Department of Veterans Affairs (VA)
Questions for the Record
Committee on Veterans' Affairs
U.S. House of Representatives
Oversight Hearing

April 15, 2026

<u>Question 1</u>: Funding for Mandatory Overtime.
In the past, Congress specifically authorized and appropriated money for overtime pay employees at the Veterans Benefits Administration. But it has not done so in several years.

> **1a. Please provide detail, on how VBA is currently funding overtime pay for claims processors, including the specific funding account from which money is being drawn for this purpose, and the specific statutory reference that permits the funding in this account to be used for this purpose.**

<u>VA Response</u>: The Veterans Benefits Administration (VBA) funds overtime pay for claims processors using discretionary General Operating Expense (GOE) funding for GOE coded employees and Cost of War Toxic Exposures Fund (COWTEF) funding for COWTEF coded employees.

- The statutory authorities for GOE overtime are:
  - Under the heading, "General Operating Expenses, Veterans Benefits Administration," in the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (P.L. 119-37, Div. D), which states, "For necessary operating expenses of the Veterans Benefits Administration..."
  - Overtime pay provided under title 5, United States Code, is pay for hours of work officially ordered or approved over 8 hours in a day or 40 hours in an administrative workweek.
  - Fair Labor Standards Act is the primary Federal law that establishes minimum wage, overtime pay, and child labor protections.
- The statutory authorities for COWTEF overtime are:
  - Under the heading, "Cost of War Toxic Exposures Fund," in the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (P.L. 119-37, Div. D), which states, "For . . . the expenses incident to the delivery of veterans' health care and benefits associated with exposure to environmental hazards . . . as authorized by section 324 of title 38, United States Code…"
  - Overtime pay provided under title 5, United States Code, is pay for hours of work officially ordered or approved over 8 hours in a day or 40 hours in an administrative workweek.
  - Fair Labor Standards Act is the primary Federal law that establishes minimum wage, overtime pay, and child labor protections.

1b. If funding overtime pay involves a transfer of funds from one account to another, please provide both the amount transferred, the source account of the funding and the destination account.

I. Please provide this Committee with a copy of the notice sent to the Committee on Appropriations regarding said transfer.

VA Response: VBA is not transferring funds between accounts to fund overtime. Overtime is budgeted within VBA's GOE and COWTEF budget requests each fiscal year (FY).

1c. If the source account for overtime pay includes funding from Cost of War Toxic Exposures Fund, please provide this Committee with VBA's analysis of the percentage of overtime work that is reimbursable from the COWTEF, and the total amount of money charged to COWTEF for the purpose.

VA Response: All VBA employees coded as COWTEF in VA's Human Resources Information System of record are paid with COWTEF, including all overtime. Total amount of COWTEF overtime for VBA is $207 million (December 2022 through April 2026).

Question 2: CVSO GRANT PROGRAM
Sec. 302 of the Dole Act (P.L. 118-210) authorized VA to make grants to states, counties and tribes to bolster the numbers of accredited Veterans' Service Officers.

The law was passed in January 2025, and authorized grants for fiscal years 2026 and 2027. Yet VA has not implemented the grant program, and VA doesn't expect to do so until fall of this year.

2a. When does VA plan to issue the initial Notice of Funding Availability for this program?

VA Response: VBA intends to use the authority for the Dole State and Tribal Outreach Grant Program (DSTOGP) for FYs 2026 and 2027. VBA anticipates issuing the initial Notice of Funding Availability once rulemaking activities are complete

2b. What has been the source of the delay?

VA Response: Because the DSTOGP grant would be a competitive grant, it requires substantive regulations that cover, among other things, eligibility and selection criteria before VA could allocate funding. The rulemaking process requires 18 to 24 months to complete. To ensure forward momentum and timely implementation of the grant, VA is working on the operational components of the grant in parallel with the rulemaking process. This approach will allow for efficient deployment once VA finalizes the required regulations.

2c. Does VA anticipate any further hiccups in getting this money out the door?

VA Response: No, VBA is working with the Department of Health and Human Services' Grants Solutions to get the DSTOGP program established while completing the rulemaking process.

Question 3: PARTIAL CLAIMS
VBA has increased its use of partial decisions, making a decision on some of the contentions in a claim, but deferring others.

However, partial claims present complication when calculating throughout times for any given claim.

3a. How does VBA account for partial decisions when calculating the claims backlog and average days to completion?

VA Response: Claims with partial decisions count as backlogged if more than 125 days have elapsed since the date of receipt (more commonly referred to as the Date of Claim (DOC)). Average Days to Complete (ADC) includes the total number of days elapsed from the DOC until the date on which the full claim is adjudicated.

