

**OVERSIGHT HEARING ON THE
TRAINING PROVIDED TO VBA CLAIMS
ADJUDICATORS AND THE STANDARDS
USED TO MEASURE THEIR PROFICIENCY
AND PERFORMANCE**

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

**SUBCOMMITTEE ON DISABILITY ASSISTANCE
AND MEMORIAL AFFAIRS**

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**OVERSIGHT HEARING ON THE TRAINING
PROVIDED TO VBA CLAIMS ADJUDICATORS AND
THE STANDARDS USED TO MEASURE THEIR
PROFICIENCY AND PERFORMANCE**

Wednesday, September 2006

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND
MEMORIAL AFFAIRS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The Subcommittee met, pursuant to call, at 2:30 p.m., in Room 334, Cannon House Office Building, Hon. Jeff Miller [Chairman of the Subcommittee] presiding.

Present: Representatives Miller, Berkley. Staff Present: Paige McManus, Majority Counsel and Mary Ellen McCarthy, Minority Counsel.

MR. MILLER. Good afternoon, everybody. Our Ranking Member is here, so we will bring this meeting to order.

As we all know, the number of veterans filing claims for compensation has increased every year since 2000, and the claims that are being filed are becoming much more complex. As we are all very well aware, many veterans are upset with the time that it takes to adjudicate a claim for compensation benefits. As of July, the most recent data available, it is taking the Veterans Benefits Administration an average of 174 days to adjudicate a claim, with an accuracy rate of 88 percent. The ability to provide timely and accurate benefits is dependent not solely on increasing staffing levels, but providing proper and thorough training.

In recognition of this, the Committee recommended an additional 400,000 above the administration's request in its fiscal year 2007 views and estimates to fund training and certification initiatives. Congress and certainly VA must ensure that current and new employees have the skills and knowledge necessary to render accurate and fair decisions the first time. VBA has a number of programs and tools that it utilizes to train new Veteran Services Representatives, and to retrain or refresh more senior VSRs and Rating Veteran Service Representatives.

The VBA has implemented a skills certification test to assess the knowledge base of claims adjudicators, and to provide additional training when necessary. However, it is my understanding that a great many employees either don't have the time needed to devote to training, or are failing basic competency tests.

We meet today to receive testimony on the types of training provided to claims examiners, the standards that are being used to measure proficiency and performance, and just what VBA is doing to enhance performance.

I want to take this opportunity to recognize our Ranking Member, Ms. Berkley, for comments.

MS. BERKLEY. I thank you very much, Mr. Chairman, for holding this hearing, and welcome to all of you.

VA employees who decide critical benefits issues for our nation's veterans must obviously have proper training in order to fulfill the VA's mission. I am very pleased that we are giving attention to this matter today. I am concerned that the majority of experienced VSRs who have taken open-book, open-resource tests were not successful in passing these tests. I am also concerned that files reviewed by Committee staff, and claims brought to the attention of the Committee, often contain obvious errors, which VA managers quickly agree to correct.

According to Mr. Walcoff's testimony, the VA provides national comprehensive training to regional office staff. However, both the employees union, American Federation of Government Employees, and the American Legion, report wide regional variations in training. Having a national plan does not guarantee that a national plan will be effectively implemented. The union testimony concerning VBA excluding labor representatives from meetings about training and performance standards is, quite frankly, very disturbing. Labor and management need to work together to improve the training provided to VA employees.

Veterans who have honorably served our nation deserve quality decisions in a timely manner in order to receive the benefits and services they deserve. I am anxious to hear your testimony, both panels, and I thank all of you for being here today, and look forward to hearing what you have to say.

[The statement of Ms. Berkley appears on p. 22]

MR. MILLER. Thank you very much, Ms. Berkley.

Our first panel is already seated at the table. Other members will be coming and going as we have other hearings going on this afternoon. Testifying on behalf of the Veterans Benefits Administration is Mr. Michael Walcoff, Associate Deputy Under Secretary for Field Operations. He is accompanied by Mr. James Whitson, who is Director of the Eastern Area. Ms. Dorothy MacKay is here today, she is the

Director of the Office of Employee Development and Training, along with Ms. Janice Jacobs, Deputy Director of Policy and Procedures at the Compensation and Pension Service.

Mr. Walcoff, you are recognized.

MR. WALCOFF. Thank you, Mr. Chairman, and members of the Subcommittee. I appreciate the—

MR. MILLER. If you could pull that mic just a little bit closer.

MR. WALCOFF. Sure.

STATEMENT OF MICHAEL WALCOFF, ASSOCIATE DEPUTY UNDER SECRETARY FOR FIELD OPERATIONS, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY JAMES A. WHITSON, DIRECTOR, EASTERN AREA VETERANS BENEFITS ADMINISTRATION; DOROTHY MACKAY, DIRECTOR, OFFICE OF EMPLOYEE DEVELOPMENT AND TRAINING, VETERANS BENEFITS ADMINISTRATION; JANICE JACOBS, DEPUTY DIRECTOR, POLICY AND PROCEDURES, COMPENSATION AND PENSION SERVICE

MR. WALCOFF. I appreciate the opportunity to appear before you today to address training for Veterans Benefits Administration claims adjudicators, the standards we use to measure their proficiency and performance, and how we communicate changes in laws, regulations, policy, and procedures, to field station staff.

I am being accompanied by my VBA colleagues; Mr. Jim Whitson, who is the director of our eastern area office and also the Project manager for C&P certification; Ms. Janice Jacobs, deputy director of compensation and pension service; and Dorothy MacKay, director of our office of employee development and training.

Training is essential to every quality organization. VBA is committed to ensuring all employees have the opportunity to learn and develop essential knowledge, skills, and abilities. We recognize effective training as a core element of VBA's infrastructure, and key to our succession planning efforts, as we hire to replace the many experienced employees expected to retire over the next few years. VBA has deployed new training tools and programs to provide consistency in training. Newly hired veteran service representatives, or VSRs, and newly appointed rating VSRs participate in consistent, nationally-developed centralized training, followed by a national standardized training curriculum at their home offices.

This fiscal year, the undersecretary for benefits, Admiral Daniel L. Cooper, mandated all claims examiners to have at least 70 hours of job-specific training. Most other employees must have at least 40 hours of training. In fiscal year 2007, the mandatory training for claims adjudicators will increase to 80 hours.

VBA ensures regional offices have timely, accurate, and current information. C&P service issues guidance letters, called “fast letters,” to advise field employees on policy and procedural changes, and legal revisions. C&P service issued 23 fast letters in 2005, and 16 to date in 2006.

Decision assessment documents, or DADs, explain the facts, reasoning, and holding of precedential court decisions, and the opinions of the office of General Counsel, and explain any impact on VBA. Notification of fast letters, DADs, and other changes, are e-mailed to field employees and posted on the C&P service’s website.

C&P service uses satellite broadcasts to give in-depth analysis on VBA procedures and policies by subject matter experts, and hosts monthly conference calls to discuss current hot topics and give instant feedback on questions and concerns.

Regarding VBA, VSR, and RVSR national performance standards, a VBA organizational cornerstone to improve benefit delivery and enhance accountability is our system of individual performance assessment. All VSRs and RVSRs are subject to national performance standards that focus on key elements of quality, productivity, customer service, and timeliness. Local accuracy reviews are conducted using national quality review criteria. Agreements were reached with the American Federation of Government Employees prior to implementation. The current VSR performance standards have been in effect since October of 2005. The RVSR performance standards have been in effect since November of 2001. The VBA work group is reviewing these standards for possible revision.

Regarding certification testing; in conjunction with our national performance standards, VBA developed a skill certification testing process to assess job proficiency. A memorandum of understanding was signed in January 2000 with AFGE for a certification program for VSRs, RVSRs and decision review officer positions.

In December 2000, VBA contracted with the research group, the Human Resources Research Organization, or HUMRO, to help develop a certification instrument with VBA subject matter experts to assess knowledge and readiness of VSR GS 10 incumbents for promotion to the GS 11 level.

A 100 question multiple choice open-book test is administered in morning and afternoon sessions. In August of 2003, 25 percent of the 298 participants passed the first validation test. In April of 2004, 29 percent of the 650 participants passed the test. After the first two tests, a mandatory 20-hour VSR readiness training curriculum was implemented.

On May 3rd, 2006, 934 VSRs took the third test. During the afternoon portion, multiple test items were duplicated from the morning portion. The correct version of the test was given on June 7th, and the third test yielded an improved pass rate of 42 percent. To date,

VBA has promoted 633 VSRs to the full-performance GS 11 level, through certification testing. We are expanding certification testing next, to the RVSR position, from the GS 11 level to the GS 12 journeyman level.

Mr. Chairman, this concludes my testimony. I greatly appreciate being here today, and look forward to answering your questions.

[The statement of Michael Walcoff appears on p. 25]

MR. MILLER. Thank you very much for your testimony. I think we both have some questions, and one of the issues I think that we probably both want to know about is when a case is reprimanded from the Board for further development, it is generally sent to the Appeals Management Center in Washington, DC. Is the employee who made the initial decision - first question - is the employee ever notified of what the deficiencies were, or what may have happened in the appeal? You know, I would think that if they are not, then it probably would help the R.O. directors develop a better understanding of how ratings happen, and where the issues are. Can you go into that just a little bit?

MR. WALCOFF. Sure. Let me first say that when a case is remanded from the board, it is very often three, sometimes four years after it was originally worked, for a lot of different reasons. Very often, the case that is remanded back to VBA doesn't look like it did when it left the regional office. Additional information has been sent in by the veteran. Many, many cases are requiring a new exam, and that is a reason why a case might be remanded. Sometimes, the rating schedule may change. There might be a change in regulation that might cause for the case to be remanded. And certainly, in a small percentage of cases, a percentage of cases, it is similar to when the VSR finished it, or the rating specialist finished it, and it is because of an error that was made at that time. But it is a combination of all those factors that go into the remand rate.

When we originally set up the AMC, our discussions with the prior secretary dealt with how many of the remands that came out of the board should be done at the AMC, and how many should be returned to regional offices. It was Secretary Principi's opinion that he wanted all the remands to be processed at the AMC. He felt that this was the most efficient way to work through the remands. He was concerned about the fact that there were a lot of older remands that were still out there, and he felt that this would be the best way to deal with that.

We had some very serious discussions with him about why we felt that, at minimum, a certain percentage of these cases needed to go back to regional offices. One of the reasons, quite frankly, was that in people working these cases, and they have the sense that "no matter what I put on this piece of paper, I will never see the case again,"

that there is almost a little bit of a disincentive in terms of being much more careful about what they are sending to the board, and making sure that it is ready for the case to be adjudicated by BVA. And we were concerned about that. We wanted to make it so that some of these cases do go back to regional offices.

But more importantly, we felt that it was important that some of these cases go back to R.O.'s for training purposes. It is very important for people who are working on certifying cases to the board, that they get to see what types of cases are being remanded, so they can use that information in doing the work that they are currently doing. So it doesn't necessary to go back to the original person that prepared the case, because as I say, it is many years later.

But they do see a good number of the cases. And they particularly see what we call the egregious cases, the ones where there is really absolutely no excuse for why this case ever left the regional office. And we want to make sure that those cases are reviewed by the regional offices, and by the management at those offices to make sure that it doesn't happen again.

MR. MILLER. In its 2005 report on state variances in compensation payments, the VA Inspector General surveyed about a thousand employees on factors that affect consistency of rating decisions. The results showed that while 60 percent of the employees had positive opinions about the quality of the training that they were receiving, many feel that the training is not a high priority, and some 37 percent or so indicated that formal classroom training occurs once a quarter, or less often than that. Can you talk to us a little bit about what is being done?

