

# **Annual Report on the Steps Taken to Achieve Full Staffing Capacity**



**Department of Veterans Affairs**  
June 2023

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## 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 Act of 2018 (P.L.115-182) (hereinafter, VA MISSION Act) 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 of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L.116-315) added an additional 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.<sup>1</sup>

This annual report is the fifth such report that VA has issued since the VA MISSION Act was enacted in 2018. The report continues to describe VA's progress in building and sustaining a workforce that carries out VA's vision of providing Veterans and their families with the world-class benefits and services they have earned.

As noted in prior reports, "full staffing capacity" refers to the number of full-time equivalent employees<sup>2</sup> (FTE) needed at a point in time to accomplish VA's mission to care for Veterans and their families with dignity and respect. 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 the population being served. These drivers create a hiring environment that is constantly in motion and evolving. Notably, on August 10, 2022, Congress signed into law the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (P.L.117-168) (hereinafter, PACT Act), which marked the largest and most significant expansion of Veteran care and benefits in decades, empowering VA to deliver additional care and benefits to millions of Veterans and their survivors. The resources generously provided through appropriations, as outlined in the annual President's Budget request, allow VA to continue to deliver on the Nation's promise to Veterans, including those benefits established by the PACT Act.

This report provides an overview of employee trends to show VA's annual growth and how VA compares to the private sector in retaining staff in certain occupations for which comparative data is available. The report also describes updates on efforts to formalize

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<sup>1</sup> Section 505(b) 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." 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).

<sup>2</sup> Full-Time Equivalent refers to the total number of regular straight-time hours worked by employees divided by the number of compensable hours applicable to each fiscal year (regular method) or the total regular hours worked in a fiscal year (2,080 hours) divided by 26 bi-weekly pay periods (pay period method). Office of Management and Budget A-11 Circular § 85.5(c).

tools that set predictable requirements for staffing, which is crucial for making hiring decisions and improving time to hire. Finally, the report presents an overview of VA's strategy to invest in its workforce.

## Employee Trends

As of March 31, 2023, VA had 434,942 onboard employees<sup>3</sup> (includes full-time, part-time and seasonal employees) representing a total of 425,785 onboard FTEs.<sup>4</sup> 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 when comparing year-to-year growth. 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. VA continues to rank as one of the top five best places to work for of all large Federal agencies, thus, evidencing VA's success with emphasizing the importance of investing in the workplace.<sup>5</sup>

VA's growth in onboard employees and FTEs reflects the increased staffing required to meet increased demand for services, improved access to care and benefits, reduced wait times, improved quality, enhanced Veteran satisfaction and overall mission growth (i.e., staffing capacity need). Most of the additional staffing capacity growth at VA in the past 5 years continues to be in clinical occupations, which is the largest share of VA employees. As presented in Table 1 on page 3, the average annual number of onboard employees has steadily grown in recent years, and VA has approximately 56,000 more employees than it had 5 years ago.

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<sup>3</sup> Onboards (i.e., the number of personnel encumbering positions) are the number of employees (i.e., headcount) onboard when the data are reported. Note, "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 (i.e., 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.

<sup>4</sup> 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.

<sup>5</sup> See 2022 Best Places to Work in the Federal Government Rankings at <https://bestplacestowork.org/rankings/?view=overall&size=large&category=leadership&>.

**Table 1. FY 2017-2022 VA Employees Onboard, FTEs, Gains (New Hires), Losses, Net Gains and Growth Rates<sup>6</sup>**

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2020 with CARES Act	FY 2021	FY 2022
<b>Employees</b>	365,479	377,210	389,888	399,957	405,230	406,564	421,089
<b>FTEs</b>	356,378	368,070	380,724	390,539	395,082	397,482	412,144
<b>Gains</b>	40,053	46,402	47,580	41,160	46,118	39,945	48,024
<b>Losses</b>	32,778	34,936	36,050	24,843	25,304	28,667	30,426
<b>Net Gain*</b>	7,275	11,466	11,530	16,317	20,814	11,278	17,598
<b>Growth Rate*</b>	1.96%	3.19%	3.36%	2.58%	3.93%	1.65%	3.57%

\* Note: “Net Gain” is the difference between Gains and Losses. “Growth Rate” is calculated by measuring the change in the *total number of employees* from year-to-year. The FY 2021 “Net Gain” and “Growth Rate” measures against the FY 2020 employees *without* consideration of the temporary surge provided under the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) (P.L.116-136). About half of the approximately 8,000 employees supported by the CARES Act had transitioned into a permanent position at the end of FY 2021, Quarter 4. VA notes that data totals reflected in this table may vary from data published in other VA reports on staffing totals, due to different exclusion criteria and different points in time that data are pulled.

