

SENATE OF VIRGINIA

Senate Finance Committee

Virginia's Programs for Veterans

**Senate Finance Committee Annual Meeting
November 22, 2013**



SENATE FINANCE COMMITTEE

Veterans Are Important to Virginia

- Virginia is home to about 178,000 active duty service members, civilian defense employees, National Guard members and reservists, as well as more than 150,000 military retirees and 840,000 veterans.
 - Six of the top ten cities in the United States with the highest percentage of veterans are in Virginia: Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, and Virginia Beach.
- The most critical issues facing veterans today include:
 - Providing health and mental health services for wounded warriors and educational opportunities and jobs for returning veterans, and reducing homelessness among veterans; and,
 - Automating the federal applications process and reducing the backlog of applications for disability benefits.

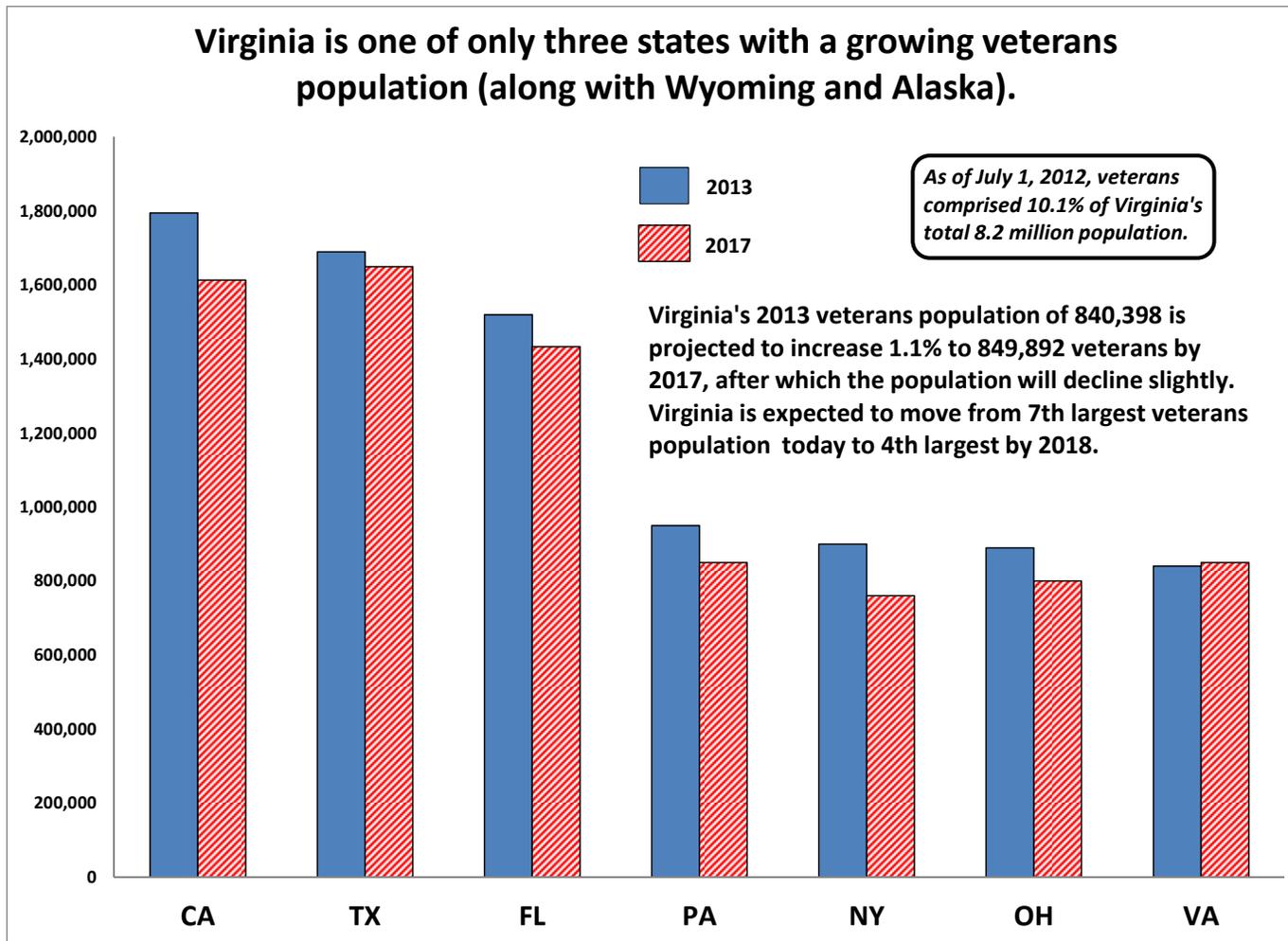


Veterans in Virginia

- Virginia is projected to have the fourth largest population of veterans within five years (after California, Texas, and Florida). Virginia ranks:
 - 2nd (after Texas) in federal DOD military retirement pay;
 - 4th in number of female veterans:
 - 134,150 as of September 30, 2013, or almost 16% of Virginia’s veterans;
 - 4th in G.I. Bill payments for educational benefits; and,
 - 6th in federal VA veterans’ disability and compensation expenditures.
- Virginia veterans generate about \$8.6 billion per year in federal payments for military retirement; disability income; medical, education, vocational rehabilitation and employment services; and, related construction.
- The Commonwealth has taken steps over the past decade to strengthen its Department of Veterans’ Services (DVS).