MR. WALCOFF. I would say that the Under Secretary, Admiral Cooper, has I think probably stressed training, training and consistency, probably more than any other subject since I have been working with him. I have been in Washington since 1998, and I have served under several under secretaries, and was here previously, back in the early '90s with two other under secretaries. I have never worked for anybody that was, I believe, as serious about training as Admiral Cooper is, and I think it is because of his background with all the years he spent in the Navy.

I will tell you that it is one thing to say that training is important, and "here is a mandatory requirement that you do 70 hours." But the real question is, how do you ensure that is actually happening? And I will tell you a couple different ways that I think we are going about doing that. One is I think we are providing very close oversight when we go to regional offices, to make sure that training is being done and is being done effectively. The C&P service review goes to about 18 offices a year, and to review the C&P operations at each office. And one of the main things that they look at is the training that is being done; whether the curriculum that is specified by the C&P service is being

followed, and whether all employees are going to the training.

In addition to that, our area directors visit their offices two, three, four times a year. And one of the things that they look at is the same thing: how is the training being done? And they will not just talk to the managers. They will actually go and talk to the VSRs, and talk to the rating specialists, and ask them, you know, "How much training have you received," you know, "Did you actually attend this class? Were you at the satellite broadcast?" Those types of things, to make sure that it is happening.

Secondly, we have a log that has been put together by Dorothy's staff that requires the managers to report every hour of training that is given to employees, so that we can verify that 70 hours of training this year, in this case, was actually given to every employee in regional offices in the service center. So we also review the logs.

And the third thing that we do, and this is something that I haven't seen in all the years I have been working, is that Admiral Cooper personally reviews the training report that is done twice a year by each regional office, that goes into great detail about all the training that they have done during that previous six months. And this is not something that comes in and he has Dorothy give him a summary report. He actually has to see the reports. He reads every one of them, marks them all up with comments, and sends them out back to her and to me, you know, with questions, and wanting us to follow up on things, obviously showing that he is sincerely interested in it.

So I think that aside from having the requirement, there is a lot of follow-up to make sure that it is actually being done. This is a new requirement. I mean, this is the first year that we actually had that mandatory 70 hours. And I think it was a little bit of a shock to our organization, frankly, that somebody did more than just say, "Yeah, I think training is important," but actually put out a mandatory requirement, you know, saying that "You will do training." That has had an impact on the organization.

MR. MILLER. Ms. Berkley?

MS. BERKLEY. Thank you, Mr. Chairman. In reviewing panel two's testimony, a couple of things struck me, and I would like to ask you questions based on the testimony that was submitted by the other panel.

According to AFGE's written testimony, it indicated that unrealistic performance standards and inconsistent training adversely impact the quality of employees' work. They report also being excluded from the task force meetings where current training and performance standards are discussed. Can you share with us why we would exclude these key stakeholders, and why they are not at the table when discussions of this magnitude are being—when they are discussing these issues?

MR. WALCOFF. Well, first of all, I would tell you that I think we

have a very positive relationship with AFGE. The speaker that will be representing AFGE here in the second panel is somebody that I have worked personally with for many years, and I think that while we may disagree on individual issues, I think he would agree that the VBA and AFGE have had a good relationship.

I think that we certainly accept that there is an appropriate role for labor, for AFGE. We certainly understand all the things that we are responsible to do in terms of our relationship with them, and I think that we very clearly meet every requirement that we have in terms of our relationship.

We do include them on many of these types of issues that we work on. The RVSR performance standards, for instance, that are in place right now, the union had a representative on that team. They participated in setting up those standards. That is aside from the fact that we then negotiated an agreement with them about the standards that are in question right now. The VSR standards, which is I think what David is referring to in his statement, we negotiated an agreement with them on the implementation of those standards.

And the disagreement that we have right now with them that he has mentioned in his testimony has to do with a requirement in the MOU for us to review the actual performance under those standards, and make changes, and there is a difference of opinion as to whether we have done that or not. But we certainly have worked with the union on the implementation of those standards, and met every requirement that is there for our labor-management relationship.

In terms of the standards being too difficult, I respectfully disagree. I think that some of our managers feel that we should have set the floors higher. We make it clear that it is not just a productivity requirement; that there is an absolute quality requirements in there, as well as a timeliness and a customer-service requirement. They are all considered critical. And if you look at the performance of the field in those standards, right now we have a pass rate of over—in terms of meeting all the requirements of their position—of over 80 percent within the VSR position. And that goes up every month, as people become more familiar with the changes that we made almost a year ago in the way we measure those standards.

Some of the problems that we have had had to do with the tracking system that is designed to go with those standards, called Aspen. There has been—it is a new system, and it is taking quite a while for some of our employees, as well as managers, to understand how to use it. And as we reviewed the pass rates in preparation for the grievance that is mentioned in David's testimony, we found that there were some R.O.'s that weren't using the tracking system correctly, and that was why some of the pass rates look lower than they actually are. But we are very confident that the pass rate is over 80 percent, and going up every month.

MS. BERKLEY. Do you think there is inconsistent training? And does it adversely impact on the quality of the employees' work?

MR. WALCOFF. You know, inconsistent training is something that we are always very concerned about, and we have done everything, I think, that we can to try to deal with that. That is why we have not only—not only do we have a national curriculum, starting with the basic challenge training for all of our new employees, where they go to a centralized place and spend three weeks there, and then when they go back to their regional offices, spend 23 weeks taking a national TPSS curriculum that everybody is required to take.

But for journeyman VSRs and rating specialists, we get the 70-hour requirement, where C&P service has listed a number of courses that are mandatory for every individual during that year, and also specifies "This is the way you will teach it. Here is a satellite broadcast," you know, "Here is a video," that type of a thing. So certainly, mechanisms are out there to ensure that there is consistent training. We track the logs to make sure that everybody is doing what they are supposed to do consistently. You know, in an individual—

MS. BERKLEY. There is adequate oversight, in your opinion?

MR. WALCOFF. I believe there is. I believe there is, ma'am.

MS. BERKLEY. Let me draw your attention to the American Legion testimony. In it, they have indicated that the focus on end-product production quotas in regional offices leads to poor-quality decisions and appeals. When and how did the VA last evaluate the usefulness of end-product code measure of performance? And is there perhaps a better method of measurement?

MR. WALCOFF. I think that everybody, or just about everybody, would agree that we would like to evolve away from the basic end-product system, to more of an issues-oriented system, and I have been to hearings where this has been discussed. And I think you know that up until about a year ago, we really didn't have the ability to accurately measure the work that we are doing or receiving on an issues-based basis. With RBA 2000 now being mandatory, and everybody using it, that is really a vehicle that really does allow us to be able to count issues versus cases.

And that is really the first big step toward moving away from an end-product system. It is certainly a more accurate way to measure quality. It is a more accurate way to measure our production. And it would do a lot in terms of some of the concerns even that AFGE has about how we measure how productive, you know, an individual is. We have talked a lot about it.

There are some initial steps taking place for us to begin doing that. It is going to be a process. I mean, it is certainly something that were going to have to work with, with all of you all on, in terms of explaining what we are doing, why we are doing it, and how that will affect our performance, because we want to be able to give you apples and

apples to be able to compare in terms of whether we are improving or not. Certainly we would work with service organizations, and with the union, as we migrate from the one system to another. It is not something that is going to be done over a period of months. But we have had discussions with Admiral Cooper, and I know that he is committed that this is something that were going to want to do.

MS. BERKLEY. Is there anything that we can do to help implement that, in getting away from the end-product system? Because I agree with you; it won't take months. But how do we, as members of this Committee, enable you to do this and not be here 20 years from now talking about the same thing?

MR. WALCOFF. One of the things that I think will be helpful is, you know, any time we make a major change in the way we measure something, you know, I think that there is always a concern—and as I say, I have been around in headquarters for a while, and I know that sometimes there is a concern, “Well, they are kind of changing the name of the game a little bit to maybe just take away attention from what actual performance is, and that sort of thing.” And I think certainly that is a legitimate concern that our stakeholders certainly should be thinking about.

What I would want to do in terms of working with you is to try to sit down and talk about, “Okay, what is it that you would need for reassurance as we evolve from one system to another?” So that you could see not only that we are moving, you know, in a direction that we both think we need to, but you can also monitor on us in your oversight capacity as to how we are performing, and be able to do it on some consistent plane, rather than in two different languages, sort of, you know, so to speak.

And that is something we will be able to hopefully work with you on, and you know, I think we can come to some agreement on that.

MS. BERKLEY. Okay. Thank you, Mr. Walcoff.

MR. MILLER. Thank you very much. We appreciate your testimony. Thank you for those that joined you today. If you would, if you could have a member, you or a member of your staff, if they could remain behind we would appreciate it, for the next panel. Thank you very much.

MR. WALCOFF. Okay, thank you.

MR. MILLER. And if the second panel will make their way forward. While you are getting settled I am going to go ahead and introduce everybody if it is okay.

Dr. Laress Wise is president of the Human Resources Research Organization, the group VBA contracted with to develop the skills certification testing program. Mr. Jeffrey David Cox is the national secretary-treasurer of the American Federation of Government Employees. And Mr. Steve Smithson, he is with us, is the deputy director for claims services at the Veterans Affairs and Rehabilitation

Division of The American Legion.

And each of you we would ask, if you would, hold your testimony to five minutes, since there are three of you. Your full testimony will be entered into the record. It will be printed in its entirety, as it was submitted.

Dr. Wise, welcome, and you may begin.

STATEMENTS OF LAURESS L. WISE, PH.D., PRESIDENT AND CHIEF EXECUTIVE OFFICER, HUMAN RESOURCES RESEARCH ORGANIZATION; J. DAVID COX, R.N., NATIONAL SECRETARY-TREASURER, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO; STEVE SMITHSON, DEPUTY DIRECTOR FOR CLAIMS SERVICES, VETERANS AFFAIRS AND REHABILITATION DIVISION, AMERICAN LEGION

STATEMENT OF DR. LAURESS WISE

DR. WISE. Thank you. Good afternoon, Mr. Chairman. I am Laress Wise, president of the Human Resources Research Organization, known less formally as HUMRO. HUMRO is a nonprofit 501(c)3 research and development organization established in 1951 that worked with government agencies and other organizations to improve their effectiveness in developing and managing their human resources.

I have been asked to testify today about the work that HUMRO has done for the Veterans Benefits Administration on their program for certifying essential skills for veteran service representatives. For brevity, veteran service representatives are referred to as VSRs. These service representatives play a key role in seeing that our veterans receive a full array of benefits to which they are entitled. Performance at the highest level of this position requires a thorough understanding of an extensive set of policies and procedures, and skill in identifying appropriate applications of these procedures to individual circumstances.

The skill certification program embarked on by the VBA is critical to ensuring that service representatives have the knowledge and abilities needed to perform their jobs effectively.

My written testimony, which I ask be entered into the record, describes in some detail HUMRO's efforts to develop the VSR skill certification test. I will just cover briefly the essential points here. Our work began in 2001 with an analysis of critical tasks performed by the VSRs and the knowledge and skills required to perform these tasks effectively. HUMRO worked with a design team that included VBA management, expert job incumbents, union representatives, and members of the veteran service organizations, to review the job analysis results, and develop a blueprint for the certification test.

The blueprint identified content areas to be covered by the test and specified the number of test questions to be included for each of these content areas. We worked with the design team to develop, review, and provide high-quality test questions. A pilot test was conducted to screen individual questions followed by a field test of the entire certification process.

