>Total</td>
<td>$4446 or $4.446B</td>
<td>$1093 or $1.093B</td>
<td>25%</td>
</tr>
</tbody>
</table>

### Funding Highlights
- VBA has a full year appropriation and, therefore, is not impacted by the shutdown.
Oversight

FY 19 Q1 Congressional Hearings

November 14
VA's Oversight of Contract Disability Examinations

November 15
A Continued Review of GI Bill Payment Delays

November 29
Development and Implementation of Policy Initiatives
(OIG Reports)

December 12
Is VA Ready for Full Implementation of Appeals Reform

Government Accountability Office
Working to successfully address and resolve the systemic issues that underlie disability claims processing’s presence on the GAO High-Risk List
Dave McLlenachen
Director, Appeals Management Office

- Dave has led VBA’s appeals modernization effort since the beginning, and stood up the Appeals Management Office in 2016 as part of VBA’s commitment to appeals reform
- 26 years of Government service
- Prior positions:
  - Deputy Under Secretary for Disability Assistance
  - Director, Pension and Fiduciary Service
  - Deputy Assistant General Counsel in VA’s Office of the General Counsel
- Army Veteran, holds a J.D.
Appeals Modernization Act Implementation

January 2019

- VA published its regulations to implement the law on January 18, 2019, and the Secretary of Veterans Affairs has certified that VA has everything it needs to begin operating the new decision review process
- VBA’s 2019 budget includes funding for 605 additional appeals employees, which VBA used to establish two new Decision Review Operations Centers (DROC) at the St. Petersburg, Florida, and Seattle, Washington Regional Offices
- The DROC hiring is complete and the new employees are undergoing training

February 2019

- February 19, 2019, “Go Live” date for the new process, VBA’s average processing time goal is 125 days in its Supplemental Claim and Higher Level Review lanes
- VBA will have 2,100 employees working legacy appeals and operating the new process

To learn more, visit: https://benefits.va.gov/benefits/appeals.asp
Charmain Bogue
Interim Executive Director, Education Service

• As interim Executive Director of VBA’s Education Service, oversees the execution of all education benefit programs used by nearly two million Veterans, Service members, and dependents

• 12 years with VA, 5 years in Education Service

• Holds a bachelor’s degree in Psychology and a Master of Science in Rehabilitation Counseling – began VA career as a Vocational Rehabilitation Counselor

• Spouse of a Veteran who used the GI Bill
Forever GI Bill Implementation

• As part of our commitment to our Forever GI Bill beneficiaries, we instituted an **implementation reset** for Monthly Housing Allowance (MHA) rates & payments (Sections 107 & 501) on November 28, 2018

• **New deadline for implementation:** December 2019

• **Retroactive payments** will be made back to the law’s effective date of August 1, 2018

• Beneficiaries who were underpaid from the Fall 2018 term will be paid for the difference owed by the end of this month (January 2019)

• Processing Spring 2019 enrollments on time

Every Post-9/11 GI Bill beneficiary will be made 100 percent whole – retroactively if need be – for their housing benefits for this academic year based on Forever GI Bill rates

For issues or concerns, call **1-888-GI-BILL1**
For the Q&A portion, we invited questions from Disabled American Veterans and the Wounded Warrior Project
Question:
Predatory Loans
Questions from VSO Partners: Disabled American Veterans

“There has been a lot of news coverage lately about predatory refinance loans to Veterans. What is VA doing to protect Veterans from these predatory practices?”

Background: Cash-out refinancing can offer many benefits to Veterans, but the program previously had no parameters, causing some problems with predatory lending practices. VA published an interim final rule in December 2018 to offer more protections for Veterans.

Definition: A cash-out refinance loan allows a homeowner to withdraw equity from their home to take care of concerns like paying off debt, funding school, or making home improvements.

For example, a Veteran’s home may have appreciated in value from $100,000 to $150,000 since she first purchased the home last year. Using a cash-out loan, the Veteran could refinance her original mortgage of $100,000 for up to $150,000 and use the equity to remodel the kitchen.

The rule requires:

- Veterans wait at least 210 days before refinancing an existing VA loan
- The loan has at least one net tangible benefit (i.e., financial benefit) to the Veteran
- Lenders disclose information to the Veteran outlining the overall cost of cashing in home equity

VA wants Veterans to have as much financial flexibility as possible while also being protected.

For questions about VA home loans, call 1-877-827-3702
Q&A

René Bardorf
Senior Vice President of Government and Community Relations
Wounded Warrior Project

Question:
Improved Communications
Questions from VSO Partners: Wounded Warrior Project

“Since you have assumed office, what steps have you taken to improve communication to Veterans and Veterans Service Organizations?”

We have a regular meeting cadence with the VSO community. In Q1, we held 8 formal meetings and numerous other engagements to provide information and gain feedback from our VSO partners.

We’re also bringing VSOs in early on the development of new projects and initiatives, including the new Office of Transition and Economic Development and the Letters 2 Veterans project.

Letters 2 Veterans:
• Launched to make VA letters easier to understand, with input gathered directly from Veterans and VSOs

• So far, we’ve completed a new VR&E letter to inform Veterans of services available if they are no longer suitably employed

• Presently, we’re working to revamp the Drill Pay Notification letter to improve the clarity of debt and overpayment communications
FY19 Q1 Summary

• **Production** on target – and of high quality

• Rolled out the new **Office of Transition and Economic Development** to support our transitioning Servicemembers and held kickoff event in Puerto Rico

• **Budget** on target

• Addressing implementation for **Forever GI Bill sections 107 and 501** (related to monthly housing allowance)

• Accomplished: **Appeals Modernization Act** implementation – on time

THANK YOU FOR YOUR CONTINUED SUPPORT!
Connect with us!

This webcast and materials will be posted at: benefits.va.gov/stakeholder

For VA customer service, call: 1-800-827-1000

To learn more about VA Benefits, visit: www.benefits.va.gov

For more specific questions, access: Inquiry Routing & Information System (IRIS)

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