Veterans Population

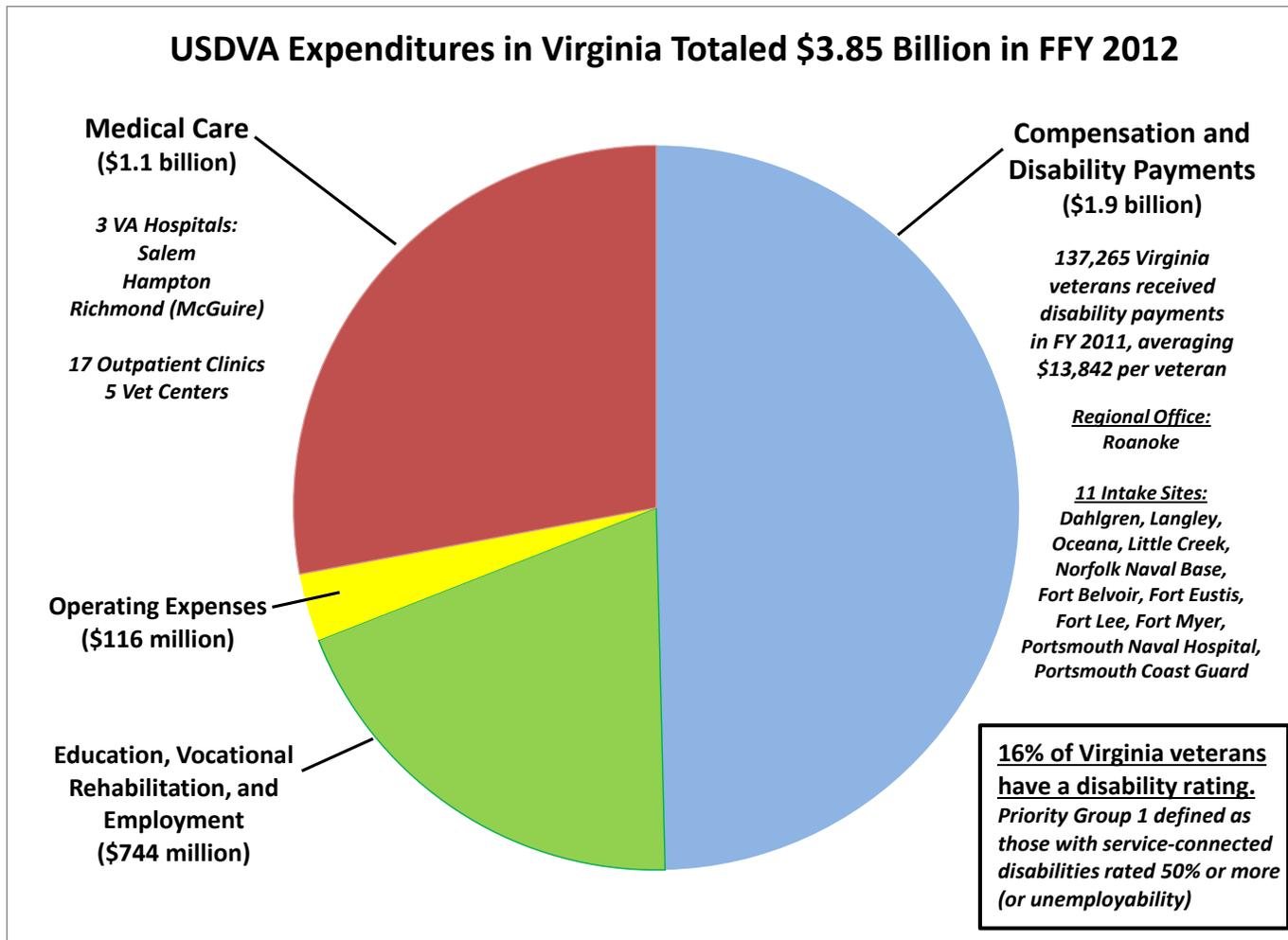


Issues Facing Veterans

- The U.S. Department of Veterans Affairs (USDVA) and the Virginia Department of Veterans Services (DVS) are working to reduce the backlog in claims processing for veterans applying for disability benefits.
 - Virginia is ahead of the federal system in automating the claims process, and is one of seven pilot sites in the federal automation effort.
- Many veterans face significant barriers to reintegration into the civilian workforce. Significant efforts are underway to address:
 - Post-traumatic stress disorder (PTSD), traumatic brain injury (TBI), mental illness, substance abuse, and other physical and mental disabilities;
 - Provision of educational benefits under the Webb Post-911 GI Bill;
 - Incentives for employers to hire veterans;
 - Homelessness among veterans; and,
 - Prisoner re-entry for incarcerated veterans.



Federal VA Spending in Virginia



VA Disability Claims Processing

- With growing numbers of veterans with disabilities, the USDVA claims processing system – which is not yet fully automated – has been a concern because of the number of pending claims and long waits for decisions.
 - New presumptive conditions such as Agent Orange and other mandates have been added by Congress in recent years, which have increased claims.
 - The number of claims increased from 1.0 to 1.3 million from FFY 2009-11.
 - The average length of time to complete a claim increased from 161 days in 2009 to 260 days in 2012, and the backlog of claims (over 125 days) has more than tripled since 2009 (to over 700,000 backlogged claims currently).
- The VA is making improvements; however, a March 2013 GAO report concluded “the extent to which VA is positioned to meet its ambitious processing timeliness goal remains uncertain.”
 - USDVA hopes to have its new Veterans Benefits Management System up and running in all 56 regional offices by the end of this year.



Benefits Claims Offices in Virginia

- Benefits claims are reviewed and approved at federal regional offices.
 - The regional office of the Veterans Benefits Administration (under USDVA) in Virginia is located in Roanoke.
 - Intake sites are also located at 11 active military bases to assist current service members leaving the armed forces to sign up for VA benefits.
 - As of September 2013 there were 329 federal positions authorized (311 filled) at Roanoke and at the intake sites to process veterans claims.
- The purpose of the 23 field offices of Virginia’s Department of Veterans Services (DVS) is to assist veterans in completing these applications.
 - The goal is to submit a “Fully Developed Claim,” i.e., completed application package with all of the required supporting documentation included.
 - The General Assembly has provided funds for development of an automated case processing system, so Virginia DVS is ahead of the curve.



DVS Field Office Staffing

- Virginia has been selected as one of seven pilot sites for the federal automated benefits system.
- Virginia DVS is required by the Code of Virginia, § 2.2-2002.1, to have one claims agent for every 23,000 veterans.
 - DVS currently has 36 positions and has requested one additional position.
 - DVS claims agents submitted 25,120 claims on behalf of Virginia veterans in FY 2012, or about three per day per agent, on average.
 - Claims are complex and require substantial background information.
- Several DVS field offices are co-located with VEC.
 - The newest field office in Henrico County is located in the county's Workforce Resource Center, along with VEC and other partner agencies.
- DVS is requesting one additional field office in Fredericksburg.