Two different approaches were taken to accessing the validity of the resulting test scores for certifying a candidate's qualification for the GS 11 position. In a content validity study, experts affirmed that each of the test questions measured knowledge and skills essential for job performance. We also conducted a criterion-related validity study. In that study, test scores were found to be significantly correlated with job performance ratings made by each examinee's supervisors. The test development and validation process conformed fully to professional standards for test development and use. The resulting certification test is a valid and important tool for ensuring essential skills for those promoted to the highest level VSR job.

I was also asked to comment on the issues surrounding the May 3rd administration of the skill certification test. Two forms of the test were administered to 934 candidates. The reason for administering two forms was so that examinees sitting next to each other would not get the same questions in the same order. Each test form included 100 scored items and 20 additional questions being pilot tested for future use. The two forms had 67 operational, or scored, items in common, albeit in different locations within each test form.

Because of the length of the test, the test is split across two sessions; one in the morning and one in the afternoon. Candidates received a different test booklet for each of these two sessions. Due to a processing error at HUMRO, some of the questions for the afternoon booklets were inserted into the incorrect test form. This error resulted in duplicating some questions from the morning session in the afternoon session booklets for that corresponding test form. Quality control procedures in effect at the time included a review of each test but did not include a thorough comparison of the morning and afternoon booklets within a test form. Consequently, this processing error was not caught prior to the test administration.

The week following the May administration, HUMRO Vice President Beverly Dugan, our project director, Dr. Patricia Keenan, and I met with VBA leadership to discuss the problem and identify methods for providing valid scores to the May administration examinees. Our discussion identified several possibilities, including using some of the pilot test items to construct an 80-item test; ignoring the redundancy and scoring each of the duplicate items to provide a 100-item test; and conducting a supplemental administration, using the items that were originally intended to be included in each of the afternoon booklets.

The solution selected by the VBA management was to conduct a supplemental test, and administer the items that were originally intended to be presented in each of the afternoon tests. This allowed everyone to be scored on 100 separate items, to keep the test mapped to the blueprint exactly as designed, and made the May 2006 administration much more equivalent to the operational field test and validity test, and to those administrations planned for the future.

The supplemental test administration was held on June 7th, 2006. After both portions of the test were scored, 42 percent of those who took the test passed. The supplemental testing did create an inconvenience to examinees, and additional burden to those who administered the test, but the end result was an assessment that covered the content framework as intended, with questions and scores that were psychometrically sound.

HUMRO's staff have reviewed the factors that led to the error in assembling the test booklets. One such factor was the limited time available for assembling and checking booklets. The VSR job continues to evolve. New types of cases are often added to the case load. Newly electronic tools and databases are developed, and more pension cases are being moved to pension maintenance centers.

A workshop to review test questions, to be sure that they reflected current policy and processes, was held in April of 2006. Item writers reviewed all of the items in the bank, revised many of them, and updated the references. The revisions were more extensive than originally anticipated, and the work to update the item bank was completed late the week prior. We had only two days to select the forms. In retrospect, it was clear that more time is needed.

We have now implemented procedures to prevent future occurrence of these problems, both by allowing more time, and incorporating more thorough checks of the test booklets.

In summary, the VSR test is an important tool for improving the effectiveness of the VSR workshop, and serving the benefit needs of our veterans.

Mr. Chairman, that concludes my testimony. Thank you for the opportunity to appear today.

[The statement of Laress Wise appears on p. 36]

MR. MILLER. Doctor, thank you very much for your testimony. What I would like to do if we could before we go to questions is let the other panelists go ahead with their remarks.

Mr. Cox, you are recognized.

STATEMENT OF MR. J. DAVID COX

MR. COX. Thank you, Mr. Chairman.

Chairman and members of the Subcommittee, good afternoon. I

am J. David Cox, national secretary-treasurer of the American Federation of Government Employees. Thank you for inviting AFGE to testify today. I ask that my written statement be submitted for the record.

MR. MILLER. Without objection.

MR. COX. As the purse Vice President of AFGE's national VA council and a local president, I have visited a large number of VBA regional offices. What I observed from the front lines is that VSRs and rating specialists are under tremendous pressure to process enough cases to meet performance standards. They stay late into the evening and work weekends. They study on their own time because training is often cut short to make the numbers.

Despite all this, many of them cannot make the numbers. They are further demoralized by a confusing certification test. VSRs and rating specialists want to help veterans get an accurate and prompt decision on their claims. Many are themselves service-connected veterans. VBA training is clearly an investment worth making. AFGE believes that genuine collaboration on training and performance measures will make this critical investment go far. Lawmakers, managers, employee representatives, and veterans groups, have to work together to come up with training and standards that are workable, doable, and durable.

Unfortunately, VBA seems less and less open to collaboration than in the past. After we have worked together to develop the CPI model, we have now been left out of key task force meetings. After we worked together on national performance standards, they have refused to address problems that have been developed. Even though we developed the VSR certification by agreement, VBA is refusing to work with us to fix what isn't working. The role of on-the-job training for VSRs and rating specialists cannot be underestimated.

By VBA's own estimates, it takes at least two to three years for a new VSR to be fully productive. Yet, what VBA is doing about an impending shortage of experienced adjudicators due to retirement and high turnover among frustrated new employees.

AFGE offers the following recommendations: a joint VBA stakeholder team should develop a national mandatory training plan, with strong oversight. We need a uniform curriculum, training schedule, and a set of best practices. The oversight process should be transparent to all stakeholders, with regular reports to Congress to make sure that VSRs and rating specialists everywhere get the same quality and amount of training, and rotate through all adjudication teams.

VBA should develop a cadre of trainers skilled in both teaching and veterans benefits. Currently, trainers are selected without consistent criteria. All trainers should be of the caliber one is likely to find at the VBA Academy. Continuing education should be mandatory and nationally uniform. Supervisors should be required to hold

weekly meetings to go over new laws, regulations, court cases, and best practices.

Current performance standards need revision. One third of VSRs and rating specialists are failing to meet unrealistic production quotas. CPI specialization should also be factored in. Training for skills and certification tests should be nationally uniform. The first two validity tests for VSR certifications had a very low passage rate, and more than half failed the May 2006 test. I can't help but wonder whether any managers have ever had to take this test, and what their pass rate would be.

The test is supposed to be a culmination of the training, but there is a real disconnect between the two. Trainers do not even know what to cover. Employees are not told how many questions they need to get right, which questions they got wrong, and what the correct answer is. Something is wrong when two employees with identical scores test at different times, and only one passes.

Finally, we hope the Subcommittee will consider the related issue of classification of the VSR and rating specialist positions. Unlike comparable adjudication jobs at other Federal agencies, the VSR career ladder ends at the GS 10. We currently understand that VBA recently completed a review of these classifications. Once again, we would like to be part of this process. We look forward to working with Chairman Miller and Ranking Member Berkeley, to ensure that VBA claimants get the best services possible. Our veterans deserve nothing less.

Thank you, Mr. Chairman, for allowing me to be here today.
[The statement of J. David Cox appears on p. 45]

MR. MILLER. Thank you, Mr. Cox. Mr. Smithson, you are recognized.

STATEMENT OF MR. STEVE SMITHSON

MR. SMITHSON. Mr. Chairman and members of the Subcommittee, thank you for the opportunity to present the American Legion's views on the training provided to Veterans Benefits Administration claims adjudicators and the standards used to measure their proficiency and performance. We commend the Subcommittee for holding this hearing to discuss these important issues. I am going to limit my remarks to emphasize major points discussed in my written testimony, and ask that my written statement be entered into the record.

MR. MILLER. Without objection.

MR. SMITHSON. The American Legion appreciates the importance the Undersecretary for Benefits has placed on training, and the improvements that have taken place, including centralized training for regional office staff conducted by the compensation and pension ser-

vice. However, in our opinion, the culture of VA's claims adjudication has been and continues to be production-driven. This results in everything else, including quality assurance and training, taking a back seat. If this culture is ever going to change, VA, in addition to the centralized training currently taking place, must consistently implement national training requirement or standard in each regional office for all employees, new hires and experienced alike.

It must also be implemented with strong oversight directly from the Under Secretary for Benefits' office, and it must have teeth. Management stations not in compliance must be held accountable, or the effort will not be successful.

Additionally, there must be an emphasis placed on using information obtained from BVA decisions, DRO decisions, and errors noted in the National Star reviews, and other internal quality reviews. Such data should be tracked, examined for patterns, and used in formal, customized training at each R.O.

Although such data is being collected and the American Legion's quality review visits at VA regional offices have identified some stations that have been conducting such training, it needs to be done across the board at each R.O. Unless regional office staff, both managers and individual adjudicators, learn from their mistakes and take corrective action, there will continue to be a high rate of improperly adjudicated claims, resulting in consistently high appeals rate, and a subsequent high VBA remand and reversal rate.

Performance standards, which tend to go hand-in-hand with the production-first mentality entrenched in VBA is another topic that needs to be addressed. Performance standards of claim developers and raters are centered on productivity as measured by work credits, known as end products. Both veteran service representatives and rating service representatives have minimum national productivity requirements that must be met each day. Unfortunately, the end product work measurement system, as managed by the VA, does not encourage regional office managers to ensure that adjudicators do the right thing for the veteran the first time. For example, denying a claim three or four times in the course of a year before granting benefits sought allows for several end-product work credits to be counted just for this one case, rather than promptly granting the benefit and taking only one work credit.

In the view of the American Legion, the need for substantial change in VBA's work measurement system is long overdue. A more accurate, reliable work measurement system would help to ensure better service to veterans. Ultimately, this would require the establishment of a work measurement system that does not allow work credit to be taken until the decision in the claim becomes final; meaning that no further action is permitted by statute, whether because the claimant has filed to initiate a timely appeal, or because BVA rendered a final

decision.

Lastly, we are pleased that C&P has begun implementing a job certification test for VSRs, and we look forward to similar testing being established for RVSRs and DROs. However, we are concerned that the current testing taking place is not required as a condition of employment for the position. Although successful completion of the test is required for promotion or transfer to the rating board, it is still optional. The ultimate goal of a proficiency or competency testing should be to ensure that an individual in any given position is competent, proficient, and otherwise qualified to perform the duties required of that position. This goal will not be achieved if testing is not mandatory and remedial training or other corrective action is not required for those who do not successfully pass the test. Although this concept may not be embraced by some, the ultimate goal is to have qualified and competent staff who will provide the best possible service for our veterans.

In closing, the American Legion realizes that VBA faces many difficult challenges during the upcoming fiscal year. Although we have offered our suggestions and comments, we realize that there is no easy solution, and we will continue to work closely with VA to ensure that our nation's veterans receive the benefits to which they are entitled.

That concludes my testimony and I will be happy to answer any questions.

[The statement of Steve Smithson appears on p. 56]

MR. MILLER. Thank you very much, and I will start with you. You talked in your written testimony about too few experienced supervisors were available to provide trainees, I guess, with proper mentoring and quality assurance. Can you give me some type of an indication as to what you would think an experienced supervisor would be?

MR. SMITHSON. An experienced supervisor would be somebody that has been on the job for a number of years, has worked up through the system, and has proven themselves to be competent through their work, the performance standards, and other measures.

MR. MILLER. Mr. Cox, you had talked about VA failing the VSRs by not adequately preparing them to take the skills certification test. Did I read that correctly? How much of the onus of passing a test falls on the employee?

