VOCATIONAL REHABILITATION PROGRAM

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT
OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

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CONTENTS

May 20, 1993

	Page
Vocational Rehabilitation Program	1

OPENING STATEMENTS

Chairman Montgomery	1
Prepared statement of Chairman Montgomery	29
Hon. Tim Hutchinson	2

WITNESSES

Crandell, William F., Legislative Assistant, Vietnam Veterans of America	23
Prepared statement of Mr. Crandell	88
Drach, Ronald W., National Employment Director, Disabled American Veterans	18
Prepared statement of Mr. Drach, with attachment	66
Dupree, Clifton E., Associate Legislative Director, Paralyzed Veterans of America	21
Prepared statement of Mr. Dupree	81
Hickey, Martie, DTAP Coordinator, VA Regional Office, Winston-Salem, NC	8
Manhan, Bob, Assistant Director, National Legislative Service, Veterans of Foreign Wars	22
Prepared statement of Mr. Manhan	85
Monteforte, Vincent, Vocational Rehabilitation and Counseling Officer, VA Regional Office, Roanoke, VA	11
Otts, Wayne, Vocational Rehabilitation Specialist, VA Regional Office, Phoenix, AZ	10
Vogel, R. John, Deputy Under Secretary for Benefits, Department of Veterans Affairs, accompanied by Dr. Dennis R. Wyant, Director, Vocational Rehabilitation and Counseling Service	2
Prepared statement of Mr. Vogel	50

MATERIAL SUBMITTED FOR THE RECORD

Reports:	
GAO Report to the Chairman, Committee on Veterans, U.S. Senate, re VA's Vocational Rehabilitation Program, September 28, 1992	33
Department of Veterans Affairs Comments to GAO Final Report, "Vocational Rehabilitation: VA Needs to Emphasize Serving Veterans with Serious Employment Handicaps"	48
Statements:	
AMVETS	99
James R. Peluso, Director, New York State Division of Veterans' Affairs	93
Summary:	
Summary of GAO Report, "Vocational Rehabilitation: VA Needs to Emphasize Serving Veterans with Serious Employment Handicaps"	30

Page

Written committee questions and their responses:
Chairman Montgomery to Department of Veterans Affairs 103
Chairman Montgomery to Dr. Hickey, VA Regional Office, Winston-Salem, NC 254
Chairman Montgomery to Vincent Monteforte, VA Regional Office, Roanoke, VA 258
Chairman Montgomery to Wayne Otts, VA Regional Office, Phoenix, AZ .. 264
Chairman Montgomery to Disabled American Veterns 266
Chairman Montgomery to Paralyzed Veterans of America 269
Chairman Montgomery to Veterans of Foreign Wars 271

VOCATIONAL REHABILITATION PROGRAM

THURSDAY, MAY 20, 1993

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to call, at 9:30 a.m., in room 334, Cannon House Office Building, Hon. G.V. (Sonny) Montgomery (chairman of the subcommittee), presiding.

Present: Representatives Montgomery, Hutchinson, and Quinn.

OPENING STATEMENT OF CHAIRMAN MONTGOMERY

Mr. MONTGOMERY. If it is all right with you, Tim, I will move right along. I have a long statement, and I am going to submit the full statement for the record.

The committee will come to order.

We are meeting to examine the effectiveness and implementation of the Vocational Rehabilitation Program for service-connected disabled veterans. This program is contained in chapter 31, title 38, United States Code. The purpose of this program is to enable disabled veterans to become employable, to obtain and maintain suitable employment after they get the job, and to achieve maximum independence in daily living. We place a high priority on these vocational programs. The program was started in 1917, and it has gone through the wars, including Vietnam, and now also includes peacetime veterans who suffer disabilities.

The responsibilities of the Vocational Rehabilitation and Counseling Service—and I will use the shorter version, VR&C—have increased since 1980 when the chapter 31 program was modified. VR&C service provides educational and vocational counseling to active duty servicemembers who are within 6 months of separation. That is a very important program. We have been out and looked at that. Veterans who have been out of the service for no more than 12 months and individuals who are participating in a variety of VA programs also counseled by VR&C staff.

[The prepared statement of Chairman Montgomery appears at p. 29.]

Mr. MONTGOMERY. At this time I will yield to Tim Hutchinson, the ranking minority member from Arkansas, for any remarks he would like to make.

Tim.

OPENING STATEMENT OF HON. TIM HUTCHINSON

Mr. HUTCHINSON. Thank you, Mr. Chairman. I will be very brief this morning also.

I am looking forward to hearing the VA's response to suggestions by the General Accounting Office. I know that the chairman is concerned, as I am, regarding the effectiveness of the Vocational Rehabilitation Program, and while I know that the Vocational Rehabilitation and Counseling employees are dedicated and hard-working people, we must look closely at whether or not they are being given the resources to adequately perform their jobs, and I, as we all are, am aware that the budget cuts experienced by the Department of Veterans Affairs during the past years have forced many programs to tighten their belts. Every effort must be taken, however, to ensure that. something as essential as the Vocational Rehabilitation Program is not neglected. The least our country can do for its service men and women is to provide timely rehabilitation services which will enable them to find meaningful employment.

So, Mr. Chairman, I, with you, look forward to hearing the response from our panel today.

Thank you, Mr. Chairman.

Mr. MONTGOMERY. Thank you.

We will ask our witnesses if they could keep their remarks to 5 minutes or less. We are not trying to rush you, but it gives us more time to get into the questions and where we have concerns.

Mr. MONTGOMERY. Mr. Vogel, before you begin, I want to mention that we are surprised that your written testimony does not include a discussion of VR&C timeliness statistics. The letter that we wrote inviting you to testify clearly indicated that we wanted to hear about this. This is an issue of concern to the subcommittee. So we will be glad to recognize you at this time, Mr. Secretary.

STATEMENT OF R. JOHN VOGEL, DEPUTY UNDER SECRETARY FOR BENEFITS, DEPARTMENT OF VETERANS AFFAIRS, ACCOMPANIED BY DR. DENNIS R. WYANT, DIRECTOR, VOCATIONAL REHABILITATION AND COUNSELING SERVICE

Mr. VOGEL. Thank you, Mr. Chairman.

Mr. Chairman, I apologize for not providing the statistics. We will do so, and shortly thereafter I hope to be able to give you a report of an independent study, an internal study, being done of the Vocational Rehabilitation and Counseling Program.

(Subsequently the Department of Veterans Affairs submitted the following information:)

VR&C WORKLOAD AND TIMELINESS

Fiscal Year	1992	1993	1994	Goal
Total Staff	722	732	714	
Ch 31 veterans	36,548	40,700	44,700	
Educ/Vocational Couns	13,187	30,000	48,817	
Avg days until first Appointment	74	80	85	30
Avg days in finding employment	243	240	250	90-120
Avg Vocational Rehabilitation Specialist caseload	229	260	285	125

Dr. Wyant and I appreciate the opportunity to be with you this morning, Mr. Chairman. We have prepared a formal statement that I would like to be made part of the record, but I would like to take a few moments to provide you with a short statement and respond to any questions you or members of the subcommittee may have.

As part of our participation today, we have a panel of three of our Vocational Rehabilitation and Counseling field staff who will be able to speak to you and the members of the subcommittee from the front lines.

Your invitation to the Secretary asked us to emphasize how we are meeting our commitment to quality and timely service. Providing quality rehabilitation service is one of our major goals. We monitor our service through surveys of field station operations, and in 1992 we conducted a consumer satisfaction survey with our customers, the disabled veterans who have completed our program.

In addition, each VR&C officer utilizes our quality review system to monitor the quality of work of each staff member that is providing rehabilitative services to disabled veterans.

To better assess our needs for improvement, I have asked our program analysis and evaluation staff to conduct an independent study of the program.

My concern for the viability and the efficiency of the program was heightened as we formulated the fiscal year 1994 budget and we had to make the painful decision to, in fact, take some FTEE resources out of the program. So we are going to take a good hard look at how we are doing.

Through our early interventions with separating servicemembers using the TAP—Transition Assistance Program—and DTAP—the Disabled Transition Assistance Program—we are able to be in direct contact with those servicemembers who are being separated with a service-connected disability and who believe that they may qualify for service connection of a disabling condition. Fortunately, we were able to give these people the information they need at the time they need it most.

Our workload increase has been dramatic over the last few years. A short time ago, we saw our education and vocational counseling dwindle to less than 3,000 nationwide as the old G.I. bill program ended. We now expect over 30,000 applicants for this service in fiscal year 1993. The participants in vocational rehabilitation services have run from 32,668 in fiscal year 1991 to an estimated 47,700 by the end of fiscal year 1994. With diminishing staff, this workload presents a real challenge.

As a result, we have created new ways of working smarter, and we are constantly seeking ways to improve our services. We admire the success of our disabled veterans. In an internal study of 3,000 recently rehabilitated veterans, we found the study group will generate over $67 million in earned income in their first year of employment, which will result in over $14 million in Federal and State taxes and over $4 million in payments to Social Security. So clearly the programs work.

Mr. Chairman, we would be happy to respond to any questions you or the other Members may have.

[The prepared statement of Mr. Vogel appears at p. 50.]

Mr. MONTGOMERY. I want to thank the gentleman from New York for being here today, Jack Quinn. I have a couple of questions, and then I will yield to you.

I want to welcome Dr. Wyant, who is an old friend.

The GAO report said that better VA management is needed to help disabled veterans find jobs. Also, the GAO states that large caseloads and limited resources do not contribute to VA's failure to provide effective employment services to veterans. Would you answer that, Dr. Wyant?

Dr. WYANT. I would be glad to, Mr. Chairman.

From our own experience, we have to disagree with the GAO report on the findings related to the large caseloads. I don't think it would have taken a very large analysis to find that with a caseload of 300 people per counselor, which allows you about 5 to 10 minutes a week with each of your disabled veterans, you cannot provide effective employment services, because getting a job is a fulltime job, it takes a lot of one-on-one. In the private sector 20 to 25 individuals per case manager is considered the normal, and ours is 10 times that.

Mr. MONTGOMERY. I agree, with the people coming out of the service now, that is putting an extra load on that section of VA.

Has the Department looked into, Mr. Secretary, shifting some people around? As one agency gets more active than other agencies, the work probably slows down. I know we had a similar situation in the home loan area. Needs can go up and down as far as staff is concerned. Have you thought about helping VR&C out with additional staff to address this criticism by the General Accounting Office?

Mr. VOGEL. Our internal staff resources, Mr. Chairman, are pretty well taxed across the system. I have very little opportunity to move personnel resources from one Vocational Rehabilitation and Counseling division in a regional office to another. The workload is fairly heavy across the board.

What we are doing not only for the Vocational Rehabilitation and Counseling Program, but for purposes of administering Compensation and Pension, is exploring with the Department of Defense whether or not any funds or other resources are available in the downsizing of the military to assist us in handling a workload which is even higher than we would have normally anticipated with the downsizing. We are in Compensation and in Vocational Rehabilitation seeing a lot more work than we would have otherwise seen given the downsizing and the prospect of base closures.

Mr. MONTGOMERY. I will ask one other question. The General Accounting Office says that the VA should provide better training to rehabilitation specialists in the area of effective job placement services. GAO also observes that the VA criteria for rehabilitation specialists does not emphasize experience or training in job placement.

Do you plan to provide job placement training? If not, why not?

Mr. VOGEL. Mr. Chairman, we accept that recommendation, the finding of the GAO, and Dr. Wyant will be pleased to comment on how we mean to address that concern.

Dr. WYANT. Thank you, Mr. Vogel.

First, the VBA, as you know, has a training academy in Baltimore. We have used it in the past, and we do plan on using it again this year for employment services.

In addition, as a result of the GAO audit and just the result of good management practice, each of our training conferences that we have had with our VR&C officers has had a component on employment services.

We have a monthly hotline that goes out to all of our regional offices and out-based locations. Employment services is usually a part of that hotline. We have had two satellite training conferences, and a third one will be planned for September of this year. We are again using contractors to provide employment services, so that we can have more one-on-one out there.

In the area also of having a qualified person providing employment services, you asked us at one of our last hearings about our qualifications standards for rehabilitation counselors. We are happy to report now that all the background work has been done—job analysis, task analysis—and revised standards are in our concurrence process up so that our employees will be skilled in providing employment services to disabled individuals. The next time we are down here, we hope these standards will be in place, Mr. Chairman.

Mr. MONTGOMERY. You do accept the criticism, and you will try to make these people more qualified. Is that correct?

Mr. VOGEL. That is correct, Mr. Chairman.

Mr. MONTGOMERY. The gentleman from Arkansas, Tim Hutchinson.

Mr. HUTCHINSON. Thank you, Mr. Chairman; and I thank you for your testimony today, Dr. Wyant and Mr. Vogel.

Understanding that the whole system is stretched and that resources are taxed, it still ultimately becomes an issue of priorities, and I am extremely concerned that the VA's budget request for vocational rehabilitation is inadequate to meet the needs of service-connected disabled veterans. It becomes a matter of priorities.

What priority does the VA give this program, and is there any consideration being given, as the chairman asked, concerning shifting of additional funds and staffing to meet the needs of this program? And given the need for specialists in this area, has there been consideration given to the possibility of contracting out to meet some of these kinds of rehabilitation and counseling program needs?

Mr. VOGEL. Mr. Hutchinson, I think that vocational rehabilitation programs the VA administers really are at the heart of what we do. We think they are very, very important and they are pivotal. Service-connected disabled veterans are the base reason that we exist. We have endeavored to shift resources into generally the compensation and pension processing area, because that is a crisis area. We expect to finish this year with about 600,000 pending compensation and pension cases, most of which are compensation. That is unacceptable. It runs our processing out, on average, into 4 months and more, and we are seeing a run-up in the numbers of original compensation claims. When you get those, you also get as a by-product applications for vocational rehabilitation.

We do have contract authority, and we likely will utilize—I think the figure, Dr. Wyant, is $5 million in contract monies to provide other contract counseling services to free up our staff to deal with disabled veterans. If we run out of that and see ourselves backsliding any further, we will raise the issue about whether or not more resources can be made available.

Mr. Hutchinson, I mention in my statement that I have got a small program analysis team looking at the Vocational Rehabilitation and Counseling Program, at how we deliver services. It seems that likely may come out of that some recommendations to me, which clearly would be discussed with the Secretary and approved by him, prioritizing what we do. Perhaps there are things that we are mandated to do under current law and regulation that we are simply not getting to. We may, in fact, have to cease to do some kind of counseling work for non-service-connected veterans in order to free up resources to take care of what I regard and the Secretary regards and Dr. Wyant regards as the pivotal, important group, the service-connected disabled veterans.

I am not at all predicting the outcome of the study, but we will be pleased to share the results of that study with you. I asked that it be done in a memo about a month ago. We can't continue to do business as usual. I am not sure that we squeeze out all the work and there may be smarter things that we can do. Dr. Wyant has an advisory group of field personnel who have some wonderfully bright ideas, and I spent some time with them on how to make our processing more efficient.

Mr. HUTCHINSON. Dr. Wyant, you mentioned the caseload for a rehabilitation specialist. Did you say it was 225? What was the average caseload?

Dr. WYANT. This year it is approximately 260; next year, at about the same staffing, it would be around 285 with the proposed caseload.

Mr. HUTCHINSON. What kind of employment level would be needed to bring that caseload average down to 150? How many rehabilitation specialists would you need?

Dr. WYANT. I have done the analysis. Our goal—and we think it is comparable with the State voc-rehab system—of 125, would take about 500 additional FTEE to bring it down to that goal.

Mr. HUTCHINSON. Mr. Vogel, in your statement you said that the VA endorses the GAO recommendations regarding the vocational rehabilitation program, and I would like you to comment briefly on how you intend to implement those recommendations. Is there a timetable for implementation of them? And will you keep the subcommittee informed of the status of that implementation plan?

Mr. VOGEL. I will be pleased to keep you informed.

The timetable—Dr. Wyant is much more acquainted with that than I am, Mr. Hutchinson. I would ask him to respond.

Dr. WYANT. We have prepared a timetable, sir, and many of the items on that timetable we have already implemented. Some of the things that you are seeing, like the employer conference that will be coming up for the employees, are all a result of this. We would be very glad to provide our plan for the record, sir.

Mr. HUTCHINSON. I would appreciate that.

[The plan appears at p. 57.]

Mr. HUTCHINSON. Thank you, Mr. Chairman.

Mr. MONTGOMERY. Thank you.

The gentleman from New York.

Mr. QUINN. Thank you, Mr. Chairman. Good morning.

Thank you for your testimony, gentlemen.

Mr. Vogel, early on in your testimony this morning you say that, "In addition to our vocational rehabilitation service to service disabled veterans, our highest priority,"—and you have mentioned it twice this morning—"we provide similar services to an average 1,400 non-service-disabled pension recipients who request our help each year." You say then, "Only 15 percent of veterans who receive an initial evaluation request programs of rehabilitation services, however," and my question is more of a general nature. Only 15 percent after the initial interview. That sounds kind of low to me. Is that because our services aren't right, or the services aren't needed, or they found other places to get the services? Why only 15, or is 15 a generally accepted number?

Mr. VOGEL. These are people who are pensionable. They are definitionally disabled, very seriously disabled, and the 15 percent usually is a result of a sort of a winnowing process. These are people who really both have a desire and a capacity to enter into vocational rehabilitation programs. It is more a matter of ability or capacity to be rehabilitated that has that number at that comparatively low point.

Dr. WYANT. Also, I think you will see that change in the years to come. Up to last year, every pensioner under age 45 was mandated to come in for evaluation whether they wanted to or not. Thanks to this body here and the Congress, you have now given the latitude for that to be voluntary, and, as you well know, it is hard enough to rehabilitate someone who wants rehabilitation, it is impossible to rehabilitate someone who does not want rehabilitation.

To get pension, when you are under age 45, you have to be severely, severely disabled, and many of those evaluations are people with multiple sclerosis or HIV positive that perhaps would not even be alive by the end of their training program. I think the numbers in the future will look much better now that it is voluntary for the person who truly wants a vocational training program.

Mr. QUINN. I guess that prompted the question. Thank you very much.

Thank you, Mr. Chairman.

Mr. MONTGOMERY. Thank you.

We have a number of questions, but we are going to have a lot of votes today, and we want to hear from our next panel who have come from VA regional offices across the country. So we will submit these questions for you gentlemen to answer. It will help us very much.

I want to thank you for being here this morning, and I will call up the next witnesses.

Mr. VOGEL. Thank you, Mr. Chairman.

Dr. WYANT. Thank you, Mr. Chairman and members of the committee.

Mr. MONTGOMERY. Thanks a lot, both of you.

Mr. MONTGOMERY. Dr. Hickey, who is the DTAP coordinator in the VA Regional Office—and, to my colleagues, these gentlemen

and lady work for the VA, and they are out in the field. Dr. Hickey is from Winston-Salem, NC. I know Mr. Wayne Otts. He is from my State, and he is a vocational rehabilitation specialist, and he won the Olin Teague Award a couple of years ago. He is stationed in Phoenix, AZ. Mr. Vincent Monteforte is the vocational rehabilitation and counseling officer from Roanoke, VA.

Dr. Hickey, I was introducing you as a male. I want to correct that. We are glad to have you here.

Ms. HICKEY. Thank you, Mr. Chairman.

Mr. MONTGOMERY. Do you have any statements or anything you would briefly like to say?

STATEMENTS OF MARTIE HICKEY, DTAP COORDINATOR, VA REGIONAL OFFICE, WINSTON-SALEM, NC; WAYNE OTTS, VOCATIONAL REHABILITATION SPECIALIST, VA REGIONAL OFFICE, PHOENIX, AZ; AND VINCENT MONTEFORTE, VOCATIONAL REHABILITATION AND COUNSELING OFFICER, VA REGIONAL OFFICE, ROANOKE, VA

STATEMENT OF MARTIE HICKEY

Ms. HICKEY. Yes, we do have statements, and we would be more than happy to limit them to about 5 minutes each.

I am from North Carolina, and I believe that our two North Carolina DTAP programs and my Marine Corps DTAP program in particular need to be seen within the context of the whole North Carolina scenario, what we call the North Carolina story.

We have had two very critical population shifts that have impacted our regional office and our services in North Carolina. The first of those is that the North Carolina veteran population itself has increased. From 1980 to 1990, the U.S. vet population decreased by 6 percent. At the same time, our North Carolina population was increasing by 8 percent. In addition, as you well know, our active duty population has increased. From 1991 to 1993, that active duty population has increased 32 percent from 90,000 to about 119,000.

So these two trends alone have significantly boosted all types of claims to our regional office. Our disability claims are up 53 percent in the last year, and our applications for vocational rehab are up 134 percent in the last year. At the same time, we have not had a significant increase to the regional office staff.

Now if you add to that, to the normal attrition from the increasing military force and an increasing number in aging vets, add to that the men and women forced out through downsizing, you begin to get a picture of what we call the North Carolina story. The number of vets that we are serving has clearly outgrown the organization designed to serve them.

We have worked hard, and we have worked smart, and we have worked harder, and we have worked smarter, and we have certainly had a lot of good support from the Southern Region, but the bottom line is that we have too many vets and too few staff.

Our DTAP programs, both of them, we feel, are clearly an example of working hard and working smart in the field. In North Carolina, we have two DTAP programs and they are divided geographically, which, incidentally, produced a service division. We have a

Navy-Marine Corps DTAP program that is mine, and then we have an Army-Air Force program. We serve six major installations, four military hospitals, and, as I said, 119,000 active duty population.

The PEV populations and the retirees are the ones that we focus on in the DTAP. Each base has a DTAP service aboard at least once per week providing some kind of DTAP program. Since we started our DTAP programs in North Carolina, we have had 300 DTAP sessions, we have briefed 31,000 people, we have processed 8,500 chapter 36 applications, 905 chapter 31 applications.

Our turn-up rate for chapter 36 counseling, which is the vocational and educational counseling, is about 23 percent. One hundred percent of our work for chapter 36, the vocational counseling, is provided by contract counselors, who are supervised in the field by the DTAP coordinators.

What does our average week look like? We have about 13 sessions and see 250 vets. Per month, that is about 2,000 or 33 briefs.

So who is a DTAP coordinator? A DTAP coordinator, first and foremost, is a counselor, a counselor who can identify issues and address them with the vets. We are time managers. We have chapter 31 and chapter 36 programs to juggle, briefs, TAP's, and DTAP's, pre-retirements, admin and reporting, a command liaison, and training—professional training for us.

We are land navigators, we travel between 400 and 800 miles per week, we are supervisors and managers for contractors or contract technical officers, and we are teachers. Every brief is a class, and we have ideas that are important for these potential vets to get.

What are the tools of our trade? We can't work without a pager strapped to our waist all the time. We have to have a car phone to return calls and work while we are driving. I myself work with a color-coded schedule so that I can tell where I am going to be at any one given time, a different color for every base.

We don't have a staff, so we are a permanent staff of one, and I rely on work-study students who come in part-time, and I have three work-study students who come in and do all the administrative processing.

We have to have a car in good working order with unlimited gas. We have to have a good chain of supply for publications to reach us from the regional office. My job takes about 50 hours per week, and I regularly work unpaid and uncompensated overtime.

We have to have tremendous support from the commands in order to make DTAP work. I have been very fortunate to have tremendous support from the Marine Corps at Marine Corps Air Station, New River. The commanding officer, Colonel Jones, has provided us with office space, including classrooms, heating and air conditioning, and office supplies, copiers, fax, and telephone. At the Marine Corps base in Camp Lejeune, Ms. Lynne Ritter, who is the head of human services, has provided all of those services for our transition assistance program coordinator.

So we have to have the command support, and we have to have command liaison.

The other important things that are tools of the trade are, of course, stamina and an unfailing sense of humor.

Mr. MONTGOMERY. Let me mention right there, we can certainly help you if you are not getting the command support. All you have

to do is notify us. The military is one of the few departments that still listens to us up here. So if you have any problems like that, they do follow orders. I just want to pass that on.

And, Mr. Vogel, if you are having any problems like that, or Dr. Wyant, we can certainly help you if you are not getting the cooperation from these bases.

Dr. HICKEY. Thank you very much, Mr. Chairman.

We have tremendous support on the ground from the field commanders as well as the upper echelons—tremendous. We could not ask for better.

That is the end of my prepared remarks. Any questions, gentlemen?

Mr. MONTGOMERY. We will hear the other two witnesses, and then we will come back.

STATEMENT OF WAYNE OTTS

Mr. OTTS. I am Wayne Otts. I am a vocational rehabilitation specialist at the Phoenix Regional Office. We have an office in Phoenix, and we have an out-base location in Tucson. We have a total of four rehab specialists to serve the entire State with a caseload of about 1,250 people. We have two major metropolitan areas, Phoenix and Tucson, and the rest are fairly well scattered.

It is not unusual to see our staff working on Saturday and Sunday. I myself work anywhere from 60 to 80 hours a week, and I am not complaining. We don't get comp time, we don't get overtime. I am simply stating the fact that we can't do much more. There is not much more that we can do in the field. When you work 12 to 14 hours a day and you work saturdays and Sundays, that doesn't leave a lot of time to do additional work.