3b. When VBA issues a partial decision, does VBA terminate the End Product code for the initial claim, and consider the claim to be closed for purposes of backlog/average days to completing metrics?

VA Response: No, the End Product (EP) remains pending when VBA completes a partial rating. VBA considers claims with partial ratings in the calculation of its backlog and average days metrics.

3c. If so, how are the remaining contentions treated for calculation purposes? Is a new End Product code created and tracked separately from the already decided contentions?

VA Response: No, the EP remains pending when VBA completes a partial rating.

Question 4: NON-RATING CLAIMS
The backlog of non-rating claims has grown from over 62,000 in 2022 to near 322,000 as of this month.

Many employees on the non-rating teams are working upwards of 30 hours of overtime per week.

4a. Why is the backlog growing so rapidly, and what is being done about it?

<u>VA Response</u>: There is no backlog measure for non-rating workload; however, VBA takes concerns around timeliness of all benefits very seriously. The growth in the non-rating workload is, in part, a result of VBA's increased compensation rating production. As more Veterans and survivors become eligible for Compensation and Pension benefits, there is an increased demand for non-rating related benefit adjustments (such as adding or removing dependents, school child adjustments, and drill pay). Non-rating receipts increased by more than 10% year-over-year for the past two FYs. Receipts are up 9.3% through June 2026 compared to the same point in FY 2025.

In response to increasing demand, VBA is leveraging a combination of automation improvements, overtime, and hiring staff. The Rules Based Processing System provides automation support for some of VBA's dependency claims workload. By the end of March 2026, VBA completed 236,138 dependency claims in FY 2026 using the automation processing. Additionally, VBA has targeted both voluntary and mandatory overtime within the Benefits Eligibility Support Teams, as hiring and training actions are ongoing to increase overall processing activity.

Automation also supports a variety of other non-rating pension claims, including those for monetary burial benefits, income adjustments, month-of-death processing, and other administrative claims processing actions. As of March 31, 2026, VA completed approximately 148,000 non-rating pension claims through automation.

As a result of these efforts, the non-rating inventory has decreased since January 2026, dropping from the high of 914,492 to 848,793 by the end of June 2026, and over the same period non-rating claims pending more than 125 days decreased by 26,171 claims, or 8.2%, from 317,975 to 291,804. VA continues to explore opportunities for improved service delivery to improve timeliness and inventory reduction in the non-rating workload.

4b. Has VBA dedicated a sufficient number of employees to this task?

<u>VA Response</u>: During this fiscal year, VBA has been and continues to actively hire Veteran Service Representatives, as well as train additional existing claims processing staff, to fill vacancies in the Benefits Eligibility Support Teams, to further improve service delivery. VBA regularly reevaluates pending workload and projected receipts and identifies critical vacancies essential to VA's ability to sustain long-term capacity to continue delivering timely access to care and benefits for every eligible Veteran, family member, caregiver, and survivor. VBA will continue to use future budget requests to ensure staffing matches the project Veteran demand for benefits.

4c. What is VBA doing to prevent burnout among the employees on the non-ratings claim teams?

<u>VA Response</u>: VBA is evaluating opportunities to reskill and realign existing staff to address persistently high receipts and overtime respites, while still striving to meet service delivery expectations.

<u>Question 5</u>: TERA ONLY OPINIONS
One of the recurring processing errors that has cropped up post-PACT Act is rating decisions that fail to consider all the possible theories of service connection that may lead to a Veteran's claim being granted.

We hear from many service officers that VBA is often denying claims after only having considered the results of the Veterans' Toxic Exposure Risk Assessment, even for contentions that have nothing to do with toxic exposure.

5a. Is VBA tracking this type of error, and if so, how are you addressing it?

<u>VA Response</u>: VBA has not identified this as a systemic trend. Claims processors are required to look at every possible reason a Veteran might qualify for benefits when reviewing a claim, including toxic exposure. Reviewers are to consider all theories of service connection, not just the ones a Veteran specifically mentions.

If a claim is denied based on a Toxic Exposure Risk Assessment because it is not a condition associated with toxic exposure, but the claim should have been granted based on another theory of entitlement, corrective action is required. If the denial of service connection is correct, even after considering other possible theories of service connection, corrective action is not required so long as VBA identified the missing elements of service connection in its denial letter. Denial letters separately addressing each theory of service connection are not legally required and have the potential to cause confusion and stress for the Veteran.

<u>Question 6</u>: 48-HOUR REVIEW PERIOD
In 2021 VA did away with its 48-hour review period that allowed service officers to review pending decisions 48 hours before they were finalized. During these reviews Veterans Service Officers could catch and correct errors before they were cemented and harder to fix.