MR. COX. There would be a part that would fall on the employee, certainly, sir. However, much of the training material for the training for the test, and for the employee to study, is on the computer, sir. And I wouldn't even raise the issue of an employee taking a computer home at this point to study for the test. But I mean those type of things are the things readily available. And at the same token, this is not a job that an employee comes with a ready set of skills. I am a

registered nurse by profession. I come to the VA with a set of skills required for that job. With a VSR, that person comes to the VA, and it is on-the-job training, and it is all done there on the job.

MR. MILLER. Would AFGE support mandatory testing as a condition of employment?

MR. COX. I think AFGE would have to look very, very closely, and be concerned with the mandatory testing as a condition of employment, sir. We don't believe that is done at other Federal agencies with similar type jobs, similar to the claimant jobs; Social Security being one of them.

MR. MILLER. Dr. Wise, you indicated that some of the test questions in the pilot test were dropped because participants indicated that there were problems with those questions. Can you give us an idea of what those might have been?

DR. WISE. Well, there certainly are instances where the rules may have evolved since the question was written, so that no longer clear which is the correct option on the question, would be an example.

MR. MILLER. Ms. Berkley?

MS. BERKLEY. Thank you, Mr. Chairman. The State of Nevada has the fourth highest remand rate in the nation, and I have a lot of very unhappy veterans, and I have been trying for quite a while to figure out what we could do to make this work a little bit better. I have questions for each of you, and again, let me thank you all for being here and sharing your knowledge with us.

MR. SMITHSON, in your experience, do regional offices which provide consistent, high-quality training have fewer errors and lower remand rates?

MR. SMITHSON. Could you repeat the question please?

MS. BERKLEY. Yes, I can. Do regional offices - this seems like a no-brainer to me, but I am kind of curious, regarding your experience. Do regional offices that provide consistent, high-quality training have fewer errors and lower remand rates? Have we been able to track high-quality training, better service on the job, lower remand rates?

MR. SMITHSON. In our experience, there is more satisfaction. Veterans have more satisfaction from receiving decisions from those offices, yes.

MS. BERKLEY. I listened to your testimony, but I have to tell you I think you speak faster than I hear. So I would appreciate if perhaps you spoke a little slower. Do you have any specific recommendations for revision of VBA's workload management system?

MR. SMITHSON. Again, I think we need to—are you talking about the end-product, the credit, work credit?

MS. BERKLEY. That could be part of it. Sure.

MR. SMITHSON. For the work credit, I think we need to look at not giving credit for a case until it becomes final, whether that be the one-year period expires and the veteran does not file a timely appeal, or

the BVA renders a final decision.

MS. BERKLEY. When we talk about VBA's workload management system, is there a magic number that—and I know it can't be the same number for every employee; everybody works differently. But is there a point at which our VBA employees are so overloaded that they can't possibly provide the quality service that our veterans need?

MR. SMITHSON. I think some stations, they are definitely overworked, not enough staff. When we do our quality review visits, not only do we look at the decisions for quality errors; we talk to the VBA staff, and a lot of them tell us that, you know, there is not enough people, the standards are too high, they are not realistic. Some stations, we encountered in our experience, in addition to the national standard have their own standards that may be above the production standards, that may be above what the national standard is, because of their backlog and their particular situation.

MS. BERKLEY. Okay. Mr. Cox, welcome. Are the problems that you described in your testimony with training widespread, or more problematic to specific regional offices? Is it just across the board?

MR. COX. I think it is across the board. I think the training, that there is not consistency with the training. And also, dealing with adult learning is a creature unto itself, as I think we are all aware.

MS. BERKLEY. I would hate to have to go to law school again, that is for sure.

MR. COX. Yes, I wouldn't want to go to nursing school again today, either. But I think people learn by different modalities. Some do well with online-type training. Others need a standard classroom, those type things. And so the training that meets the needs of the individual in how they learn to perform that job—again, I think one very specific thing about these jobs in VBA are you don't come with a ready set of native skills for them. You have to get that training there at the job site. I mean, there are people in these VSR positions that come with a high school diploma, and some come with graduate degrees that do the same work, but they must learn all that work there.

MS. BERKLEY. But doesn't learning have to be somewhat standardized, the methods—I think in our school systems across the country, there are kids that learn different ways, but I don't think that we can provide a specific type of learning path for one student and one for another and another. Is there a way that we could standardize this nationally, and still be able to provide the training that our VBA employees need?

MR. COX. I think that you could get the standardized training. I would look at what is done at the VBA Academy in Baltimore. There are people—that is their job, to do nothing but training. It is not a collateral-type duty or things that they do. They are trainers, and

they do that work consistently over and over.

And I do applaud the VBA. I think the training academy in Baltimore has done an excellent job, and will continue to do an excellent job, and that there are good lessons to be learned from the things that are housed there.

MS. BERKLEY. Let me ask you a couple of questions—part of your testimony concerned me because I am a strong union supporter, and a great believer that unions and management working together certainly provide a much better product. Can you describe the efforts the union has made to engage VBA in collaboration on training and performance issues, and has there been a change in behavior? And if so, to what do you attribute that change of behavior to?

MR. COX. I would think, you know, also Mr. Walcoff responded earlier, and I have always had a great working relationship with Mr. Walcoff and his colleagues at VBA, as well as many of us at AFGE. However, and I would, you know, say that in his comments, it is “We comply with the law, we comply with the contract, we do the things that meets our labor-management obligation.” However, many times we have to do more. We have a veteran, your constituents, at the end of this process, waiting for their claims to be processed, and be processed correctly. So to just comply with the law, with what it says in the labor-management relationship, I don’t believe is enough. There must be a true partnership, a collaborative relationship of working together, and meeting the needs, clearly identifying problems, and arriving at a solution, and sometimes sharing information that either side kind of holds private.

MS. BERKLEY. Thank you very much.

MR. WISE, how does the pass rate of 25 percent and 42 percent for the open-book VSR test compare to other similar occupational tests with an open-book format? That seems extraordinarily low, if you have got the answers at your fingertips.

DR. WISE. Well, I would agree. And actually, I am not familiar with that many instances of open-book tests, which I think is a fairly unique feature of this assessment, in allowing the examinees access to the resources, most all the resources they would normally have on the job.

MS. BERKLEY. And you know, I found that kind of interesting because when I was in college and law school, if I took an open book test, I always performed worse, because I think I was expecting that I would be able to get the answers really quickly during the test-taking time, and it was just a disaster. So I am not sure that is a good idea.

DR. WISE. Well, it is an important feature of the assessment, that in order to ensure its validity we try and replicate the job as closely as possible. So for that reason, open book does seem appropriate to this exam.

MS. BERKLEY. Does the low pass-rate suggest that a number of experienced employees do not have the requisite knowledge, skills, and aptitudes to perform their current jobs adequately? And if that is not the case, to what do you attribute the low test scores?

DR. WISE. The VBA management and, you know, and the experts that reviewed it set the pass scores at a level that was adjudged to be the point at which people that were just sufficiently qualified would need to score, in order to demonstrate the kind of skill that is required for this higher-level position. The lower passing rates would indicate that many of the candidates who took the exam don't yet have those skills, but they do have the opportunity to go back and study and take the exam again.

MS. BERKLEY. Okay, thank you very much.

MR. MILLER. Thank you very much, Ms. Berkley.

That is all the questions that I have, too. And everybody's testimony has shown that the training claims examiners receive is vitally important to achieving VBA's mission. As I said in my opening statement earlier, the adjudication of claims is a complex and cumbersome process, and I certainly appreciate the importance that Admiral Cooper has placed on training by mandating the 80 hours of training annually, and hope that the regional offices' directors are taking heed of this mandate.

I look forward to working with VBA and its stakeholders to ensure that proper training and skills development is at the forefront of claims development. I appreciate everybody's time for coming and attending today. Without objection, members will have five legislative days to submit materials for the record, as well as post-hearing questions to the witnesses.

With nothing further, this hearing is adjourned.

[Whereupon, at 3:29 p.m. the hearing was adjourned.]

APPENDIX

Statement of Congresswoman Shelley Berkley
Subcommittee on Disability Assistance and Memorial Affairs
Oversight Hearing on the Training Provided to Veterans Benefits
Administration Claims Adjudicators and the Standards Used to Measure Their
Proficiency and Performance
September 12, 2006

Thank you, Mr. Chairman. VA employees who decide critical benefits issues for our Nation's veterans must have proper training in order to fulfill VA's mission. I am very pleased that we are giving attention to this issue.

I am very concerned that the majority of experienced Veterans Service Representatives (VSR) who have taken open book, open resource tests were not successful in passing those tests. I am also concerned that files reviewed by Committee staff and claims brought to the attention of the Committee often contain obvious errors, which VA managers quickly agree to correct.

According to Mr. Walcoff's testimony, VA provides national comprehensive training to regional office staff. However, both the employees' union, AFGE, and the American Legion report wide regional office variations in training. Having a national plan, does not guarantee that a national plan will be effectively implemented.

The union testimony concerning the VBA's exclusion of labor representatives from meetings about training and performance standards is disturbing. Labor and Management need to work together to improve the training provided to VA employees and to set realistic performance standards.

Veterans who have honorably served our nation deserve quality decisions in order to receive the benefits and services they deserve. The cooperation and collaboration of all partners is essential if this goal is to be achieved.

Thank you, and I look forward to hearing from the witnesses on this important subject.

U.S. Congresswoman

Ginny Brown-Waite*Representing Citrus, Hernando, Lake, Levy,
Marion, Pasco, Polk, and Sumter Counties*

**Statement of Congresswoman Ginny Brown-Waite
Subcommittee on Disability Assistance and Memorial Affairs
Opening Statement
Oversight Hearing on the Training Provided to VBA Claims
Examiners and the Standards Used to Measure their
Proficiency and Performance
9/13/2006
2:30 PM**

Thank you Mr. Chairman,

I would also like to thank all of the witnesses for appearing before the committee today.

The Veterans Benefits Administration's claims process is arguably the backbone of the Department of Veterans Affairs (VA). To provide our nation's veterans with benefits, the VA requires qualified claims examiners. With the number of annual claims filed by veterans continuing to rise, examiners have an extraordinary responsibility before them. Long wait times or mistakes are unacceptable, especially for those veterans who might not have much time left.

I applaud the VA's recent efforts to improve the education of its claims examiners. Job-related education will go a long way toward ensuring that our nation's veterans receive their benefits in a timely fashion.

As Members of Congress, we have an extraordinary responsibility to veterans. These individuals deserve the timely and efficient adjudication of their claims. I look forward to working with my colleagues on the Committee to see that this occurs.

Thank you.

**STATEMENT OF
MICHAEL WALCOFF
ASSOCIATE DEPUTY UNDER SECRETARY FOR FIELD OPERATIONS
VETERANS BENEFITS ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
HOUSE COMMITTEE ON VETERANS' AFFAIRS**

SEPTEMBER 13, 2006

Mr. Chairman and members of the Subcommittee: Thank you for the opportunity to appear before you today to address training for Veterans Benefits Administration (VBA) claims adjudicators; the standards we use to measure their proficiency and performance; and how we communicate changes in laws, regulations, policy and procedures to field station staff. I am accompanied by Mr. James Whitson, Director of VBA's Eastern Area Office; Ms. Janice Jacobs, Deputy Director of VBA's Compensation and Pension Service; and Ms. Dorothy Mackay, Director of VBA's Office of Employee Development and Training.

Training

Training is central to every quality organization. VBA is committed to ensuring all employees have the opportunity to learn and develop the knowledge, skills, and abilities required to be successful in their current roles and to prepare them for positions of increasing responsibility and leadership. We therefore recognize training as a core element of VBA's infrastructure and key to our succession planning efforts. Ensuring an effective training program is especially critical as we hire new employees to replace many of our more experienced employees who are expected to retire over the next few years.