We don't do proper case management, we do crisis intervention. I am embarrassed to say that, but it is true. So where do we cut off service, or where do we tell veterans, "I can't help you; I've got to go home; it's quitting time"? You just don't do that. You don't tell veterans, "It's 3:30, it's time for me to go home," and he is being evicted from his home.

How do you tell who is a seriously or severely disabled veteran? Who is a more seriously disabled veteran, a veteran like me that is fairly stable with 70 percent service-connected disability for having an arm gone, or a veteran who is rated 10 percent for PTSD who has alcohol problems, who has had a poor work history, has gone through a divorce, has no place to stay? How do you make those decisions?

It is not easy to come up to you with a statistic and say these are the people that we serve; we simply can't. This must be done on a case-by-case basis. That is the only way you can decide who needs your services the most.

Why has the caseload increased? Well, we have talked about the drawdown of the military, but we haven't talked about the areas that are related to that, such as, when you lose a military base, as we have in Phoenix, you lose all the civil service support area that is heavily occupied by disabled veterans with service-connected disabilities. You have base closures, not just the drawdown but the base closures. We have a poor economy. We have loss of the de-

fense contracting industry. A lot of the agencies, private companies, that historically hire a lot of disabled veterans—and veterans get preference in their hiring because of their contracting status—are being downsized as well, and there is a changing work force. The work force in the United States is not such as it was many years ago, so a lot of these people who have been satisfactorily employed have now been laid off. They are coming back, and what makes it more difficult is, they are now much older than they were to begin with.

We utilize contracting for counseling services and for job placement, but contracting is not the total answer, it is a help, yes. But let me give you some reasons that it is not the total answer. Number one, we must train these contractors to perform the services that we want them to perform. These people are not experienced in veterans' benefits. Number two, we must negotiate contracts and write contracts. Therefore, our staff must be trained in contracting and procurement.

Quality review must be done on these cases to make sure that the contractors are providing the services that we are paying for and that you want the veterans to have. We must then review the cases and make the payments to the vendors.

You have given us the best vocational rehab program in the world. There is absolutely no question about it. If you talk to anybody else in rehabilitation, whether it is State rehab, whether it is workmen's compensation, private industry, they are all jealous of the program we have, and I think it would be a shame to let that program fail because we don't have the resources and the staff to man and produce the results that you want us to produce.

Thank you.

Mr. MONTGOMERY. Thank you for that testimony.

Mr. Monteforte.

STATEMENT OF VINCENT MONTEFORTE

Mr. MONTEFORTE. Thank you, Mr. Chairman. I am pleased to be here this morning. We also have a story in Roanoke, and I would like to tell you about that.

The jurisdiction of the Roanoke VR&C Division encompasses the entire State of Virginia except for two counties in Northern Virginia and two incorporated towns or cities. Currently, approximately 1,600 service-disabled veterans are receiving rehabilitation services under the voc-rehab program in Roanoke. A staff of 20 professionals and clerical personnel administer the program from three locations: Roanoke, where we have nine staff; Richmond, where we have two staff; and Hampton, where we have nine.

In fiscal year 1992, 1,155 service-disabled veterans were provided comprehensive evaluation services to determine their entitlement to a program of services and assistance under chapter 31, voc-rehab. Also during fiscal year 1992, we rehabilitated 76 participants, and we are proud to say that it was the highest number in the Eastern Area. I am also proud to say that the pre-salary of those 76 participants before entering the voc-rehab program was about $3,500, and after rehab their salary was approximately $20,000.

Of the 1,155 disabled veterans who were provided comprehensive evaluation services to determine their entitlement to chapter 31, 715 actually developed Individualized Written Rehabilitation Plans (IWRP's) or had IWRP's confirmed, 124 were determined not to be entitled or not feasible to achieve a vocational goal, and 310 interrupted the evaluation process—that is about 27 percent—before a determination could be made.

The VR&C Division workload continues to grow at an accelerated rate based on the incidence of service-disabled veterans in the Tidewater area of Virginia as well as increased applications resulting from the implementation of the DTAP program. A recent VA Central Office survey that was done in August of 1992 indicated that the Roanoke VR&C Division CP workload grew by 41 percent, and the voc-rehab specialist workload grew by 29 percent since August of 1991.

While our counseling psychologists in Roanoke complete more counseling cases than their colleagues nationwide—we complete about 34 per month, and the average is about 24 per month nationwide—our efforts still do not allow us to keep pace with the incoming cases.

The primary measure of counseling timeliness is the total elapsed time a case remains in applicant case status, and, Mr. Chairman, you asked about those figures earlier. I would like to tell you about those figures in Roanoke. This time applicant case status extends from the date the regional office receives the application to the date of the first counseling appointment. The timeliness goal for cases exiting applicant case status set by VA Central Office is 30 days. For fiscal year 1992 in Roanoke we averaged 96 days, and for the first 6 months of 1993 we are up to 106 days; we are slipping badly.

The current VRS workload is 1,551. The average VRS workload is 286 cases. The Voc-Rehab Service recognizes a caseload of 100 to 125 per VRS as permitting good quality service. The current State-Federal program is about 100 to 110. A VRS workload above 150 suggests a need for very, very close quality control and supervision.

While the current average caseload in Roanoke dropped by about 20 cases per VRS in a year, the reason it dropped is, we distributed some of the VRS caseload to counseling psychologists, so now our counseling psychologists have a part-time VRS caseload. If you subtract the CP FTEE that we have applied to the voc-specialist workload, the average caseload gets up to about 310.

We project that the workload in VR&C will probably expand by about 40 percent annually over the next 3 years. In fiscal year 1993, we anticipate increasing the number of evaluations that we do. With the increase in evaluations, we also expect to see an increase in the number of veterans receiving services and that actually enter into the VRS workload. We expect that the VRS workload by the end of 1993 will be about 2,000, and by 1994 it will be about 2,500, much too high.

I see that I am just about out of time, so maybe I will stop there and hold the rest for my questions.

Mr. MONTGOMERY. This has been excellent testimony, and it certainly has come from the heart; I don't think there is any question about that. You have to be dedicated to work with disabled people.

Mr. MONTEFORTE. Mr. Chairman, could I just add one thing?

Mr. MONTGOMERY. Yes.

Mr. MONTEFORTE. I think it may be revealing.

Right now, my backlogged workload, veterans waiting for evaluation services, is about 2 years. I have got about 1,500 cases waiting for evaluation services.

Mr. MONTGOMERY. That is much longer than an individual filing for compensation or pensions.

Mr. Secretary, John Vogel, how many months does it take before a compensation case is finalized?

Mr. VOGEL. The average is about 125 days.

Mr. MONTGOMERY. Is it going up? I thought you were bringing it down some. What about pensions?

Mr. VOGEL. Pensions is a little less. That is about 100 days.

Mr. MONTGOMERY. Why don't you stand up so we can hear you, John?

Mr. VOGEL. The original compensation is now running about 175 days—no difficulty, no appeals. The average pension case is about 90 to 100 days. The original pension runs about 100 days to do. Any case appealed, of course, they immediately run out to about a year. Through either the board or because of the court, you are running out to in excess of a year. But the average case, most aren't appealed, about 175 days.

Mr. MONTGOMERY. This is 2 years. This is just evaluation? That is an awful long time.

Mr. MONTEFORTE. Mr. Chairman, I didn't want to mislead you. If our counseling psychologists handle those cases, it will take 2 years.

What we are doing right now is, we are doing a fair amount of contracting out. With contracting, we would expect—if we don't receive another application beginning today, we would expect to take care of those people probably in about 12 months with contracting.

Mr. MONTGOMERY. Thank you.

I know you don't have enough money, but you do have some money to contract out?

Mr. MONTEFORTE. Yes, sir. We started the contracting process about a year ago, in March of 1992, when we let three $25,000 contracts. We knew immediately that we were going to exceed that $75,000 very quickly, and since my contracting authority, my warrant, is only for $25,000, what we did immediately is seek the assistance of the VA Medical Center procurement staff, and we entered into a negotiated procurement process.

We started that process in August of 1992 through the Medical Center, going through the Commerce and Business Daily, advertising, following the procedures. It took us almost 8 months to get contracts in place. As a matter of fact, on March 15 we actually signed four contracts, three for $250,000 and one for $200,000. So right now we have in place almost a million dollars worth of contracting.

Mr. MONTGOMERY. Okay.

The problem is, under discretionary spending, we get directed to reduce personnel around the country. How much FTEE did you get this year, Mr. Secretary? This affects, I assume, some of these

people, their staffs, and also not being able to get anybody else to help you.

Mr. VOGEL. I'm sorry, Mr. Chairman? How much in total staff and veterans' benefits administration?

Mr. MONTGOMERY. Yes, for this fiscal year in their area.

Mr. VOGEL. For, the Vocational Rehabilitation Program, I think the number is 18. We took 18 out of the program, and we took some out of other areas as well—loan guaranty, administrative and support staff—in order to try to put some more resources into compensation and pension processing.

Mr. MONTGOMERY. But as I understand the witnesses, the work has gone up, the cases have gone up.

Mr. VOGEL. They are both headed in the wrong direction, Mr. Chairman.

Mr. MONTGOMERY. What is the total number we have out in the field of VR&C staff?

Mr. VOGEL. Seven hundred and twenty-five is the national figure, Mr. Chairman.

Mr. MONTGOMERY. I will be very brief and let my colleagues ask questions.

Thank you.

Dr. Hickey, we want to give you credit for doing outreach activities for disabled veterans in the Winston-Salem area. You had a comment on that—the extra work on that?

Ms. HICKEY. Well, I really enjoy, Mr. Chairman, being able to be out-based, and I really enjoy being able to provide service to, for me, in my case, the sailors and marines at Cherry Point and Camp Lejeune-Indian River. I think it is a tremendous service to be able to reach them before they actually leave active duty. When I stand in front of a group and address them, the fear in their eyes is really real. They are very, very concerned about what they are going to do what they get out and also the economy and how they are going to fit in, and I think the program is really worthwhile.

Mr. MONTGOMERY. You do extra work in that? You spend extra time doing that?

Ms. HICKEY. Yes, Mr. Chairman, I regularly work more than 40 hours a week.

Mr. MONTGOMERY. Mr. Otts, I notice you work in the area of jobs, that you concentrate on that. Can you tell us something about that area?

Mr. OTTS. I started as a voc-rehab specialist concentrating on employment services four or 5 years ago. At that time, you gave us the Employer Incentive Program. At that time, due to the size of our staff, I had the ability to go out and contact employers, and my top priority at that time was to be available to employers when they had problems. Regardless of how careful you are in placement of disabled veterans, the fact that they have disabilities, problems arise with employers.

My top priority, and I think the reason that we have been successful with this in Phoenix, is that when an employer called, I went. Due to staff reductions now—let me tell you a little bit about my caseload. First off, I am a supervisor. I supervise the entire rehab specialist area, including the clerical support staff. I handle all the on-the-job training cases, all the Federal nonpaid work expe-

rience cases, and all the employment cases for the State of Arizona. I no longer have time to contact employers.

My situation is a little different from both of these. I have had the luxury in the past of having adequate staffing. My problem now is that I hate to see many years of hard work going down the drain because of the hits that we are taking.

Out of a total staff number of 17 for the State of Arizona last year, we lost two positions, one VRS and one clerk. That is my problem, that I no longer have the time to go out and meet with employers to explain the Employer Incentive Program, to write contracts with them, and my problem is that I am afraid that the program is going to suffer and go down instead of improving.

Mr. MONTGOMERY. Thank you. Thank you very much.

Mr. Hutchinson.

Mr. HUTCHINSON. Thank you, Mr. Chairman.

I also want to commend you for your commitment and your dedication and the work that you do, and thank you for your presentation today.

Mr. Monteforte, let me go over some of these figures that you gave on the time period that you referred to. What was it, 1992? Was it 1,155 evaluated? Is that correct?

Mr. MONTEFORTE. Yes, sir.

Mr. HUTCHINSON. Go ahead and run through those numbers again. How many, based upon the evaluation, were brought into the rehabilitation program?

Mr. MONTEFORTE. We wrote IWRP's, developed IWRP's, or confirmed IWRP's—and when I say confirmed, these are people who maybe had IWRP's before and were in the program, and we have brought them back in for reevaluation. We confirmed or wrote or developed IWRP's for 715.

Mr. HUTCHINSON. How many of those actually went ahead and entered into the rehabilitation program?

Mr. MONTEFORTE. I would guess almost all of them, sir.

Mr. HUTCHINSON. And there were 76 rehabilitated?

Mr. MONTEFORTE. Seventy-six were rehabilitated during fiscal year 1992.

Mr. HUTCHINSON. And what is the definition of rehabilitated? They were employed? They went through the program and were employed?

Mr. MONTEFORTE. Yes, sir, for a period of at least 60 days with follow-up in an objective that they closely trained for.

Mr. HUTCHINSON. Okay. Can you tell me how many actually dropped out in the course of the program?

Mr. MONTEFORTE. During that same year?

Mr. HUTCHINSON. Yes, out of those 715.

Mr. MONTEFORTE. I don't have those figures, but I can tell you that when I came to Roanoke in 1991 we were running about 27 percent that were in an interrupted status, and over the past 2 years we have been able to reduce that to under 20 percent. So over the course of 2 years, we have been actually putting fewer people into an interrupted status, but I don't have those figures based on that same period of time.

Mr. HUTCHINSON. All right. Apart from the high caseload, have you been able to evaluate what contributing factors there may be?

Mr. MONTEFORTE. Yes. I made some notes. In preparation for my appearance here today, what I did is, I called about 12 or 13 of my colleagues, and I asked them, if they had the same opportunity, what would they tell you about the program, and one of the things that they said or commented on was this number that interrupt, and I got some reasons.

The reason that my colleagues tell me and I have experienced also is that these folks get jobs because they have to support their families and they can't do it on the subsistence allowance that they receive from voc-rehab. They have families, they have debts. They realize that voc-rehab will not support their families while they actually train for a period of time. Their medical conditions aren't stable, they have to go back into the hospital, so they interrupt for those types of reasons. They relocate to other States, especially those that come out of the DTAP program. They will be in the Tidewater area for a few months and enter a program, and then they interrupt, or they interrupt the evaluation process to go back home somewhere else.

The process is too slow. They can't put their lives on hold for 6, 9, 12 months, waiting to be evaluated. They just have to get on with their lives.

They have a misperception about voc-rehab. Some of them come in with jobs and they are pleased with their jobs, but what they are looking for is personal or professional development to enhance the job that they already have.

Also, many of them, after they come in and get an orientation to what the voc-rehab program is, they tend to feel that maybe they are not disabled enough, that maybe there are more worthy people out there.

Those are just some of the reasons.

Mr. HUTCHINSON. That is an excellent answer, and I appreciate the fact that you have done some work on that and some research.

It would seem to me that there is a big cost in the program when you have that kind of a drop-out rate, the processing and going through all of the preliminaries, and if we could intervene earlier and determine what the cause of that is, it is going to be very beneficial.

You also raised a little bit the timeliness issue, and that has come up before. Give me those figures again on the length of time.

Mr. MONTEFORTE. In fiscal year 1991 we were running about 120 days. In 1992 we brought it down to 96 days, time in applicant status.

Mr. HUTCHINSON. Would you agree that the timeliness, the speed with which a person who is in need of these kinds of services can be brought into that program, is directly related to the likelihood of success and ultimate placement?

Mr. MONTEFORTE. Yes, sir.

Mr. HUTCHINSON. So that becomes a critical issue. This isn't something that is neutral as to when they get in, this is something that is very critical, that they intervene quickly, that the rehabilitation takes place quickly, and the likelihood of ultimate placement in a job is related to that?

Mr. MONTEFORTE. Yes, sir. That is the distinction of the DTAP program, because you are able to get to those folks and provide

that intervention very early in the process. The problem with that is, you motivate them early, but then they have to wait.

Mr. HUTCHINSON. I see heads nodding across the table.

And the lines are going in the wrong direction; caseload is increasing; the time length is increasing. Unfortunately, we are getting farther away from the goal than closer.

Mr. MONTEFORTE. Mr. Hutchinson, I am frightened by the potential growth in the VRS workload over the next 2 years. I just don't know how we are going to do it.

Mr. HUTCHINSON. I have other questions, but I appreciate very much your candid answers, and I share your concern.

Thank you, Mr. Chairman.

Mr. MONTGOMERY. Thank you.

The gentleman from New York, Jack Quinn.

Mr. QUINN. Thank you, Mr. Chairman.

I would like to thank all of you for your testimony here today. I think the chairman hit it exactly right when he said this information comes from the heart. I know when I am home in my home State of New York in Buffalo, New York, and have a chance to visit the VA and see the people who are in the field and in the hospitals, the response is the same. I think a 40-hour work week is very, very rare for any of you who are in this business, and please know all of us up here appreciate that and truly thank you for it.

My question is not to anybody individually, and maybe one of you can respond, but the trends that we are hearing today frighten me as well. As Mr. Vogel even said, the numbers are going in the wrong direction; cases are up; resources are down. We have been talking about the resource end of things for about 3 months up here on the Hill.

The information that you shared with us here today, all of these facts and figures and numbers and percentages—I have got to believe that those are reportable. Is there a reporting mechanism that the VA also has for this information you shared with us this morning?

Mr. MONTEFORTE. Yes, sir.

Mr. QUINN. So this isn't new news to anybody up here? I am a freshman on this panel and a freshman Member here in the Congress. But certainly while we appreciate those numbers, it is something that we have had for a while and will have. Is that right?

Mr. MONTEFORTE. Those figures I reported on number of evaluations, the timeliness standards, is all part of our reporting system, whether it is our quarterly statistical COIN DOOR report, or COIN TAR report; yes, sir.

Mr. QUINN. Thank you.

Thank you, Mr. Chairman.

Mr. MONTGOMERY. Thank you, Jack. I enjoyed meeting your father last night. I notice you didn't bring him to the hearing this morning.

Mr. QUINN. I'm sorry. Excuse me. You see, my resources are in the other room, too.

Mr. MONTGOMERY. Last night, I met your father. I notice you didn't bring him to the hearing this morning.

Mr. QUINN. No, sir.

Mr. MONTGOMERY. Tell him we missed him.

We have some other questions, but we will submit those to you. Thank you very much for coming into Washington. I know that all three of you are doing an excellent job.

Mr. MONTEFORTE. Thank you.

Mr. OTTS. Thank you, Mr. Chairman.

Ms. HICKEY. Thank you, Mr. Chairman.

Mr. MONTGOMERY. We will now hear from our veterans' service organizations. We always enjoy hearing from them. Cliff Dupree is representing the Paralyzed Veterans of America; Ron Drach, Disabled American Veterans; Bob Manhan is from the Veterans of Foreign Wars; and William Crandell is representing the Vietnam Veterans of America.

This might be, Bill, your first time testifying before this subcommittee?

Mr. CRANDELL. The first time with you; second time; I testified last week.

Mr. MONTGOMERY. Staff tells me that this group here this morning is very helpful to her, that you work with Jill and with other staff members on this vocational education program, and we appreciate it. We need your input.

Who is the ranking fellow out there? We are going by rank here today.

Mr. DRACH. It depends on what you define as rank, Mr. Chairman.

Mr. MONTGOMERY. Okay. You can go first.

STATEMENTS OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS; CLIFTON E. DUPREE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; BOB MANHAN, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; AND WILLIAM F. CRANDELL, LEGISLATIVE ASSISTANT, VIETNAM VETERANS OF AMERICA

STATEMENT OF RONALD W. DRACH

Mr. DRACH. Thank you, Mr. Chairman.

Mr. Chairman, I would like to make just a couple of quick comments on the previous witnesses and mention that, from my experience with working with some of the field staff of the VR&C service, these three individuals are not atypical. Their sincerity, their hard work, their dedication, is spread throughout the country in all the offices.

Mr. MONTGOMERY. You have heard of them?

Mr. DRACH. Yes, I have, Mr. Chairman. Yes, I have. I am a product of their program. I went through chapter 31 twenty-some years ago and can attest that is a very good program.

Ms. Hickey mentioned the DTAP and all the work that she is doing on DTAP, but I don't recall hearing her say that DTAP was part of TAP, and that frightens me. As you may recall from our trip down to South Carolina and Georgia a couple of weeks ago, that question came up about DTAP standing alone. DTAP was not intended to be a separate program, it is intended to be part of TAP, and I hope that her DTAP efforts are combined with TAP because it has to happen.

While I am on that subject, in my prepared testimony I make a recommendation that TAP type services be provided to vocational rehabilitation clients because they don't get those types of services—interview techniques, resume writing. I think there is no organized program across the board that provides that.

I would also like to point out, you heard some awful statistics, and there is one that I don't think was mentioned that is also very scary. Next year, they are scheduled for a 40 percent cut in their travel allowance. You have already heard they don't have enough travel money as it is.

I am going to go over a few things real quick, Mr. Chairman. There is no question in our mind that the bottom line here is, they need additional resources pure and simple. Without the additional resources, the problem is going to get worse.

DAV has recommended in the past and will recommend again that we need to take a look at the chapter 15 program, the one for the non-service-connected pensioners. We believe that program does not provide the outcomes that are desired and we could better use those resources on the chapter 31 program.

We know that in 1980 a major change took place in what vocrehab is all about. It went from a 40-year history of providing the goal of restoration of employability to a new mandate of actual employment. We had a mind set of providing that restoration and completing training and that was the end of it, and we need to get back into the groove here that employment is the main goal of vocational rehabilitation. Without actual employment, Mr. Chairman, we believe that vocational rehabilitation may be wasted on some individuals.

I also mention in my prepared text about the employment services task group. Back in, I think, 1988 or 1989 I identified 36 problems in the employment services arena. We wonder what happened to those recommendations. Does that task group still exist? Have they met since 1988? and, if so, how many times?

We heard in the GAO study about the lack of formal training. Several of the individual staff that were interviewed in the GAO study said that there has been no formal employment services training. Section 3118 of title 38 requires the Secretary to provide ongoing training and development, and we wonder what is being done under that. I know Dr. Wyant responded in part, but I am not sure that that goes far enough. I think there are some academic programs out there that are non-degree oriented that some of the staff could possibly take, particularly the VRS's who may have no training at all in vocational rehabilitation or employment services, and we think that could be done.

I don't know whether this is going on or not, but I didn't hear it mentioned. I know it didn't occur necessarily with me 25 years ago, but the veteran must be made part of the process, and in some cases where it was being done you had a much higher success rate in employment services being provided as well as placement. The veteran must have a stake in the outcome of his or her final rehabilitation program.

I think there are additional resources out there that need to be taken advantage of. There are various programs. Several of the people interviewed in the GAO study said that they don't use

DVOP's. I mean that is absolutely incredible. The law requires DVOP's be used. As a matter of fact, DVOP's first priority is for chapter 31 clients, and for an office not to be using DVOP's is certainly mind-boggling to me, Mr. Chairman.

Back in 1979, the VA put out a circular, and I don't know if it has ever been updated, but it was a directory of various programs available for employment of veterans, and I would like to recommend that they take a look at that circular, and if it hasn't been updated, get it updated, because there have been new programs since that time.

We are happy to hear Dr. Wyant say that the qualification standards for vocational rehabilitation specialists is hopefully in the final stages of being adopted. I may not be as optimistic as Dr. Wyant. That has been around for a number of years. I know they have worked hard on it. The Veterans' Advisory Committee on Rehabilitation, which I chair, has made several recommendations to change that, and I hope that that is going to happen.

Mr. Chairman, we have mentioned resources a number of times. The independent budget, which I know you are familiar with, recommends an additional 568 staff in order to come up to the needed level of services. Mr. Chairman, that is almost equal to the number of the entire staff they had in 1980; 568 are needed.

I was happy to hear that there is more being done on the contract services. I think that can help alleviate some of the problems. And I looked at some of the other numbers, Mr. Chairman. The GAO said that 71 percent of the clients dropped out before obtaining suitable employment; 36 percent of those dropped out before seeing a counselor on an initial appointment, and 26 percent dropped out after seeing a counselor. If you add those two together, it comes up to 62 percent.

So that leaves 9 percent that dropped out after being enrolled in the program, and I am not sure whether the glass is half full or half empty when you look at that. But why 36? I think the major reason 36 percent drop out before is the 2-year waiting period. It becomes very obvious. How long can you wait around to see a counselor to get into a program? The 26 percent, after they see a counselor, I don't know. I am not sure what that could be attributable to.

Case management is very, very important. As Mr. Otts said, they don't do case management, they do crisis intervention. Totally unacceptable. On the medical side, I don't think they know what case management means. The advisory committee that I mentioned earlier did a separate study on case management and have submitted it to the administration several years ago, and the bottom line is that case management is not being implemented properly, particularly on the medical side, and we believe that needs to be done. We think that if you have a proper case management system on both the benefits side and the health care side that a lot of the problems can be abated, can be avoided, can be early intervened, and hopefully averted.

I think my last comment, Mr. Chairman, is, you mentioned the need for support from the military. I think that is very crucial for the TAP/DTAP program. But equally crucial, if not more crucial, is support from the regional office director. These individuals are

not responsible or answerable to Dr. Wyant, they are answerable to the regional office director, and we think that needs to be changed.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Drach, with attachment, appears at p. 66.]

Mr. MONTGOMERY. Thank you. That is an excellent point.