William & Mary Law School Clinic

- In August 2013 the Lewis B. Puller, Jr. Veterans Benefit Clinic at the Law School of the College of William and Mary became the first in the nation law school clinic to join the FDC Community of Practice.
 - The Fully Developed Claims (FDC) Community of Practice was established this year to help reduce the claims backlog by providing all of the evidence needed by VA to make a disability rating decision.
 - The Puller Clinic, the first such clinic in the nation in 2008, assists veterans in receiving benefits to which they are entitled, and also helps law students develop new skills and participate in pro bono practice.
- In 2011, the clinic launched an initiative (Helping Military Veterans Through Higher Education, or HMOVHE), to engage other universities in Virginia to partner with the clinic to extend its reach.
 - Includes UVA Law and Medical Schools, Virginia Tech, JMU, GMU, ODU, Radford, VCCS, EVMS, Lynchburg College, and Shenandoah University.



Moving Veterans From Medicaid to VA

- The 2012 General Assembly directed DMAS to report on the feasibility and potential savings of an initiative, in cooperation with DVS, to assist veterans on Medicaid to access federal VA health benefits.
 - The intent is to assist veterans with obtaining benefits to which they are entitled in order to avoid Medicaid expenditures more appropriately funded by the federal government.
- DVS has taken the lead in contacting veterans, primarily by telephone.
 - The response rate has been very limited. Most veterans contacted are hesitant to discuss veterans programs and their benefits with DVS agents.
 - Most veterans contacted have elected to retain their Medicaid benefits.
 - DMAS and DVS agreed to set up pilot programs to be conducted over four months (beginning in August) involving the mailing of postcards and flyers to introduce the program and the DVS agents.
 - DVS hopes these additional efforts will improve the response rate.