VBA has deployed new training tools and programs to provide a more consistent approach to training. Newly hired veterans service representatives (VSRs) receive a comprehensive and consistent foundation in claims processing

principles through a national centralized training program called "Challenge." After this initial centralized training, employees follow a national standardized training curriculum at their home regional offices. This 23-week curriculum includes full lesson plans, handouts, student guides, instructor guides, and slides for classroom instruction. A consistent, nationally developed training program also is provided to newly appointed Rating VSRs (RVSRs).

Additionally, standardized computer-based tools have been developed for training decision-makers. The Training and Performance Support System or TPSS provides cooperative-learning modules centered on the skill sets required to become a fully functioning VSR or RVSR. These TPSS modules are also used as refresher training for experienced decision-makers. Currently, there are 27 TPSS modules available covering the claims and appeals processing functions of VSRs and RVSRs, with additional modules being developed. These modules are regularly updated and supplemented with on-the-job training at the regional office level, as needed.

The Electronic Performance Support Systems or EPSS provides VSRs and RVSRs with electronic job aides for immediate reference as they work cases. By responding to a series of questions based on the issue presented, EPSS guides claims adjudicators in the decision process. EPSS also offers tools that explain medical terminology and describe medical conditions to help decision-makers understand the severity and impact of claimed disabilities.

VBA also provides training to claims adjudicators through distance-learning technology. Satellite broadcasts are produced throughout the year on topics covering the full spectrum of issues including legislative and policy changes, the impact of court cases, and rating considerations for particular disabilities.

To ensure the trainers have the skills to make their training classes effective and engaging, VBA provides a week-long Instructor Development Course. All

trainers for national level training programs, such as "Challenge" training, must graduate from the Instructor Development Course.

An extensive training website provides another ready-reference tool to assist regional office employees. The website offers lesson plans, training guides, job aids, and other training materials to assist newly hired or journey-level VSRs and RVSRs. The website also contains links that cross-reference documents and web sites to reduce VSR or RVSR research time.

This fiscal year, the Under Secretary for Benefits established a policy requiring that regional offices provide all claims adjudicators with a mandatory 70 hours of job-specific training. Most other employees are required to be provided with at least 40 hours of training. In FY 2007, the mandatory training for claims adjudicators will increase to 80 hours.

VBA has established core requirements for this technical training, with Headquarters' business lines and staff offices required to identify curricula for each major position in VBA. To ensure training is properly planned and executed, each regional office is now required to develop an annual training plan and report twice yearly on its training accomplishments. Regional office training plans and reports are reviewed in Headquarters to identify trends, training gaps (where more centrally provided content is needed), and local best practices that could be adapted for national use. Every facility receives written feedback on its training plan and progress. This process has resulted in enhanced consistency in training and has produced data on training trends, strengths, and areas for improvement. This process provides regular snapshots of the state of training in VBA and has increased accountability for ensuring employees receive quality training.

Dissemination of New Information and Changes to Field Employees

VBA ensures that regional offices are provided timely, accurate, and complete information on regulatory, statutory, and administrative changes, as well as any legal or judicial decisions that affect claims processing for our nation's veterans. This includes changes in policy and procedures that affect the way VBA does business, such as what to include in a letter informing a veteran on what is needed to substantiate his/her claim.

Field station employees receive this information through various delivery methods. The Compensation and Pension (C&P) Service issues guidance letters (called "Fast Letters") to advise field employees on policy and procedural changes and legal revisions. In 2005, the C&P Service issued 23 Fast Letters; 16 have been issued to date in 2006.

Decision Assessment Documents (DADs) are prepared following a precedent decision of the Court of Appeals for Veterans Claims (CAVC) or decision of the U.S. Court of Appeals for the Federal Circuit (Federal Circuit). DADs are also issued on precedent opinions of the Office of General Counsel. DADs explain the judicial holding, summarize the facts and reasoning of the particular case, and inform field employees of any impact on VBA. A DAD is typically prepared in the days following a court decision and then sent to field employees via electronic mail and posted on the C&P Service's website.

Additionally, the C&P Service maintains a separate page on its website specifically designed to encourage two-way communication between claims adjudicators and the C&P Service staff. There is a "Frequently Asked Questions" page that provides answers to questions posed by field station employees that were unable to be resolved at the local level or that have national policy implications. Questions are answered by subject matter experts who serve on a "Q&A" committee. Answers are categorized and indexed according to subject matter and date posted.

The C&P Procedures Manual is continually updated to incorporate guidance and changes communicated through Fast Letters, DADs, satellite broadcasts, etc. Notification of manual changes are sent to field employees by electronic mail and also posted on the C&P Service's website.

The C&P Service also communicates extensively with the field through Veterans Benefits Network (VBN) broadcasts. These broadcasts are designed to provide in-depth analysis and discussion on VBA procedures and policies by subject matter experts. They are generally taped, but frequently also transmitted live so field employees can call in questions or request on-the-spot clarification. In recent months, VBN has aired broadcasts on the Manual Rewrite Project and on the development of claims for post-traumatic stress disorder, which included practical case scenarios.

The C&P Service hosts monthly conference calls with veterans service center managers to discuss current "hot" topics. These calls provide an opportunity to clarify new and existing policies and procedures and address recent court cases. These live conference calls give field stations an opportunity to pose questions and concerns directly to the C&P Service for immediate feedback.

National Performance Standards for VSRs and RVSRs

Another VBA organizational cornerstone to improve the delivery of benefits and enhance accountability is our system of individual performance assessment. All VSRs and RVSRs are subject to national performance standards that are reviewed periodically and amended as necessary in response to changes in workload and claims processing procedures. Managers use an automated tool called ASPEN to track work items completed and measure VSR and RVSR performance. Local accuracy reviews are conducted for all decision makers using the national quality criteria (Systematic Technical Accuracy Review or STAR).

The genesis of the current performance standards for VBA's claims adjudicators was the review by former Secretary Principi's Claims Processing Task Force, which was chaired by Admiral Daniel L. Cooper prior to his appointment as Under Secretary for Benefits. The Task Force provided many recommendations to improve the efficiency and effectiveness of VBA claims processing, including reengineered organizational structures and business processes for adjudicating veterans' compensation and pension claims. This new claims processing structure, called the Claims Processing Improvement (CPI) Model, placed greater emphasis on consistency of process and accountability for results, and led to development of new national performance standards.

Teams were chartered and charged with creating national VSR and RVSR standards. The standards focused on the key elements of quality, productivity, customer service, and timeliness. The performance standards were tested at several pilot sites and revised based on feedback from those tests. Agreements were reached with the American Federation of Government Employees (AFGE) prior to implementation. The current VSR performance standards have been in effect since October 2005. A team of regional office directors, service center managers, rating coaches, and Headquarters staff is currently considering revising the RVSR standard based on recent business process changes, such as the consolidation of the pension maintenance and Benefits Delivery at Discharge workloads.

VBA's four Area Offices and the Office of Field Operations monitor performance at the regional office, area, and national levels for accountability purposes, as well as for performance trends.

Skills Certification Testing

In conjunction with the national performance standards, VBA has developed a certification process to assess job proficiency. By successfully demonstrating job proficiency through the certification process, an employee is promoted to the journey level, thereby linking job proficiency to pay grade. Through the national certification program, VBA is raising the skill levels of our core decision-makers and producing greater consistency in claims decisions.

The concept of skills certification originated in the late 1990s as part of VBA's Business Process Reengineering (BPR) effort. However, the initiative did not begin in earnest until January 2000 when an MOU was signed with AFGE announcing the adoption of a certification program for the VSR, RVSR, and Decision Review Officer (DRO) positions. The VSR position was selected for the pilot program.

In December 2000, VBA contracted with the Human Resources Research Organization (HumRRO), a nationally known research group that develops products and provides services to improve organizational performance, to assist in the development of a certification instrument. Since that time VBA subject matter experts have been working with HumRRO to design, develop, and validate an effective certification process that assesses the knowledge and readiness of VSR GS-996-10 incumbents for promotion to the GS-11 level. A mid-course review was conducted following the implementation of the CPI Model to ensure the validity of the certification instrument with respect to the new organizational structure and processes.

Prior to VSR Skills Certification, the career ladder for the VSR position ended at the GS-10 level. The higher level award review and authorization functions

were performed by GS-996-11 Veterans Claims Examiners (VCE). Employees were selected for these VCE positions through merit promotion.

Beginning in late 2002, VSR job announcements began identifying the full performance level for VSRs at the GS-11 level, contingent upon successful completion of certification testing. Through successfully passing the certification test VSRs demonstrate that they have the skills necessary to perform the full range of VSR duties, including independently working the most complex cases and reviewing and authorizing the work of others.

The certification process consists of a 100-question multiple-choice, open-book test given over the course of two sessions, one in the morning and one in the afternoon. VSRs have 2.75 hours to complete each session with an hour break between sessions. The test design is based on a blue print of knowledge areas developed by subject matter experts. VSRs are provided access to on-line references and invited to bring any other reference material to the test site, including individually prepared notes. To pass the test, VSRs must achieve a minimum overall score and a minimum score on the compensation portion of the test.

The first validation test was performed in August 2003. There were 298 participants in the first test. Of these, 75 passed for a pass rate of 25 percent. While this was a lower national pass rate than anticipated, we were confident that the instrument would advance only those with the skills and abilities to perform at the GS-11 level. In many cases, the test results were consistent with the predictions of local managers as to who would pass and who would not. Modifications were made to the instrument and test administration process to address some of the validation test findings. As an example, the time allotted for taking the test was increased, as was the break period between the morning and afternoon session.

VBA conducted a second validity test in April 2004. There were 650 participants in the second test. Of these, 188 passed for a pass rate of 29 percent. Despite the continued low pass rate, HumRRO found a significant correlation between performance on the test and an assessment of on-the-job performance, further confirming the validity of the test instrument. Following each administration of the test, AFGE was provided with a copy of the reported findings and analysis produced by HumRRO, along with informational briefings.

With low pass rates on the first two validation tests, a 20-hour VSR "readiness" training curriculum was developed to prepare VSRs for certification testing. The training is mandated for all VSRs who volunteer to sit for the test. We believe the combination of local and centralized training programs, along with certification "readiness" training, will not only improve pass rates, but will result in a work force better prepared to provide quality service to veterans.

A third test was administered on May 3, 2006, to 934 VSRs nationwide. During administration of the afternoon portion of the test, a problem was discovered. Multiple test items from the morning portion of the test were duplicated on the afternoon version. After consultation with HumRRO, it was decided that the best way to ensure a fair assessment of the candidates' ability to perform at the GS-11 level was to have the candidates complete the test items that should have been delivered during the afternoon session. On June 7, the correct afternoon version of the test was administered. The May/June administration of the test resulted in an improved pass rate of 42 percent.

VBA has to date promoted 633 VSRs to the full-performance GS-11 level through the certification testing process. We are confident that we have developed a valid assessment tool and certification process to raise the skill level of our VSRs. Both the instrument and process are constantly reviewed, updated, and adjusted to ensure the right skills are being tested and that employees who are successful on the test are successful on the job. We are in the process of

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expanding skills certification testing to the RVSR position for those seeking to progress from the GS-11 level to the GS-12 journey level.

Mr. Chairman, this concludes my testimony. I greatly appreciate being here today and look forward to answering your questions.

SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
September 13, 2006

VBA SKILLS CERTIFICATION TESTING PROGRAM
Lauress L. Wise, PhD.
President and CEO of The Human Resources Research Organization (HumRRO)

Written Testimony

Good afternoon. I am Lauress L. Wise, the president and CEO of the Human Resources Research Organization, known less formally as HumRRO. HumRRO is a non-profit, 501(c)3 research and development organization, established in 1951, that works with government agencies and other organizations to improve their effectiveness through improved human capital development and management.

I have been asked to testify today about work that HumRRO has done for the Veterans Benefit Administration (VBA) on their program for certifying essential skills for Veterans Service Representatives. These service representatives play a key role in seeing that our veterans receive the full array of benefits to which they are entitled. VSR performance at the highest level of the position requires a thorough understanding of an extensive set of policies and procedures concerning veterans' benefits and skill in identifying appropriate applications of these procedures to individual circumstances. The skills certification program embarked on by the VBA is critical to ensuring that service representatives have the knowledge and skills needed to perform their jobs effectively.

Development of the VSR Skills Certification Test

In January 2001, the VBA contracted with HumRRO to assist in the design, development, and validation of an effective and defensible certification process for the VSR position. HumRRO has worked with VBA to develop a certification program that assesses the knowledge of GS-996-10 incumbents to judge their readiness for promotion to the GS-11 position. GS-10 VSRs who pass the certification test are promoted to the GS-11 position; GS-11s who pass the test receive a bonus.

Job Analysis

During 2001, HumRRO conducted an extensive analysis of the VSR job. We worked with senior incumbents to identify critical VSR tasks, rate their importance, and identify the knowledge and skills needed to perform these tasks effectively. The critical tasks were organized into functional areas identified as important by the VBA Design Team¹. These areas included: (a) Compensation, (b) Pension, (c) Public Contact, (d) Administrative Decisions, and (5) Appeals.

Development of Test Questions

The Design Team used the results of the survey to develop a test blueprint, which specified the number of test questions needed to cover each of the functional areas. We then trained the Design Team to write high quality test questions (items) and conducted several item development workshops to review and revise these questions. HumRRO worked with the VBA to conduct a pilot test of the test questions and test administration procedures. Many questions were dropped after the pilot test either because the item statistics were less than optimal or because pilot test participants indicated problems with a question. This is the norm; we typically develop about three times the number of items we need for administration, knowing from experience that we will lose over half in revision or piloting.

Changes to the VSR Job

When the Claims Processing Task Force Report was published in the Fall of 2001, the certification program was put on hold while recommendations from the report were put into place. The Claims Process Improvement (CPI) initiative that followed included some significant changes to the VSR position. In April 2002, VBA contracted with HumRRO to conduct several site visits to determine whether the test items, which had been written at a time when the VSR job was a generalist position, were still appropriate for VSRs who were now working on specialized teams.

Following the site visits, HumRRO met with representatives of VBA, Compensation and Pension (C&P) training, and the VBA Central Office to discuss the impact of CPI on training and skills certification. The decision was made to proceed with the generalist test because the

¹ The VBA Design Team represented all major stakeholders in the claims processing field (i.e., VBA management, AFGE, the Compensation and Pension line of business, incumbents, and veterans service organizations)

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policy was that VSRs would be rotated across teams to maintain the skills acquired in training. A GS-11 in this position can be assigned to any team based on the needs of the station and small stations may only have one or two GS-11s. These GS-11s must be capable of reviewing and authorizing all of the work performed at the station regardless of the team from which it originated. Specialized tests reflecting specific team assignments would not tap skills that would be needed for future assignments, so HumRRO recommended that work continue using the general test blueprints previously established.

Restarting the Program

In the Fall of 2002, VBA put together a new Design Team whose task it was to get the certification process moving again. The Design Team reviewed the test blueprint, the Candidate Guide, Test Administrator Manual, and other test support documents (e.g., background information forms, confidentiality agreements). These support documents were updated to reflect changes in the program in the intervening years. The Design Team also reviewed the test questions and dropped some due to changes in the VSR job. They also wrote new questions to take the place of those that were dropped. These new items were pilot tested in February, 2003 in preparation for a spring test. This pilot test used the updated support documents, which would also be used in that test.

Operational Field Test

An operational field test was conducted in August 2003 that involved administering an over-length version of the skills certification test to 298 eligible GS-10 and GS-11 VSRs. The operational exam is designed to include 100 operational questions; we administered two over-length exams (about 120 items each) to allow us to collect data on all the items in the item bank so they would be ready for use in future administrations. HumRRO staff identified a set of 100 questions for each of the two forms that met the test specifications and demonstrated solid statistical properties, and computed overall scores based on the selected items.

Passing Score

After the field test was completed, subject matter experts (senior VBA employees who had been promoted from the GS-11 position and were “Super Senior” VSRs or Ratings VSRs)

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participated in a workshop to establish a minimum passing score for the test. HumRRO used an established standard setting procedure that required experts to estimate, for each question, the percent of minimally qualified examinees who would answer the question correctly.

To pass the certification, candidates had to pass the whole test, as well as meet minimum score requirements on the compensation and pension subtests. Based on the standard setting results, candidates were required to correctly answer about three-quarters of all of the questions, three-quarters of the compensation questions, and just over half of the pension questions to pass the exam. Seventy-five candidates (25%) passed all three hurdles. While VBA had hoped for a higher pass rate, they verified with management at several Regional Offices that candidates who passed were those who were expected to do so, and those who failed were expected to have difficulty meeting the certification requirements.

Subsequent to the field test, test blueprints were revised giving more emphasis to compensation and less to pensions. Another standard setting workshop was held to establish minimum passing scores for the first operational administration in May 2006. Based on results from this workshop, candidates were required to correctly answer two-thirds of all questions and also two-thirds of the compensation questions to pass the test. The separate requirement based on pension questions by themselves was dropped.

Criterion-Related Validation Study

In 2004, the Office of Personnel Management reviewed the VSR Skills Certification Program to determine whether there were potential problems with using it as part of the promotion process. The overall passing rate in the field test was generally low, about 25%. A particular concern was that the passing rate for African Americans was significantly lower than for other incumbents. When a test results in this type of adverse impact for a particular group, legal guidelines require employers to demonstrate that test scores are a valid reflection of the skills needed to perform the job. While HumRRO had previously collected content validity data showing the relevance of each of the test questions, the VBA decided to further strengthen the validity claims for the test and asked HumRRO to conduct a criterion-related validation of the test.

The field test relied on content validity as the basis for establishing a relationship to the VSR position. Content validity asks the question: How well does the assessment sample the

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range of important tasks, behaviors, or knowledge associated with effective job performance? Legal and professional authorities (*Uniform Guidelines on Employee Selection Procedures*; Equal Employment Opportunity Commission, 1978 and the *Principles for the Validation and Use of Personnel Selection Procedures*; 4th ed., Society for Industrial and Organizational Psychology - SIOP, 1999) have converged on several basic principles for content validation studies. Evidence for content validity comes from following well-established and accepted job analysis and test development steps and from data that demonstrate a direct link between the selection procedures and job requirements. This is accomplished by: (a) detailing job tasks and the knowledges, skills, and abilities (KSAs) required to perform those tasks; (b) establishing linkages between the job tasks and KSAs and, (c) demonstrating linkages between KSAs and test content areas. In developing assessment instruments, including certification tests, it is HumRRO's practice to follow the guidelines for establishing the content validity of a test even if we plan to use a criterion-related validation strategy, so we had already done the work to establish content validity.

While content-related validation is established through expert judgments, evidence for criterion-related validity consists of demonstrating a useful relationship between a selection procedure (predictor) and one or more measures of job performance (criteria). This is accomplished by administering the predictor tests (i.e., the certification test) to candidates and gathering information on how these individuals perform on the job. Ideally, we would find that individuals who score higher on the tests are those persons who perform more effectively on the job, while individuals who score lower on the tests perform less effectively on the job. The *Principles for the Validation and Use of Personnel Selection Procedures* (Society for Industrial and Organizational Psychology, 1999) outlines several conditions that should be met before proceeding to conduct a criterion related validity study. They are as follows:

1. Criterion related validity studies should be conducted for jobs that are reasonably stable and are not in a period of rapid evolution.
2. Relevant, reliable, and uncontaminated criterion measures against which to validate the predictor tests are essential for successful criterion related validation studies.
3. The sample on which data are collected should be reasonably representative of the population to which the results are to be generalized.

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4. A criterion related validity study should have adequate statistical power to yield a significant predictor-criterion relationship, if one exists. Factors affecting statistical power include sample size, degree of variability in the predictor (i.e., certification test score), reliability of the criterion, etc.

At the time of the validation study, revisions to the VSR position under the CPI model had been in effect at VBA for over a year, and all candidates for certification had been on the job for at least one year. Incumbents had sufficient time to acclimate to the job redesign, so the job was considered stable. We developed a performance measure that combined existing data on productivity and quality with supervisor ratings of performance. This measure met the criterion for relevance described in point 2 and demonstrated sufficient reliability. The sample on which the data were collected included almost 700 candidates, so the sample size was adequate to generalize to the general population of GS-10 VSRs. These factors made criterion-related validity an appropriate strategy for the VSR Certification Test. Results of the criterion-related validity study indicated a strong statistical relationship between scores on the certification test and the measures of job performance.

The May 3, 2006 Test Administration

The first regularly administered test for the Veterans Service Representative (VSR) Certification Program was conducted May 3, 2006. Stations that could not accommodate all candidates in one day also tested on the following two days, as necessary. The test was administered to 934 candidates. Two forms of the test were administered so that different examinees did not necessarily get the same questions in the same order. Each test form included 100 scored questions and 20 additional questions being pilot tested for future use. In the May 2006 test, the two test forms had 67 operational items in common, albeit in different locations within the test. Because of the length of the test, the test is split across two sessions—morning and afternoon. Candidates received a separate booklet for each session.

Due to a processing error at HumRRO, some of the questions in the afternoon booklets were inserted into the incorrect forms. This error resulted in duplicating some questions from the morning session in the afternoon session booklets for the corresponding test form. Quality control procedures in effect at the time included a review of each test booklet, but did not include

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a comparison of the morning and afternoon booklets for each test form. Consequently, the processing error was not caught prior to the test administration.

Calls from the field alerted VBA and HumRRO to a potential problem. HumRRO staff investigated to find out how widespread the problem was and alerted VBA to the extent of the problem. Thirty-three items had been duplicated on one form and 34 on the other. The VBA Eastern Area Director, Jim Whitson, set up a teleconference with the HumRRO Project Director and the management members of the VSR Design Team. Subsequently, he sent an announcement to all stations advising the candidates to continue taking the test with the duplicate items assuming that all items would be scored, and that an equitable solution to the problem would be identified as quickly as possible. VBA also made the decision to continue the test as scheduled on the following days, instructing candidates to answer the duplicate items as carefully as though they would be scored. While we had not determined a plan of action, it was possible that we would decide to score the duplicate items, so it was important that candidates answer those items to the best of their ability.

How the Problem Was Handled

On May 11, 2006, HumRRO Vice President Beverly Dugan, VSR Certification Project Director Patricia Keenan, and I met with VBA leadership to discuss the problem and identify possible methods of providing valid scores to participants. Our discussion identified several possibilities, including using some of the pilot items to construct an 80-item test, ignoring the redundancy and scoring each of the duplicate items to provide a 100-item test, and conducting a supplemental administration using the items that were originally intended to be included in each of the afternoon test booklets.

The solution agreed upon was to conduct a supplemental test and administer the items that were originally intended to be presented in each of the afternoon tests. This allowed everyone to be scored on 100 separate items, kept the test mapped to the blueprint exactly as designed, and made the May 2006 administration much more equivalent to the operational field test and the validity test, and to those planned for the future.