Generally, VA maintains a separation (turnover) rate at or below 9.6%. Over the last 2 years, VA has experienced a slight increase in its turnover rates of 10.0% in 2021 and 10.1% in 2022. However, as outlined in Table 2 on page 4, comparisons between VHA and private sector turnover rates of select health care professionals demonstrate that VHA has a significantly lower turnover rate than the private sector in these occupations.

**Table 2. Calendar Year 2022 VHA Turnover Rates Compared to Calendar Year 2022 Private Sector Turnover Rates<sup>7</sup>**

Occupation	VHA	Private Sector	Occupation	VHA	Private Sector
Nurse Anesthetist (CRNA)	7.7%	12.0%	Pharmacist	3.8%	10.6%
Nurse Practitioner	8.8%	12.4%	Medical Technologist	10.9%	17.8%

<sup>6</sup> Data Sources: For FY 2016-2019, the source was the VHA Support Service Center (VSSC) Human Resource Management data cubes as of March 31, 2020. For data starting in FY 2020, the data is a statistical point in time from VA’s human resources (HR) system of record (HR•Smart), as of the end of the respective fiscal year.

Notes: Excludes OIG, VCS, intermittent employees, residents, interns, fellows, students, trainees, non-pay status, COVID-19 and fee-based employees. Data may vary slightly with other public reports for similar timeframes, due to different points in time that the data are pulled.

<sup>7</sup> Data Sources: VHA statistics: VSSC Human Resource Management data cubes FY 2022 extract, as of March 31, 2023; Private Sector: Nursing Solutions Inc. (NSI), 2022 NSI National Health Care Retention and RN Staffing Report, dated March 2023 at

[https://www.nsinursingsolutions.com/Documents/Library/NSI\\_National\\_Health\\_Care\\_Retention\\_Report.pdf](https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf).

Occupation	VHA	Private Sector	Occupation	VHA	Private Sector
Registered Nurse	9.5%	22.5%	Physical Therapist	4.6%	12.6%
Nursing Assistant	13.1%	33.7%	Respiratory Therapist	8.5%	18.1%
Patient Care Tech (Health Aid and Technician)	11.5%	32.3%	Speech Therapist (Speech Pathology/Audiology)	5.4%	16.5%
Radiologic Technologist	7.3%	10.2%	Occupational Therapist	5.2%	14.0%
Physician Assistant	7.5%	18.5%	Nursing Unit Manager/Director	6.9%	10.9%

**Defining Staffing Requirements**

VA uses extensive data on workload, utilization, Veteran characteristics and environmental factors for workforce planning and budget formulation.<sup>8</sup> Forecasted staffing requirements (reflected as FTEs) requested in the annual budget submissions are based upon robust analysis of historical and projected workload. VHA uses the VA Enrollee Health Care Projection Model (EHCPM), which incorporates actuarial methods to project Veteran demand for health care. The EHCPM supports the formulation of approximately 90% of the VA health care budget and is used to assess the budgetary and workload impact of changes in a dynamic health care environment. The EHCPM considers unique characteristics of the Veteran population and health care factors that impact Veteran enrollment and use of VA services. 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. The staffing capacity gap is best defined as the difference between funded FTEs and onboard FTEs.

VA continues to make progress with internal system changes to HR•Smart, VA’s authoritative system of record for human resources data, to enhance position management processes and move towards better data integrity and fidelity in the reported positions, particularly vacant positions. Validation processes and system improvements include participation from financial managers to ensure positions marked as “budgeted” have available funds to support actual hiring. VA is not at the point yet

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<sup>8</sup> 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.

where the vacancies recorded in HR•Smart are indicative of true current and budgeted positions, but rather best estimates based on available data and systems. VA actively monitors the workforce to evaluate and take action to minimize the impact of staffing gaps on capacity to care for Veterans.