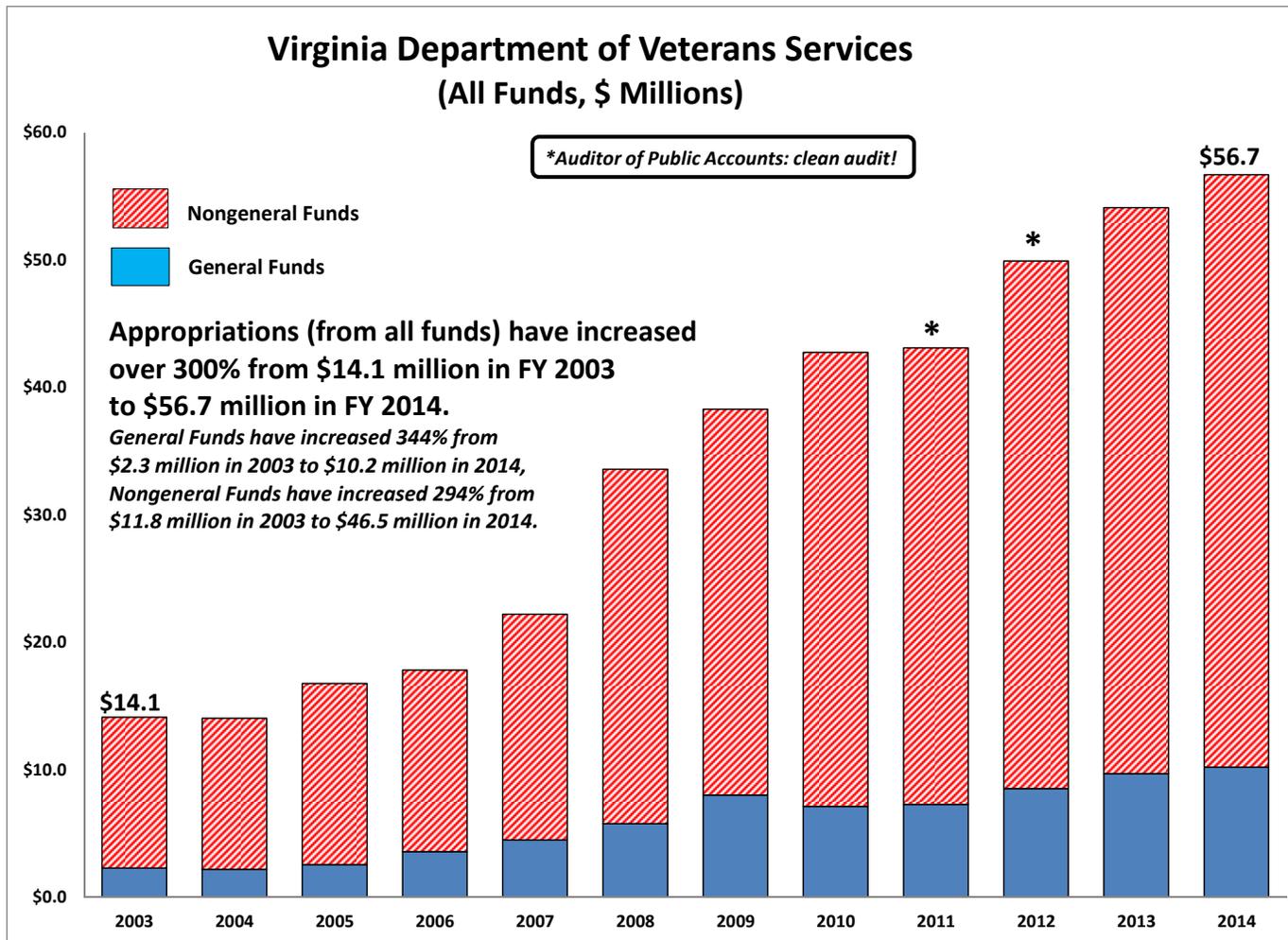


Virginia DVS Expansion

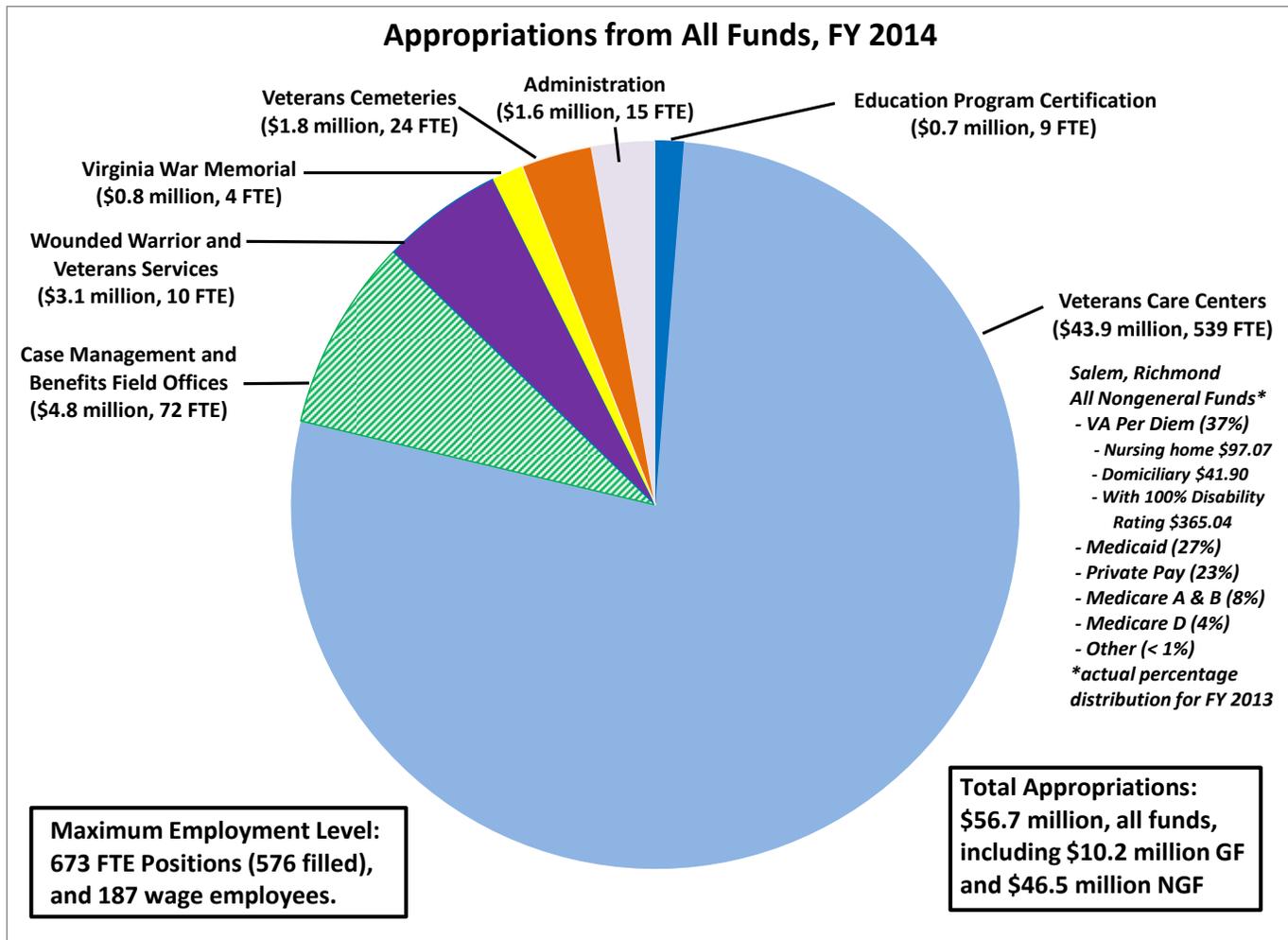
- Division of War Veterans Claims (Attorney General's Office) in 1945.
 - Department of Veterans Affairs under Secretary of Administration in 1988.
 - **Department of Veterans Services in 2003.**
 - Moved to Secretary of Public Safety in 2006.
 - Moved to new Secretary of Veterans Affairs and Homeland Security in 2011.
- The department has grown rapidly over the past decade, with:
 - Eight new benefits field offices, for a total of 23; along with the addition of 16 claims agents, for a total of 36 agents;
 - Creation of the Virginia Wounded Warrior Program in 2009;
 - Opening of a second veterans care center (Sitter and Barfoot) in 2007, in addition to the first center in Salem (a third center is awaiting federal funding);
 - New veterans cemeteries in Suffolk and Dublin (in addition to the existing cemetery in Amelia County, which opened in 1997); and,
 - Addition to the Virginia War Memorial (+ new addition under construction).



Growth in Appropriations



Virginia DVS



Virginia Wounded Warrior Program

- Network of community-based services to help veterans and their families overcome the challenges of stress-related and traumatic brain injuries.
 - Ten state positions; others employed by Community Services Boards (CSBs) to support five regional consortia, to coordinate and purchase services.
- State general fund support initiated in FY 2009 (one of first in nation).
 - Ongoing base budget is \$2.1 million GF per year (plus NGF).
 - Grants to five CSBs total \$1.7 million GF per year:

Region 1	Northwestern	Rappahannock CSB	\$378,659
Region 2	Northern	Loudoun County CSB	\$324,819
Region 3	Southwestern	Mount Rogers CSB	\$216,067
Region 4	Central	Richmond BHA	\$430,607
Region 5	Hampton Roads	Hampton-New News CSB	\$321,826



How Does It Work?

- Most of the VWWP general fund support through the CSB grants pays for case management and care coordination.
 - Typical case begins with a request for information, then proceeds to identifying a range of issues related to untreated PTSD or TBI, housing, employment, VA benefits, support for caregivers, and financial assistance.
 - In some cases services are provided directly; in other cases, VWWP links the clients to services provided by the VA, CSBs, brain injury providers, and other health and human services agencies.
 - Referrals and VA enrollment whenever possible are the top priority.
- VWWP is unique in focusing on personalized coordination of care for those veterans and their families who have complex situations requiring involvement of multiple agencies over an extended period of time.
 - VWWP is the first state program to become a formal partner with the Defense Center of Excellence for Psychological Health and Traumatic Brain Injury.



Services Provided in FY 2013

- The Virginia Wounded Warrior Program served 2,444 registered clients in FY 2013, including 2,159 veterans and 285 family members.
 - More were served, but did not provide sufficient information to be registered.
 - Provided 1,978 information and referral services and 3,453 direct services.
- Direct services included, for example:
 - Counseling, CSB, other services (incl. crisis intervention, suicide prevention);
 - Housing and financial assistance; benefits and employment assistance;
 - Individual peer support, support groups, and support for student veterans; and,
 - Support for homeless veterans and those at-risk of homelessness.
 - 170 veterans and family members housed in FY 2013.
- Purchased services may include brain injury services, clinical mental health assessments, PTSD treatment, and substance abuse counseling.