The supplemental test was held on June 7, 2006. A total of 46 people who took the May test chose not to sit for certification in the supplemental test; all individuals who chose not to take the supplemental test had failing scores based on the items they did take. The original and

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supplemental test questions were scored as intended and 370 (42%) of those who took the entire test passed. The supplemental testing created some inconvenience to the examinees and additional burden to those who administered the tests, but the end result was an assessment that covered the content framework as intended with questions and scores that were psychometrically sound.

Contributing Factors

Several factors contributed to the error in assembling the May 2006 test booklets. One such factor was the limited time available for assembling and checking the test booklets. The VSR job continues to evolve. For example, new types of cases are often added to the caseload, new electronic tools and databases are developed, and more pension cases are being moved to Pension Maintenance Centers. In addition, one of the prime references, M21-1, is undergoing a major revision. HumRRO must rely on expertise of VBA staff members to consider how each new change might affect the validity of the test questions in the VSR certification item bank. A workshop to review test questions was held in April. The item writers reviewed all of the items, revised many of them, and updated the references. Following the workshop, HumRRO staff implemented the edits to the item bank. The revisions were more extensive than anticipated and the work was completed late in the week prior to the scheduled packing date. We had only two days to select the items and put together the four test booklets. The item selection was made more difficult by the fact that, in the two years since the previous administration, many items had become outdated, requiring revision and a new field test, so there were a limited number of remaining items to choose from in some areas of the blueprint. *In retrospect, it was clear that more time was needed for assembling and checking the test forms.*

HumRRO staff members routinely check test booklets for potential problems (e.g., stray marks from the printing process, items split across pages). We did not explicitly compare morning and afternoon versions of the test, which was the only way to have identified the problem. Additional review by VBA experts would be required to provide one additional check of the technical accuracy of each question and the correctness of the scoring key. While scoring was not an issue in the May administration, *it is clear that a more definitive process for final technical review of each test form is needed.*

Preventing the Problem in the Future

First, we have expanded final test form quality control procedures to review the morning and afternoon booklets for each form together. In addition, to relieve the time problems experienced in May 2006, we have changed the timing of the item writing workshops to provide more time after the workshops for assembling and checking operational test forms.

The second problem, the need for a definitive review by VBA experts, will be solved by including reviews of the test items and booklets by Compensation and Pension (C&P) Services staff at VBA. HumRRO will identify the test items to be included in the test and send them to C&P to review the items, keyed responses, and references. After that review, HumRRO will make any needed edits, put together the actual test booklets and send them to C&P for a final review. We implemented this procedure for the August 9, 2006 test and there were no problems with the test.

Summary and Conclusions

The VSR certification test is an important tool for improving the effectiveness of the VSR workforce in serving the benefit needs of our veterans. The testing process is based on a solid analysis of the VSR position and questions were developed and mapped to an established blueprint derived from that analysis. The validity of the test scores for making promotion decisions is supported by both content-related and criterion-related validity evidence.

A number of factors contributed to an error in assembling test booklets for the May 2006 administration of the VSR certification test. Once discovered, corrective action was taken that led to appropriate scores computed from test questions matching the design blueprint exactly. We have no reason to question the validity of these scores. Test assembly and review procedures have been expanded to preclude similar errors with future test forms.

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STATEMENT BY

**J. DAVID COX, R.N.
NATIONAL SECRETARY-TREASURER**

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

BEFORE

**THE SUBCOMMITTEE ON DISABILITY ASSISTANCE AND
MEMORIAL AFFAIRS**

HOUSE VETERANS' AFFAIRS COMMITTEE

ON

VBA TRAINING AND PERFORMANCE STANDARDS

SEPTEMBER 13, 2006

Dear Chairman and Members of the Subcommittee:

The American Federation of Government Employees, AFL-CIO, which represents more than 600,000 federal employees who serve the American people across the nation and around the world, including roughly 150,000 employees in the Department of Veterans Affairs (VA), is honored to testify today regarding the training provided to the Veterans Service Representatives (VSRs) and Rating Specialists who adjudicate claims for the Veterans Benefits Administration (VBA), and the standards used to measure their proficiency and performance.

In my capacity as 1st Vice President of AFGE's National Council and a local union president, I have visited the vast majority of VBA Regional Offices (ROs) around the country. VSRs and Rating Specialists everywhere are

concerned. They share the Subcommittee's concerns about inconsistencies in decisionmaking. They are equally concerned about the training deficiencies and unrealistic performance standards that contribute to these inconsistencies. The Government Accountability Office (GAO) and the VA Office of the Inspector General (IG) have both linked training deficiencies to backlogs and decision inconsistencies. The IG even found a direct correlation between the frequency of classroom instruction and payment levels. If training were standardized and more uniform, VBA would be better able to do a root cause analysis of geographic variations in disability awards.

Training is an investment worth making, and we greatly appreciate this Subcommittee focusing on it at today's hearing, as well as the Committee's Fiscal Year 2007 budget recommendations for more VBA adjudication staff and training resources.

When I go out in the field, I see employees working evenings and weekends without compensation in order to try to keep up with their cases. I see employees meeting on their lunch hours to familiarize themselves with new laws and regulations in the absence of more formal sessions set up by management.

I see VSRs¹ feeling anxious about passing the skills certification test because they were not adequately informed about what to study in order to prepare for the test, or what proficiency level is needed to pass. VSRs and Rating Specialists are very dedicated to getting every veteran an accurate, timely claims decision. In some offices, half the employees are veterans and many are themselves service-connected.

¹ Only VSR GS-10s are eligible to take the skills certification test at this time.

In my testimony today, I hope to give you helpful examples of problems occurring out in the field as well as suggestions for improvement. I also want to point out what *is* working well. However, my ability to report from the field or comment on management action is severely limited by VBA's refusal to share information with us. We hear many troubling reports but we cannot measure the full extent of the problems with training and performance standards.

More generally, we are concerned about management's increasing refusal to collaborate with us about training and performance standards. For example, AFGE initially worked with VBA on the development of the Claims Process Improvement (CPI) Model, and reached an agreement with them regarding the recommendations of the CPI Task Force. Even though VBA has since made a number of revisions to the CPI model, such as removing Rating Specialists from Pre-Determination Teams and centralizing the Public Contact Unit, employee representatives were excluded from recent Task Force meetings.

We believe that *all* stakeholders -- including employee representatives and veterans' groups -- should have input into the design of training programs, and information about how well these programs are working in different ROs around the country. Similarly, stakeholders need a voice in developing and monitoring the certification testing process and production quotas. Flawed training and performance standards lead to processing delays and more appeals, and most important, impact every veteran filing a claim with VBA.

As a registered nurse, I can say firsthand that there is a vast difference between the training needs of a VHA medical professional and a VSR at VBA.

While a nurse or doctor can perform effectively at a VA hospital after orientation, virtually all the skills of a claims adjudicator must be acquired on-the-job. By VBA's own estimates, it takes at least two to three years for a new VSR to operate at a fully productive, independent level – whether he or she comes to VBA right out of high school or after graduate school. VSRs with fewer than five years of experience need ongoing training and intense supervision to become facile enough to achieve high levels of accuracy and customer service. That is why VBA called on its most experienced rating specialists when it formed the Tiger Team in 2001 to reduce backlogs of older veterans' cases. A shortage of experienced employees will only become more pronounced as senior VSRs and Rating Specialists retire and current policies cause frustrated, newer employees to leave VBA within a few years of arrival.

RECOMMENDATION: A joint VBA-stakeholder team should develop a national training plan.

As VBA testified before this Subcommittee last fall, training is central to every quality organization. We are pleased with VBA's efforts to develop new training tools and centralized training programs, but much more needs to be done to ensure that quality and consistent training is provided to every VSR and Rating Specialist. VBA training operates much more like national guidance than a national training plan, resulting in tremendous variations in quality between ROs.

A joint labor/management team should be established to develop a formal national training plan with clearly defined curriculum. In his response to the

Inspector General's report on state variations in awards, the Under Secretary for Benefits concurred with the need for centrally developed and directed training. The current training directives are too vague. For example, to provide VSRs with refresher training on "Duty to Assist", a critical issue that was the subject of litigation, the only guidance given to the trainer is a set of four topic bullets and the requirement that it last one hour.

A joint labor/management team would also be able to identify best practices from local facilities, and regularly assess the quality and thoroughness of local training programs.

This plan should mandate that every employee receive roughly the same amount of training under defined timeframes. Currently, VBA requires that VSRs receive a set number of hours of training each year. However, mandatory training in areas other than benefits, such as ethics, privacy and sexual harassment also count toward that hours requirement. Thus, when it comes to finding time for training on benefit programs, supervisors facing tremendous pressure to clear backlogs are likely to sacrifice training for production numbers. Training on computer help aids is often cut short also.

Another common inconsistency is that older employees are much less likely than newer employees to receive instruction under the recently Training Performance and Support System (TPSS) tool.

RECOMMENDATION: Rotation of VSRs through all claims processing teams should be mandatory and monitored.

More and more employees are losing training opportunities because their supervisors are not rotating them through all the relevant teams. (VSRs work in four teams: Pre-Determination, Post-Determination, Triage and Appeals.) This impedes their ability to handle a full array of claims effectively and lessens their chances of passing the skills certification test. Some VSRs have worked on only *one* team during their entire tenure at VBA.

RECOMMENDATION: VBA should develop a cadre of effective, competent trainers with formalized training skills and adequate subject matter expertise.

Trainers are currently selected without well-defined criteria, resulting in great variations in the quality and thoroughness of the training. The typical trainer is a mid-level or senior VSR who has not had formalized instruction on training. Some employees go to the VBA Academy where they are more likely to learn from experienced trainers; others never go to the Academy. For skills certification training, some VSRs were taught by the same person who designed the test (presumably well-versed in what to study), while others did not have this advantage. We received reports that some trainers did not even know what the test was going to cover!

RECOMMENDATION: Continuing education should be mandatory and the curriculum and schedule should be set nationally.

VSRs and Rating Specialists must stay updated on a steady stream of new laws, regulations and court decisions. They need timely, well-developed, refresher courses to ensure that they understand the impact of these changes and implement them correctly and uniformly across offices. Managers should set aside specific, regular times for current employee training. Employees tell us that in the past, it was standard practice to have regular end-of-the-week meetings to learn about new development and go over significant cases. Where this practice is still in place, such as the Public Contact Unit in Roanoke, Virginia, the employees find the meetings to be a valuable learning tool. Clearly, elimination of this practice is another byproduct of productivity pressures on the workforce.

RECOMMENDATION: Oversight of VBA's training program should be formalized, ongoing and transparent.

As already noted, all stakeholders should be able to monitor the effectiveness of VSR and Rating Specialist training. Veterans' groups and employee representatives are on the front lines, and therefore, are in an excellent position to identify best practices and areas of weakness. Given the vast subject matter that needs to be learned, and the number of offices involved, a formal quality assurance program for VBA training is especially important. The oversight process should also allow regular reports to Congress.

RECOMMENDATION: Current performance standards should be revised to enable VSRs to adequately develop claims and receive needed training.

Pursuant to an agreement between VBA and AFGE, national performance standards to boost VSR productivity were put in place in 1997. They were revised by agreement in 2005. These standards set a national floor and each RO is free to set them higher. Prior to the creation of national standards, each station set its own production quotas.

The national standards continue to need revision. The share of employees who are meeting the standards is inexplicably low, calling into question the validity of these measures. Approximately a third of those evaluated around the country are failing to satisfy the standards, on the basis that they are not meeting production quotas. Something is clearly wrong when VSRs are working long nights and weekends and still cannot meet their quotas.