Mr. Dupree.

STATEMENT OF CLIFTON E. DUPREE

Mr. DUPREE. Good morning, Mr. Chairman and members of the subcommittee. On behalf of Paralyzed Veterans of America, I want to thank you for inviting us today to testify.

Mr. Chairman, there is a need to establish a program within VR&C that is significantly charged with coordinating the employment of rehabilitated veterans with employers. The success rate was higher when VA administered its own assistance program before it was farmed out to State employment DVOP's, and there were several reasons for this. Emphasis was on job placement for disabled veterans, and their return to employment related to their rehabilitation, and VA personnel were dedicated to their responsibility of successfully matching rehab veterans with employment, and their efforts were not diluted with other unrelated detail assignments, and veterans received fast action.

One of the most frequently heard complaints from disabled veterans around the country is the current inadequacy of employment opportunities. In light of budget constraints faced by VA, PVA would suggest utilizing a work-study employee under supervision of VR&C; his/her responsibilities would be to maintain a list of rehabilitated and potentially rehabilitated veterans as well as a list of approved employers within the State. It will be necessary to maintain contact with veterans and employers to help coordinate and meet each group's needs. Rehabilitation achieved through training paid by the VA is of no substance if veterans are not able to utilize the skills they have acquired.

Vocational rehabilitation should be one of the highest priorities of the Department of Veterans Affairs for the severely disabled veteran. In the context of catastrophic spinal cord injury, rehabilitation is a process by which medical, psychological, and social functions are restored or developed to the level which permits an injured person to achieve personal autonomy and an individual, noninstitutionalized life style.

According to vocational counsel professionals, the real lack of timeliness between application for services and the initial face-to-face counseling contact has two diverse effects on the disabled veteran. First, the applicant's level of motivation and morale is reduced as delays produce the impression that the system is unresponsive and uncaring; and, second, a person who has become disabled is prone to depression and increasing psychosomatic symptoms, a tendency made worse by lengthy delays. These adverse effects make it more difficult to achieve the primary objective of vocrehab, the veteran's successful re-entry into competitive employment and to becoming productive, tax-paying members of society.

PVA recommends that Congress establish and VA meet timeliness standards since voc-rehab services directly represent our Nation's commitment to service-connected disabled veterans and those who sacrifices deserve the highest priority.

Once a veteran has completed voc-rehab, the VA should vigorously assist the veteran to find employment, gainful employment. Disabled veterans who are given the opportunity to participate in voc-rehab contribute to the Federal, State, and local tax base rather than becoming dependent on them.

In October of 1992, the Disabled Income Systems, Incorporated, in cooperation with the Paralysis Society of America, released a study called "The consequences of traumatic spinal cord injury, analysis of post-injury employment patterns." The spinal cord injured persons injured at age 18 to 64 represent 147,000 Americans. This group best represents those individuals who would face employment decisions after their injuries.

This survey analysis of post-injury employment shows that the average months that an individual with SCI was not employed immediately after injury exceeded 60 months. Under this survey, disabled veterans remained unemployed an average of 90 months immediately after injury, and no other demographic group under age 65 of any size has such a small proportion working.

The physical challenge of a disability is not the only reason individuals cannot find work or gain the experience or educational opportunities necessary to start a business. The Congress and the American people are trying to change both the physical barriers and the environment and attitudinal barriers in society that have challenged people with disabilities.

The Americans with Disabilities Act enacted in 1990 made major strides in directing the Nation to help overcome the devastating effects of discrimination against persons with disabilities.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions you may have.

[The prepared statement of Mr. Dupree appears at p. 81.]

Mr. MONTGOMERY. Thank you.

Mr. Manhan, we will recognize you now.

STATEMENT OF BOB MANHAN

Mr. MANHAN. Thank you very much, Mr. Chairman. It is a pleasure for the Veterans of Foreign Wars to be here this morning.

Our written testimony contains the overall same statistical information cited by Mr. Vogel and Dr. Wyant.

Mr. MONTGOMERY. Without objection, all these statements, in full, will be put in the record.

Thank you.

Mr. MANHAN. Yes, sir.

Rather than repeat the same statistics that we have already heard, that the workload is increasing, that the vocational rehabilitative service people are falling further and further behind, I will elect to stress only that portion of our testimony that discussed the vocation rehabilitation services' fiscal year 1994 budget request.

It is interesting to note that Dr. Wyant and his people are requesting a total of $37,400,000 in fiscal year 1994, but that figure

will pay for 714 people, some 18 fewer professional staffers, as Mr. Vogel has already testified. It does look like, compared to the 1993 budget request, the Veterans Rehabilitation Program (VRP) will get almost a third of a million dollars more in personnel costs, but it will actually be absorbed in the COLA and the government's portion of fringe benefits—insurance, pensions, and so forth.

Another important thing regarding the budget request is that VRP is going to receive some $42,000 less in the future in their travel account and some $24,000 less in what they call their "other services" account.

Based on everything we have heard this morning, particularly from those people in the field stations, the VFW strongly believes that the voc-rehab people need more money in their travel account in order to just keep up with the home-bound veteran; that seriously disabled veterans who is in voc-rehab training somewhere and/or in the process of seeking employment or working, say, at some job within his first 30 to 60 days. The VFW has recommended, although I realize this is not an appropriations committee, that at least another $500,000 is needed in that account.

With this, I will close my statement. Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Manhan appears on p. 85.]

Mr. MONTGOMERY. I thank you very much, and you are representing the VFW.

I meant to mention Mr. Drach going on that trip with us, and Tim Hutchinson and myself and others were there. It is an excellent way to get out and find out what is going on. I am sorry some of the other veterans' organizations didn't go with us, but the Defense Department made a very poor ruling on who should pay for flying on these airplanes and who shouldn't. That was a mistake by the Defense Department, and we hope that won't happen again.

But when we invite you to these—and we don't do many of them, we probably should do more—I think Ron would say it is really the bottom line. You are out there talking to the folks about what is happening.

The chair would like to recognize the gentleman from the Vietnam Veterans of America, Mr. Crandell.

STATEMENT OF WILLIAM F. CRANDELL

Mr. CRANDELL. Thank you, Mr. Chairman. Vietnam Veterans of America also appreciates this opportunity to discuss the vocational rehabilitation program.

If there is a single point from my written testimony that we want to underscore in our appearance here this morning, it is that vocational rehabilitation, helping disabled veterans to train for obtain jobs, is too important to be managed as unwisely as we do it today. We have a program that is full of competent, caring people, not enough of them, the professionals who work here, and yet three out of four veterans who qualify for the program end up more discouraged than when they began. They deserve better.

Nobody would guess from looking at the program's product that VA seriously intends to train disabled veterans for employment and help them find it. The statistic that jumps to our mind of all of

the problematic statistics that we have heard is that 5 percent are considered rehabilitated. That is a terrible figure.

Clearly, the program needs more staff. But three other things make this program so unsuccessful: its lack of outreach and responsiveness, its wrong-headed management tools, and its unwillingness to give seriously disabled veterans the special attention that Congress has mandated.

VA does minimal outreach for the program, which is understandable given its current caseloads, and yet there is a requirement in the 1980 Veterans' Education and Rehabilitation Amendments for phone calls, personal letters, and visits for seriously disabled veterans that is ignored.

As is true elsewhere in the VA, particularly in the regional offices, management standards for measuring service in the program are wrong-headed. When the program rehabilitates only 5 percent of its eligible applicants and simultaneously rates 90 percent of its field offices as meeting or exceeding VA quality efforts, there is something wrong with the standards.

By refusing to distinguish between veterans with minor disabilities and those who are seriously disabled, VA encourages doing as little as possible for those who need the most help, and this is clearly true with the caseloads we are talking about. Precisely because seriously disabled cases take more work, the current management system rates the staffer who handles a lot of these cases as less efficient than the one who takes easy cases.

The 1980 amendments also authorize VA to use contract agencies for job placement, and where that has been done, paying only when the veteran receives a job, it works. We feel the Secretary must mandate this. Neither the State rehabilitation agencies, which vary widely in quality, nor the labor exchange operated under the U.S. Department of Labor provide a satisfactory alternative.

The great failing of the labor exchange is that they reach so few employers. To a great extent, capable workers stay away from the job service because they can't find good jobs there, and employers stay away because the best workers do. It is a vicious circle, and disabled veterans are stuck in it.

Although VVA supports the GAO recommendation that VA establish effective working relationships with such agencies as DOL, the use of contracting agencies ought to be strongly encouraged.

Mr. Chairman, our disabled veterans have given more to this Nation than most living Americans, and the sacrifices of the seriously disabled are the greatest. We have grown all too accustomed to VA programs that discourage veterans rather than help them when the value of helping veterans live normal, productive lives is clearly good, economic sense as well as our moral responsibility.

Thank you for this opportunity.

[The prepared statement of Mr. Crandell appears at p. 88.]

Mr. MONTGOMERY. Thank you very much.

If each one of you would answer this question, and if you would make it brief, I would appreciate it.

What is the main problem that you see facing the VR&C? Which is the most serious problem that you see out there? I think you said it in your testimony, but I would like to pin it down more.

Mr. DRACH. Mr. Chairman, if I may, increased workload and dwindling resources.

Mr. MANHAN. VFW will probably give you the same answer, but, more concisely, a lack of money to do what you charge VA to do in chapter 31, Mr. Chairman.

Mr. DUPREE. Yes, sir, I agree with the other two gentlemen. It is the same problem.

Mr. CRANDELL. VVA also agrees with that, but we also want to just point out that, with the management problems, you are still going to have some serious problems if we do a serious staff expansion, which we need to do.

Mr. MONTGOMERY. Comparing the State/Federal rehabilitation programs, what is the quality of service from the VA vocational rehabilitation, say, compared to the State?

Mr. DRACH. Mr. Chairman, I have something in my prepared statement about that. It saddens me because years ago, I remember, when I was a member of the National Rehabilitation Association, how envious the State voc-rehab people were of the VA, what a great program the VA had, and that it was second to none, and the States just said, "I wish we could have the same type of program." Now we see the VA itself in several medical centers that were in the GAO study would rather use the State system than the VA system. That is a sad commentary.

I don't have any data or any information, but I am not so sure that the State system is much better other than a relatively much lower caseload than what the VA has. I have not seen any evidence that the State necessarily emphasizes employment services any more than the VA does. So, given that, that is my limited experience with it.

Mr. MONTGOMERY. Thank you.

Mr. MANHAN. The VFW agrees with everything Mr. Drach of DAV said. Perhaps we are too bureaucratic now in the Department of Veterans Affairs when it comes to the entire issue of processing claims. This is an administrative luxury perhaps State and local governments cannot afford.

I think the private sector may be the key to the future. They are stripped down, they are streamlined, they are motivated for profit, and they may do a better job in some aspects, and maybe the civil service should look at itself.

Thank you, Mr. Chairman.

Mr. DRACH. Mr. Chairman, if I may just piggy-back on that for a second, I don't disagree with Mr. Manhan, but I would like to point out that private rehab agencies, for the most part, take clients from insurance companies, and there is a real financial motivational incentive to get those people back to work. As was indicated in the GAO study, contract services in private rehab agencies, for the most part, get paid only for success. So that side of it is good, but I think their success has been, they have been able to cream.

Mr. MONTGOMERY. Any other comments?

Mr. Hutchinson.

Mr. HUTCHINSON. Thank you, Mr. Chairman.

Several of you have alluded to the cut in funds for travel. Obviously, case management and rehabilitation services is not something you can do sitting in an office, but could you expand as a

panel on why you feel that the reduction in the travel funds is so harmful and why to increase it is so essential.

Mr. DUPREE. Yes, sir. From PVA's standpoint, we had our NSO's send us a list of who was involved in voc-rehab in different regions. An example I can give you is Nashville, TN. I wish Congressman Clement was here this morning, but he isn't.

Presently, they have 847 applications for voc-rehab, and they have a lack of travel expenses due to budget constraints, so any severely disabled veteran who is not able to travel because of medical conditions would not be given the opportunity to see a counselor because they can't get to the regional office because of the cuts in the expense, and that is important.

I mean that is what voc-rehab is for, to rehabilitate people who need it. So if I can't be there, to the regional office, then I have no opportunity. I mean I can knock at the door, but somebody has to be there to answer it.

Mr. DRACH. Yes, sir. Dr. Hickey mentioned pretty extensively her outreach efforts, and the gentleman to my right also mentioned the outreach requirements. You can't do outreach without getting out of the office, number one. Number two, with the added responsibilities of DTAP, DTAP is not conducted in the regional offices, as you well know, Mr. Hutchinson.

I guess it gets down to putting the emphasis where. I mean if you give them more outreach responsibility and then compel them to do more outreach, the workloads are going to increase. So I am not sure where you put this all into perspective and balance, but I think as long as we want them to do the kind of job that they need to do, which includes getting out, if you can't get the client in to receive the services, you have got to take the services to the client, and that is all part of the outreach effort, sir.

Mr. HUTCHINSON. Okay. I think probably my question ought to be directed to Mr. Vogel, and I will just submit it for the record that, with a cut in funds for travel, how are you going to accomplish DTAP and how are you going to accomplish case management?

Would you like to respond to that now?

Is that all right, Mr. Chairman?

Mr. MONTGOMERY. Yes, sir.

Mr. VOGEL. Mr. Hutchinson, the 1994 budget is not yet law, so we are looking at the prospect now of a 40 percent or thereabouts cut in travel. We don't have that yet. We will wait for the action of the Congress to determine what our appropriation is. But I think it is safe to say that there will be less travel next year than there is this year absent different action from the Congress.

We have a directors conference next week in Baltimore, and that is an issue that is going to come up. Dr. Wyant and I will raise the issue about the utilization of resources and travel. Travel for us in a lot of other program areas is training, and training provides uniformity and efficiencies. We are keenly interested.

But the numbers are not set yet, is the short answer to the question, Mr. Hutchinson.

Mr. HUTCHINSON. Thank you for that.

Mr. MONTGOMERY. Would the gentleman yield?

Mr. HUTCHINSON. Yes.

Mr. MONTGOMERY. I want to commend Mr. Vogel and Dr. Wyant for staying here this morning.

Before you came to the Congress, witnesses would come up here and, after they had testified, they would run out the door. I got the message through that they need to stay here. With Mr. Vogel staying here, we have gotten some other information that we needed.

Mr. HUTCHINSON. Thank you, Mr. Chairman, for that institutional history. I needed that.

And I do appreciate, Mr. Vogel, your staying around, and I would only say that it would seem to me that if a travel budget is very justifiable, it would be in the area of the rehab and the DTAP programs, it is certainly critical there.

That will lead me to a real broad question for the panel: What must be done by the Congress, by the administration, and by the VSO's to get and to obtain the resources that VR&C clearly, from the testimony today, needs? What are your recommendations? That is pretty broad.

Mr. DRACH. Well, let me try to take a stab at it, Mr. Hutchinson. I have been around Washington long enough to realize that we are not going to get the needed resources to the extent that they are needed; we may get something.

I know Mr. Montgomery several years ago was very instrumental in getting additional staff. I just don't know how much we can rely on getting this time around.

As I indicated, the independent budget requested an increase of about 568 new employees. I am realistic enough to believe we are not going to get that many people.

So I think the Congress needs to look at what they feel is adequate, given the budget reconciliation process and everything, what they can do to put that money in, additional money and resources in. I think the veterans' service organizations can do our part by contacting the Appropriations Committees, outlining some of these problems and concerns, and letting them know of our support for additional resources.

I think the VA needs to take a hard look at what GAO has recommended, what we have recommended here today. There are a lot of things that they can do administratively, and I think with the combination of the three efforts we may see some increased services, a little lessening of some of the problems, but the bottom line, sir, is that we just need additional resources and until such time I don't think it is going to get any better.

Mr. HUTCHINSON. Would anybody else like to comment on that? I appreciate that answer.

Mr. MANHAN. It was a very tough question, Mr. Hutchinson. I will give you a very hard answer. Congress maybe should look at VA itself. Are they performing functions that are not necessary any more? Or, I will turn the coin over and say, let's prioritize the most important things, and let's not take the first cuts out of veteran entitlements. Are there blocks of employees, good people, in the VA who are no longer serving a veteran function? They represent an awful lot of dollars in overhead.

For example, we used to have a construction element within the VA. Due to many years of problems, construction issues have been

shifted elsewhere, but VA still has a large construction staff still around.

Another area: The VA IG tells us that many bad contracts have been let out, authorized, throughout the entire VA system, and every year they will tell us it adds up to millions and millions of dollars that could have been better spent. If we know about it, maybe this is something Congress wants to do by correcting these soft spots.

Thank you, Mr. Hutchinson.

Mr. MONTGOMERY. Would the gentleman yield?

Mr. HUTCHINSON. Yes, Mr. Chairman.

Mr. MONTGOMERY. For the record, if you could give us some other areas where there might be surplus personnel, we would certainly like to have your input on that.

Mr. MANHAN. Yes, Mr. Chairman.

Mr. MONTGOMERY. You just mentioned one area, and, of course, we know about contracts. All Government agencies haven't done a very good job on contracting out.

Mr. HUTCHINSON. Yes, thank you, Mr. Chairman. I think that is exactly right. The criticism that you level and the concern you level is what most people feel about government in general, that too often it is not services to people that are provided, it is the overhead, and it needs to be continually examined. I think those specifics that you could provide would be very helpful.

Mr. MONTGOMERY. Would the gentleman yield again?

Mr. HUTCHINSON. Yes, sir.

Mr. MONTGOMERY. We would hate to get into the position the Agriculture Department is in now that you see every other night something about six staff people in the Agriculture Department taking care of five farmers. We certainly don't want that to come up and hit us.

Mr. HUTCHINSON. Absolutely. I want to thank the panel.

I think that is all the questions I have, and I will yield my time, Mr. Chairman.

Mr. MONTGOMERY. With that, I think it has been an excellent hearing. We want to thank our witnesses this morning. The subcommittee now stands adjourned.

[Whereupon, at 11:04 a.m., the subcommittee was adjourned.]

APPENDIX

PREPARED STATEMENT OF CHAIRMAN MONTGOMERY

The Subcommittee will come to order. I want to welcome all of you here today.

We are meeting this morning to examine the implementation and effectiveness of the vocational rehabilitation program for service-connected disabled veterans. This program is contained in chapter 31, title 38, United States Code. The program's purpose is to enable disabled veterans to become employable, to obtain and maintain suitable employment, and to achieve maximum independence in daily living.

Congress places a high priority on vocational programs and services for those who suffer disabilities while serving in our Armed Forces. Vocational rehabilitation assistance was provided as far back as 1917, when Congress enacted the War Risk Insurance Act. This measure included a vocational rehabilitation program for disabled veterans of World War I. Similar programs established for veterans of World War II, Korea, and Vietnam, and peacetime veterans who suffer disabilities while serving in the military are eligible for vocational rehabilitation services.

The responsibilities of the Vocational Rehabilitation and Counseling Service (VR&C) have increased significantly since 1980 when the Chapter 31 program was modified. Public Law 96-466, the Veterans' Rehabilitation and Education Amendments of 1980, shifted the focus of the Vocational Rehabilitation Program from simple restoration of a veteran's employability to assisting and enabling a veteran to attain and maintain suitable employment—the ultimate goal of rehabilitation.

In addition to its responsibilities for service-connected veterans, the VR&C Service provides rehabilitatión services to non-service-disabled pensioners.

Additionally, VR&C provides educational and vocational counseling to active duty servicemembers who are within 6 months of separation, veterans who have been out of the service for no more than 12 months, and individuals who are participating in a variety of VA programs.

Finally, VR&C staff play a critical role in the implementation of the Transition Assistance Program and the Disabled Transition Assistance Program.

Clearly, the VR&C plate is very full. Statistics regarding the timeliness, and consequently the quality, of vocational rehabilitation services provided to service-connected veterans are disappointing and cause for real concern. Our fist national obligation and commitment is to those disabled in service to this country. The Vocational Rehabilitation Program must be strong and vital if we are to meet that commitment. Unfortunately, because of the serious budget situation, resources are limited. Accordingly, we must look for ways to improve delivery of services within the restrictions of available funding.

Last fall, the General Accounting Office released two reports related to the vocational rehabilitation program. These reports recommend several program administration changes that involve no costs but would result in improved benefit delivery. I look forward to hearing VA's response to these GAO suggestions.

Before hearing from our first witness, I will yield to the Ranking Minority Member of the Subcommittee, Tim Hutchinson.

SUMMARY OF GAO REPORT VOCATIONAL REHABILITATION: VA NEEDS TO EMPHASIZE SERVING VETERANS WITH SERIOUS EMPLOYMENT HANDICAP

Purposes:

(1) To examine the Department of Veterans Affairs' (VA's) vocational rehabilitation program to determine whether VA is providing the special services that are required to be given to veterans with serious employment handicaps.

(2) To review employee productivity standards to determine whether they include the provision of these services.

Background:

The vocational rehabilitation program provides rehabilitation and counseling services to veterans with serious employment handicaps to aid them in obtaining and maintaining suitable employment. Veterans are entitled to vocational rehabilitation services if they have a 20 percent or higher service-connected disability and an employment handicap, or a 10 percent service-connected disability and a serious employment handicap. VA served 35,000 disabled veterans and spent approximately $145 million under the vocational rehabilitation program in FY 1991. Program costs for FY 1992 increased to approximately $197 million.

The Veterans' Rehabilitation and Education Amendments of 1980 made the following changes in the vocational rehabilitation program: (1) provide special outreach to veterans having disability ratings of 50 percent or higher and are less than 56 years of age; (2) give special priority in scheduling initial counseling and evaluation appointments to applicant veterans that are considered most likely to experience serious employment handicaps to allow them to be seen within 21 days after their initial application to the program; (3) indefinitely extend the period of eligibility within which the training must be started (usually 12 years after the date of discharge or the date VA makes a disability determination) and extend the duration of the rehabilitation program (usually 4 years); and (4) pay for license fees and employment-related equipment for eligible veterans.

Research Methodology

In assessing the services provided to disabled veterans, GAO researchers: (1) contacted officials in VA's central office, nine field offices that administer the vocational rehabilitation program, and nine VA medical centers near to each of the field offices; (2) reviewed randomly selected files of 100 veterans from four field offices; and (3) reviewed pertinent laws, regulations, and field office procedures manual.

At VA central and field offices, GAO researchers discussed with staff: (1) whether outreach efforts were being made to veterans with the greatest potential for serious employment handicaps; (2) whether the required mandated services were being provided, and (3) how employee productivity was measured. At medical centers, VA officials were asked whether outreach activities had been conducted by field offices and whether there were program participants who potentially could benefit from such services. GAO officials reviewed the files of program participants to determine whether required services were provided. In addition, relevant laws, regulations and VA's procedures manual were reviewed to identify the guidance for providing special services to veterans and to determine how employee productivity was measured.

Findings:

(A) Seven of the nine field offices that GAO contacted made no additional efforts to contact disabled veterans with potentially serious employment handicaps. Two field offices attempted to telephone all veterans receiving a disability rating of 50 percent or more and who were under 56 years of age, as required by law. Five of nine vocational rehabilitation field offices did not make special outreach efforts to nearby VA medical centers where many veterans with serious handicaps were treated. At four field offices, staff met monthly with local medical center staff to identify patients who might become candidates for the program. At eight medical centers, vocational rehabilitation services were provided through combined efforts of state, community, and VA medical center programs. This arrangement is reported to have shorter waiting periods, and is perceived to be more focused on obtaining employment rather than training. At five field offices that either did not make additional personal contacts or outreach to medical centers, VA officials stated that they were (1) too busy meeting the needs of program participants; or (2) not comfortable determining who should get special outreach based upon disability rating.

(B) More veterans with serious employment handicaps could be served if VA followed required procedures.

(C) Veterans with potentially serious employment handicaps did not always receive priority treatment in obtaining counseling and evaluation appointments, as required by law.

(D) A review of the case files for 100 veterans revealed no instance where staff had failed to provide other services identified in VA's Procedures Manual. These include time extensions to start and finish programs; extended evaluation period; and supplies for veterans with serious employment handicaps.

(E) VA measures productivity by the number of cases that employees process. None of the field offices surveyed had staff

productivity standards. There were no established standards that required the separation of work for veterans with serious employment handicaps from work for less handicapped veterans.

(F) Compared with the percentage of other veterans in the program, there has been a decline in the percentage of disabled veterans with serious employment handicaps. VA could serve more veterans with serious employment handicaps if these veterans were given priority in appointment scheduling.

(G) Making allowance in productivity standards to recognize that service to veterans with serious employment handicaps requires additional time and effort may create an incentive for vocational rehabilitation staff to provide services to these veterans.

Recommendations:

GAO recommends that: (1) emphasis be placed upon services to disabled veterans with serious employment handicaps in outreach activities and the scheduling of counseling and evaluation appointments; and (2) in its employee productivity standards, VA recognize the additional time required to provide services to these veterans.