### **Funding for Full Staffing Capacity**

About 6% of VA employees have a part-time or intermittent work schedule. As a result, VA manages its human resource funding and staffing requirements in terms of FTEs.<sup>9</sup> With 408,281 “Actual” FTEs presented in VA’s FY 2022 Annual Budget Submission, VA is the second largest Federal agency in the United States.<sup>10</sup> As presented in Figure 1 on page 6, funding for VA’s workforce continued to grow at an average of 2.8% in the past 7 years. Much of the FTE growth is based upon increased workload resulting from the efforts to expand access to health care and strengthening Veterans’ benefits programs.

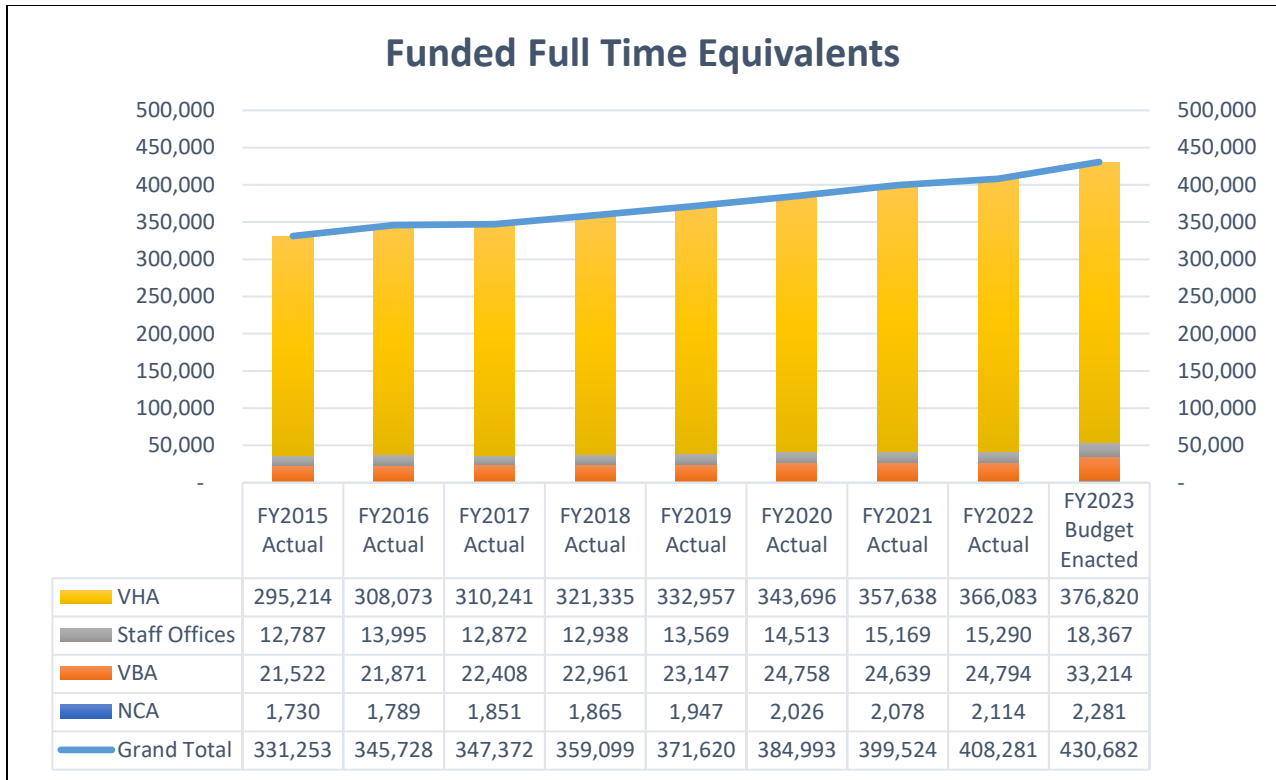
Given the rigor of the budget formulation process, the resources Congress provided in the FY 2023 Appropriations Act, particularly those associated with staffing, will allow VA to continue to meet the growing demands of the Veteran population.

As outlined in the Workforce Requirements Management section below, VA is moving to develop the analytic tools and discipline needed to implement a requirements-based system of validating staffing requirements and to track that data in an authoritative data source. These requirements will fully consider all categories of staffing available to support VA’s mission (i.e., Federal employees; fee basis-only employees; contract support; and workload met by the Community Care Program). These data will be used to more fully inform staffing gaps 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.

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<sup>9</sup> Employees are the number of personnel encumbering positions (i.e., 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.