At first, management promised to revisit this problem but has since denied a problem even exists, claiming that the trend is improving even though there are still more than 20% of VSRs failing to meet the standards. This response is causing VSRs to leave or transfer.

With no opportunity for collaboration, AFGE has had to invoke arbitration, which is currently pending along with a request for performance standard data to enable us to assess whether these standards are reasonable. A key issue raised by AFGE is that the current work credit ("weight") system was developed before CPI specialization was put in place, and some employees are now exclusively

handling cases that receive less weight. We are asking VA management to work with us to reassess this process and design a system that has CPI in mind. The agreement that AFGE and VBA entered into last year also requires that management monitor the implementation of the national performance plan and make adjustments as needed. We encourage this Subcommittee to look into more effective ways to measure performance and ensure quality. .

RECOMMENDATION: Implementation of the Skills Certification test should involve key stakeholders and include a clearly defined national training program designed to teach the subject areas and skills being tested.

Pursuant to an agreement between VBA and AFGE, qualified GS-10 VSRs who pass a skills certification test can receive a noncompetitive promotion to a GS-11. AFGE has a number of concerns about the way this testing process has been implemented.

First, contrary to assurances from VBA and the terms of our agreement, the training is not always sufficiently aligned with the scope of the exam, and trainers are often confused about what training materials are relevant to the test.

There was significant variation in the amount of time employees had to train for the test. Even though the test is "open book", it tests for a tremendously high level of expertise. For example, an employee who got a wrong answer was directed to a 163- page user manual to find the right answer. More generally, it would be helpful to provide employees with test results and feedback using links to training syllabus, not source material. VSRs everywhere want to pass this test

and want the comprehensive and high quality training they deserve to accomplish this.

To date, the tests resulted in extremely low passage rates (25% and 29% for the first two validity tests). This is very demoralizing to competent VSRs with years of experience, as well as an indicator of what a poor predictor the test is. Although the pass rate from the May 2006 test was somewhat higher (42%), we still find it very troubling that more than half the VSRs taking the test failed.

We hope that other recent problems, such as inadequate notice of testing dates, duplicate test questions and trainer confusion, will be permanently resolved in the near future.

AFGE was not allowed to collaborate in the process of refining the test and working out test administration problems. We were also denied access to raw test data to help address low passage rates. AFGE and veterans' groups have a valuable role to play in improving the testing process if VBA permits it.

The certification test raises the much larger issue of classification of the VSR and Rating Specialist positions. Currently, the VSR career ladder ends at a GS-10. The certification test is the only path to a GS-11. Comparable adjudication jobs in other federal agencies have career ladders up to a GS-11. VBA has recently completed a review of the VBA claims adjudication classifications and submitted recommendations to the Secretary. Unfortunately, here too, AFGE was not allowed to have input into this classification review.

We hope that this Subcommittee will look into the related questions of job classification and certification testing to determine the best approach to ensuring

that VSRs obtain the full set of skills they need to effectively serve veterans and that they are recognized for the skill levels they achieve.

We look forward to working with Chairman Miller and Ranking Member Berkley to ensure that meaningful training and performance standards are in place. To do otherwise would be a great disservice to veterans. Thank you.

**STATEMENT OF
STEVE SMITHSON, DEPUTY DIRECTOR FOR CLAIMS SERVICES
VETERANS AFFAIRS AND REHABILITATION DIVISION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
THE TRAINING PROVIDED TO VETERANS BENEFITS ADMINISTRATION
CLAIMS ADJUDICATORS AND THE STANDARDS USED TO MEASURE
THEIR PROFICIENCY AND PERFORMANCE**

SEPTEMBER 13, 2006

Mr. Chairman and Members of the Subcommittee:

Thank you for this opportunity to present The American Legion's views on the training provided to Veterans Benefits Administration (VBA) claims adjudicators and the standards used to measure their proficiency and performance. We commend the Subcommittee for holding this hearing to discuss these important issues.

TRAINING

Proper mandatory training is a key factor in the quality of Department of Veterans Affairs (VA) regional office rating decisions. The Board of Veterans' Appeals (BVA) combined remand and reversal rate (59.4 percent) of regional office decisions for Fiscal Year 2005 is a direct reflection of the lack of importance placed on training by the VA regional offices. Over the past few years, The American Legion's Quality Review Team has visited almost 40 VA regional offices for the purpose of assessing overall operation. The American Legion reviews recently adjudicated claims and interviews service center staff. Our site visits reveal that, at many regional offices, there have been too few experienced supervisors that could provide trainee adjudicators proper mentoring and quality assurance. In addition, at many stations, ongoing training for the new hires as well as the more experienced staff would be postponed or suspended, so as to focus maximum effort on production.

Although the Under Secretary for Benefits has stated on numerous occasions that training of personnel is a top priority within VBA, the inconsistency in VBA's training approach and in its implementation needs to be thoroughly reviewed and addressed by upper management within the Department. In the experience of The American Legion, the lack of proper training and oversight adversely impacts all areas of VBA. Please note that each of VBA's 57 regional offices appear to have different approaches to training and also differ in the importance placed on training. According to a May 2005 report from the VA Office of the Inspector General (VAOIG) based on a survey of rating veteran service representatives (RVSRs) and decision review offices

(DROs), the respondents expressed positive opinions regarding the quality of their training but indicated that training has not received high priority.

- 57 percent reported the quality of training to be good or very good
- 16 percent reported the quality of training to be poor or very poor
- 45 percent reported that they had received 10 hours or less of formal classroom instruction on rating policies and procedures in the last 12 months.
- 24.1 percent reported that they had received 11-20 hours of formal classroom instruction in the last 12 months.
- 18.0 percent responded that their regional office provides formal classroom instruction on rating policies and procedures once a week.
- 45.6 percent responded that their regional office provides formal classroom instruction on rating policies and procedures once a month.
- 36.4 percent responded that their regional office provides formal classroom instruction on rating policies and procedures once a quarter or less often.

The information obtained in the VAOIG's survey is consistent with what The American Legion has found in talking to service center staff during our quality review site visits. Some stations have regular formalized or structured training programs, while others have training programs that are best described as more informal and sporadic. Some stations have well established and structured training for new employees, but ongoing training for experienced staff is very limited.

We are appreciative of the importance the Under Secretary for Benefits has placed on training of VBA personnel. We are also aware of the centralized training program that has been implemented; however, a national training standard/requirement, in addition to the centralized training conducted by Compensation and Pension Service (C&P), for regional office personnel is also needed. Consistent and standardized training at each regional office must take place for all personnel—experienced and new hires alike. The American Legion believes it is crucial that such a program be implemented and closely monitored for compliance by the Under Secretary for Benefits. Management in stations not in compliance with such training requirements must be held accountable; otherwise any national or centralized training effort will not be successful.

Additionally, The American Legion believes it is essential to proper training that information (reasons for remand or reversal) from BVA decisions, DRO decisions and errors noted in National STAR and other internal quality reviews be tracked and examined for patterns. This information should then be used in mandatory formal training to ensure that common errors and other discrepancies occurring in regional office rating decisions are not repeated. This information should also be used for remedial training purposes when patterns of errors are identified for specific individuals. Although such data is currently being collected and disseminated to the regional offices, it appears that consistent utilization of this data in regular formalized and specific training has been lacking. Unless regional offices (both managers and individual adjudicators) learn from their mistakes and take corrective action, there will continue to be a high rate of improperly adjudicated claims, resulting in a consistently high appeals rate and subsequent high BVA remand/reversal rate of regional office decisions.

PERFORMANCE STANDARDS

The emphasis on production continues to be a driving force in the VA regional office, often taking priority over such things as training and quality assurance. Performance standards of adjudicators and rating specialists are centered on productivity as measured by work credits, known as "End Products". Both veteran service representatives (VSRs) and rating veteran service representatives (RVSRs) have minimum national productivity requirements that must be met each day. Some stations also set their own standards, based on their claims backlog and other station specific requirements that is over and above the national requirement. Unfortunately, the end product work measurement system essentially pits the interests of the claimant against the needs of VA managers. The conflict is created because the regional offices have a vested interest in adjudicating as many claims as possible in the shortest amount of time. This creates a built-in incentive to take shortcuts so that the End Product can be taken. The system, in effect, rewards regional offices for the gross amount of work they report, not whether the work is done accurately or correctly, often resulting in many claims being prematurely adjudicated. These problems are caused by inadequate development, failure to routinely identify all relevant issues and claims and ratings based on inadequate examinations. Such errors are often overshadowed by the desire of VA managers to claim quick End Product credit. The result has been a traditionally high remand rate by the Board of Veterans' Appeals (BVA) and the U.S. Court of Appeals for Veterans Claims (CAVC). The BVA's combined remand and reversal rate (59.4 percent) for Fiscal Year 2005 is arguably a direct reflection of the greater emphasis placed on production over training and quality assurance.

It seems to The American Legion that VBA management has been reluctant to establish a rigorous quality assurance program to avoid exposing the longstanding history of the manipulation of workload data and policies that contribute to poor quality decision-making and the high volume of appeals. VBA's quality-related problems and the fact that little or no action is being taken to prevent or discourage the taking of premature End Products have been longstanding issues for The American Legion. The current work measurement system, and corresponding performance standards, are used to promote bureaucratic interests of regional office management and VBA rather than protecting and advancing the rights of veterans. The end product work measurement system, as managed by the VA, does not encourage regional office managers to ensure that adjudicators do the "right thing" for veterans the first time. For example, denying a claim three or four times in the course of a year before granting the benefit sought allows for a total of 5 end product work credits to be counted for this one case, rather than promptly granting the benefit and taking only one work credit. In the view of The American Legion, the need for a substantial change in VBA's work measurement system is long overdue. A more accurate reliable work measurement system would help to ensure better service to veterans. Ultimately, this would require the establishment of a work measurement system that does not allow work credit to be taken until the decision in the claim becomes final, meaning that no further action is permitted by statute whether because the claimant has failed to initiate a timely appeal or because the BVA rendered a final decision.

PROFICIENCY/COMPETENCY

C&P conducted an open book (pilot) job skill certification test for VSRs several years ago in which the pass rate was extremely low (approximately 23 percent). Even more alarming than the low-test scores was the fact that those who took the test had several years of experience in the position and were considered to be proficient.

C&P subsequently finalized its VSR proficiency test and conducted tests in May and August of this year. Employees participating in the testing underwent 20 hours of training prior to taking the test and the success rate (approximately 42 percent) for the May test was much higher than the pilot test. The results for the August test have not been released yet. C&P plans on conducting two VSR tests each year, one in winter and the other in the summer.

The American Legion applauds the new testing program as a step in the right direction but we still have concerns. Although successful completion of the test will be required for promotion or assignment to a rating board, it is not mandatory as a condition of employment in that position. C&P is in the process of developing a test for RVSRs and DROs but a timeline for completion or implementation has not yet been determined. Unfortunately, like the VSR test, the test for RVSRs and DROs will not be mandatory as a condition of employment.

The goal of competency testing is to ensure that an individual in any given position is competent, proficient, and otherwise qualified to perform the duties required of that position. This testing goal will not be achieved if testing is not mandatory or is not provided for all levels or for all positions.

CLOSING

The American Legion realizes that VBA faces many difficult challenges during the upcoming fiscal year. Although we have offered our suggestions and comments, we realize that there is no easy solution and we will continue to work closely with VA to ensure our nation's veterans receive the benefits to which they are entitled. That concludes my testimony. I will be happy to answer any questions.