United States General Accounting Office

GAO

Report to the Chairman, Committee on Veterans' Affairs, U.S. Senate

September 1992

VOCATIONAL REHABILITATION

VA Needs to Emphasize Serving Veterans With Serious Employment Handicaps

GAO/HRD-92-133

GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-250309

September 28, 1992

The Honorable Alan Cranston
Chairman, Committee on Veterans' Affairs
United States Senate

Dear Mr. Chairman:

Veterans with serious employment handicaps[1] often have a difficult time obtaining and maintaining suitable employment. At your request, we have examined the Department of Veterans Affairs' (VA's) vocational rehabilitation program to determine whether VA is providing the special services that are required to be given to these veterans. In addition, we reviewed employee productivity standards to determine whether they include the provision of these special services. VA spent about $145 million on vocational rehabilitation in fiscal year 1991 to serve about 35,000 disabled veterans, including those with serious employment handicaps, and estimates that fiscal year 1992 program costs will increase to $197 million.

Background

While in the vocational rehabilitation program, a veteran receives a subsistence allowance, and VA pays the service provider for school supplies, books, tuition, and other services and equipment that may be required for beginning employment. Veterans are entitled to program services if they have a 20-percent or higher service-connected disability and they have been determined by VA to have an employment handicap. The program was modified in 1980[2] to give special services to veterans with serious employment handicaps. VA guidance developed to implement the 1980 changes requires that special services be given to veterans with serious employment handicaps. These services include the following:

1. Providing special outreach by making telephone calls, sending personal letters, and making visits to veterans who have disability ratings of 50 percent or higher and are less than 56 years of age (VA considers these veterans to have the highest potential for serious employment handicaps).

2. Giving priority in scheduling initial counseling and evaluation appointments to veterans applying to the program whom VA considers to

[1]In general, VA classifies veterans with a 50-percent or greater disability as potentially having a serious employment handicap. VA determines whether the applicant has a serious employment handicap after evaluating the veteran's history, including the effects of disability, prior training and employment, and other pertinent factors.

[2]Veterans' Rehabilitation and Education Amendments of 1980 (P.L. 96-465), October 17, 1980.

have the highest potential for serious employment handicaps so that they are seen within 21 days after their application is received.

3. Indefinitely extending the eligibility period within which the training must be started (usually 12 years after discharge from military service or the date VA makes a disability determination) and extending the duration of the rehabilitation program (usually 4 years).

4. Indefinitely extending the period of evaluation (normally not to exceed 1 year) to determine whether achievement of a vocational goal is feasible.

5. Paying for license fees, such as those for self-employment and essential equipment for veterans who require homebound training and/or are self-employed.

Results in Brief

VA did not make special outreach efforts or give priority in scheduling appointments to veterans with potentially serious employment handicaps in most of the VA field offices we contacted. Rather, VA sent such veterans the same information package that it sent all veterans entitled to vocational rehabilitation services. Also, most field offices scheduled appointments for veterans, regardless of handicap, on a first-come, first-served basis. VA field office officials told us that they did not provide the special services to veterans with potentially serious employment handicaps because of already heavy work loads and because they were not convinced that providing outreach and scheduling on the basis of a disability rating always identified the veterans with serious employment handicaps.

In general, VA measured productivity by the number of cases its employees processed, regardless of employment handicap. Productivity standards did not recognize, nor are they required to recognize, the unique requirements of working with veterans who have serious employment handicaps. Rehabilitation authorities generally agreed that these people required more complex rehabilitation strategies than less handicapped individuals. For example, more time was usually needed to develop a viable rehabilitation plan that serves the special needs of these individuals, and more types of services were usually required for successful rehabilitation.

If VA focused its outreach on veterans with serious employment handicaps, provided priority in scheduling appointments, and recognized the additional efforts required to serve these veterans in its productivity

standards, more veterans with serious employment handicaps could be served by the program. As a consequence, however, fewer veterans who do not have serious employment handicaps may be served if the same level of resources is maintained.

Scope and Methodology

To assess the services VA provided to disabled veterans who have serious employment handicaps, we (1) contacted officials in VA's central office, nine VA field offices that administer the vocational rehabilitation program, and nine VA medical centers in the vicinity of each of the field offices; (2) reviewed randomly selected files of 100 veterans from four field offices; and (3) reviewed applicable laws and regulations and VA's field office procedures manual. (See app. I for more information on the offices we contacted.)

At the central and field offices, we discussed with officials (1) whether outreach efforts were being made to veterans with the greatest potential for serious employment handicaps, (2) whether the required special services were being provided, and (3) how employee productivity was measured. At the medical centers, we discussed with officials whether outreach efforts had been made by field offices and whether the centers had potential candidates who could benefit from the program. The files of program participants were reviewed to determine whether required services were provided. The applicable laws and regulations and field office procedures manual were reviewed to (1) identify the guidance for providing special services to veterans and (2) determine how employee productivity was measured.

We conducted our review between August 1991 and June 1992 in accordance with generally accepted government auditing standards.

VA Makes Limited Special Outreach to Veterans With Serious Employment Handicaps

Seven of the nine field offices we contacted did not make the additional personal contacts with disabled veterans who potentially have serious employment handicaps, as required by VA's procedures. Rather, these veterans received the same outreach as all disabled veterans. After receiving a disability rating of 20 percent or more under the Disability Compensation Program, veterans received an information package about their vocational rehabilitation benefits. The package includes a pamphlet describing the vocational rehabilitation program, a program application, and a preaddressed envelope in which to mail the application to the local VA vocational rehabilitation field office.

In contrast, the other two offices attempted to telephone all veterans in their area who had received disability ratings of 50 percent or more and were less than 56 years of age to inform them of the vocational rehabilitation program, as required by VA guidance.

Five of the nine vocational rehabilitation field offices did not make special outreach efforts to nearby VA medical centers where many of the veterans who have serious handicaps were treated. Physicians at these medical centers told us that patients benefit from a vocational rehabilitation program because a focus on getting back to work was an important component of successful rehabilitation. Staff at the other four field offices met once or twice a month with local medical center staff to identify patients who might benefit from the program or with patients identified by medical center staff as potential candidates for the program. These offices and the local medical center staff work well together to help get patients into the vocational rehabilitation program at the opportune time.

Officials at eight medical centers told us that some vocational rehabilitation services were provided for severely disabled veterans by state and community programs and VA medical center based programs. Officials at these centers said that other programs were used rather than VA's vocational rehabilitation program because (1) veterans have to wait too long to enter VA's program and (2) veterans and medical center staff often perceive VA's program as primarily for training, when patients want more of a focus on obtaining employment. More than 25,000 veterans who had a disability rating of 50 percent or more were inpatients at VA medical centers in fiscal year 1991.

The principal reasons cited by officials at the five field offices that either did not make additional personal contacts or special outreach at medical centers were that they were (1) too busy meeting the needs of program participants[3] and (2) not comfortable deciding which veterans should get special outreach based on a disability rating. In general, officials who were not comfortable basing outreach efforts solely on disability ratings felt that ratings did not always identify veterans most in need of services.

More veterans with serious employment handicaps could be served by the program if VA followed its procedures. We note that there has been a steady decline in the percentage of veterans with disability ratings of 50 percent or higher who have applied for and have been served by the

[3]What happens to veterans who apply for vocational rehabilitation is discussed in our report Vocational Rehabilitation: Better VA Management Needed to Help Disabled Veterans Find Jobs (GAO/HRD-92-100, Sept. 4, 1992).

program since 1985. By contrast VA's population of veterans receiving disability compensation who have a 50 percent or higher disability rating has remained stable since 1985.

Counseling Appointments Not Prioritized, but Other Required Services Were Provided

Veterans with potentially serious employment handicaps did not always receive priority treatment in getting initial counseling and evaluation appointments when they applied to the program, as required by VA guidance. Seven of the nine field offices we contacted scheduled initial appointments on a first-come, first-served basis, regardless of disability rating. Two offices were trying to give veterans with potentially serious employment handicaps priority treatment by scheduling them into the times of veterans who had canceled appointments. By using this system, these offices attempted to see veterans with the greatest potential for serious employment handicaps within 21 days after their applications were received, as required by VA guidance.

Officials at five field offices that were not providing priority scheduling, as required by VA guidance, told us that they were (1) not convinced that veterans with a 50 percent or higher disability rating were in greater need than less handicapped veterans and (2) concerned that veterans with less severe disabilities may not receive needed services if priority appointments were made. Officials at the other two offices not providing priority scheduling told us that this was not necessary because all veterans, regardless of their disability ratings, received appointments within 21 days after their applications were received by the Vocational Rehabilitation and Counseling Division. The time it takes other regional office divisions to process applications is not included in the 21 days.

VA's Procedures Manual identifies other services—the extensions of time for starting and finishing the program, the extended evaluation period, and the additional supplies and services— required for veterans with potential serious employment handicaps. Our review of case files for 100 veterans did not identify any instances where the required services were not provided, when appropriate.

Employee Productivity Standards Do Not Differentiate Between Services Provided to Seriously Handicapped Veterans and Other Veterans

In general, VA measures productivity by the number of cases that employees process. None of the nine field offices we contacted had staff productivity standards, nor are any required, that separated work for veterans with serious employment handicaps from work for those less handicapped. Yet rehabilitation officials generally agree that veterans with serious employment handicaps require more complex rehabilitation strategies than those who are less handicapped. For example, counseling psychologists usually need more time to develop a viable rehabilitation plan that will serve the individual needs of veterans with serious employment handicaps, and vocational rehabilitation specialists must usually provide more types of services to successfully rehabilitate these veterans. Supervising officials at seven of the nine field offices were concerned that staff may be reluctant to adequately service these veterans because the productivity standards make no special allowance for the complexities of servicing veterans with serious employment handicaps.

Conclusions

The percentage of disabled veterans with potential serious employment handicaps has been declining when compared with percentage of other veterans in the program. In our view, doing the required outreach and giving appointment priority could result in the program serving more veterans whom the Congress has designated as requiring priority. However, fewer veterans with lower disability ratings may be served if the same level of resources is maintained. In addition, recognizing in VA's employee productivity standards that veterans with serious employment handicaps take additional time and effort to service could create more incentive for vocational rehabilitation staff to provide assistance to more of these veterans.

Recommendations

We recommend that the Secretary of Veterans Affairs reemphasize to VA field offices that disabled veterans with serious employment handicaps are to be (1) provided special outreach services and (2) given priority when scheduling initial counseling and evaluation appointments. We also recommend that the Secretary recognize the additional time required to provide services to these veterans in the employee productivity standards.

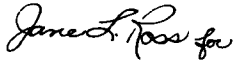
Agency Comments

In commenting on a draft of this report, the Secretary of Veterans Affairs concurred with our recommendations; provided us with a plan to implement them; and suggested changes in the report, which we incorporated as appropriate (see app. II). The Secretary said that, in contrast to our findings, nationwide survey results indicated that field staff were in general compliance with VA policy and were conducting special outreach efforts to veterans with potentially serious employment handicaps.

The Chief of VA's Vocational Rehabilitation Operations and Program Coordination, the office responsible for field office surveys, told us that VA's statement about a nationwide survey actually refers to VA's interpretation of the results of surveys conducted periodically (about every 2 or 3 years) at individual rehabilitation field offices. Officials in VA's Vocational Rehabilitation Service told us that their position that field staff were in general compliance with the special outreach policy was based on their observations and recollections that few surveys had reported noncompliance with the policy. These officials acknowledged that they did not have supporting documentation that the outreach policy was being complied with.

We are sending copies of this report to interested congressional committees, the Secretary of Veterans Affairs, and other interested parties. If you have any questions about the information reported, please contact me at (202) 512-7215. Other major contributors to this report are listed in appendix III.

Sincerely yours,



Joseph F. Delfico
Director, Income Security Issues

Appendix I

Locations of Offices Contacted by GAO

	Local medical facilities				
Field offices	Medical center	Blind rehab. center	Spinal cord injury center	Traumatic brain injury center	Veterans' files reviewed
Atlanta	X		X		X
Chicago	X	X	X		
Hartford	X				X
Houston	X		X		
Montgomery	X	X			
St. Petersburg	X		X		
San Diego	X		X		X
San Francisco	X	X	X	X	
Seattle	X		X		X

Note: GAO contacted 9 of 57 field offices, 9 of 172 medical centers, 3 of 5 blind rehabilitation centers, 7 of 22 spinal cord injury centers, and the 1 traumatic brain injury center, and reviewed files at 4 of the 9 field offices.

Appendix II

Comments From the Department of Veterans Affairs

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

SEP 16 1992

Mr. Joseph F. Delfico
Director, Income Security Issues
U. S. General Accounting Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Delfico:

I have read your draft report, VOCATIONAL REHABILITATION: VA Needs to Emphasize Serving Veterans With Serious Employment Handicaps (GAO/HRD-92-133) and agree with your conclusion that the Department of Veterans Affairs (VA) can strengthen its service to veterans with serious employment handicaps. I note your case file review did not identify any instances where required vocational rehabilitation services were not provided, when appropriate. However, I do believe we can improve on the overall timeliness of these services.

Veterans Benefits Administration (VBA) Vocational Rehabilitation Service policy requires us to conduct outreach activities and to provide timely service to all service-disabled veterans. Standard outreach procedures require that any veteran with a service-connected disability rating of 20 percent or more be advised of potential VA rehabilitation benefits. Furthermore, VBA intensifies its efforts to elicit applications for VA vocational rehabilitation services from veterans with disability ratings of 50 percent or more.

During regularly scheduled survey visits, VBA Central Office staff evaluates field station conformity with program policy and procedures. In contrast to GAO's findings, our nationwide survey results indicate that our field staff is in general compliance with VA policy and is conducting special outreach services to those veterans with potentially serious employment handicaps. I recognize the degree of attention given to outreach activities varies among field offices. Nevertheless, the Chief Benefits Director assures me that corrective action is taken when stations are not found to be in compliance with VA policy regarding outreach efforts.

Finally, I agree that one way to emphasize the importance and complexity of these special outreach services is to cite them in employee performance standards. VBA will review and revise their standards to reflect these important responsibilities.

The enclosure details the actions VBA plans to take to implement your recommendations. It also contains several technical corrections. Thank you for the opportunity to comment on this report.

Sincerely yours,

Edward J. Derwinski

Enclosure
EJD/vz

Enclosure

DEPARTMENT OF VETERANS AFFAIRS COMMENTS TO
GAO DRAFT REPORT, VOCATIONAL REHABILITATION: VA Needs
to Emphasize Serving Veterans With Serious Employment Handicaps
(GAO/HRD-92-133)

GAO recommends that I reemphasize to VA field offices that disabled veterans with serious employment handicaps are to be (1) provided special outreach services, and ...

Concur - The Veterans Benefits Administration (VBA) will review and emphasize the proper outreach procedures regarding veterans with serious employment handicaps to all field staff in their monthly nationwide fastline call. The Chief Benefits Director anticipates implementing this recommendation by September 30, 1992. During the next year, VBA will explore ways to strengthen its liaison activities with VA's Veterans Health Administration. In addition, during the next 9 months, VBA will reemphasize vocational rehabilitation officers' responsibility to monitor target control codes for pending motivational activities.

(2) given priority when scheduling initial counseling and evaluation appointments.

Concur - To improve compliance with these procedures, VBA will reemphasize to its field staff the requirement for prioritization if appointments cannot be scheduled within 21 days. This should be completed by October 31, 1992. In addition, during the next fiscal year, VBA will include training on issues involved in prioritization in its inservice training program. As an oversight tool, VBA will require a specific statement regarding compliance or noncompliance in all surveys of station operations. VBA Central Office staff will followup the implementation of corrective action in cases of noncompliance.

GAO also recommends that I recognize the additional time required to provide services to these veterans in employee performance standards.

Concur - During the next several months, VBA will review existing performance standards and revise them, as necessary, in a manner that accurately reflects the level of service required to assist veterans who may have a serious employment handicap. I anticipate completing this by June 30, 1993.

DEPARTMENT OF VETERANS AFFAIRS COMMENTS TO
GAO DRAFT REPORT, VOCATIONAL REHABILITATION: VA Needs to Emphasize Serving Veterans With Serious Employment Handicaps
(GAO/HRD-92-133)
(Continued)

In addition to the comments to GAO's recommendations, we submit the following technical comments to the report.

On page 1, paragraph 2, for "... provides a full range of services aimed at getting jobs ...." substitute: "... provides a full range of services aimed at getting suitable employment – including counseling, training (subsistence allowance, tuition, books, equipment, and supplies), and job placement services."

Also on page 1, paragraph 2, for "Veterans are eligible for program ..." substitute the words "entitled to" for "eligible for."

On page 1, the footnote should be modified to reflect that VA determines whether a veteran has a serious employment handicap after evaluating the veteran's history, including the effects of disability, prior training and employment, and other pertinent factors.

Now on p. 2.

On page 4, paragraph 1, "In general, VA measured productivity by the number of cases its employees processed ...." The measurement of an individual's performance includes both qualitative and quantitative measures. It is erroneous to imply that the number of cases that a counselor processes is the sole measure of his or her performance. In this regard, a major measure of staff performance is the quality review system, which includes items specifically dealing with serious employment handicaps.

Now on p. 3.

On page 4, paragraph 2, "... more veterans could be served by the program." should be changed to read: "... more veterans with serious employment handicaps could be served by the program."

Now on p. 3.

On page 6, paragraph 1, "After receiving a disability rating under the Disability Compensation Program ..." should be modified to read, "After receiving a disability rating of 20 percent or more under the disability compensation program ...."

Appendix III

Major Contributors to This Report

Human Resources Division, Washington, D.C.	James F. Walsh, Assistant Director, (202) 512-7219 William A. Hightower, Assignment Manager Wayne M. Dow, Senior Operations Analyst Charmaine Marshall, Secretary
Atlanta Regional Office	Charles R. Taylor, Evaluator-in-Charge Cynthia D. Forbes, Senior Evaluator Troy D. Thompson, Evaluator Pamela A. Scott, Reports Analyst

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

APR 1 3 1993

The Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans'
Affairs
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

At the request of former Chairman, Alan Cranston, Senate Committee on Veterans' Affairs, the General Accounting Office (GAO) audited VA's Vocational Rehabilitation Program to assess the services VA provides to disabled veterans who have serious employment handicaps. GAO reported their findings in their final report, VOCATIONAL REHABILITATION: VA Needs to Emphasize Serving Veterans With Serious Employment Handicaps (GAO/HRD-92-133).

I concur with GAO's recommendations, and the Department's response to the recommendations is included in the final report. The enclosure details actions taken and planned to implement GAO's recommendations.

Sincerely yours,

Jesse Brown

Jesse Brown

Enclosure
JB/grj

Enclosure

DEPARTMENT OF VETERANS AFFAIRS COMMENTS TO GAO
FINAL REPORT, VOCATIONAL REHABILITATION: VA Needs to Emphasize Serving Veterans With Serious Employment Handicaps
(GAO/HRD-92-133)

GAO recommends that I reemphasize to VA field offices that disabled veterans with serious employment handicaps are to be provided special outreach services.

While our survey findings generally indicate that field staff are providing special outreach services to disabled veterans with serious employment handicaps, we agree that additional attention in this area will enhance our ability to reach seriously disabled veterans. The following actions have been completed or are planned:

- The VBA reviewed and emphasized proper outreach procedures regarding veterans with serious employment handicaps to all field staff on August 20, 1992, in its monthly nationwide fastline call.

- VBA Vocational Rehabilitation Service will explore ways to strengthen liaison activities with VA's Veterans Health Administration (VHA). We plan completion by September 30, 1993.

- On August 20, 1992, VBA Central Office management reemphasized to all field staff, via a nationwide fastline call, the responsibility of all Vocational Rehabilitation Officers to monitor 707 target control codes for pending motivational activities.

GAO recommends that I reemphasize to VA field offices that disabled veterans with serious employment handicaps are to be given priority when scheduling initial counseling and evaluation appointments.

It has been our experience that field stations are in general compliance with VA policy and procedures regarding priority scheduling as is necessary to provide timely service to veterans with disability ratings of 50 percent or more. However, in order to further improve compliance with these procedures, the Vocational Rehabilitation Service has taken or will take the following steps:

- As part of the August fastline call, VBA Central Office management reemphasized to all field staff the requirement for prioritization if appointments cannot be scheduled within 21 days.

- Include training in issues involved in prioritization in future inservice training programs. Completion date: September 30, 1993.

- Require a specific statement regarding compliance or noncompliance in all surveys of station operations and follow-up the implementation of corrective action in cases of noncompliance. Completion date: September 30, 1993.

GAO also recommends that I recognize the additional time required to provide services to these veterans in the employee productivity standards.

We agree in principle that additional means of reflecting the time needed to provide assistance to veterans with serious employment handicaps would be useful. We plan to do the following:

- Review current performance standards and revise these standards, if possible, in a manner that accurately reflects the level of service required to assist veterans who may have a serious employment handicap. Completion date: June 30, 1993.

STATEMENT OF R. J. VOGEL

DEPUTY UNDER SECRETARY FOR BENEFITS

DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

May 20, 1993

Mr. Chairman and Members of the Subcommittee:

It is with pleasure that I appear before you today to review our Vocational Rehabilitation and Counseling Program, with particular emphasis on the quality and timeliness of rehabilitation services to veterans with service-connected disabilities. Accompanying me is Dr. Dennis Wyant, Director, Vocational Rehabilitation and Counseling Service.

The enactment of Public Law 96-466, the Veterans Rehabilitation and Education Amendments of 1980, brought us squarely into the mainstream of rehabilitation services. Since that time, we have worked to make VA's program of vocational rehabilitation services for veterans with service-connected disabilities the best of its kind in the world.

Our services begin with outreach to assure that service-disabled individuals know of our program and of their possible entitlement to assistance. Upon application, each veteran is provided a thorough initial evaluation designed to determine whether the applicant needs rehabilitation services and, if so, what services are required. In some cases an extended evaluation is required to determine whether it is feasible for the veteran to achieve a suitable vocational goal. For each veteran found to need rehabilitation services, and who desires to take advantage of those services, an

2.

individualized written rehabilitation plan is developed as a cooperative plan between VA and the veteran. This plan presents a roadmap which will lead to the eventual success of the veteran in achieving his or her rehabilitation goal.

The majority of our rehabilitation plans include some degree of vocational training. They also include other rehabilitation services which may be as varied as work site modification and family counseling. Our Vocational Rehabilitation Specialists serve as case managers, working closely with each veteran to assure that progress is made in the attainment of the selected rehabilitation goal.

For those veterans who make it through the challenges of their disability, we provide employment services to help the veteran move into suitable employment. For severely disabled veterans, we may use special employer incentives or use other options which may include employment in the home or self-employment to achieve rehabilitation. For others, we may have to teach resume preparation, interview skills, and job-hunting strategies. We are encouraged that over 3,000 service-disabled veterans achieve suitable employment every year.

Some veterans, due to the severity of their disabilities, will never be able to achieve gainful employment. For these severely disabled, we provide a program of independent living services designed to allow the veteran to live more independently in the community and become as self-sufficient as possible. We have been working closely with the Veterans Health Administration to improve services for severely disabled veterans.

3.

In addition to our vocational rehabilitation services to service-disabled veterans, our highest priority, we provide similar services to an average of 1,400 nonservice-disabled pension recipients who request our help each year. Only 15 percent of veterans who receive an initial evaluation request programs of rehabilitation services, however.

Another VR&C role is to provide educational and vocational counseling to veterans, servicemembers, and dependents eligible under a variety of VA benefit programs; to servicemembers who are within 6 months of separation; to veterans within 12 months of separation; and to participants in the new Service Members Occupational Conversion and Training Act (SMOCTA). This constitutes a major part of our workload. Fortunately, we are able to serve many of these people through contract counselors whose services are funded from the Readjustment Benefit appropriation.

Mr. Chairman, leaving this background discussion, I now would like to describe our current program environment, including the nature of our veteran population, and then discuss how we are meeting new challenges.

The overwhelming number of vocational rehabilitation program applicants are males between 26 and 45 years of age who have completed 3 years of active military service. They generally have a high school diploma or equivalency certificate and apply for the program within a period of 2 years following separation from active duty. The majority of our veterans pursue a vocational/technical training program or college degree.

The results of the vocational rehabilitation program activities show that this investment in our Nation's disabled veterans can pay tremendous dividends. One of our primary

4.

goals is to help service-disabled veterans achieve and maintain employment in an area which is consistent with their abilities, interests, and aptitudes. From an internal study of over 3,000 veterans who completed our program, we are able to estimate that these veterans will generate a total of over $67 million in earned income in their first year of employment. This equates to over $14 million in Federal and State income taxes and over $4 million paid into Social Security. Our veterans want an opportunity to again contribute to their families and their Country. The results of our program prove that they are doing so.

We have seen increasingly larger numbers of applicants for our vocational rehabilitation program for the service disabled and for elective educational and vocational counseling. Our workload in the vocational rehabilitation program for certain nonservice-disabled pensioners remains at a steady level. However, we will have added responsibility as we undertake the counseling accorded participants of the Service Members Occupational Conversion and Training Act.

Our chapter 31 veterans have grown from 32,668 in 1991 to an estimated 47,700 in 1994, while the average Vocational Rehabilitation Specialist caseload has grown from 256 to 285. From 2,649 counseling cases in 1991, we will have 48,817 in 1994. Our improvement goals are ambitious.