<sup>10</sup> VA operating plans are VA’s budget plan to implement the annual appropriations provided by Congress. Budgeted FTEs excludes OIG and VCS funded FTEs.



Data Sources: FY 2015 through FY 2022 are actuals reported in VA's FY 2017 through FY 2024 Annual Budget Submissions, Supplemental Information and Appendices. FY 2023 budgeted levels are from VA's operating plans.

**Figure 1. VA's Actual FTEs, FY 2016-FY 2022 and Budgeted FTEs, FY 2023<sup>11</sup>**

### Workforce Requirements Management

VA is making progress understanding its full staffing requirements and number of true vacancies. VA has implemented enhancements to HR•Smart and position management policies and processes. VA is continuing to develop staffing models, validate staffing requirements and document those requirements in an authoritative data source, as cited above. Implementing validated staffing requirements will help standardize care delivery and ensure the best care is delivered in the most efficient way possible as measured by health outcomes. In the meantime, FTEs reflected in VA's budget are the most appropriate demand signal for staffing requirements. This interim approach is deemed appropriate due to the analytic rigor of VA's budget formulation process and the Department's ability to directly link funding to FTE vacancies. More importantly, a review of the onboard FTEs relative to the budgeted HR•Smart FTEs suggests that VA has historically managed onboard staffing levels in alignment with the requirements established in VA's annual budget submissions.

<sup>11</sup> Staff Offices include all General Administration appropriations, Board of Veterans' Appeals and the Office of Information and Technology.



## **Time to Hire**

VA tracks the time it takes to hire new employees and uses the resulting data to formulate strategies to improve hiring timeliness and minimize staffing gaps. Time to Hire (T2H) is generally measured from the "Hiring Need Validated Date" to "New Hire Actual Start Date," and the Office of Personnel Management suggests a target of 80 calendar days for title 5 hires. VA has the following time to hire goals by employee category (hires that are processed through USA Staffing):

- Title 5 and Hybrid title 38 positions: 58% of hires brought onboard within 80 days.
- Title 38: 58% brought onboard within 100 days.
- Executive Cadre: 58% within 150 days.

Due to the unique hiring processes associated with title 38 positions, VHA uses a 100-day T2H target. Title 38 positions are filled through a Job Opportunity Announcement posted to USAJobs and new hires are onboarded through USA Staffing, a talent acquisition system. The time to hire health care professionals includes the extra requirement of credentialing, which lengthens the time to hire average for those occupations. In FY 2022, in terms of VHA's 100-day model for title 38 positions, 52% met the target. For VHA's hybrid title 38/title 5 combined model, 50% of the hiring actions met the model target.

## **Staffing Strategies**

A focus on improving employee experience to achieve better outcomes for Veterans, their families, caregivers and survivors is a central component of VA's staffing strategy. This approach makes sure that we keep the Veteran at the center of everything we do. VA is implementing new workforce and retention authorities to grow and maintain a diverse, talented workforce with a shared mission to provide more care and benefits to Veterans.

VA has taken steps to implement the priorities within title IX of the PACT Act. VA quickly established an integrated project team (IPT) with internal and external stakeholders to identify the policies, procedures, systems and training required to implement each section of title IX. The IPT meets on a weekly basis to address issues that arise during implementation and track progress. This IPT also oversaw the creation of several new tools implemented in FY 2023 to boost recruiting and retention:

- Removing restrictions on hiring housekeeping aides;
- Modifying statutory limitations on awards and bonuses;
- Enhancing systems to improve hiring;
- Increasing limits on expedited hiring of post-secondary students and college graduates;
- Increasing student loan repayment limits;
- Increasing the cap on special contribution awards;

- Increasing the limits for recruitment, relocation and retention incentives and payment of retention incentives as a lump sum upfront;
- Increasing the limits for and the number of critical pay positions; and
- Increasing the limits for special salary rates.

To mitigate some of the hiring challenges in clinical occupations, VA continues to lead the way in using telehealth and mobile deployment clinics to reach Veterans living in areas defined as health professional shortage areas. VA is a leader in virtual health care delivery and is well positioned to expand in this area.

## **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 the FY 2023 Appropriations Act allows VA to continue to deliver on the Nation's promise to Veterans. VA will continue to work with Congress to ensure that VA has the tools needed to best care for the Nation's Veterans.

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