

Annual Report on the Steps Taken to Achieve Full Staffing Capacity



Department of Veterans Affairs

June 2024

Introduction

Section 505(b) of the John S. McCain III, Daniel K. Akaka and Samuel R. Johnson VA Maintaining Internal Systems and Strengthening Integrated Outside Networks (MISSION) Act of 2018 (P.L.115-182) established a requirement for the Department of Veterans Affairs (VA) to submit to Congress an annual report on the steps the Department is taking to achieve full staffing capacity, including the amount of additional funds necessary to enable the Department to reach full staffing capacity. Section 3008(b) of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L.116-315) added the requirement that VA describe the steps it is taking to improve the onboard timeline for facilities in which the duration of the onboard timeline exceeds the Time to Hire Model.¹

This is the sixth annual report VA has issued since the VA MISSION Act was enacted in 2018. The scope of this year's report has been scaled to reflect observations from past VA Office of Inspector General audits and focus on the legislative reporting requirements to ensure clarity and alignment with the intent of P.L.115-182 and P.L.116-315. The report provides an overview of VA's progress in building and sustaining the workforce needed to carry out VA's vision of providing Veterans and their families with world-class benefits and services they have earned. Since this document is provided in June of each year, the report uses the most recent quarterly data (second quarter of the fiscal year) and covers actions taken since the last annual report to advise on current staffing levels and time to hire.

Funding for Full Staffing Capacity

As noted in prior reports, "full staffing capacity" refers to the number of full-time equivalent employees² (FTE) needed at a point in time to accomplish VA's mission to care for Veterans and their families with dignity and respect.³ Full staffing capacity requirements are dynamic and continually reviewed and updated based upon emerging business and workload requirements. Key drivers that impact full staffing capacity include increased demand for services, changes in health care trends, and changes in the size and needs of

¹ Section 505(b) of P.L.115-82, title V, section 505 (June 6, 2018), as amended by P.L.116-315, title III, section 3008 (January 5, 2021) reads in full "The Secretary of Veterans Affairs shall submit to Congress an annual report on the steps the Department is taking to achieve full staffing capacity, and to improve the onboard timeline for facilities for which the duration of the onboarding process exceeds the metrics laid out in the Time to Hire Model of the Veterans Health Administration, or successor model. Each report shall include the amount of additional funds necessary to enable the Department to reach full staffing capacity and to improve the onboard timeline for facilities for which the duration of the onboarding process exceeds the metrics laid out in the Time to Hire Model of the Veterans Health Administration, or successor model."

² Full-Time Equivalent refers to the total number of regular straight-time hours worked by employees in a fiscal year divided by the number of compensable hours applicable to each fiscal year (2,080 hours; regular method) or the total regular hours worked in a pay period divided by the number of compensable hours applicable to each pay period (80 hours; pay period method).

³ Employees are the number of personnel encumbering positions (that is, headcount) onboard at the time the data are reported. Employees differ from FTEs, which is a budgetary term based on compensable hours. Since VA hires part-time employees representing partial FTEs, the employee counts consistently exceed FTE. Employees do not include unpaid health professional trainees or other volunteers, or intermittent, non-salaried employees, potential VA interns, fellows, and grantees.

the population being served. These drivers create a hiring environment that is constantly in motion and evolving. VA's assessment of funding required to reach full staffing capacity is reflected in the annual President's Budget submission.

VA is proudly providing more care and more benefits to more Veterans than in past years and is doing so with record high trust levels (80.4% of Veterans trust VA; 91.8% of Veterans trust VA healthcare, at the end of Q2 FY 2024). More Veterans are choosing VA, more Veterans are filing claims at VA, and more Veterans are receiving healthcare at VA.

As of March 31, 2024, VA had 472,278 onboard employees⁴ (includes full-time, part-time and seasonal employees) representing a total of 462,506 FTEs.⁵ The Veterans Health Administration (VHA) accounts for nearly 90% of VA employees. Except for fiscal year (FY) 2021, VA has continued to see an upward trend in net gains in its overall onboard employees. This trend is due, in part, to consistent increases by Congress in funding levels for FTEs, as well as VA's increased emphasis on hiring, recruitment, and retention strategies.⁶

VA is making significant progress in the development of analytic tools and discipline needed to implement a requirements-based system of validating staffing requirements and tracking data in an authoritative data source. Requirements will consider all categories of staffing available to support VA's mission. This data will be used to more fully inform staffing gaps and strategic hiring of frontline Veteran-facing staff required to meet VA's mission in future-year budget submissions. In the interim, VA uses a wide array of analytic tools to project workload and costs to inform annual budget requests. VA will continue to work with Congress on projected resources needed to enable the Department to carry out the existing mission and any emerging and/or evolving mission requirements.