Outreach and Education

- Many veterans and current service members are unfamiliar with available benefits and services, so VWWP conducts extensive outreach at public events, job fairs, colleges and universities, and Guard and Reserve units.
 - 80 events, attended by over 6,800 persons in FY 2013.
- In order to reduce the stigma of PTSD, TBI, and other behavioral health conditions, VWWP provides community education to the general public, employers, and families of veterans.
 - 525 events, attended by over 163,000 persons in FY 2013.
- Many service providers are unfamiliar with the newest approaches to identifying and treating PTSD and TBI, so VWWP provides training to law enforcement, corrections, and health and human services agencies.
 - 63 events, attended by over 1,600 persons in FY 2013.



Virginia Values Veterans

- In 2012 DVS began to develop an innovative approach to improving job opportunities for veterans, which led to creation of the Virginia Values Veterans (V3) program.
 - SB 831 of 2013 (Senator Puller), adopted by the Senate but not approved by the House, would have authorized grants to employers that were certified at the gold level, as meeting specified DVS goals for hiring veterans.
 - For example, would have provided grant of \$500 per veteran hired in new job at \$50,000+ salary, plus an additional incentive of \$500 if the veteran is disabled.
 - The 2013 appropriation act included \$450,000 in FY 2014 for incentives to encourage private businesses to hire returning or disabled veterans, by assisting them in revamping their recruitment practices.
 - Authorizes DVS to expend up to \$300,000 for training and equipment purchases by the private companies.
- Results for FY 2013: pledges for 4,000+ jobs and 2,500+ actual hires.



DMV – Troops to Trucks

- More than 230 service men and women have obtained commercial drivers licenses through the DMV Troops to Trucks program over the past year.
 - Matching qualified veterans with good-paying jobs in the private sector.
- Through this first-in-the-nation partnership between DMV, the military, and transportation-related businesses, participants can fast-track the process for obtaining the commercial drivers license.
 - For those with at least two years of military vehicle driving experience, DMV waives the test; otherwise training is conducted on base before leaving service.
 - First in nation to certify staff to administer federal skills performance evaluation to offer this opportunity to otherwise qualified drivers with a missing/impaired limb.
 - Five military bases in Virginia are certified by DMV as third-party testers:
 - Fort Lee, Fort Pickett, Quantico, Langley-Eustis, and Little Creek.
 - DMV 2 Go mobile offices go to the bases to administer tests and issue licenses.
 - DMV also assists in matching employers with the prospective employees.



Higher Education Collaboration

- Virginia does not have a unifying policy on how to transfer veterans' military experience into degree credits.
- Under the direction of SCHEV, the deans of the schools of continuing education at UVA, Va. Tech, ODU and JMU, and VCCS, have developed a proposal to pilot a “veteran and military friendly” model for earning certificates in high-demand areas or a bachelor's degree.
 - The number of transitioning veterans is expected to increase significantly.
 - The proposed pilot model would include:
 - Accelerated paths to earning certificates in high-demand fields such as project management, cyber-security or procurement and contract management;
 - Standardized policies to translate veterans' prior learning into college credits;
 - Online and face-to-face courses to satisfy certificate and degree requirements; and,
 - A process to involve other public universities in the Commonwealth.



Homeless Veterans

- One of the key goals of USDVA is to eliminate veterans' homelessness.
- A national study conducted by HUD estimated a total of 1,500 to 2,500 homeless veterans in Virginia over the course of FY 2013.
 - A one-night count of homeless veterans in January 2013 suggested the numbers may have declined by as much as 19 percent since January 2010.
 - Estimates suggest 20 percent of Richmond's homeless population are veterans.
 - Similar to other single, homeless males, homeless veterans are likely to have a criminal record and a history of substance abuse and/or mental illness.
- DVS is working through the Governor's Homeless Outcomes Coordinating Council to build capacity to address this issue.
 - Rather than just providing shelter, the goal has been expanded to include provision of a broader range of services to prevent homelessness.
 - Two positions funded by 2012 General Assembly for homeless veterans initiative.



Veterans in Corrections

- As of September 30, 2013, the Department of Corrections (DOC) estimated there were 1,997 veterans in state correctional facilities (about 6.6 percent of state facility population).
 - One-half received Honorable Discharge (9% dishonorable or bad conduct);
 - 54% are age 50+ (on average, older than overall DOC facility population);
 - 75% violent current offense; 85% violent per Code of Virginia, 17.1-805;
 - 75% have no history or evidence of mental health impairment; and,
 - 83% have history of substance abuse.
- Almost 32 percent (637) of these veterans in DOC are expected to be released by the end of FY 2016.
 - Veterans re-entry units have been established at Indian Creek and Haynesville Correctional Centers.



Challenges and Opportunities

- Addressing veterans' physical and mental health needs.
- Automating the claims processing system and reducing the backlog.
- Encouraging educational and employment opportunities.
- Reducing homelessness and improving prisoner reentry.
- Obtaining federal funding for the next veterans care center.
- Expanding outreach and increasing public awareness of veterans' issues.
- Building more effective partnerships in both the public and private sectors to accomplish all of the above.