Given the anxiety denied claims can cause for a Veteran, especially one based on a processing error, it's clear the 48-hour review process served Veterans better than the current one.

What were VA's reasons for getting rid of a successful, proactive system, and replacing it with a new reactive one?

<u>VA Response</u>: Prior to 2020, VBA policy allowed Veterans Service Officers (VSO) a 48-hour review period to identify any errors or needed clarifications in proposed rating decisions before the decision was final. Following *Rosinski v. Wilkie*, 31 Vet. App. 1 (2019), in which the U.S. Court of Appeals for Veterans Claims noted its "grave concerns regarding [the policy's] fairness and continuing validity," VBA reevaluated this practice and determined it could no longer postpone promulgation or authorization of draft ratings for possible VSO review because it would be infeasible to afford the same level of review to all private representatives. As a result, VBA discontinued the review period in 2020.

6b. Will VBA commit to return to the 48-hour review system?

<u>VA Response</u>: VBA is not considering reverting to the former 48-hour review process. In addition to the concerns raised by the court in *Rosinski v. Wilkie*, the 48-hour hold contributed to delays in claims processing and extended decision timelines.

The U.S. Court of Appeals for the Federal Circuit upheld VBA's decision to rescind the 48-hour review period in *Veterans of Foreign Wars v. Secretary of Veterans Affairs*, No. 20-1974, 2022 WL 30172 (Fed. Cir. Jan. 4, 2022). The court affirmed VBA's authority to discontinue the practice and rejected challenges for its removal.

6c. Failing that, will VBA commit to working with service officers to make the Claim Accuracy Request system proactive instead of reactive, so it works better for Veterans?

<u>VA Response:</u> Yes, VBA remains committed to continuous improvement to better serve Veterans. VBA recognizes the importance of partnering with VSOs to strengthen collaboration, including on the Claims Accuracy Request pilot.

<u>Question 7</u>: VBA REORGANIZATION
As part of its reorganization in September 2025, VBA realigned many of its quality control functions, in particular the Decision Review Operations Centers. And in the wake of that many Quality Review Specialist have either been reassigned to frontline claims processing or moved to the DROCs.

One of the many tradeoffs between quantity and quality is that the employees who were supposed to be reviewing claim accuracy and training others to be better have been moved to frontline claim processing work.

7a. Has VA assessed the effect on quality of its realignment and these reassignments of staff?

<u>VA Response</u>: VBA did not undergo a reorganization in September 2025 that involved the quality control functions of the Decision Review Operations Centers (DROC). The Office of Administrative Review (OAR) realigned its central office employees and functions under Compensation Service and the Office of Field Operations effective June 15, 2026. However, this realignment will have no impact on DROC quality staff.

VBA continually monitors workload and staffing needs. As part of those assessments, OAR began assigning Higher-Level Review workload to select DROC quality staff members in April 2026. When making this decision, OAR ensured proper coverage for critical functions, including training needs, employee quality checks, and second signature reviews.

7b. What were the results of that assessment?

<u>VA Response</u>: VBA has not observed a decline in the ability of quality staff to maintain their quality functions following these workload assignments. VBA has taken steps to ensure continuity of quality oversight as responsibilities are realigned.

7c. Does VBA believe it has enough people doing quality reviews, either at the Regional Office level or the national level?

<u>VA Response</u>: Yes, at both the national and regional office level, VBA has sufficient personnel to conduct quality reviews.

7d. How many VSR and RVSR vacancies exist system-wide?

<u>VA Response</u>: There are 520 VSR vacancies and 290 Rating VSR (RVSR) vacancies. At the end of FY 2025, VBA prioritized the organization's most urgent hiring needs and began internal hiring efforts for VSR GS-11 Authorizer positions.

In February 2026, VBA completed 1 million rating claims for FY 2026, setting a new, all-time record for the earliest date that the Administration reached that milestone, hitting this benchmark 2 weeks earlier than FY 2025.

VBA also set a new record for most claims completed in a day with 16,529 rating completions on January 26, 2026. This historic rating claims production enabled VBA to achieve sustainment of the compensation and pension rating backlog to under 100,000 claims on February 10, 2026, representing a 28.8% reduction in the rating backlog since the end of FY 2025.

VBA is adjudicating more claims than ever, which has had a positive impact on ADC for rating claims, with improvement from 120.6 days at the end of FY 2025 to 79.8 days in April 2026. VBA Rating-Issue Based Accuracy increased to 94.2% in April 2026. This is the first time VBA has reached above 94% since January 2024.

VBA continues to deliver historic production numbers to our Nation's Veterans while continuing to focus on high-quality outcomes.

Department of Veterans Affairs
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