Mr. Chairman, I would like to describe some of the steps which we have taken to provide the best quality and most timely services we can. The TAP (Transition Assistance Program) and the DTAP (Disabled Transition Assistance Program) have allowed us to be in direct contact with those servicemembers who are being separated with a service-connected disability or who believe that they may qualify for service connection of a disabling condition. Fortunately, we are able to give these

5.

people the information they need at the time they need it most. Since DTAP began in 1991 until now, we have held approximately 5,400 DTAP briefings, reaching almost 140,000 separating servicemembers. Partly as a result of DTAP, we have been able to increase our community-based services from 57 regional offices and 39 outbased locations in 1991 to 57 regional offices and 71 outbased locations in 1993.

As previously touched on, we are making effective use of our legislative authority to use up to $5 million in the Readjustment Benefit appropriation to contract for elective educational and vocational counseling. We anticipate that, out of the estimated 30,000 elective counseling cases in FY 1993, 22,500 or 75 percent will be accomplished using contract counselors.

Mr. Chairman, we have developed some tools, using current technology, which can assist us in our goal of timely and quality service. We have developed a computerized assessment known as FARS (Functional Assessment Review System) which assists our counselors in identifying the rehabilitation needs of our veterans and measures the veteran's functional improvements after rehabilitation services have been provided. We procured for our staff a computerized system which assists us in identifying the job-related skills that the veteran client developed while in military service and suggests how these skills might be used in the civilian job market. With the Office of Personnel Management, we developed the Job Ready Disabled Veteran Connection (JRDVC), a computer system which is used to match chapter 31 veterans with Federal agencies who are looking for skills the veterans may possess.

We have worked hard to assure that the quality of service provided is of high caliber. Casework is sampled for an assessment of quality and that assessment is validated on our

6.

periodic quality control surveys. We have developed a system of records and reporting, including our new Executive Information System, which gives us information on the quality of work at all levels without subjecting our field staff to excessive reporting burdens. Our Field Advisory Committee adds its suggestions for improvement.

Mr. Chairman, chapter 31 mandates that members of our Vocational Rehabilitation and Counseling staff stay current with contemporary knowledge and skills in rehabilitation and counseling, particularly those that pertain to disabled veterans. We have assured that each VR&C Division is provided with resources to maintain current reference materials and participate in staff development activities designed to meet that mandate. Through an agreement with the Department of Labor, we have had many of our field staff take advantage of training opportunities at the National Veterans Training Institute (NVTI) in Denver. Additionally, VR&C has produced two satellite teleconferences, several training conferences, and a video tape in an effort to meet our staff development responsibilities.

Chapter 31 also provides the Secretary the authority to set qualification standards to assure that personnel who are employed by the program are high quality. At prior hearings, you have asked us about this provision and I am pleased to say that we are preparing a recommendation for the Secretary which we believe will strengthen our program.

Mr. Chairman, I will close with some comments on the challenges before us. The continued downsizing of our active military forces, as well as other factors, including a large workload bubble of 600,000 pending compensation and pension claims and the new SMOCTA program, leads us to believe that the workload in the Vocational Rehabilitation and Counseling

Program will remain high for the foreseeable future. The General Accounting Office (GAO), in two studies, recommended that we improve services, in particular, employment services, and improve our identification and provision of assistance to persons who are severely disabled. We wholeheartedly endorse the GAO suggestions and will implement them to the best of our ability.

In summary, we continue to examine every option to improve services to our veterans. We have emphasized the use of contract services and provided our field staff with training and guidance. We are constantly reviewing our policies and procedures to remove impediments. We are exploring technology to find any opportunity to do our job better and more efficiently. We maintain our commitment to the veterans this program serves. They deserve no less.

Mr. Chairman, I will be pleased to answer any questions you or the other members of the Subcommittee may have.

GAO REPORT #1: BETTER VA MANAGEMENT NEEDED
TO HELP DISABLED VETERANS FIND JOBS

GAO RECOMMENDATION #1: VA should "implement the provisions of the 1980 amendments related to finding and maintaining suitable employment for disabled veterans."

KEY INITIATIVE #1: The program operating manual, M28-1, Part IV, Employment Services, will be officially released to field staff.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Release M28-1, Part IV, Employment Services Chapter to field staff			8/3/92	8/3/92

KEY INITIATIVE #2: A joint VA/DOL/DOD teleconference will be held to train staff of the three agencies on procedures to assist in providing services to meet the rehabilitation needs of separating service members who participate in the Disabled Transition Assistance Program (DTAP). Personnel from various state vocational rehabilitation programs will be invited to view the teleconference.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Joint VA/DOL/DOD DTAP Teleconference			9/17/92	9/17/92

KEY INITIATIVE #3: A joint workshop for Vocational Rehabilitation Officers and staff of Veterans Health Administration Rehabilitation Medicine Service will be held to develop uniform policy and procedures to assist severely disabled veterans to achieve rehabilitation goals. A panel on coordinated employment services is planned, and will include state-federal rehabilitation program, DOL, and vocational rehabilitation officials as panelists.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Work with VHA personnel to select date and location for workshop	8/1/92	8/1/92	8/30/92	8/30/92

MILESTONES: (continued)

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Develop agenda items	11/1/92	11/1/92	11/30/92	2/4/93
Arrange for speakers/ trainers	12/1/92	12/1/92	12/31/92	2/4/93
Notify appropriate field staff	1/1/93	1/1/93	1/30/93	1/30/93
Conduct Workshop	2/8/93	2/8/93	2/12/93	2/12/93

KEY INITIATIVE #4: Assessment of employment services will continue to be a part of all station surveys and Quality Review System case reviews. Recommendations for specific training activities will flow from these assessments.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Survey Consultants will perform QRS for each RO survey with particular attention to employment services	10/1/92		9/30/93	
The results of all QRS and surveys related to employment services will be analyzed to identify specific training needs for field staff	2/1/93		6/1/93	
Training materials focusing on the QRS and survey findings related to employment services will be developed.	6/2/93		9/30/93	
Training will be provided to the field staff who are identified to be in greatest need of such training (training will be contingent upon funds available)	10/1/93		9/30/94	

KEY INITIATIVE #5: A work group will be formed to review and refine current contracting procedures. The work group will develop a program guide for field staff to facilitate further use of contracting for employment services.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Select members for work group		6/15/92		6/15/92
Meet to organize, develop, and establish assignments		8/14/92		10/30/92
Develop draft of program guide for concurrence	10/31/92	10/31/92		1/25/93
Complete revisions suggested by 28 management	12/31/92			
Distribute program guide	2/7/92			

GAO RECOMMENDATION #2: VA should "take the lead in developing with the Labor Department an effective working arrangement for providing job placement services to disabled veterans."

KEY INITIATIVE #1: All Vocational Rehabilitation and Counseling Officers will be required to meet with the appropriate Labor personnel in their area and produce a working agreement that will maximize the involvement of DOL resources for assisting chapter 31 veterans in employment services.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
National Agreement between VA/DOL signed by Secretary of Veterans Affairs and the Secretary of Labor	7/1/89	7/17/89	7/1/89	7/17/89
Statewide agreement assessment forms established in national agreement due yearly to respective national offices	7/1/89	3/31/90	3/1/90	

MILESTONES: (continued)

MILESTONE DESCRIPTION	BEGINNING DATE PLANNED	BEGINNING DATE ACTUAL	COMPLETION DATE PLANNED	COMPLETION DATE ACTUAL
Assistant Secretary for Veterans Employment and Training (ASVET) and VA's Chief Benefits Director have joint responsibility for agreement; meet during second quarter of each calendar year	7/1/89	6/1/90	6/1/93	
VR&C, Veterans Assistance Staff, and local field DOL personnel meet quarterly to ensure effectiveness of agreement	7/1/89	3/31/90		

KEY INITIATIVE #2: We will explore with officials of the Veterans Employment and Training Service/DOL, the idea of an employment services course at the National Veterans Training Institute, specifically tailored to the needs of VA rehabilitation personnel.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE PLANNED	BEGINNING DATE ACTUAL	COMPLETION DATE PLANNED	COMPLETION DATE ACTUAL
Formal training agreements between VA/DOL signed in '89, '90, and '91	3/1/89	4/14/89	3/1/93	
NVTI trained a total of 190 VBA field staff during FYs 89, 90, and 91	3/1/89	5/1/89	3/1/89	3/1/91
Develop future courses with DOL/NVTI to train additional VR&C field staff	10/31/92		3/1/93	
Obtain funding for participation of VR&C field staff in NVTI courses	3/1/93			

GAO RECOMMENDATION #3: VA should "determine why so many veterans drop out before successfully completing the program and take action(s) to reduce the number of dropouts."

KEY INITIATIVE #1: An attrition study will be completed. Policies and procedures generated from this study and other input will be developed and distributed to field staff.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Plan attrition study to include selection of stations and the number of subjects	8/1/92	8/1/92	8/15/92	8/20/92
Development of data base for collection and organization of findings	8/1/92	8/1/92	8/20/92	8/30/92
Request CER folders from selected Regional Offices; complete data collection using pre-developed data collection format	8/20/92	8/20/92	9/15/92	10/5/92
Analyze data collected using Q&A data base; prepare summary of demographic and narrative data; and complete data base summary of the primary reasons for attrition within the VR Service program	5/30/93		9/1/93	

GAO RECOMMENDATION #4: VA should "review performance standards that have been established for the vocational rehabilitation program and determine whether services to the veterans can be improved by establishing a realistic performance measurement system, such as benchmarking, that clearly focuses on the program's objectives and continually measures progress toward achieving them."

KEY INITIATIVE #1: Using the four-member Vocational Rehabilitation and Counseling Field Advisory Committee as consultants, we will accomplish this review and develop revised program performance standards.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Coordinate Field Advisory Committee to meet twice in FY 93 to review program performance standards	11/30/92		12/15/92	

MILESTONES: (continued)

MILESTONE DESCRIPTION	BEGINNING DATE PLANNED	BEGINNING DATE ACTUAL	COMPLETION DATE PLANNED	COMPLETION DATE ACTUAL
Committee will review standards to determine what standards may require adjustment and what new standards may be indicated	3/1/93		6/30/93	
At the completion of the second committee meeting of the Field Advisory Committee the members will have drafted a final report with recommendations and suggestions concerning new or change standards	7/25/93		9/15/93	
Create policy changes via development of related circulars and manual modifications	9/15/93		1/31/94	

GAO REPORT #2: VA NEEDS TO EMPHASIZE SERVING VETERANS WITH SERIOUS EMPLOYMENT HANDICAPS

GAO RECOMMENDATION #1: It should be reemphasized to ". . . VA field offices that disabled veterans with serious employment handicaps are to be provided special outreach services."

KEY INITIATIVE #1: Review and emphasize the proper outreach procedures regarding veterans with serious employment handicaps to all field staff in our monthly nationwide fastline call.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE PLANNED	BEGINNING DATE ACTUAL	COMPLETION DATE PLANNED	COMPLETION DATE ACTUAL
Review outreach procedures regarding veterans with serious employment handicaps to all field staff			8/20/92	8/20/92

KEY INITIATIVE #2: Explore ways to strengthen our liaison activities with VA's Veterans Health Administration (VHA).

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE PLANNED	BEGINNING DATE ACTUAL	COMPLETION DATE PLANNED	COMPLETION DATE ACTUAL
Plan a meeting of the TBI Task Force	11/1/92		11/30/92	
Arrange a meeting of 28 management staff and Rehab. Medicine Service management to discuss other mutual concerns	12/1/92		12/31/92	

KEY INITIATIVE #3: Reemphasize Vocational Rehabilitation Officers' responsibility to monitor 707 target control codes for pending motivational activities.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE PLANNED	BEGINNING DATE ACTUAL	COMPLETION DATE PLANNED	COMPLETION DATE ACTUAL
Reemphasize VR&C Officers' responsibility to monitor 707 target control codes for pending motivational activities			8/20/92	8/20/92

GAO RECOMMENDATION #2: It should be reemphasized to VA field offices that disabled veterans with serious employment handicaps are to be "given priority when scheduling initial counseling and evaluation appointments."

KEY INITIATIVE #1: Reemphasize to field staff the requirement for prioritization if appointments cannot be scheduled within 21 days.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE PLANNED	BEGINNING DATE ACTUAL	COMPLETION DATE PLANNED	COMPLETION DATE ACTUAL
Reemphasize to field staff the requirement for prioritization of veterans with potential serious employment handicaps			8/20/92	8/20/92

KEY INITIATIVE #2: Include training in issues involved in prioritization in our inservice training program.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE PLANNED	BEGINNING DATE ACTUAL	COMPLETION DATE PLANNED	COMPLETION DATE ACTUAL
Develop prioritization in scheduling of veterans with potentially serious employment handicaps as an agenda item at the VR&C Officers Workshop	11/1/92		11/30/92	

KEY INITIATIVE #3: Require a specific statement regarding compliance or noncompliance in all surveys of station operations and follow-up the implementation of corrective action in cases of noncompliance.

MILESTONES:

MILESTONE DESCRIPTION	BEGINNING DATE PLANNED	BEGINNING DATE ACTUAL	COMPLETION DATE PLANNED	COMPLETION DATE ACTUAL
Train 282 survey staff to include specific compliance section statements within final reports to highlight priority scheduling procedures	10/1/92		10/30/92	
Review all final survey reports to ensure that statements regarding priority scheduling are included	6/1/93		6/30/93	
Follow-up the implementation of corrective action in all cases of noncompliance	9/30/93		12/1/93	

GAO RECOMMENDATION #3: "We also recommend that the Secretary recognize the additional time required to provide services to these veterans in the employee performance standards."

INITIATIVE #1: We propose to review current performance standards and revise these standards, if possible, in a manner that accurately reflects the level of service required to assist veterans who may have a serious employment handicap.

MILESTONES :

MILESTONE DESCRIPTION	BEGINNING DATE		COMPLETION DATE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Review VR&C Officer performance standards related to provision of rehabilitation services to veterans with serious employment handicaps	8/1/92	8/1/92	9/30/92	9/15/92
Revise these standards to reflect the time and effort required when providing service to veterans with serious employment handicaps	4/1/93		6/30/93	

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
MAY 20, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 1.4 million members of the Disabled American Veterans (DAV) and its Women's Auxiliary, I want to thank you for allowing us this opportunity to provide comments on the Department of Veterans Affairs (VA) Vocational Rehabilitation and Counseling (VR&C) Program.

The DAV is appreciative of your concerns Mr. Chairman, as well as the other members of this Subcommittee for reviewing this program to help assure disabled veterans are receiving quality and timely services. Mr. Chairman, you are to be commended for your efforts to provide needed resources for a meaningful vocational rehabilitation program.

We believe, Mr. Chairman, based on current information, these services for the most part are not being provided and will not be provided on a timely or quality basis without additional resources.

While we have seen many program changes over the years, attributed in large part to legislative initiatives, we continue to see problems because of increased workloads, based in large part on new programs, including the Disabled Transition Assistance Program (DTAP).

Mr. Chairman, many of our concerns have been voiced before, but based on recent studies by the General Accounting Office (GAO), we are compelled to repeat some of them. One of the contributing factors to the current problems was addressed by the DAV as early as 1987. In testimony at a joint hearing before the Subcommittee on Compensation, Pension and Insurance and this Subcommittee, the DAV provided information and data that the then newly created vocational rehabilitation program for all nonservice-connected disabled veterans who were judged eligible for pension on or after February 1, 1985, must be evaluated for vocational rehabilitation services that would contribute to a decline in services to service-connected disabled veterans.

In subsequent testimony before this subcommittee, we provided documentation supporting our belief that this so-called "Chapter 15" program was not cost effective and should be curtailed. We continue to believe this program has dramatically increased the workload without sufficient positive outcomes to the detriment of service-connected disabled veterans.

Mr. Chairman, on May 11, 1988, we testified before this Subcommittee on the "quality and timeliness of employment services" for participants in the vocational rehabilitation program. Regrettably, things appear to be no better today than they were at that time.

Mr. Chairman, vocational rehabilitation as we know it today was originally established by Public Law 78-16 enacted shortly after World War II. From its inception the program always had as its goal the restoration of employability. The DAV as well as others in the veterans' employment community, believed that

goal to be insufficient. We were in the forefront of supporting legislation, (Public Law 96-466), which made significant changes and improvements in the vocational rehabilitation program.

In our opinion, one of the most important changes emphasized the attainment of actual employment. After almost forty years of institutionalized thinking about "restoration of employability" the rules were changed. Although the rules have been changed, it appears from the recent GAO study that to a large degree the vocational rehabilitation service is not playing by the new rules.

In our May 11, 1988 testimony, we charged that very little employment services training had been provided to the vocational rehabilitation staff. We renew that charge today. Let us ask the VA how many employees in the VR&C service have received any employment services training and what did that training consist of.

Mr. Chairman, also in the 1988 testimony, we reported that a special Employment Services Task Group identified 36 problems that impacted on the delivery of employment services. What has been done to address those 36 problems? Does the Employment Services Task Group still exist? How many times have they met since 1988?

Mr. Chairman, in testimony before this Subcommittee in March, 1990, we reported that the VA was allotted 240 training slots in Fiscal Year (FY) 1990 at the National Veterans Employment and Training Services Institute (NVTI). Of those 240 slots, 120 were set aside for VR&C staff. Have 120 VR&C staff gone through training? What type of training was provided by NVTI? Have any beyond the 120 gone through training? Can we anticipate that all the VR&C staff will eventually be trained by NVTI?

Personnel training, development and qualifications are addressed and mandated by Section 3118 Title 38 USC. Subsection(a) states "The Secretary shall provide a program of ongoing professional training and development for ... counseling and rehabilitation personnel engaged in providing rehabilitation services .... The objective of such training shall be to ensure that rehabilitation services for disabled veterans are provided in accordance with the most advanced knowledge, methods, and techniques available for the rehabilitation of handicapped persons. For this purpose, the Secretary may employ the services of consultants and may make grants to contract with public or private agencies ...."

Mr. Chairman, how much money has the Secretary of VA set aside for providing the type of training identified? How much of that is used for consultant services? How much has been used in the form of grants and contracts?

Mr. Chairman, on September 4, 1992, GAO reported to Senator Alan Cranston, former Chairman of the Senate Committee on Veterans' Affairs, their findings on how the VA Vocational Rehabilitation Program "is achieving its primary goal of helping disabled veterans to obtain and maintain employment" (GAO/HRD-92-100 Vocational Rehabilitation -- Better VA Management Needed to Help Disabled Veterans Find Jobs).

In the GAO's introduction to the study, they indicate "Although we requested written comments from the Secretary of the VA on a draft of this report, they were not provided." Mr. Chairman, why did the former Secretary of the VA, when presented with an opportunity to respond to serious deficiencies in a program under his jurisdiction, fail to respond? While the former Secretary is no longer accountable, perhaps you should

ask the VA witnesses today if they have any knowledge why the Secretary declined to respond.

Mr. Chairman, at this time, we would like to comment on some of the GAO findings.

VA DOES NOT EMPHASIZE FINDING JOBS FOR VETERANS

GAO states "The 1980 veterans education and rehabilitation amendments specifically require that VA provide program participants with job placement services. VA, however, has not focused its vocational rehabilitation program on helping disabled veterans find and maintain suitable jobs. Training, the focus of the program since 1980, still is being emphasized over job placement" (emphasis added).

Mr. Chairman, emphasis on training in and of itself is not necessarily bad. Many disabled veterans, particularly those with severe disabilities, need training because they have no specific civilian occupational skills. Others, because of a newly acquired disability need retraining. While we certainly believe that training should be emphasized, we suggest that training should not be emphasized at the expense of employment services.

In our testimony of May 11, 1988, we recommended a review be made to determine the feasibility of developing an Individual Employment Assistance Plan (IEAP) at the very outset. We believe this approach is still one that can produce effective results. If the disabled veteran is part of the planning process and has a particular job objective and not a "degree" objective, we believe we will see much more success.

Another innovative approach to addressing this problem is identified in the GAO report and supports our recommendation. In one of the offices visited by GAO, the counselors were required to stress "from the beginning that finding a suitable job was the program's objective. Before developing a training plan, counselors often required the veteran to obtain information about the school, trade, profession, and job market for the program in which he or she was interested" (emphasis added). GAO concluded "By requiring veterans to become involved in employment activities at the start of the process, this office ... has increased its rehabilitated cases since 1985, a better record than the other three offices."

Mr. Chairman, this appears to be an effective method. We believe if a veteran is required to take such an interest in his or her future and do the required information gathering, the veteran will feel a stronger stake in the outcome of the rehabilitation process.

GAO further stated "three of the four field offices that we visited continue to stress providing veterans with opportunities for training, but do not emphasize opportunities for obtaining and maintaining suitable employment." We recommend that VA immediately change that mindset by advising all VR&C staff that the main emphasis should be on obtaining and maintaining suitable employment. They should be put on notice and held accountable through employee performance evaluation processes which will ultimately be reflected in their opportunities for promotion and pay increases as well as any merit pay considerations.

GAO also reported "... VA's relationship with some agencies that offer job search activities -- such as the Department of Labor (DOL), state rehabilitation agencies, and contractors -- has produced only limited job search assistance." Mr. Chairman,

we believe the hardest job an unemployed disabled veteran may ever have is finding a job. Accordingly, all available resources should be used to provide needed support and other services to minimize this trauma.

If not already available, each VR&C office should have a directory of community resources and federal, state and local government programs designed to assist unemployed people. This listing should include, but not limited to, the names and phone numbers of the Local Veterans' Employment Representative (LVER) and Disabled Veterans' Outreach Program specialist (DVOP); the local office manager of the employment service, the manager of the local office of the State Vocational Rehabilitation Agency; the person responsible for the Job Training Partnership Act (JTPA); and the individual responsible for veterans' employment in the federal government. Any state, city, county or local representative responsible for employment and training programs should be included.

A brief synopsis of the various programs should be available to the staff, as well as to the disabled veteran client. This should include, but not limited to, information on the JTPA; the Veterans' Readjustment Appointing Authority (VRA); the Job Ready Disabled Veteran Connection (JRDVC); the non-competitive appointing authority provided by Section 3112, Title 5 USC; the affirmative action requirements contained in Section 4214, Title 38 USC; the appointing authority provided for under 5 CFR 315.604; information on veterans' preference at the federal, state and local government levels, and information on selective placement programs administered by the Office of Personnel Management (OPM).

The VA should review and update DVB Circular 22-79-12 dated June 29, 1979, which delineates "Special Provisions for Employment of Veterans."

Mr. Chairman, in the previous paragraph, I mentioned JRDVC. This is a very innovative program that was jointly developed by VA and OPM. JRDVC provides for a job-ready disabled veteran who has completed or is about to complete a program of vocational rehabilitation to indicate if he or she is interested in working for the federal government. If the response is yes, their "mini resume" is placed into a computer database. Federal agencies have been made aware of this program and asked to use it as a recruiting tool. Many of these disabled veterans are eligible for noncompetitive appointing authorities, thus, making their employment by federal agencies very simple and quick. The federal agency may obtain a qualified, academically trained individual and can hire them with a minimum of paperwork and delay.

The pilot for this program began in December 1991, approximately 18 months ago. Since that time, one disabled veteran has obtained employment. There are currently more than 700 disabled veteran enrollees who have indicated their willingness and interest in working for the federal government. These 700 enrollees are registered for referral in over 483 employment categories, based on series and grade level combinations.

Mr. Chairman, why has there been only one participant employed to date? Do we need more aggressive follow up by VR&C staff to locate a "match?" Is the OPM system of matching inadequate? Are federal agencies enrolling only in a symbolic effort to show they are doing something under their affirmative action requirements? If, as GAO reports, there were approximately 35,000 enrollees in vocational rehabilitation in FY 1991, why are only 700 interested in federal employment?

(5)

JOB PLACEMENT GUIDANCE NOT ISSUED TO IMPLEMENT 1980 LEGISLATION

Mr. Chairman, we realize that the 1980 amendments made a significant change in the focus of the VA's Vocational Rehabilitation Program. Perhaps the most difficult was the one changing the mission from restoration of employability to actual obtaining and maintaining suitable employment. This change was required after almost forty years of doing it the same way.

Change is sometimes difficult. The legislative mandate was provided in 1980 and in 1981 the VA issued interim guidance on employment services. However, their procedural manual incorporating guidelines on providing employment assistance was not finalized until August 1992. If it took twelve years to convey to the field staff the priority of employment services, it is no wonder the field staff felt there was little if any emphasis on employment services. A twelve year delay in finalizing their procedural manual is inexcusable. It becomes even more important because according to the four offices visited by GAO, it was indicated "they rely on VA's procedural manual for guidance." If the manual is devoid of the needed guidance, it becomes obvious that the results will be less than desirable.

EMPHASIS PLACED ON TRAINING VETERANS, NOT FINDING JOBS

As previously mentioned, GAO reports that most participants go into training programs (92 percent) and only 3 percent go directly from an evaluation and planning phase into the employment services phase. We previously mentioned our views on training and are not as alarmed as GAO. We suggest employment services be provided during the training phase.

What is more alarming to us is GAO's comments that "our review of counseling records showed that counselors in these offices did not emphasize job placement as the goal of the program" (emphasis added). With this lack of emphasis it is not surprising that only three percent of participants actually enter into the employment services phase of the process.