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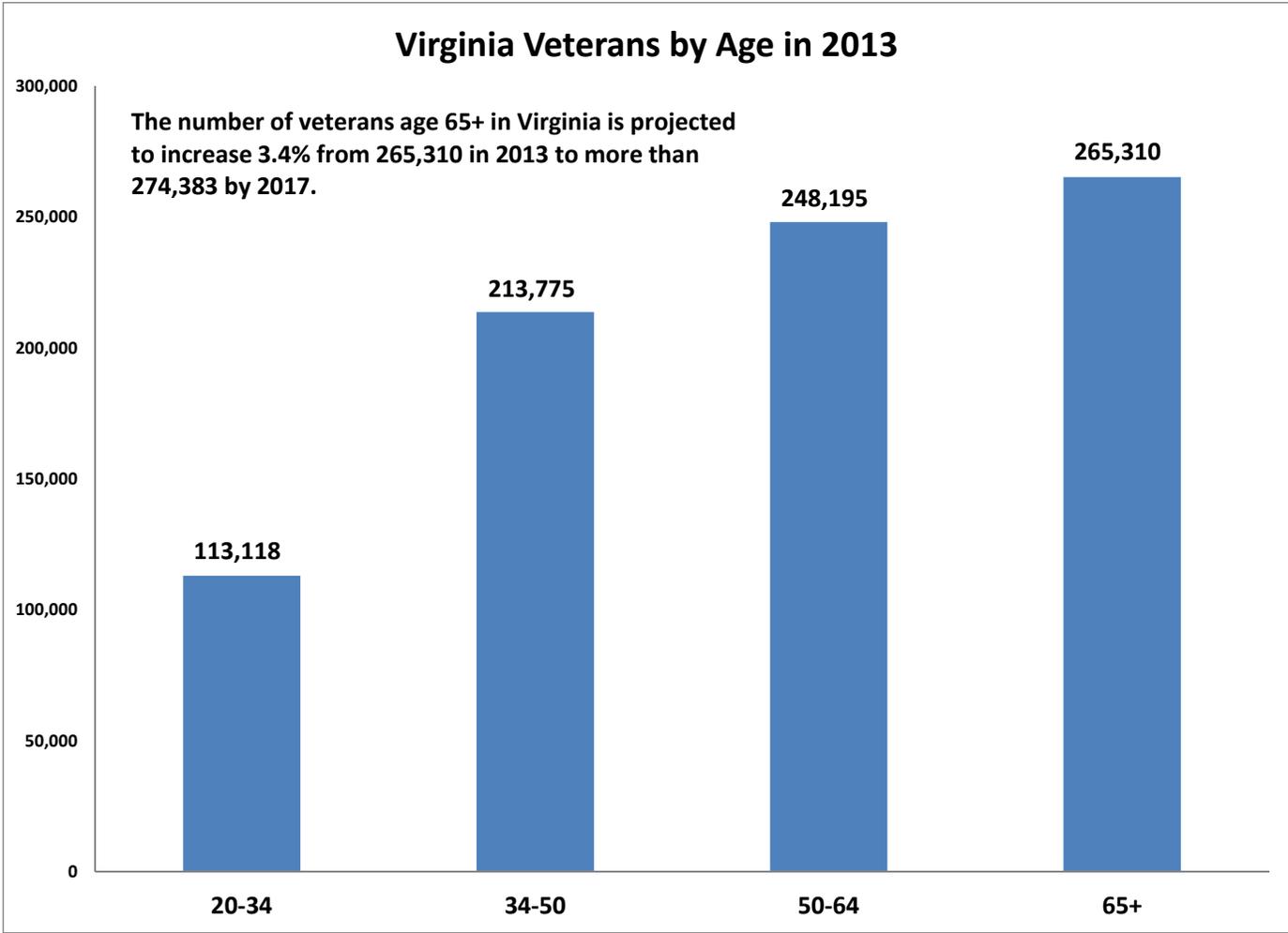


The Military and Virginia's Economy

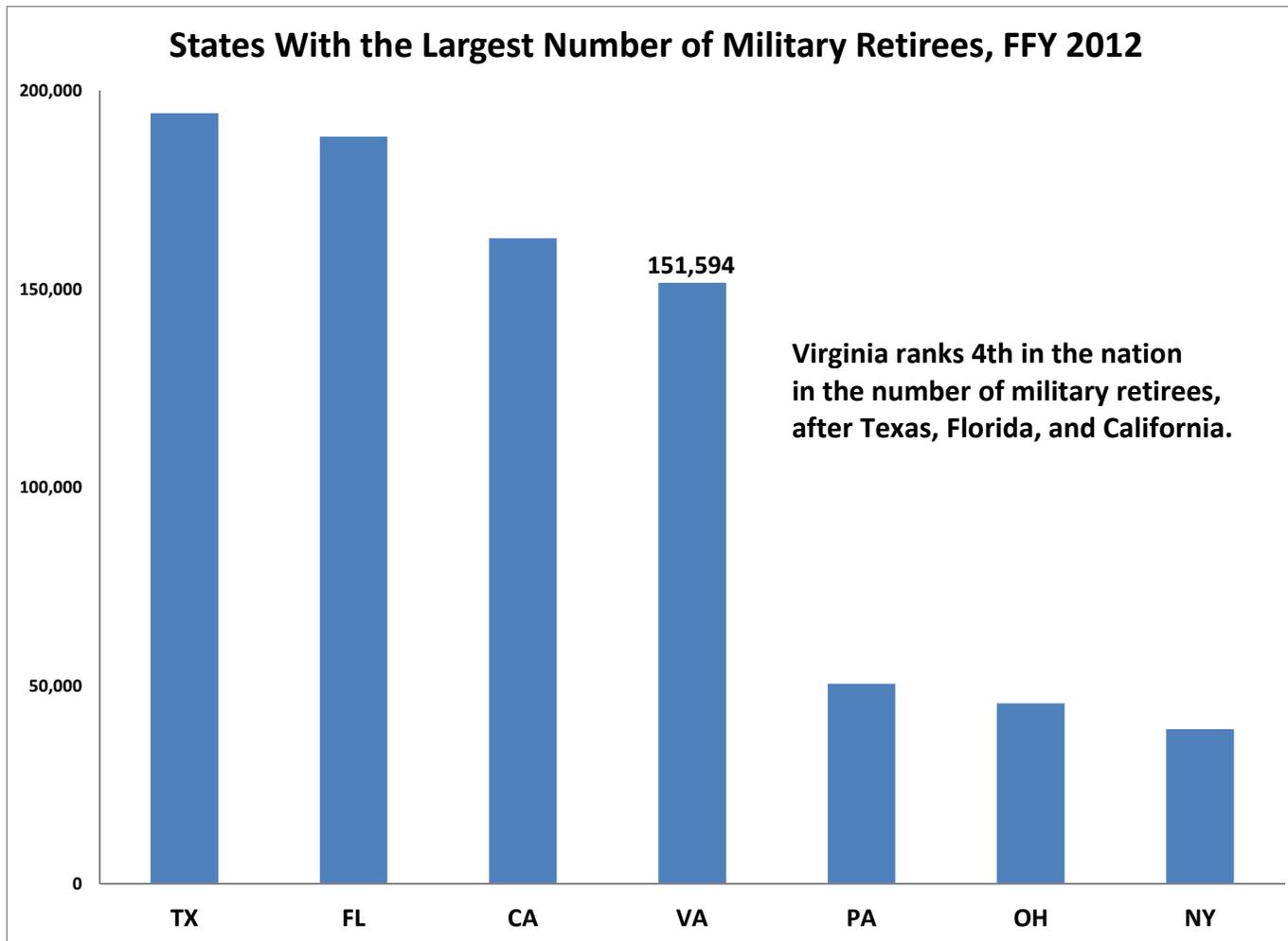
- 26 active military installations in Virginia.
- \$18.1 billion payroll (military/civilian/guard/reserve/retiree).
- 8,600+ owned and 100+ leased buildings; 132 million square feet.
- \$36.9 billion in military contracts in 2012 (doubled since 2002).
- Overall impact of BRAC 2005 more favorable than originally estimated:
 - Positive gain of 12,860 permanent military and civilian jobs on military bases, offset by loss of 6,000 jobs in leased space in Arlington County; and,
 - Total of \$5.8 billion in BRAC-related military construction.
- DOD sequester (under the 2011 Budget Control Act) will have an adverse and disproportionate impact on Virginia.



