

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB1732

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Cox

3. Committee: General Laws

4. Title: Department of Veterans Services, processing of disability claims.

5. Summary: This bill provides that, subject to the availability of sufficient nongeneral fund revenues, including, but not limited to, private donations and federal funds, the Department shall work in concert with applicable state and federal agencies to develop and deploy an automated system for the electronic preparation of veterans' disability claims. The Commissioner shall ensure that the system is efficient and statutorily compliant.

6. Fiscal impact estimates: Preliminary. See Item #8.

7. Budget amendment necessary: No.

8. Fiscal implications: The bill specifies, subject to funding, the development and deployment of an automated system for the electronic preparation of veterans' disability claims as an administrative responsibility of DVS.

There are over 800,000 veterans in Virginia, with 112,000 currently receiving disability compensation benefits. Complex laws, with entitlements linked to rigorous documentation and proof of eligibility, make the process of developing and filing a disability claim time-consuming, confusing, and complicated. The number of disability claims filed by the Department of Veterans Services (DVS) is increasing by over 1,000 each year, placing an added burden on a strained system.

An automated system will simplify the process of developing a claim, resulting in claims that are more complete, more accurate, and claims that present the necessary supporting information in a clear and consistent manner. This would provide for faster ratings decisions by the Veterans Administration, higher initial approval ratings, and timely receipt of disability compensation checks by Virginia veterans.

The estimated cost to fully deploy such an automated system is \$1.2 million. The bill cites the availability of sufficient nongeneral fund revenues, including private donations and federal funds, as a condition of the system's development. However, once deployed, the new system will require an estimated \$250,000 for annual operating and maintenance costs, an ongoing financial obligation without an identified revenue stream to support it.

9. Specific agency or political subdivisions affected: Department of Veterans Services

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/14/09/jlv

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cc: Secretary of Public Safety