By contrast, one of the offices visited by GAO changed its direction in 1985 and began to require that "counselors stress from the beginning that finding a suitable job was the program's objective ... counselors often required the veteran to obtain information about the school, trade, profession, and job market for the program in which he/she was interested." This process has increased this office's rehabilitated cases significantly since 1985. We recommend that this office be used as a model to help increase employment services by other offices.

Mr. Chairman, the GAO report states "The Director of VA's Vocational Rehabilitation Service said that even though VA's central office has emphasized employment services since he became director in 1984, field staffs have been slow to change their 'mindset' from just training veterans to helping them find and maintain a suitable job."

Mr. Chairman, we believe this "mindset" can be changed drastically by employee evaluations. If, as recommended earlier, the Director of VR&C incorporates employment services into employee evaluations, their "mindset" will rapidly change. As soon as their evaluations fall below acceptable levels you will see change.

STAFF NOT FORMALLY TRAINED
TO EMPHASIZE EMPLOYMENT SERVICES

Mr. Chairman, some of the rehabilitation and counseling staff responding to GAO "cited the lack of formal training in employment services as a weak area." It is my understanding that employment services is now part of many college curricula for counseling psychologists and has been for quite some time. Because the VA has the authority to contract for formal training, we suggest that each employee who has not had formal employment services training be required to attend a local college or university to obtain training at VA's expense.

Additionally, the VA should develop a separate contract with NVTI to provide ongoing training. The Director of VR&C should contract with outside consultants to provide intensive employment services training at their annual training session. More emphasis needs to be placed on that type of training and less on internal policies and procedures. VR&C officers at the local level have to spend too much time completing paperwork for reports.

The qualification standards for Vocational Rehabilitation Specialists (VRS) is inadequate. Currently, a VRS need only have "a bachelors degree in any discipline or three years of experience that provides general knowledge of training practices, techniques, and work requirements in one or more occupations." A college graduate with a degree in classical music, could be a VRS under current criteria. The Director of VR&C has been attempting to change the criteria to make it more job related with no success. The Veterans' Advisory Committee On Rehabilitation (VACOR) has supported that recommendation to no avail. The DAV also supports that change.

Mr. Chairman, since little is being accomplished through administrative efforts, perhaps a letter from you to the Secretary of VA expressing your interest and concern would be appropriate. If that does not work, Mr. Chairman, we recommend you consider a legislative change.

EFFECT OF CASELOAD ON STAFF'S ABILITY
TO HELP VETERANS FIND SUITABLE JOBS

Mr. Chairman, we do not agree with GAO's conclusion that they could "find no evidence to support these claims" that "large caseloads together with limited resources also contribute to VA's failure to provide effective employment services to veterans, VA officials claim." We do agree that more effective employment services to veterans could be accomplished.

Large caseloads mitigate against working with the hard to serve or more severely disabled. As a result of the large caseloads quality suffers for quantity. If the caseloads were lower, more time could be spent on learning some of the intricacies of providing employment services as well as working with community resources.

Mr. Chairman, for more than a decade, the VR&C staff have assumed additional responsibilities and programs, including the "Chapter 15" program, additional administrative reporting, are required to be out of the office participating in Disabled Transition Assistance Programs (DTAP), and have seen an increase in applicants and enrollees.

Mr. Chairman, we all know that an "Independent Budget" (IB) for FY 1994, has been prepared by the DAV, PVA, AMVETS and VFW.

In the section addressing the VR&C service, they are recommending an increase of 568 employees. Mr. Chairman, that is an increase almost comparable to the entire FTE level of more than a decade ago. If we are going to provide meaningful and timely vocational rehabilitation services to our most needy and deserving population of veterans -- those with service related disabilities who have an employment handicap -- we must provide additional resources. Mr. Chairman, I have attached a copy of pages 51 and 52 from the IB relevant to the VR&C program.

VA'S USE OF OUTSIDE JOB SEARCH AGENCIES VARIES AMONG OFFICES

Mr. Chairman, we previously offered our views on how VR&C staff can use existing resources more effectively. We believe by using those resources and developing better relationships with the various departments, agencies, and service providers actual employment will increase among clients.

RELATIONSHIPS BETWEEN VA AND LABOR INEFFECTIVE AT SOME LOCATIONS

In the four offices visited by GAO, only two of them frequently referred clients to the DVOP specialist. The other two offices rarely referred anyone. Mr. Chairman, this is a prime example of why the outstationing provisions of Section 4103A(b)(2) must be complied with. In delineating the priority of services to be provided by DVOP specialists, Section 4103A(b)(1) lists as the first priority "(A) services to disabled veterans of the Vietnam era who are participating in or who have completed a program of vocational rehabilitation under chapter 31 of this title."

Mr. Chairman, it is inexcusable for any VR&C office not to refer a vocational rehabilitation client to the DVOP specialist and equally inexcusable for the DOL not to assign to each VR&C office at least one full-time DVOP specialist to work with Chapter 31 clients. To do less by either VR&C or DOL is in our opinion a direct violation of Section 4103A.

Mr. Chairman, both the Assistant Secretary of Labor for Veterans Employment & Training and the Director of VA's Vocational Rehabilitation and Counseling Service should be held accountable.

The more successful offices provided services by DVOPs that included "grooming tips, job referral information and training in job search skills and interview preparation." All other offices should follow this example.

Mr. Chairman, many of the services currently provided to active military service members through the Transition Assistance Program (TAP) are the same types of services that need to be provided to Chapter 31 clients. These services include, but are not limited to, interview skills and job resume preparation. As you may know, the DAV authored and provided a series of six workbooks to each VR&C office. Are the contents of these books being made available to Chapter 31 clients? While we only provided one set of books to each office, we have indicated that these books may be reproduced by anyone. At a minimum, they should be made available for review by Chapter 31 clients as part of employment services. We believe that Career Development Centers (CDC) should be implemented at each VR&C office. We recommend on an experimental basis that TAP type classes be offered by VR&C offices to Chapter 31 clients who are within 180 days of completion of their training.

USE OF STATE REHABILITATION SERVICES VARIES AMONG OFFICES

Because of the relative success enjoyed by at least one VA office working with a state rehabilitation agency, we recommend that all VR&C offices be informed to contact their state rehabilitation agency and develop a working relationship. They should report any success to central office.

SOME OFFICES USE CONTRACT AGENCIES

At least one office reported they were relying greatly on contractors and while the number of referrals was relatively small (26), thirteen, or 50 percent were placed in suitable jobs. Two of the offices indicated they were referring veterans to contract agencies only if the client was determined to be "extremely difficult" to place. Mr. Chairman, what definition is attached to the phrase "extremely difficult?" Given the relatively small percentage of employment services participants it would appear that a high percentage of clients are "extremely difficult" to place.

According to the terms of the contracts "the contractors are paid only for veterans who are placed in suitable jobs." Thus, it would appear that contracting for employment services/ placement would indeed be cost effective. We understand some offices, including one of the ones visited by GAO, have never contracted for employment services.

GAO indicated they could "not determine the level of contracting for employment services at the VA offices we did not visit because VA did not keep summary data on the number of contracts for employment services" (emphasis added). Mr. Chairman, we recommend that the VA initiate a system to track contracts. Additionally, we recommend that the Director of VR&C emphasize the possible effectiveness of contracting for employment services and provide training and examples of how successful offices have used contract services.

VA DOES NOT KNOW WHY THE VAST MAJORITY OF VETERANS DROP OUT OF THE PROGRAM

Mr. Chairman, GAO examined records from October, 1983 through February, 1991. During that period "thousands of disabled veterans dropped out of the program before obtaining suitable employment. VA does not know why these veterans did not complete the program." We agree with GAO that the inability to identify the root problem prevents the development of possible solutions. We recommend that the VA contract with an outside consulting firm to do a survey of those who have dropped out to determine why.

Mr. Chairman, our concern with this high drop out rate is compounded by recent studies by the Bureau of the Census and the Bureau of Labor Statistics. Three consecutive studies over the last six or more years have revealed that approximately 66 percent of disabled Vietnam era veterans with disability ratings of 60 percent or higher have dropped out of the labor force. Are some of these the same veterans who have dropped out of vocational rehabilitation? Before we can address their needs or attempt to develop programs, a "needs assessment" should be done for these individuals. Perhaps the VA and DOL could jointly contract for a survey. A similar study was done in the mid 1970's by the Human Resource Research Organization (HUMRRO).

MOST APPLICANTS DO NOT COMPLETE THE PROGRAM

From October 1, 1983 to February 28, 1991, 142,000 or 71 percent of the approximately 202,000 vocational rehabilitation eligibles "dropped out before obtaining suitable employment." Thirty-six percent dropped out before even meeting their counselor and 26 percent dropped out after meeting their counselor. We believe that the high percent of drop outs before meeting the counselor, can in large part, be attributed to the long wait they must endure prior to their first counseling session. We believe the best way to solve that is by the addition of resources and/or contractor services.

GAO found 74,500 applicants were determined ineligible for various reasons, including not having a service-connected disability or not having a disability that caused an employment handicap. Mr. Chairman, we have no easy answer to that problem other than a careful screening process by Veterans Benefit Counselors (VBC) and others who assist in filing claims to outline the eligibility criteria. This may not deter someone who is determined to file a claim, but with proper advice and information, some nondeserving claims may be avoided.

VA DOES NOT COLLECT SUFFICIENT DATA ON WHY VETERANS DROP OUT OF THE PROGRAM

Mr. Chairman, we believe the VA needs to develop a reporting system that provides adequate data to address "drop out" problems. An attempt should be made to counsel the veteran at least one more time, to determine if other supportive services may be available in the community that would help avoid termination. One possible solution would be a redesign of the program to provide work study or a combination part-time or on-the-job training and academic training. A number of options are available if only the problems could be identified early in the process.

MOST VETERANS' CASE FILES DO NOT CONTAIN SPECIFIC DATA ON WHY VETERANS DROP OUT

According to GAO, VA does not have a policy of annotating case files with specific data on reasons for dropping out. Thus, it is difficult to offer meaningful suggestions. One recommendation however, would be for VA central office to develop a policy whereby veterans would be encouraged to attend a final counseling session to identify their particular circumstance leading to termination. Again, if this is known in advance, perhaps intervention could be provided that would minimize those problems.

According to GAO, ten left because of financial reasons; eight because of medical problems; and two dropped out because they were satisfied with their current disability incomes. Perhaps,if VA provided financial counseling, including debt consolidation, financial problems could possibly be avoided or minimized.

Under the vocational rehabilitation program, all tuition, fees, books, and other school related expenses are paid for by the VA. The veteran continues to receive the current rate of disability compensation, plus they receive a subsistence allowance. We believe with proper financial management and counseling and perhaps assistance in finding part-time employment, many of these individuals may be able to remain in training.

Of those who leave because of worsening physical or mental conditions, we recommend that their training be interrupted rather than discontinued and aggressive follow-up efforts be made to make sure they receive necessary medical treatment and that upon correction of any medical problems are reenrolled in training.

Mr. Chairman, this is an excellent example where case management plays such a critical role. Current law requires that both the benefits and medical services have a case manager. If a vocational rehabilitation client is properly "managed" between the benefits services, (VBA) and medical services, (VHA) we believe many of the problems can receive early intervention and correction. It takes a concerted effort.

Mr. Chairman, I mentioned earlier the VACOR. In January, 1989, a special study group was established under VACOR to review case management. The final report and recommendations were submitted to the then Administrator on January 31, 1989. We highlighted some of those recommendations in our March 8, 1990 testimony. At least one bears repeating here. "VACOR recommended that a new department be created that would assume overall responsibility for case management throughout the VA structure." Mr. Chairman, we believe that recommendation is perhaps more valid today then it was in 1989.

Two examples cited in the GAO study include a 100 percent disabled veteran who had completed more than half of an electronics technician program. He dropped out and obtained a job in manufacturing because "everything [financially] was piling up." In the other situation, a 70 percent service connected disabled amputee interrupted his training because of a problem with his prosthesis. He never reapplied for classes and the VA discontinued him.

Mr. Chairman, we believe these are two excellent examples of where effective case management may have averted both individuals dropping out. Perhaps as important to know today is, where are these two individuals now?

VA'S ATTEMPTS TO DETERMINE WHY VETERANS DROP OUT OF THE PROGRAM HAVE BEEN MINIMAL

Mr. Chairman, we recommend that VA immediately initiate a reporting procedure to determine why veterans drop out of the program and provide reasons other than "non pursuit -- veteran declines services" and "veteran discontinued services." We believe case management can be very effective in this effort.

We see throughout the GAO study that the offices they visited operate independent of one another and sometimes independent of any policy direction from central office. We believe many of the problems identified in the study could be addressed by the adoption of centralized policies and procedures. We are not suggesting that VR&C officers at the regional office be totally dependent on central office. We believe the VR&C office should be accountable to the Director of VR&C, and not the Director of the regional office.

VA STANDARDS FOR MEASURING SERVICE TO VETERANS NEEDS TO BE IMPROVED

Mr. Chairman, we share GAO's concerns about the problems identified under current standards and further agree with their recommendation that the Secretary "review the performance standards established for the vocational rehabilitation program

and determine whether services to the veterans can be improved by establishing a realistic performance measurement system, such as benchmarking, that clearly focuses on the program's objectives and continually measures progress toward achieving them" (emphasis added).

Mr. Chairman, on September 28, 1992, GAO submitted another report to Senator Alan Cranston, former Chairman of the Senate Committee on Veterans Affairs, titled Vocational Rehabilitation: VA Needs to Emphasize Serving Veterans with Serious Employment Handicaps (GAO/HRD-92-133).

GAO reported that veterans with serious employment handicaps were not receiving the priority and other needed services, including priority in scheduling appointments. The result was the employment service needs of these disabled veterans not being met. According to GAO, if VA did focus its efforts more intensely on those with serious employment handicaps, more of those veterans could be served. However, the consequence of that would be "fewer veterans who do not have serious employment handicaps may be served if the same level of resources is maintained."

Mr. Chairman, we believe that if we intend to provide vocational rehabilitation services to our nations disabled veterans, additional resources must be provided.

VA MAKES LIMITED SPECIAL OUTREACH TO VETERANS WITH SERIOUS EMPLOYMENT HANDICAPS

Of the nine field offices contacted by GAO, seven did not make any personal contacts with disabled veterans having serious employment handicaps. This is in direct violation of VA's procedures. If additional staffing were provided to the VR&C service, more intensive follow-up, including phone calls could be made.

As an alternative, Mr. Chairman, we believe that perhaps these personal contacts, at least initially, could be made by veterans' benefits counselors or other staff. The main focus at this point would be to advise the disabled veteran of his or her possible eligibility and the range of services provided. Under the current management structure additional help is at the discretion of the Regional Office Director. Unless someone at the central office level (VBA) makes a commitment to have the Regional Office Director support this program, we will not see any meaningful change. The Regional Office Director needs to be held accountable.

The other two of the nine offices did make attempts to telephone all veterans in their areas who had a disability rating of 50 percent or more and met other criteria as provided by central office guidance.

Mr. Chairman, we mentioned earlier the problems we have seen with the lack of communication and cooperation between the medical services and the benefits division. One of the problems previously cited was those who drop out of the program for medical reasons and never get back in. This GAO study addresses the issue of veterans who are hospitalized with serious disabilities, but no outreach effort was being made to those medical centers.

Mr. Chairman, we do not believe the blame should be placed directly on the VR&C service. Each hospital is supposed to have a "case manager." In the event no outreach is being done by the VR&C service, it seems appropriate for the case manager in the medical system to make the initial outreach or contact

with VR&C on behalf of the inpatient client. Since past efforts to implement an effective case management system have failed, we believe Congress should consider a legislative mandate to provide case management at a very high level with a centralized authority to oversee both the medical and benefits sections. (See VACOR study on case management for other detailed recommendations.)

In four of the field offices GAO contacted, there were at least monthly meetings with medical center staff to identify patients who might be participants in the vocational rehabilitation program. Some agreement must be reached at some level to assure a better coordination and cooperation between the two staffs.

Mr. Chairman, eight of the nine medical centers reported to GAO that "some vocational rehabilitation services were provided for severely disabled veterans by state and community programs and VA medical center based programs." The reasons given by medical center officials were "(1) veterans have to wait too long to enter VA's program and (2) veterans and medical center staff often perceive VA's program as primarily for training, when patients want more of a focus on obtaining employment."

The recommendations made by GAO and the recommendations we are making today, must be initiated if we are to have a meaningful and effective vocational rehabilitation service that meets the legislative objective -- actual employment.

Mr. Chairman, in spite of policy guidance, officials at five field offices, indicated that they do not follow the procedures to make additional personal contacts or make special outreach to medical centers because "(1) [they were] too busy meeting the needs of program participants and (2) not comfortable deciding which veterans should get special outreach based on a disability rating. In general, officials who are not comfortable basing outreach efforts solely on disability ratings felt that ratings did not always identify veterans most in need of services" (emphasis added).

Mr. Chairman, we do not disagree with that thinking. However, we do disagree with allowing officials to make that determination in spite of guidance from central office. They should be held accountable for implementing the policy as written. Without centralized policy direction we could have 57 different programs. That can not be allowed to continue.

COUNSELING APPOINTMENTS NOT PRIORITIZED, BUT OTHER REQUIRED SERVICES WERE PROVIDED

Mr. Chairman, again we have a situation where the regional office, either by direction of the Regional Office Director or by the VR&C officer, where a decision is made to administer the program in his or her own way, rather than follow central office procedures. Seven of the nine offices scheduled appointments on a "first come, first-served basis, regardless of disability rating."

At five of the field offices, an arbitrary decision was made based on their disagreement with national policy. While I may not disagree with their basic philosophy, any central office policy must be adhered to by all offices and not only by those who "think" it is the right policy.

EMPLOYEE PRODUCTIVITY STANDARDS DO NOT DIFFERENTIATE BETWEEN SERVICES PROVIDED TO SERIOUSLY HANDICAPPED VETERANS AND OTHER VETERANS

Mr. Chairman, we recommend that a performance evaluation system be developed and implemented nationwide that gives extra "weight" to providing needed employment services as well as providing services to those with serious employment handicaps. Many of our other recommendations could be incorporated into a performance evaluation system, including but not limited to the ability to develop a relationship with community resources and medical center staff.

In conclusion, Mr. Chairman, I want to state emphatically that we believe the staff of the Department of Veterans Affairs Vocational Rehabilitation and Counseling Service are dedicated, hardworking employees, who have the best interest of disabled veteran clients in mind.

They are too often overworked; under staffed; burdened with too much administrative responsibility; attempting to try to serve three masters, i.e. the veteran, the regional office director and the central office staff and they are frustrated.

If we intend for this country to have a meaningful vocational rehabilitation program -- one that should be envied by state and private rehabilitation agencies -- we must provide the needed resources. To do less, is to tell this staff that we really don't care and sends a message to our most deserving disabled veterans, those who are injured, wounded or otherwise disabled in service to our country, that we really don't care about them either.

Mr. Chairman, you have been in the forefront of the battle to provide needed resources to the VR&C service. Your leadership is needed to continue the fight. We can not and must not let this situation continue. Thank you. I will be happy to respond to any questions.

claims action and non-rating board adjudication action.

- Development of an "electronic VBC", consisting of a computer terminal touch-display that provides general VA benefits information.

Examining VS's telephone services probably best illustrates its ability to meet demand for its services. A 1991 US Sprint study for 800-service lines at 47 stations and local telephone company studies for 23 stations reveal the large demand VS does not satisfy. These studies show that blocked calls (those receiving a busy signal) represent 25.1 percent of local line calls and 35.5 percent of 800-service line calls.

In 1990, a similar study revealed a blocked-call rate of 9.7 percent for local lines, 11.6 percent for 800 lines and 27.5 percent for foreign exchange lines (VA phased out foreign exchange calls in 1992). Current VS estimates of blocked telephone calls project no relief. For FYs 1992 and 1993, VS projects 3.8 million and 3.9 million blocked calls, respectively.

On a positive note, VA implemented (effective October 26, 1992) a single, toll-free 800 number (1-800-827-1000) that individuals can call from any location in the fifty states, Puerto Rico or the Virgin Islands. Unfortunately, VA's new nationwide 800 number utilizes no routing enhancement features for overflow traffic. Therefore, veterans now have one number, rather than several, at which they cannot reach VA.

The abandoned-call rate (representing those times when the caller gets through but, after waiting and not getting service, abandons the call) was 9 percent nationally in FY 1991, up from 8 percent in FY 1990. During August, September and October of 1992, the abandoned call rate stood at 11 percent. Abandoned calls result from insufficient telephone circuits or employees to respond to veteran's calls. Installing additional telephone circuits, with enhanced routing features for overflow traffic during peak calling times, and adding additional employees to answer veterans' calls would solve the blocked and abandoned-call problem.

A one-time cost for installing new circuits is approximately $200,000 (with increased usage cost of approximately $930,000 annually). VA estimates that it will take approximately 100 new VBCs, at an annual cost of approximately $3 million, to respond to veterans' calls. The total annual cost for adequate telephone service is less than $5 million—a small price to pay to ensure American veterans have access to information on their Congressionally authorized benefits and services.

As we state throughout the Independent Budget, the IBVSOs believe that the cost of delivering benefits should come from mandatory spending accounts.

In last year's *Independent Budget*, we recommended a return to the FY 1985 staffing levels as a conservative estimate to meeting Veterans Services' FTEE needs. Unfortunately, Veterans Services' projected 2,152 FTEEs for FY 1993 represent 41 less than FY 1992. If Congress intends VA to meet the information and outreach needs of veterans and individual soon-to-be veterans, it must provide VA with the resources to do so.

As we state throughout the *Independent Budget*, the IBVSOs believe that the cost of delivering benefits should come from mandatory spending accounts. If Congress authorized funding of all VS personnel costs by transfer from mandatory spending accounts, VA could staff VS adequately to perform its mandated functions. Yet, VA's Compensation and Pension account still would not exceed mandatory spending caps. In addition, the IBVSOs note that reimbursements from mandatory spending accounts would offer considerably more flexibility to allocate VA resources where they are needed most.

- The IBVSOs recommend 2,440 FTEEs, so that VS may begin to satisfy reasonable service levels.
- We also recommend that VS update its telephone equipment.

VOCATIONAL REHABILITATION AND COUNSELING (VR&C)

Previous *Independent Budgets* have discussed at length the problems confronting VR&C. As the FY 1993 *Independent Budget* predicted, VR&C's workload has increased substantially. For many reasons, including the increased number of separations from active military service, VR&C expects a 20- to 25-percent increase in the number of veterans in rehabilitation programs by the end of FY 1993. Additionally, as a result of legislative changes which created a counseling benefit for separating service members, the education and vocational counseling workload within VR&C will increase by approximately 400 percent by FY 1994. This equates to approximately 500,000

service members, veterans and eligible dependents of veterans receiving vocational counseling.

In FY 1991, Congress provided appropriations for 69 additional vocational rehabilitation specialists (VRS), reducing their average workload from 256 veterans to 229 veterans by the end of FY 1992. The average amount of time from the point that a veteran filed his application for vocational rehabilitation with VA to the veteran's first appointment decreased from 86 days in FY 1991 to 74 days by the end of FY 1992.

Due to the projected increased workloads, VA estimates that in FY 1993, an average of 120 days will elapse from the time a veteran files a claim for vocational rehabilitation until he or she sees a VA counselor—a 46-day increase over FY 1992 and 90 days beyond VR&C's goal of 30 days. Likewise, VA expects VRS workload to increase to an average of 353 veterans in FY 1993, an increase of 124 over FY 1992 and 227 beyond VR&C's goal of 125.

From a purely economic standpoint, it is sound public policy to return disabled veterans to meaningful employment following injury or onset of disease.

FY 1994 projections are dismal. VA predicts a continuing decline in VR&C's ability to provide timely vocational rehabilitation to service-connected disabled veterans, separating service members and eligible dependents. VRS case management workload will leap to 433 days, and applicant status time will increase to 129 days. This trend must not continue. Congress must provide VR&C with enough employees to restore timely vocational rehabilitation services to deserving veterans.

Experts agree that, to be effective, rehabilitation counseling and training must begin as soon as practicable following injury or disease onset. VR&C timeliness and case management projections for FYs 1993 and 1994 contravene conventional wisdom in the rehabilitation field. Additionally, we must point out that putting the disabled veteran back to work is cost-effective. Recently, VA studied 3,083 veterans rehabilitated in 1991 and discovered the following significant facts about the benefits of vocational rehabilitation:

- the 3,083 disabled veterans total annual income before entering vocational rehabilitation was $11.9 million;
- 66 percent had no income when they entered vocational rehabilitation;
- 84 percent were at or below poverty level entering training;
- following vocational training, these veteran's aggregate income increased to approximately $60 million—a 402-percent increase;
- after completing vocational rehabilitation, these veterans paid an estimated $3.7 million to Social Security; and
- following vocational rehabilitation, these individuals paid $13 million in total estimated state and federal income taxes.

From a purely economic standpoint, it is sound public policy to return disabled veterans to meaningful employment following injury or onset of disease. To do this, it is estimated that 568 additional employees will be needed just to provide the level of services VR&C provided in FY 1992.

- Add 568 employees to VR&C.