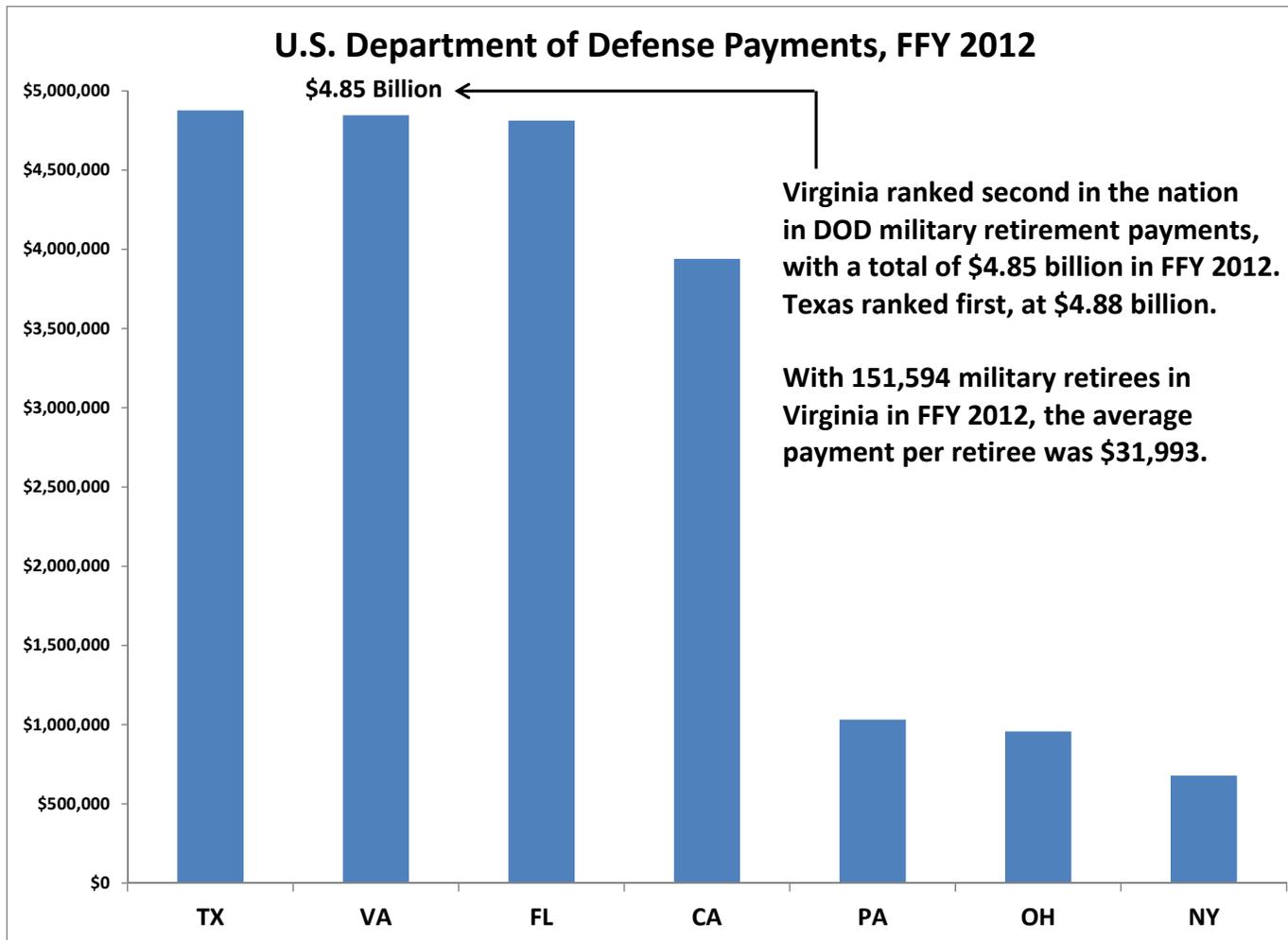
Virginia Veterans Age 65+



Military Retirees



Military Retirement Income



US Department of Veterans Affairs

- Nationally, in FFY 2013, USDVA provided \$59.6 billion in compensation benefits to almost 4 million veterans and their families.
 - The Veterans Benefits Administration within USDVA supports veterans with disability conditions incurred or aggravated during military service.
- The U.S. Department of Veterans Affairs:
 - Is the largest integrated health care system in the nation;
 - Is second only to USDOE in educational benefits (\$10 billion per year);
 - Is the nation's second largest life insurance enterprise (\$1.3 trillion in coverage, with 6.7 million clients);
 - Guarantees almost 1.8 million home loans – the only zero-down entity in the nation, with a 1.98 percent foreclosure rate; and,
 - Operates the nation's largest cemetery system (131).
 - These include 15 national cemeteries in Virginia, including
 - Three active national cemeteries (Culpeper, Triangle, Danville-cremated remains only)



VA Health Care - Overview

- The Veterans Health Administration (VHA) within USDVA is organized into 21 regional networks known as VISNs (*Veterans Integrated Service Networks*).
 - The 21 VISNs manage health care for 8.3 million veterans in:
 - 151 medical centers (hospital and specialty care);
 - 827 community-based outpatient clinics (primary care);
 - 300 vet centers (readjustment counseling for combat veterans and their families, including bereavement counseling, military sexual trauma counseling, employment and substance abuse assessment and referral, benefits explanation and referral, and screening and referral for medical issues); and,
 - 70 outreach and mobile clinics.
- In FFY 2011: 476,515 veterans with post-traumatic stress disorder (PTSD) received treatment through VA medical centers and clinics.



