



COMMONWEALTH of VIRGINIA

Department of Veterans Services

John L. Newby II
Commissioner

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December 1, 2014

The Honorable John C. Harvey, Jr.
Secretary of Veterans and Defense Affairs
Patrick Henry Building
1111 East Broad Street
Richmond, Virginia 23219

The Honorable Walter A. Stosch
Co-Chairman
Senate Finance Committee
Post Office Box 396
General Assembly Building
Richmond, Virginia 23218

The Honorable S. Chris Jones
Chairman
House Appropriations Committee
Post Office Box 406
General Assembly Building
Richmond, Virginia 23218

The Honorable Charles J. Colgan, Sr.
Co-Chairman
Senate Finance Committee
Post Office Box 396
General Assembly Building
Richmond, Virginia 23218

Re: Feasibility of Expanding the Number of Benefits Field Offices

Dear Secretary Harvey, Delegate Jones, Senator Stosch and Senator Colgan:

Item 461(G), Chapter 2, 2014 Acts of Assembly, Special Session I, instructs that:

The Department of Veterans Services shall assess the feasibility of expanding the number of field offices in locations where office space and other support services might be contributed on a cooperative basis through local governments, the Virginia Employment Commission, the Virginia Community College System, or other public or private entities, in order to encourage the most cost-effective delivery of benefits services to veterans in conjunction with other essential services.

The Department of Veterans Services' highest priority for the 2015 General Assembly is to secure additional funding for our Benefits operations necessary to effectively deliver claims assistance services to Virginia's veterans and their families. The Department will be seeking additional funding for Fiscal Year (FY) 2016 for Benefits services. While any request will likely include desired funding to open two new benefit field offices, the opening of two new offices ranks as the lowest priority among several key FY 2016 Benefits budget priorities, behind: closing an operational budget shortfall; providing new claims agent training programs to increase the quality and success rate of claims submitted to the Veterans Administration; expanding services at and getting funding for vacant claims agent positions at our busiest claims offices (McGuire and Salem VAMCs, Tidewater, Fairfax, Roanoke); and increasing the total number of Department claims agents.

Assuming funding is provided to support all FY 2016 Benefits budget priorities, the Department will evaluate locations for two new field offices using the following criteria:

1. Demographics, number of veterans and families that will be served;
2. Anticipated workload (number of anticipated claims);
3. Accessibility (parking, public transportation, direct access to Department offices, weekend/holiday/evening accessibility, etc.);
4. Physical safety and security of the area in which the office is to be located (important for both clients and Department staff);
5. Cost, including opportunity to shared/reduced-cost rent and services;
6. Physical condition of facility, to ensure it will support Benefits operations in a professional manner; and
7. Synergy, i.e., the opportunity to "capture" potential clients and leverage multi-agency services through co-location with other agencies.

Facility costs definitely play a role in the cost-efficient delivery of state veterans services, and the Department will make every attempt to look for reduced or no-cost operating space. Any budget request for FY 2016 would include rental costs for two new field offices, in case our analysis shows that commercial office space is the best location for the two new offices. However, if we are able to secure new office space at reduced or no cost to the Department, we will identify the unused portion of the budget to the Secretary of Veterans and Defense Affairs and the House Appropriations and Senate Finance Committees so that the funding may be directed towards other veteran-related programs or essential state services.

Thank you for allowing our Agency to be of service, and thank you for your support of Virginia's veterans. Please let me know if you have any further questions.

Sincerely,



John L. Newby II
Commissioner

cc (*via email*): The Honorable Jaime Areizaga-Soto
Deputy Secretary of Veterans and Defense Affairs
Mr. Paul Van Lenten, Jr.,
Legislative Fiscal Analyst, House Appropriations Committee
Mr. Dick Hickman
Deputy Staff Director, Senate Finance Committee
Mr. John Crooks
Budget Analyst, Department of Planning & Budget
Mr. Thomas Herthel
Director of Benefits
Mr. Donald B. Kaiserman
Chairman, Board of Veterans Services
Mr. Chip Moran
Chairman, Joint Leadership Council of Veterans Service Organizations