INSURANCE AND INDEMNITIES

VA administers seven life insurance programs, which provide insurance protection for veterans and servicepersons. At the end of 1992, 3.1 million policies were in effect, with a total face value of 26.4 billion. In addition, VA also supervises the Servicemans' Group Life Insurance (SGLI) and the Veteran's Group Life Insurance (VGLI) programs which, by the end of 1992, provided $341 billion of insurance coverage to 3.6 million veterans and servicepersons. The Service Disabled Veterans' Insurance and Veterans' Mortgage Life Insurance programs are the only VA-administered insurance programs that are still open to new issues. SGLI and VGLI are also open to new issues.

VA has two insurance centers (located in Philadelphia, Pennsylvania, and St. Paul, Minnesota) that have provided excellent service to America's veterans and their families through the years. Due to increased telephone inquiries, the dividend credit for paid-up additions mailing that Public Law 102-86 mandated and an increase in death awards, VA anticipates a substantial backlog by the end of FY 1993. The average time to process an insurance claim will increase from the FY 1992 level of four days to 42 days by the end of FY 1993.

PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

STATEMENT OF

CLIFTON E. DUPREE, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING THE

DEPARTMENT OF VETERANS AFFAIRS

VOCATIONAL REHABILITATION PROGRAM

May 20, 1993

Mr. Chairman and Members of the Subcommittee, on behalf of Paralyzed Veterans of America (PVA), thank you for inviting us to testify today. The existence of a viable vocational rehabilitation program is one of the most important benefits available to veterans.

The Vocational Rehabilitation and Counseling (VR&C) Service provides assistance to veterans with service-connected disabilities rated by VA at least 20 percent disabling.

The Service strives to do the following: help veterans become employable, achieve maximum independence in daily living, and obtain and maintain suitable employment. It also operates career development centers and provides counseling services to veterans and members of the Armed Forces applying for educational and job training benefits.

VR&C's workload has increased substantially with the increased number of separations from active military service. Furthermore, VA expects a twenty to twenty-five percent increase in the number of veterans in rehabilitation programs by the end of FY 1993.

Legislative changes created a counseling benefit for approximately 100,000 separating service members; the education and vocational counseling workload within VR&C will increase by approximately four hundred percent by FY 1994. The VA estimates that in FY 1993, the average amount of time from the initial application for vocational rehabilitation to the veteran's first appointment with a VA counselor will be 120 days, or a 46 day increase over FY 1992 and four times VA's goal of 30 days.

Mr. Chairman, there is a need to establish a program within VR&C that is specifically charged with coordinating the employment of rehabilitated veterans with employers.

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The success rate was much higher when VA administered its own job assistance program before it was "farmed out" to state employment Disabled Veterans Outreach Program (DVOP) services. There were several reasons for this: 1) emphasis was on job placement for disabled veterans and their return to employment related to their rehabilitation; 2) VA personnel were dedicated to their responsibility of successfully matching rehabilitated veterans with employment and their efforts were not diluted with other unrelated detailed assignments; and 3) veterans received fast action.

One of the most frequent complaints heard from disabled veterans around the country is the current inadequacy of employment opportunities. In light of budget constraints faced by VA, PVA would suggest utilizing work-study employees under supervision of VR&C. Their responsibility would be to maintain a list of rehabilitated and potentially rehabilitated veterans as well as a list of approved employers within the state. It would be necessary to maintain contact with veterans and employers to help coordinate and meet each group's needs. Rehabilitation achieved through training paid for by VA is of no consequence to veterans if they are not able to utilize the skills they have acquired.

The House and Senate Veterans' Affairs Committees have recommended that resources be provided to insure vocational rehabilitation specialists (VRS) have reasonable caseloads. Disabled veterans cannot receive the quality of vocational rehabilitation services to which Congress has stated they are entitled unless more VRSs are provided.

They have determined that an average caseload level should be between 135 and 150 cases per VR&C. This compares to a workload average of 60 cases for comparable staff in the state/federal rehabilitation program. At the beginning of FY 1993 the average VRS caseload was 353, an increase of 124 over FY 1992. This results in an average initial interview waiting time of 120 days compared to 86 days in FY 1992.

FY 1994 projections are dismal. VA predicts a continuing decline in VR&C's ability to provide timely vocational rehabilitation to service-connected disabled veterans, separating service members and eligible dependents. This trend must not continue. Congress should provide VR&C with enough employees to restore timely vocational rehabilitation services to deserving veterans.

Experts agree that to be effective, rehabilitation counseling and training must begin as soon as possible following medical rehabilitation.

Putting the disabled veteran back to work is cost-effective. A veteran who successfully completes a program of rehabilitation increases his or her annual employment income by a factor of nearly five times over the employment income being received prior to entry into a vocational rehabilitation program. These benefits are considerable, not only for disabled veterans, but also for the economy.

For example, VA studied 3,083 veterans rehabilitated in 1991 and discovered the following significant facts about the benefits of vocational rehabilitation:

- 2,035 had no income when they entered vocational rehabilitation;
- 2,590 were at or below poverty level entering training;
- pre-rehabilitation average yearly employment income of disabled veterans in FY 1991 was $3,346.80. The average employment income of those veterans in the year following rehabilitation was $18,277.28;

- after completing vocational rehabilitation, these veterans paid an estimated $3.7 million to Social Security; and

- following vocational rehabilitation, these veterans paid $13 million in total estimated state and federal income taxes.

From a purely economic stand-point, it is sound public policy to return disabled veterans to meaningful employment following injury or onset of disease.

Congress should authorize funding for all vocational rehabilitation benefits and services from the Readjustment Benefits entitlement account. PVA believes that VA should give priority to training seriously disabled veterans. Most veterans in vocational rehabilitation are rated at only 20 to 30 percent disabled.

Vocational Rehabilitation should be one of the highest priorities of the Department of Veterans Affairs for the severely disabled veteran. In the context of catastrophic spinal cord injury, rehabilitation is the process by which medical, psychological, and social functions are restored or developed to the level which permits an injured person to achieve personal autonomy and an independent, non-institutional lifestyle.

Vocational rehabilitation specialists and counseling psychologists represent the frontline of the delivery system within this important program. They must provide benefits in a timely manner that meet basic quality-of-service standards and be both accurate and compassionate in their determinations. Today, their mission is seriously threatened by a significant lack of FTEEs, i.e. Vocational Rehabilitation Specialists (VRS). VA managers agree that a realistic goal would be an average caseload of 150 veterans being interviewed within an average of 45 days of the eligibility determination date.

However, in order to achieve that goal, Vocational Rehabilitation Counseling Service estimates that it needs an additional 580 FTEEs in FY 1994. This should be accomplished through funding from the mandatory spending portion of the Readjustment Benefits account.

Even with severe fiscal restraints, the average caseload level of 135-150 should be the baseline range for budgetary resource planning. Higher caseloads make it impossible for VRSs to provide the minimum level of timeliness and quality in vocational rehabilitation services which disabled veterans are entitled under authorizing legislation.

According to vocational counseling professionals, the real lack of timeliness between applications for services and initial face-to-face counseling contact has two adverse effects on the disabled veteran. First, the applicant's level of motivation and morale is reduced as delays produce the impression that the system is unresponsive and uncaring. Second, a person who has become disabled is prone to depression and an increase in psychosomatic symptoms, a tendency made worse by lengthy delays. Both of these adverse effects make it more difficult to achieve the primary objective of vocational rehabilitation, the veterans' successful re-entry into competitive employment and becoming productive, tax paying members of society.

PVA recommends that Congress establish, and VA meet, timeliness standards, since vocational rehabilitation services directly represent our nation's commitment to service-connected disabled veterans, those whose sacrifices deserve the highest priority. It is imperative that services provided under this program meet acceptable standards of quality.

Many veterans applying for vocational rehabilitation can complete the program by following a prescribed course of education or training followed by employment placement service. Many others, however, are in need of more comprehensive services, including extended evaluation and periodic assessments by Vocational Rehabilitation and Counseling Service and Veterans' Health Administration personnel. These two parts must work effectively together in order to reach the ultimate goal of rehabilitating a disabled veteran.

The Office of Personnel Management (OPM), in conjunction with the VA, should make other federal agencies aware of job placement programs like the Job Ready Disabled Veterans Connection (JRDVC) and the noncompetitive appointments for 30 percent or more compensated disabled veterans. After completing vocational rehabilitation, veterans still need follow-up to assist them in the transition from the training environment to the employment environment.

Once a veteran has completed vocational rehabilitation, the VA should vigorously assist the veteran to find gainful employment. Disabled veterans who are given the opportunity to participate in vocational rehabilitation contribute to the federal, state, and local tax base rather than become dependent on them.

In October 1992, the Disability Income Systems, Inc., in cooperation with the Paralysis Society of America, released the "Economic Consequences of Traumatic Spinal Cord Injury, Analysis of Post-Injury Employment Patterns." The report stated:

> "Spinal Cord Injury (SCI) persons injured at working age (18-64) represent about 147,000 individuals.
>
> This group best represents those individuals who would face employment decisions after their injuries. This survey's analysis of post-injury employment shows that the average months that individuals with SCI were not employed immediately after injury exceeded sixty months.
>
> Under this survey disabled veterans remained unemployed an average of ninety months immediately after injury. No other demographic group under age 65 of any size has such a small proportion working.
>
> Young blacks, a group often singled out because of their very high level of unemployment, are much more likely to be working than are disabled Americans."

The physical challenge of a disability is not the only reason an individual cannot find work or gain the experience or educational opportunity necessary to start a business. The Congress and the American people are trying to change both physical barriers in the environment and attitudinal barriers in society that have challenged people with disabilities.

"The Americans With Disabilities Act," enacted in 1990, made major strides in directing the nation to help overcome the devastating effects of discrimination against persons with disabilities.

Mr. Chairman, this hearing, once again, indicates your deep concern for the needs of disabled veterans. Such concern has enabled VA to become increasingly responsive to the rehabilitation of these veterans. That concludes my testimony.

STATEMENT OF

BOB MANHAN, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

OVERSIGHT OF THE VOCATIONAL REHABILITATION PROGRAM

WASHINGTON, D.C. MAY 20, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for inviting the Veterans of Foreign Wars of the United States (VFW) to participate in this hearing. While our 2.2 million members consider all veterans as equal we place the service-connected disabled veterans as the first among equals. To reinforce this point, at our last national convention the VFW general membership unanimously approved Resolution No. 609 entitled, "Assure Full Continuum Of Care For Veterans With Mandated Entitlement." The pertinent part of our resolution clause bearing on this hearing emphasizes, "... a full continuum of care to include preventive, acute, restorative and extended care." A copy of this resolution is attached to our statement.

Because the VFW has historically believed vocational rehabilitation services directly represent our country's strongest commitment to service-connected disabled veterans, it is absolutely necessary that all the Department of Veterans Affairs (VA) services required under Chapter 31, title 38, United States Code, meet acceptable standards of quality and timeliness.

Unfortunately, over the last several years the time lapse between when a disabled veteran applies for help and when a vocational counseling professional meets for the first face-to-face contact to discuss the services available has significantly widened. This time lapse adversely affects the veteran's program motivation because he suspects the system does not care. Also, a disabled veteran is more likely to experience periods of depression and an increase in psychosomatic symptoms, which are often exacerbated by lengthy delays and/or a feeling that his immediate needs are not being met. Together, these problems feed upon themselves and have the overall tendency to make the veteran's re-entry into competitive employment and his sense of fulfillment more difficult if not impossible.

From the VA's side of the problem its highly trained and well qualified vocational rehabilitation specialists (VRS) and professional counselers experience increased workloads, thus, adding elements of frustration and harassment to a very emotional, very individualized working environment. In summary, the presently oversubscripted readjustment benefits workload and the underfunded Fiscal Year (FY) 1994 budget request for all aspects of the Vocational Rehabilitation and Counseling (VR&C) programs indicate that the quality and timeliness of services provided by VA to service-connected disabled veterans will continue to deteriorate. This is totally unsatisfactory in the VFW's opinion.

The VR&C program is national in scope with services provided at 56 regional offices and/or combined regional office and medical center, 61 decentralized counseling locations, and many contract guidance centers. In FY 1994 specialists of this program will visit at least 200 active duty military installations as part of the Disabled Transition Assistance Program (DTAP) to provide earlier advice and assistance to disabled servicepersons who are within 180 days of discharge from active military service.

The overall goal is to provide a program of services and assistance necessary to enable service-disabled veterans maximum independence in daily living, to obtain, and then to maintain suitable employment to the maximum extent possible. In those instances where the veteran is severely disabled for employment, highly specialized services are designed to help them live more independently than would otherwise be the case.

In order to accomplish this mission in FY 1994, the VA's VR&C budget request asks for 714 full time employee equivalents (FTEEs). This is 18 fewer employees than they will have had for all of FY 1993. The total requested obligation for employment in FY 1994 is $37.4 million, about $365,000 more than the previous year. However, this figure by itself is misleading. The total employment cost for the previously mentioned 714 staffers will use all this money to offset their FY 1993 3.7 percent COLA, the projected within-grade increases, overtime, plus the Government's cost for retirement, health, life insurance and Medicare benefits.

Part of this $365,000 is the $42,000 which comes out of the FY 1994 program's travel requirement. This money, which was $742,000 in FY 1993 is only $700,000 in FY 1994, and is needed for traveling expenses by counselors who visit housebound veterans and to place and/or to supervise disabled veterans who are in vocational rehabilitation and/or are seeking employment. A remaining $24,000 will be taken from the "other services" program. For FY 1994 some $312,000 is requested against $336,000 for FY 1993. This money is needed primarily to pay for miscellaneous contractual services which in turn are designed to correct any program weakness identified over the past 18 to 24 months by the General Accounting Office (GAO) and the VA's own Office of The Inspector General (IG). The overall thrust of the criticisms from GAO and the IG relates to the poor quality of work and the increasingly greater amount of time it takes to administer the VR&C requirements. In brief, it doesn't appear to be a positive management decision to reduce the monetary obligations requests in these programs for the coming fiscal year in the VFW's judgment.

Unfortunately, too, a review of VA's own workload analysis for all five of the VR&C indicators shows an increase in FY 1994 over FY 1993. In summary, for FY 1994 there will be a 4,000 increase in the number of veterans who will need an initial evaluation and rehabilitation plan developed. There will be about 4,300 more disabled veterans in various stages of extended evaluation, independent living and rehabilitation almost to the point of employability case status in FY 1994 than there were in FY 1993. In FY 1994 about 500 more disabled veterans will be in or will have exited employment service case status or returning to another case status for additional consideration compared to FY 1993. There will be an additional 1,300 veterans in FY 1994 who will be entering into another program case status and it is expected that almost 19,000 more disabled veterans are to receive vocational/educational counseling in FY 1994 primarily due to the significantly expanded eligibility for this service by Public Law 102-16, the Veterans Education Employment and Training Amendments of 1991, and the DTAP requirements contained in Public Law 101-510, National Defenses Authorization Act of 1991. In summary, the VA is projecting a total of about 29,000 more actions or workload indicators than the preceding year.

The VR&C services use four measurements to evaluate its own timeliness and quality of work. First, there is the average number of days from the time the veteran's application for vocational rehabilitation services is received in the VA to the date the veteran is first able to be seen for an initial appointment. The primary VA staffer involved is a counseling pyschologist. The goal is 30 days. In all of FY 1993 the VA expects to average 80 days and in FY 1994 to reach 85 days.

The second standard is the counseling psychologist's (CP) average monthly caseload, which represents the number of veterans a CP has provided services for during the month. The goal is to deal with 18 veterans. In FY 1993 the figure is expected to be 27 and will rise to almost twice the goal, or 30 veterans, per month in FY 1994. Please recall that this CP effort forms the basis for entitlement determinations and the development of information to support a comprehensive written rehabilitation plan. This increase CP average in FY 1994 is a direct result of a workload increase. Part of the solution would be to aggressively contract out the psychological counseling required and/or to hire additional VBA counseling psychologists if money were available. However, the earlier part of this statement clearly shows this course of action was not pursued in the budget request.

The third unit of measurement is the vocational rehabilitation specialist's (VRS) average caseload. This reflects the total number of disabled veterans assigned during a year to the VRS who became the case manager. The goal is 125 veterans. In FY 1993 about 260 veterans will be managed annually per VRS. This figure will rise to 285 in FY 1994. This is an extremely important function when we recall that the VRS has the ultimate responsibility to determine when or even if a veteran has achieved rehabilitative status. Again, it might be possible to offset this expected increased workload if money were made available to either contract out some of these services or cost-share with some similar state-federal programs of vocational rehabilitation.

The last indicator is the average time required to move a veteran from employment status to rehabilitative status. The present goal is 90 to 120 days. However, in FY 1993 the average time is now 240 days. It is expected to increase to at least 250 days for FY 1994. In all fairness to the VA it must be recalled that this unit of measurement is driven primarily by the job market and the general economy rather than by the VA itself. To further complicate this problem is the fact that there is no rapidly expanding pool of employment positions available to disabled workers and in general there is a greater number of disabled Americans now competing for a finite number of jobs.

The FY 1994 major objectives for the Vocational Rehabilitation Service are to:

- aggressively implement DTAP, and;
- enter into new research projects with agencies such as the National Institute of Disability and Rehabilitation Research (NIDRR) regarding the newest methods and techniques for rehabilitation programs.

Based on the facts above, the VFW firmly believes that as an absolute minimum enough money should be provided for VR&C to fund their FY 1994 travel requirements. This could mean an additional $500,000 for travel.

Our last major concern deals with the General Accounting Office's report of September 1992 titled, "Better VA Management Needed to Help Disabled Veterans Find Jobs." In essence, GAO concluded that the VA does not emphasize finding jobs for veterans. To the best of our knowledge the VRS has not yet responded to this very important finding. The VFW respectfully suggests that they be required to do so as soon as possible.

This concludes our statement and it will be my pleasure to respond to questions any member may have. Thank you.

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STATEMENT OF

VIETNAM VETERANS OF AMERICA

Presented by

William F. Crandell

Legislative Assistant

Accompanied by

Paul S. Egan

Executive Director

Before the

House Committee on Veterans Affairs

Subcommittee on Education, Training and Employment

on

The Vocational Rehabilitation Program

May 20, 1993

DISCUSSION

Mr. Chairman and members of the committee, Vietnam Veterans of America (VVA) appreciates the opportunity to present its views on the Vocational Rehabilitation Program of the Department of Veterans Affairs (VA). The discrepancy between the dream and the reality in this program is tragic, but that gap need not be so broad as it is today.

The whole point of the Vocational Rehabilitation Program is vocational -- helping disabled veterans to train for and obtain jobs. Nobody would guess this from looking at the program's product. Only three percent of those veterans who receive a rehabilitation plan from the program nationwide go directly into the employment services phase, while 92 percent are sent to training programs. Of those eligible, VA itself found that in the period October 1, 1983-February 28, 1991, 36 percent dropped out even before seeing a counselor, 26 percent quit after meeting one, 9 percent gave up after receiving a rehabilitation plan, 24 percent were in training, and only 5 percent were considered rehabilitated. That is a terrible track record.

A User-Unfriendly Program

As is so often the case with the VA, the Vocational Rehabilitation Program, despite some very caring people within its staff, is not user-friendly. It does minimal outreach, sending packets automatically to veterans who receive a disability rating of 20 percent or higher. These packets are the same for both seriously-disabled veterans and those who minimally meet the standards of eligibility. Applicants are treated on a first-come first-served basis, rather than upon a priority for the seriously disabled. VA officials at numerous field offices told GAO that assigning such mandated priorities is not worth the effort, because seriously-disabled veterans had no greater need and besides, they might get in the way of veterans with smaller disabilities. This sort of paternalism ignores the ratings system that is the underlying structure of how the VA works.

Nor, in general, is there encouragement to enter and complete the program. GAO noted that "VA does little to train its vocational rehabilitation staff to provide employment services." Further, in three of four offices surveyed, employment services were not emphasized, and indeed were not discussed until near the end of the training. Vocational rehabilitation is not easy -- nobody enters such a program simply to stave off boredom. Without early, continuous and convincing encouragement that such training can lead to employment, why would anybody bother?

Management Standards Work Against Disabled Veterans

As is true elsewhere in the VA, particularly in the Regional Offices, management standards for measuring service in the Vocational Rehabilitation Program are wrong-headed. GAO has cited three serious problems in this regard.

VA measures program effectiveness according to what percentage of those who enter the employment services phase actually complete it with an appropriate job. The figure -- 65 percent -- is not high, but it looks significantly better than the 5 percent completion rate of those who apply for the program, which <u>ought</u> to be the measure of its effectiveness. The current measure lies with statistics by discounting the 71 percent of all applicants who drop out before getting to the employment services portion of the

program.

The program measures its timeliness in an odd way, too -- by comparing its performance with the previous year. Thus VA congratulated itself on reducing its ponderous 95-day waiting period before a veteran saw a counselor to 94 days between 1989 and 1990. In comparison, experts agree that 30 days would be reasonable. This alone contributes strongly to having 36 percent of accepted applicants give up before seeing a counselor.

The third work standard problem is the most unacceptable. By refusing to distinguish between veterans with minor disabilities and those who are seriously disabled, VA encourages doing as little as possible for those who need the most help. Precisely because seriously-disabled cases take more work, the current management system rates the staffer who handles a lot of these cases as less efficient than the one who takes the easy cases. The VA's refusal to put in place a work standard that recognizes that seriously disabled veterans require more support than somewhat disabled veterans encourages staff to discourage those veterans who most need help.

This puts a premium on "creaming," the practice of concentrating on the easiest cases to deal with. While creaming makes sense in some areas, it is grotesquely out of line in the Vocational Rehabilitation Program, which was created specifically to help seriously-disabled veterans gain useful employment.

An Appalling Drop-Out Rate

As mentioned, the VA's user-unfriendly approach and its ill-considered work standards in the Vocational Rehabilitation Program cause 71 percent of eligible applicants to drop out before getting to the program itself. VA has no idea why the drop-out rate was so high, though the General Accounting Office (GAO) said flatly last September that the VA does not emphasize finding jobs for veterans. The GAO report pointed out that VA keeps no data on why veterans drop out -- a problem that recurs throughout the VA system -- and called for VA to do so, and to take action to reduce the drop-out rate.

VVA supports this call, though the drop-out rate is not mystifying to us. The shortcomings we have already described flow from an unsupportive organizational culture at the VA. The entire entitlement system assumes that the veteran does not really deserve help, is probably trying to fool the government, and must prove that he or she actually has a problem. This assumption of laziness follows those veterans who successfully demonstrate disability, for if they collect compensation, the culture asks, why would they need jobs? The Vocational Rehabilitation Program focuses on helping veterans with relatively minor disabilities, as though meaningful work doesn't matter if your benefits check is on time. Until the VA's underlying assumption that its clients are frauds and malingerers changes, specific programs such as Vocational Rehabilitation cannot be improved very much by fine tuning them.

Implement the 1980 Amendments

The 1980 Veterans' Education and Rehabilitation Amendments mandated VA specifically to provide job placement services to participants in the Vocational Rehabilitation Program. Although interim guidance was issued in 1981, today -- thirteen years after the enactment of the amendments -- field offices complain that no change was made in the procedural manual until August 1992, and that job placement guidance is still lacking.

The 1980 amendments authorize VA to use contract agencies for job placement, and where the field offices have done so -- paying only when the veteran receives a job -- it works. The Secretary

must mandate this.

An alternative is to rely upon state rehabilitation agencies -- which vary wildly in quality -- but VA does not do this very much. Another possibility is to work with the US Department of Labor (DoL), which updated a national agreement with VA in 1989 to cooperate and coordinate services with the goal of assisting in the "successful readjustment of veterans into civilian life." This coordination exists at the state level, and again the amount of coordination differs significantly from one state to another.

At best, working through DoL to provide jobs for disabled veterans is marginally satisfactory. The greatest failing of the nation's labor exchange provided by the state employment services agencies is that they reach so few employers. To a great extent, capable workers stay away from the Job Service because they can't find good jobs there, and employers stay away because the best workers do. It is a vicious circle, and disabled veterans are generally stuck in it. Although VVA supports GAO's recommendation that VA establish effective working relationships with such agencies as DoL, the use of contracting agencies has a better success rate, and ought to be encouraged strongly.

Government itself is a major employer that VA ought to work with in placing trained veterans with disabilities. The federal Office of Personnel Management (OPM) are or ought to be sensitive to hiring workers with disabilities, as should most state and local governments, which are generally convenient to regional Vocational Rehabilitation offices. These should be routine agencies for placement of veterans who enter this program.

Set Performance Measures that Challenge VA to Perform

When the Vocational Rehabilitation Program rehabilitates only 5 percent of its eligible applicants and simultaneously rates 90 percent of its field offices as meeting or exceeding VA quality efforts, the standards are far too low.

GAO reports that timeliness standards do not exist for either evaluation and training or employment training, nor indeed for the entire program. VA's goal is to place 65 percent of those veterans who actually complete the employment services phase in suitable jobs within 265 days. That is a low percentage and a long time, and it is especially unimpressive given that only 5 percent are rehabilitated.

VVA supports GAO's recommendation for the VA to consider benchmarking performance. In its 1992 report (GAO/HRD-92-100), GAO comments:

> Benchmarking, by definition, is a process used to identify the best practices from industry and government to continually improve the services provided to clients. Benchmarks are continually reviewed and updated. A benchmark can be a performance standard for one year or a number of years.