VA Health Care in Virginia

- VISN 6, also known as the *VA Mid-Atlantic Health Care Network*, includes the VA Medical Centers in Virginia (3), North Carolina (4), and Beckley, West Virginia. Virginia's three VA hospitals include:
 - **Hunter Holmes McGuire VA Medical Center** (Richmond)
 - 427 beds; outpatient clinics in Charlottesville, Emporia, and Fredericksburg
 - Two mobile clinics
 - **Hampton VA Medical Center**
 - 373 beds; outpatient clinic in Virginia Beach
 - **Salem VA Medical Center**
 - 298 beds; outpatient clinics in Danville, Lynchburg, Staunton, Tazewell, Wytheville
- Vet Centers located in Alexandria, Norfolk, Richmond, Roanoke, and Virginia Beach provide readjustment counseling for combat veterans and their families.



Other VA Hospitals Serve Our Veterans

- **Washington, D.C. VA Medical Center** (*VISN 5 – VA Capital Health Care Network*) serves Virginia veterans who live in Northern Virginia.
 - Includes outpatient clinic at Fort Belvoir.
- **Martinsburg, West Virginia VA Medical Center** (*also in VISN 5*) serves Virginia veterans who live in Northwest Virginia.
 - Includes outpatient clinics in Harrisonburg and Winchester (Stephens City).
- **James H. Quillen VA Medical Center** in Mountain Home, Tennessee (*VISN 9 – VA MidSouth Health Care Network*) serves Virginia veterans who live in Southwest Virginia.
 - Includes outpatient clinics in Bristol, Jonesville, Marion, Norton, and Vansant.



Polytrauma Center

- The McGuire VA hospital in Richmond is one of five VA medical centers designated as polytrauma rehabilitation centers for active duty personnel who are being medically discharged because of severe injuries (including brain injuries) to more than one organ system.
 - The other four are in Palo Alto, Minneapolis, San Antonio, and Tampa.
 - VA provides a continuum of care through these five regional facilities, 23 other network sites, 87 support clinics, and 39 other sites in VA medical centers.
 - The 21-bed Polytrauma Rehabilitation Center in Richmond was the first to open, and provides acute, comprehensive inpatient rehabilitation.
- Richmond was selected because of its proximity to Walter Reed National Military Medical Center, as well as the unique relationship between McGuire, VCU Health Systems, and the Virginia Biotechnology Research Partnership Authority.



Fisher Houses

- “A home away from home” for families of patients receiving medical care at military and VA medical centers:
 - There are 61 houses on 23 military installations and 22 VA medical centers;
 - Each has 8 to 21 suites (capacity of 16-42 family members, including children);
 - Each has a shared kitchen, dining room, living room, and laundry; and,
 - There is no charge for families to stay at a Fisher House.
- The Fisher House Foundation, a 501(c)(3), raises funds to build new homes or renovate existing homes. The homes are operated by DOD or VA.
- The three Fisher Houses in Virginia are located at:
 - Naval Medical Center at Portsmouth;
 - Fort Belvoir in Fairfax County; and,
 - McGuire VA Medical Center in Richmond.
 - \$750,000 GF appropriation from 2006 General Assembly.



Veterans Care Centers

- The Virginia Department of Veterans Services operates two facilities:
 - **Virginia Veterans Care Center** in Salem, a 246-bed facility providing skilled nursing care, assisted living, and a secure Alzheimer's/dementia unit.
 - Semi-private rooms; average occupancy of 219 in FY 2012.
 - FY 2012: expenses of \$224 per day, or \$81,409 per year.
 - **Sitter & Barfoot Veterans Care Center** in Richmond, a 160-bed skilled nursing facility (also with a secure Alzheimer unit) on the grounds of the McGuire VA Medical Center (*plus 40-bed addition opening January 2015*).
 - Has more short stay/rehab residents who may return home or to lower levels of care.
 - Private rooms. Average occupancy of 146 in FY 2012.
 - FY 2012: expenses of \$316 per day, or \$114,871 per year.
- State funds committed to match federal construction grants for two more centers (Hampton Roads and Northern Virginia, \$28.5 million for each).
 - The 65% federal share would be \$52.9 million for each, if approved.



Virginia War Memorial

- Opened in 1956, the Virginia War Memorial in Richmond was originally designed as a World War II and Korean War memorial.
 - Expanded in 1980 to include Virginians who died in the Vietnam War.
 - Today, over 12,000 names on the walls of the Shrine of Memory.
- Visitation has more than tripled from 19,000 in FY 2010 to over 60,000 visitors in 2013, thanks to the opening of the new Paul and Phyllis Galanti Education Center in 2010, which is already undergoing an expansion.
 - New 26,000 square foot addition is funded and is expected to open in 2015.
- The Virginia War Memorial Foundation Board of Trustees became the Virginia War Memorial Board under DVS, effective July 1, 2013.
 - The Trustees established the Virginia War Memorial Educational Foundation, Inc. a 501(c)(3), with its own separate board of directors, which has raised over \$2 million for the new education center and supports ongoing programs.



Veterans Services Foundation

- Established by the General Assembly in 2003 (§ 2.2-2719 of the Code).
- Administers the Veterans Services Fund, and raises private funds to support DVS programs and services. Donations are tax-exempt.
 - In FY 2013, the fund reported revenues of \$479,000, expenditures of \$275,000, and an ending balance of over \$1 million.
 - Major expenditures included \$126,000 for direct services to veterans, \$52,000 for outreach, \$19,000 for matching grants, and \$15,000 for V3 program.
- Board of Trustees includes Commissioner, DVS, Chairmen of the Board of Veterans Services and the Joint Leadership Council of Veterans Services Organizations, and 16 non-legislative citizen members appointed by:
 - Governor (8), Speaker (5), and Senate Rules (3).
 - Majority to be active or retired CEOs or CFOs from private or nonprofit sector, with extensive private fundraising experience, and insofar as possible, to be veterans.