VA uses extensive data on workload, utilization, Veteran characteristics, and environmental factors for workforce planning and budget formulation.⁷ Forecasted staffing estimates (reflected as FTEs) included in the annual budget submissions are based upon robust analysis of historical and projected workload. VHA uses the VA Enrollee Health Care

⁴ Onboards (that is, the number of personnel encumbering positions) are the number of employees (that is, headcount) onboard when the data are reported. Note that "onboards" differ from "full-time equivalent (FTE)" which is a budgetary term based on compensable hours as opposed to headcount. VA hires some part-time employees (that is, partial FTEs), as such, onboard figures consistently exceed FTE figures. Onboard counts do not include the following employee categories: intermittent staff, non-salaried health professional trainees, employees in a non-pay status, or volunteers.

⁵ The total number excludes categories of employees specifically excluded from the quarterly VA MISSION Act reporting under section 505(a) (Office of Inspector General (OIG), Veterans Canteen Service (VCS) and employees who are intermittent or in a non-pay status). For VHA only, residents, interns, fellows, students, and trainees are excluded.

⁶ Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act (PACT Act), Public Law 117-168 of August 2022, Section 909 provided additional authorities (to include expedited hiring, student loan repayments, retention/recruitment bonuses) relating to the recruitment and retention of personnel.

⁷ Veteran characteristics include demographics (age and gender), period of service (cohort), eligibility category, income, travel distance to VA facilities and geographic migration patterns. Many of these factors are dynamic and are expected to change over time. Environmental factors include economic conditions, policies, regulations, and legislation.

Projection Model (EHCPM), which incorporates actuarial methods to project Veteran demand for health care. EHCPM supports the formulation of approximately 89% of the VA health care budget and is used to assess the budgetary and workload impact of changes in a dynamic health care environment. EHCPM considers unique characteristics of the Veteran population and health care factors that impact Veteran enrollment and use of VA services (whether in VA facilities or in the community) and is a factor used to determine estimates in the budget, including FTEs. Similarly, the Veterans Benefits Administration uses actuarial models to develop benefits workload projections. These workload projections are subsequently used to forecast staffing requirements for claims examiners. As such, VA's FTE request in its budget submission is the best indicator of workload-based staffing requirements. Staffing capacity gaps are best defined as the difference between funded FTEs and employees onboard.

Staffing Strategies

VA continues to strategically use a wide range of hiring flexibilities such as exceptions to the competitive hiring process used to fill vacancies and employing other recruitment, relocation, and retention incentives for recruiting and retaining staff. In 2023, VHA achieved a record hiring of 61,490 new staff, a growth of nearly 7.4% in 2023, while also improving retention. Due to this record hiring, VA has the Nationwide staffing level to accomplish the important objective of making sure that – whenever possible – all Veterans have an opportunity to receive care from a VA provider. VHA will continue to strategically focus its hiring in key areas, such as mental health, to provide Veterans with high-quality and timely health care services.

Time to Hire and Steps to Improve Onboarding Timeline

Time to Hire (T2H) reporting is an Office of Personnel Management (OPM) requirement that measures the time from the "Hiring Need Validated Date" to the "New Hire Actual Start Date." OPM recommends a target of 80 calendar days; however, this applies to title 5 hires only. To account for the unique hiring processes associated with title 38 and Executive Cadre positions, VA established internal targets which are appropriate for these hiring authorities. The summary of the T2H metrics as of the end of FY 2024, second quarter (Q) are:

- Title 5 and Hybrid Title 38 (HT38) T2H Target: **58%** of USA Staffing hires brought on board within **80 calendar days**.
 - In FY 2024 (Q1-Q2), title 5 hires have been brought on in an average of 100 days, with 50% of hires brought on within their respective T2H target of 80 days.
 - For comparison, during FY 2023 (Q1-Q2), title 5 hires were brought on in an average of 98 days and hit target 50% of the time.
 - In FY 2024 (Q1-Q2), HT38 hires have been brought on in an average of 112 days, with 41% of hires brought on within their respective T2H target of 80 days.
 - For comparison, during FY 2023 (Q1-Q2), HT38 hires were brought on in an average of 114 days and hit target 41% of the time.

- Title 38 (T38) T2H Target: **58%** of USA Staffing hires brought on board within **100 calendar days**.
 - In FY 2024 (Q1-Q2), T38 hires have been brought on in an average of 129 days, with 43% of hires brought on within their respective T2H target of 100 days.
 - For comparison, during FY 2023 (Q1-Q2), T38 hires were brought on in an average of 130 days and hit target 43% of the time.
- Executive Cadre T2H Target: **58%** of USA Staffing hires brought on board within **150 days**
 - In FY 2024 (Q1-Q2), Executive Cadre hires have been brought on in an average of 137 days, with 60% of hires brought on within their respective T2H target of 150 days.
 - For comparison, during FY 2023 (Q1-Q2), Executive Cadre hires were brought on in an average of 120 days and hit target 75% of the time.

One of VA's top priorities is continuous to improvement of the hiring process. Fulfilling VA's mission to provide the top-notch care that Veterans deserve is only possible with an enterprise-wide team of the best and brightest in their respective fields. The 2025 President's Budget requested supports hiring faster and more competitively for VA.

Notably, VHA has taken steps to achieve unprecedented hiring success over recent years, along with creating streamlined, consistent hiring and onboarding experiences for employees and job candidates alike.

VHA made "Hiring Faster and More Competitively" its top priority in FY 2023, and then implemented an action plan to improve the onboard timeline while increasing customer satisfaction. Significant steps included:

- Implementing a clear, streamlined and standardized hiring onboarding process for all VHA human resources (HR) and hiring managers that reduced opportunities for inconsistency and simplified communication between all hiring keyholders;
- Training all stakeholders, including HR professionals and hiring managers, on the standardized onboarding process;
- Creating a new initial job offer letter that provides candidates with salary information up-front, which expedites the hiring process by empowering job candidates to make quicker decisions;
- Maximizing Sergeant First Class Heath Robinson Promise to Address Comprehensive Toxics Act of 2022 workforce authorities provided by Congress to help reduce vacancy rates and durations, including delivering critical skills incentives and critical pay to over 25,000 employees and updating over 1,700 special salary rates;
- Standardizing position descriptions for the top-three shortage occupations on network direct and medical center director prioritized lists, reducing HR timelines and inconsistencies during the recruiting process;

- Implementing VHA's "Candidate Care Model," a customer-friendly set of hiring and onboarding tools - such as candidate-facing status updates during the recruitment process - that help to engage, retain, hire, onboard, and satisfy the best job candidates.

These steps, along with systemwide change management to engage employees and job candidates of hiring process improvements, enabled VHA to achieve record-breaking success at hiring and onboarding employees in FY 2023. For the year, VHA hired 61,936 employees - which was the most in the Agency's 75-year history, eclipsing its previous mark by over 12,000 new employees. **This hiring success had direct and immediate positive impact on Veteran health and well-being;** VHA delivered an all-time high of 116 million health care appointments in FY 2023, while achieving an over 90% rate of Veteran trust in VHA health care delivery.

Additionally, VHA has expanded on hiring goals by emphasizing "time-to-fill" - which is the total time that any position is vacant. This is a more appropriate measure of Veteran care delivery needs than time-to-hire, which is a calculation that only measures the time a position is in the recruitment and onboarding process.

To improve VHA's hiring and onboarding efficiency, in FY 2024, VHA is hosting an "On-Time Challenge" to reduce time-to-fill. VHA's Veterans Integrated Service Networks have assembled interdisciplinary teams comprised of employees from facilities and the VISNs to compete against other VISNs on key metrics to include pre-time to hire, recruitment, onboarding, and overall time-to-fill. The challenge began in January 2024 and ended in July 2024. VHA publishes monthly data on its "On-Time Challenge" dashboard, which includes up-to-date time-to-fill and time-to-hire data from HR Smart and USA Staffing and includes trends for all 18 VISNs. Also in FY 2024, VHA and VA collaborated to eliminate title 38 Professional Standards Boards to support more rapid onboarding and align VHA's clinical hiring more closely with private sector best practices.

The Veterans Benefits Administration (VBA), the National Cemetery Administration (NCA), and the Office of Information and Technology (OIT) leadership continue to monitor their overall T2H. VBA and NCA have both exceeded the Department's T2H goal of 58% during FY 2024. Leadership across the VA stresses the importance of completing actions within the established timeframes under the T2H model with both hiring officials and recruitment specialists. NCA and VBA tied this metric to the performance standards of HR professionals who perform recruitment and placement activities or manage recruitment programs and included a performance standard for supervisors to meet established deadlines for completing their portion of the recruitment process.

NCA implemented a multi-faceted approach to improving time to hire by: (1) adding additional temporary staffing from VHA; (2) making internal structural changes to address stop gap issues due to denied resource requests; and (3) implementing a new workload methodology to address workload challenges by evenly distributing actions to HR specialists in the order received. The workload distribution changes have eliminated the "peak and valley" situations previously experienced with assignment-based workload distribution.

OIT developed a Talent Management HUB which was instrumental in an overall T2H drop from 93 days to 80 days across OIT. Furthermore, OIT's Director of Human Capital Operations instituted frequent and diverse communication platforms to advise hiring managers on occupation vacancies and hiring initiatives that result in improvements to T2H initiatives.

VA has worked closely with OPM to use direct hiring authorities (DHA) to increase the speed of the hiring process. Use of DHAs enabled VA to fill critical vacancies swiftly during the public health emergency, and VA has increased use of DHAs over recent years. VA continues to review policies, processes, systems, and training with the goal of improving onboarding timeframes. Each quarter, VA will review metrics by facility to assess the results of these efforts.

Conclusion

VA remains committed to refining a requirements-based workforce management process to ensure it has the right levels of staffing and organizational structure to carry out its mission of providing timely access to world-class care and timely access to earned benefits. The resources provided by Congress in P.L. 118-42 allows VA to continue to deliver on the Nation's promise to Veterans. **VA is providing record levels of timely access to world class care and timely access to earned benefits, at the highest trust levels that VA has seen. VA is grateful for Congress' continued support.**

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