Until VA is ready to go beyond its easy standards and low rates of success, VVA will ask Congress to push it. We are asking that now.

Get Serious About Seriously-Disabled Veterans

Although the interim guidance issued in response to the 1980 amendments calls for providing special outreach to seriously-disabled veterans in the form of phone calls, personal letters and visits, and for giving priority to them in scheduling initial counseling appointments, most field offices ignore these guidelines. "Special outreach" is no more than what is done for every other veteran with a disability rated at 20 percent or

greater -- a pamphlet in a package that is dropped into the mail. Even where field offices are near the Veterans Administration Medical Centers (VAMCs) where the seriously-disabled veterans are treated, no general effort is made to contact them there, nor are they given priority for counseling appointments. Officials told GAO they were either too busy helping program participants or uncomfortable deciding which veterans should receive special outreach efforts, even though the interim guidance is quite specific.

No doubt the program is understaffed and underfunded. That is the legacy of the 1980s to those who sacrificed for this country prior to the golden age of budget-cutting. Any serious solution to the terrible waste of veterans who could contribute to the labor force must address the question of appropriate staffing levels, and VVA strongly supports more funding for this effort.

But our warning is that staffing alone is not enough. As discussed above, current personnel are made less helpful by a variety of performance standards that provide disincentives for helping seriously-disabled veterans.

Most of all, VA needs to get serious about seriously-disabled veterans. In the past two decades the rest of American government has made great strides in developing standards and methods for accommodating workers with major disabilities. Why is this a secret at the VA? The Secretary needs to set priorities for helping seriously-disabled veterans and to get tough about enforcing them. It is unacceptable for Congress and the VA to keep promulgating rules that are not enforced. Assign some responsibilities and some measures of success, and stand ready to discipline those who ignore them.

Conclusion

Mr. Chairman, our disabled veterans have given more to this nation than most living Americans, and the sacrifices of the seriously-disabled are the greatest. We have grown all too accustomed to VA programs that discourage veterans rather than help them, when even the most hard-hearted and practical policymakers are able to see the solid value of returning to veterans as much as is possible of the ability to live normal, productive lives.

Nowhere is the standard of indifference harder to accept than in the case of those disabled veterans who want to work. Although many -- even most -- of the people who work in the Vocational Rehabilitation Program are caring, competent professionals, the program itself is a frustrating failure that turns off and turns away three-quarters of those who come to it.

VVA calls upon Congress to get tough with the Vocational Rehabilitation Program. Find a way to set standards -- aggressive standards -- and a way to tie funding to meeting them. For the overwhelming majority of those who need it, no program at all would be less cruel than the demoralizing program we have now.

We thank you for this opportunity to present our recommendations.

STATEMENT OF JAMES R. PELUSO, DIRECTOR
NEW YORK STATE DIVISION OF VETERANS' AFFAIRS
TO
HOUSE VETERANS AFFAIRS COMMITTEE,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
May 20, 1993

Dear Mr. Chairman and Members of the Advisory Committee:

I am James R. Peluso, Director of the New York State Division of Veterans' Affairs. Thank you for the opportunity to provide our views on veterans' rehabilitation; specifically, on the Department of Veterans Affairs Vocational Rehabilitation and Counseling (VR&C) program.

On a personal note, I participated in VA's VR&C program, completed a Master's Degree in Rehabilitation and went on to work professionally in the field for over ten years. As a result of these experiences and current work with veterans, I am familiar with VA and state vocational rehabilitation (VR) programs.

The New York State Division of Veterans' Affairs

The New York State Division of Veterans' Affairs (DVA) was created 45 years ago to serve the State's veteran community. We provide counseling and outreach services in each of the State's 62 counties to veterans, their dependents, their survivors and members of the armed forces on active duty. The Division coordinates the work of State agencies to utilize State resources for better readjustment services to veterans and their families. We advocate at federal, State, local and private levels for increased and more appropriate services to veterans and their families, particularly in health care, mental health services rehabilitation, and services for the elderly, the homeless and unemployed. Veterans turn to our State Veteran Counselors for their expertise to guide them through the maze of federal and State and local programs created to serve veterans' needs.

In addition to providing direct services to veterans, DVA has been instrumental in planning for our fourth State Veterans Home and in developing cooperative programs with the federal government. Programs include housing for mentally challenged persons, work therapy, home health care, drug and alcohol abuse programs, supportive employment and affordable dwellings. DVA also conducts research and planning to sensitize others to veterans' needs, particularly by identifying problems which may not be adequately understood or represented by other veterans' advocates. We meet with members of urban and rural community organizations and provide them with guidance in assessing veterans' needs and locating resources. DVA distributes information through newsletters and other publications to improve awareness of assistance sources and to promote events which commemorate citizens who have served our country.

The Division serves a population of almost 1.7 million veterans, one of the four largest contingents of veterans in the nation, of which 1.2 million are under age 65. According to the latest data available, the total includes 137,000 veterans who receive service connected compensation payments. Of those, approximately 66,000 are under age 65 and 71,000 are 65 and over and are potentially eligible and could benefit from vocational rehabilitation. For fiscal year 1992 approximately 1,100 veterans living in New York were receiving training through VA's VR&C program.

Need for Federal-State Linkages

In 1989, a cooperative agreement was signed between VA's Medical Districts II and III and Northeast Region and the State of New York and DVA which

recognized the need to exchange information, engage in joint planning and to provide cooperative services to veterans and citizens of New York State. It is in the spirit of this cooperative agreement, a copy of which is attached, that we are calling upon VA to recognize the need for greater cooperation between VA's VR&C program and New York State's VR services.

The Department of Veterans Affairs VR&C program has been one of the most important and successful veteran programs ever developed. Its proven effectiveness in facilitating the transition of disabled veterans from their status as unemployed warriors to productive members of their communities is commendable.

Still, VA's VR&C program is not without room for improvement. There are just 16 VA Counseling Psychologists and VR Specialists assigned to territories which include New York State. The number is far too small to adequately serve the veteran population in need of vocational rehabilitation.

A single counselor may cover an area which spans a distance of over 200 miles. Servicing such a large territory makes it difficult for a counselor to develop and maintain the intimate understanding of changing community labor market conditions and opportunities required for successful job placement. Excessive caseloads also make it difficult to provide for veterans needing VR services.

The key to better serving veterans' needs lies with the understanding that VA is not the only provider of VR services to veterans. Veterans also receive vocational rehabilitation services under the federal Department of Education, Rehabilitation Services Administration (RSA) through which the New York State Department of Education, Office of Vocational and Education Services for Individuals with Disabilities (VESID) operates. VA and VESID VR programs, however, lack a well-coordinated and systematic joint approach, resulting in needless, time-consuming, duplication of services that discourages veterans who can ill-afford to be caught in the wheels of bureaucracy.

As an example of the current disjointedness of VR services to veterans, it is necessary for a veteran who has been denied VA VR&C services to reapply to VESID. He or she again faces the time consuming process of being evaluated to determine eligibility for services. Such hurdles often forestall the possibility that the veteran will ever achieve his or her potential.

In times of tight resources and the inadequate provision of services to veterans, a cooperative agreement is needed between VA and state VR programs to better serve disabled veterans. Such a cooperative agreement would seek to better utilize the strengths of these two largely parallel VR service systems.

New York State Office of Vocational and Educational Services for Individuals with Disabilities (VESID)

VESID has approximately 330 VR counselors in 15 District Offices across New York State. In the federal fiscal year ending September 30, 1992, VESID served a total of 104,000 individuals of whom 5,302 were veterans. During that fiscal year 448 were closed due to successful rehabilitation and 3,394 cases were in a status ranging from applicant to services interrupted. VESID's case management services include job placement and follow-up to determine whether the placement has been successful and whether additional, on-going services are needed to keep the veteran in the job.

VESID's strengths include having a large number of counselors who have knowledge of community labor market opportunities and the training needed to meet that demand, and who are experienced in helping veterans. Since VESID is able to serve both service-connected and non-service connected veterans and VA is not limited to providing benefits to a period of 12 years after completion of military service, VESID serves veterans that VA cannot.

Leadership from the Secretary of Veterans Affairs

A cooperative agreement to govern joint relationships and activities was signed in 1985 between VA's two regional offices in New York State (located in New York City and Buffalo) and VESID (then the Office of Vocational Rehabilitation). While the agreement was intended to foster the maximum degree of federal-State cooperation under current federal and State requirements, it has been largely neglected except through very informal cooperation in some local areas. The main reason for its lack of implementation has been the absence of clear direction from VA regarding how their VR&C program may cooperate with state agencies operating under the RSA program. Because the agreement was made at the local level, it was not possible to establish a formal working agreement for joint provision of services that is necessary to draw upon the strengths of each agency.

Clear direction is needed from VA, encompassing the following:

1) Most importantly, we ask that the Secretary of Veterans Affairs take a leadership role in the form of administrative directives or new legislation to clearly assert VA's desire to cooperate with and jointly provide services with state agencies operating under the RSA VR program.

2) Following such an affirmation, there is need for VA to conduct an examination of its VR&C program to determine points of congruence and divergence from the RSA program and how resources under each program might be used to maximize VR benefits available to veterans through joint provision of services. This examination should include a review of such areas as medical and psychological examination requirements and standards, accessibility of records to state professionals and how to deal with privacy concerns, certification standards for professional staff, case management practices, job placement services and follow-up. Review should include consultation with qualified state level professionals and result in a determination of which VA requirements create unnecessary roadblocks to better federal-state cooperation.

DVA is a member of a consortium of State agencies examining vocational rehabilitation programs to improve access to vocational rehabilitation and related services. DVA sits on the State Interagency Council for Vocational Rehabilitation and Related Services and works with an advisory council consisting of consumers, providers and advocates to provide advice and support to the Council.

Although the current unemployment rate for individuals with disabilities is three times the rate for the general population, DVA embraces the Council's vision to see the participation of persons with disabilities in the workforce increase by the year 2000 to where their unemployment rate parallels the general population's.

The State Interagency Council and VESID have made significant achievements coordinating services to disabled veterans. They include:

- Improving access and empowering consumers of vocational rehabilitation services.
- Meeting with state agencies who advocate for and provide services to people with disabilities.
- Simplifying the vocation rehabilitation process:
    - A universal referral form for joint use among agencies delivering services.
    - Use of existing medical and evaluative documentation as qualifying evidence of a disability for VR purposes.
    - Standardized testing to assure mutual satisfaction of eligibility criteria.
    - Ongoing review of the vocational rehabilitation process.

- Developing cross agency training:

  - DVA trains other agencies in identifying veterans and developing sensitivity to their needs.
  - DVA staff receive training from other State agencies
  - Statewide training is developed to enhance the awareness of services provided by individual agencies.
  - Collects and disseminates information on agency training activities related to vocational rehabilitaion and related services.
  - Continue development and dissemination of a Directory for Vocational Rehabilitation and Related Services in New York State.

The Interagency Council continues to identify policy implementations and procedures which would avoid duplication of services and time consuming evaluations. We must involve VA in ways such as:

- Coordinating the eligibility process so VESID accepts a veterans VA Service Connected Disability Rating or a VA Rating Decision of non-service connected disability as evidence of disability for VESID purposes.

- Standardizing the battery of tests conducted by VA psychologists to ensure eligibility criteria of both VESID and VA are met.

- Accessing VESID resources to assist job placement for veterans graduating from VA Vocational Rehabilitation programs, as the State Agency is more ubiquitous than the small federal VR staff at VA offices.

- Developing mutually acceptable applications and medical evaluation forms.

VA must examine its own barriers to mutual cooperation and eliminate them.

In addition to such an examination, coordination is underway to develop a model for federal-state joint service provision. We would like to establish a comprehensive pilot program with VA, in cooperation with state agencies.

Program for Joint Provision of Vocational Rehabilitation Services in New York State

To continue bridging gaps between VESID/RSA VR and VA VR&C programs, New York State Division Veterans Affairs is calling upon the Secretary to pilot test a program for joint delivery of VR services in New York State.

Toward mutual cooperation, VA & DVA are planning a joint VR project in NYC for homeless veterans. This limited program is only a first step.

We suggest three statewide models:

First Model: VESID's District Offices Provide Job Placement Services to VA

Under this model, VA's VR&C program would determine eligibility for services, conduct necessary vocational assessments and develop and implement a rehabilitation plan. When the veterans enters the Employment Services status, (ready for work), he or she would be referred to VESID. VESID would provide direct services to prepare them for a job and assist in obtaining employment. Services could include:

- Evaluating the veteran's job readiness.

- Guiding the veteran in developing and executing a plan of job seeking activities.

- Instructing how to complete job applications and how to appear and conduct oneself at job interviews.

- Contacting employers and building a job referral network.
- Coordinating of placement with other agencies such as the Department of Labor.
- Analyzing work environments for support and other reasonable accommodations.
- Selective placement of the severely disabled.
- Post-employment services, if necessary.

This approach would allow VESID's significant employer contacts and geographic coverage to be used to determine a specific placement for the veteran and have the advantage of VESID counselors' knowledge of the local labor market for job placement. To ensure the VA trains the veteran for a position which actually exists in the targeted labor market, the VA VR&C counselor should consult with VESID counselors when establishing the initial program for job training. This will help avoid difficult job placements.

An additional problem is this approach is not expected to appreciably increase the number of service-connected veterans able to access VA's VR&C system since all veterans would continue to be processed by the VA's limited staff until the time of placement.

Second Model: Mutual Provision of VR Services

Under the second model, staff members from VA's and VESID'S VR program would jointly review veteran's applications for VR services, whether initially made to VA or to VESID, for the purpose of determining whether the veteran is eligible for VR services from each of their respective agencies. Information developed by either VA or VESID would be used by the other agency. The criteria used by both agencies to determine eligibility will be standardized wherever possible to facilitate the coordinated effort.

VA would provide all case services, such as training and transportation for veterans who are service-connected disabled and eligible for VA VR&C services. Veterans not meeting VA VR&C eligibility requirements would be immediately referred to VESID for determination of eligibility for VESID services.

Following the determination of eligibility for service-connected disabled veterans, VA's Counseling Psychologist or VR Specialist and the VESID VR Counselor would jointly determine the VR plan. VESID District Office staff members would assume primary responsibility for monitoring the veteran's progress and would supply VA with all information necessary for VA's monitoring functions. VESID would take the lead role in providing job placement.

This plan would take full advantage of the resources of both agencies to plan and deliver a comprehensive range of services to service-connected veterans, and it would speed the provision of both VA and VESID services as it would not require veterans to reapply to each agency.

It is expected that joint provision of services specified under this model would result in more veterans receiving VR&C services for the following reasons: (a) VESID would take primary responsibility for placement and monitoring, which would permit VA staff to see more veterans, (b) it would create the opportunity for additional VA outreach to veterans through VESID District Offices, and (c) it would create the opportunity for greater VESID outreach to non-service-connected disabled veterans through VA.

A negative feature of this model is both VA and VESID would have a similar responsibility for eligibility determination and plan development, which might be seen as a duplication of services.

Third Model: VA Contracts with VESID for the Provision of all or Selected Vocational Rehabilitation Services

Under the third model, VA would determine if the veteran is eligible for VA VR benefits. Following this determination, the rehabilitation plan could either be developed by VA or the veteran could be immediately referred to VESID, with VA retaining the right to review the rehabilitation plan. Veterans ineligible for VA VR&C services would be immediately referred to VESID for determination of eligibility for VESID services.

Case services provided to a veteran under a VA approved service plan would be billed directly to VA. Services provided by VESID staff to veterans under a VA approved service plan, such as counseling and guidance, testing, job development, and job placement would be billed to VA pursuant to a contract or on an hourly basis. VESID would manage the case providing VA with regular status reports.

Because this model would take an even greater share of the burden off VA Counseling Psychologists and VR Specialists, it is expected that it would permit more service-connected veterans to participate in VA's VR&C program than the second model. VESID could also serve as an information and outreach arm for VA. This model would make for the most efficient blend of VA and VESID resources.

The major issue with this option is whether VA currently has legal authority to contract with VESID for services. A proposed regulatory amendment which was published in the Federal Register (55 FR 17821, 4/24/90) with respect to the use of for-profit agencies in programs of employment services and independent living contains some statements which are suggestive of the possibility that VA may currently possess the legal authority to contract with state government for VR services.

A Plea for Leadership Now

There is no question that the large numbers of disabled veterans represent an under-served population in need of vocational rehabilitation or that the current separate, parallel, VA and VESID VR systems are inefficient. The only question is how to get these two agencies to cooperate in a manner which would best take advantage of the strengths of each.

While the VA Regional Offices in New York State and VESID are continuing to engage in discussions aimed at determining what can be done to bridge state, and federal government within the context of current regulations, their work would be immeasurably aided by an acknowledgement from the Secretary of Veterans Affairs that whatever impediments exist can be overcome and that a truly efficient system can be achieved. The time is now for state and federal governments to begin the work that will permit many of our disabled veterans to lead more productive lives.

Thank you.

AMVETS

STATEMENT FOR THE RECORD

regarding

VOCATIONAL REHABILITATION SERVICES PROVIDED
by the
DEPARTMENT OF VETERANS AFFAIRS

before the

HOUSE VETERANS AFFAIRS SUBCOMMITTEE

on

EDUCATION, TRAINING and EMPLOYMENT

May 20, 1993

AMVETS thanks the committee for this opportunity to present our views concerning Vocational Rehabilitation and Counseling (VR&C).

AMVETS believes there are two major shortcomings in the delivery of Chapter 31 benefits. First there must be additional resources devoted to strengthening all aspects of the program. The Independent Budget for the Department of Veterans Affairs for 1994 calls for an appropriation of $68.6 million and 568 additional FTEE to accommodate the increasing VR&C workload. That represents a $31 million increase over FY 93 and 582 more FTEE than the FY 94 request.

VR&C's goal is to provide an initial interview with a claimant within 30 days of application. In 1992, the average elapsed time from application dropped to 74 days with the addition of 69 vocational rehab specialists. However, by 1993 the average had increased to 120 days because of significantly increase responsibilities and caseloads. VA estimates that by the end of 1993, the average caseload will have increased to 353 veterans - 227 above the recommended caseload of 125.

These figures beg the question at what point does the case overload affect the quality of the work done by the rehab specialists?

Why is this happening? Simply stated it is a lack of resources to meet the demand for services. VA expects to see an additional 25% increase in the number of veterans enrolled in rehab by the end of 1993. Add to that a 400% increase in the counseling workload due to legislative changes authorizing counseling for separating members along with the defense drawdown you have a system stretched beyond the breaking point.

The increase in demand for voc rehab services will continue to increase due largely to Disabled Transition Assistance Program

requirements and the new Service Members Occupational Conversion Training Act (SMOCTA). While we support SMOCTA, additional staffing will be required to handle the additional 10,750 applicants. Anecdotally, we also understand there have been severe cuts in travel funds for voc rehab employees and we must caution that in addition to more staff, the existing staff must have the operating resources necessary for success.

The second major obstacle is the continuing emphasis on training without due consideration to providing follow-on employment services. We do not mean to imply that training should be sacrificed to provide employment services. Rather the two functions must exist as equals for a voc rehab program to be successful. There can be no experience more frustrating than to complete training and be dumped on the street with no job hunting skills. Today's job market demands the ability to be highly focused yet flexible during the job hunt. Veterans with disabilities may be viewed with at least a modicum of suspicion by potential employers and therefore must compensate by being skilled at job seeking.

According to VA figures, in 1992, 3,324 veterans obtained suitable and stable employment following completion of their voc rehab course. During the same period, 32,400 were enrolled in training and specialized services. At that rate, it will take nearly 10 years for all those now enrolled to find gainful employment.

Obviously better coordination between VR&C, DVOP/LVER specialists and other agencies must improve to increase the job placement rate. We must point out that Title 38 includes employment services in the definition of services offered under Chapter 31. VA must do better.

Is voc rehab cost effective? VA statistics show that the average wage of those completing training increased to $20,244.

The average wage before training was $4,120. Additionally, Independent Budget figures show that 3,083 rehabilitated veterans studied in 1992 showed a total income before training of about $12 million. After training, their aggregate income increased to about $60 million and generated $3.7 million in Social Security tax contributions. Clearly, the vast majority of veterans completing training become productive citizens rather than a drain on social services.

AMVETS understands that the Voc Rehab Service did not respond to a GAO report critical of efforts to find jobs for disabled veterans. What was the reason for this lack of response to GAO criticism?

Finally, AMVETS opposes any major reorganization of responsibilities that would affect VA's ability to provide voc rehab services. VA has the experience with problems unique to veteran's rehabilitation needs and the current system is a logical part of the full spectrum of programs operated by VA.

Mr. Chairman, to summarize, we urge you to provide the resources needed for this cost-effective program in the form of additional staff and operating funds. The veterans served by the Rehab Service are our most vulnerable and deserving of the nation's help.

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSES

CHAIRMAN MONTGOMERY TO DEPARTMENT OF VETERANS AFFAIRS

Question 1. In one of two reports on the vocational rehabilitation program prepared by the General Accounting Office (GAO) in September, 1992, VA is criticized for failing to carry out the mandates of the Veterans' Rehabilitation and Education Amendments of 1980. These requirements include: providing special outreach to disabled veterans with serious employment handicaps; and giving priority in scheduling initial counseling and evaluation appointments to applicant veterans.

Can you inform the Committee of what actions, if any, VA has taken to address these deficiencies in the program?

Answer 1. As we stated in our response to GAO, our survey findings generally indicate that field staff are providing special outreach and priority scheduling services to disabled veterans with serious employment handicaps. However, we agree that additional attention in this area will enhance our ability to reach seriously disabled veterans. Thus, the following actions have been completed:

- Procedures for providing outreach services to veterans with serious employment handicaps were reviewed with and emphasized to all field staff on August 20, 1992, in our monthly nationwide conference call;

- As part of this same conference call, we emphasized to all field staff the requirement for prioritizing if appointments cannot be scheduled within 21 days; and

- Our Operations staff members are now required to write a specific statement regarding compliance or noncompliance in all surveys of station operations and follow-up the implementation of corrective action in cases of noncompliance.

Question 2. In the same report, GAO stated that during the period studied, 71 percent of the veterans dropped out of the program and VA kept no records as to why these veterans failed to complete the program.

What is VA doing now to reduce the drop out rate among program participants?

Is VA now keeping records of the reasons why veterans drop out of the program? If so, what are some of the common reasons?

Answer 2. The VR&C program staff does keep records of the reasons why veterans drop out of the program. For all veterans who discontinue their program, closure statements are prepared and placed in the veterans' records. This information is subsequently used by the staff in working with the veteran to resolve problems that prompted the individual's withdrawal from the program and motivate him/her to reenter. The case manager codes all reasons for closure in the Target information system.

In addition, a pilot study has been completed which focused on reasons why veterans drop out of the program. The preliminary results suggest three primary reasons veterans do not complete their rehabilitation programs. These are, in order of frequency; (1)health problems, (2)veteran breaks contact with the assigned case manager and all attempts to re-establish contact have failed, and (3)veteran found employment and no longer wishes to pursue the program.

Question 3. Can you explain why 92 percent of all veterans receiving vocational rehabilitation assistance go directly from evaluation into training programs, while only 3 percent go directly into employment services.

Answer 3. Each applicant for the program is provided a thorough evaluation to determine if rehabilitation services are necessary; and if so, what services are necessary to achieve the goal of rehabilitation. We must determine what vocational objective, in each case, will hold the greatest likelihood of assuring long-term, stable employment for the veteran. If the purpose of the program was to simply get veterans jobs, the task would be relatively simple and we would not need rehabilitation specialists. But the overwhelming majority of our applicants are unemployed, underemployed, or employed in a job which is contraindicated to the disability. The law gives us many tools, including education and training, and we use those tools to help the veteran achieve rehabilitation.

Question 4. The Job Ready Disabled Veterans Connection (JRDVC), which helps Federal agencies locate trained disabled veterans who want to work in the Federal Government, sounds like an excellent program. I understand, however, that of the over 700 veterans registered with the program, only one has been placed in a job.

What is the problem? Is OPM publicizing the program? What steps should be taken to improve the placement rate under this program?

Answer 4. We have referred over 800 disabled veterans to OPM for placement in Federal agencies via the JRDVC. OPM acknowledges one confirmed hiring, but believes the number of placements is much larger. This discrepancy arises because hiring Federal agencies are currently not required to report to OPM the results of using the JRDVC program. We plan on working with OPM soon to develop a tracking system to monitor the number of placements in this program.

OPM is issuing a Federal Personnel Letter to all Federal agencies in June 1993 that explains the JRDVC program. In addition, OPM regional letters are periodically mailed reminding Federal agencies about the program.

Question 5. One of the most disturbing criticisms from GAO is that regarding the lack of meaningful standards to measure program effectiveness and employee productivity.

Can you describe any efforts taken by the Department to address these problems?

Answer 5. GAO was mistaken in the assessment that meaningful standards to measure program effectiveness and employee productivity did not exist. The Total Program Management system, a method to assess four critical elements, two for timeliness and one each for productivity, effectiveness, and quality, was in place and is still in use. We have revised the goals for each of these measures and they are as follows:

Measure	Goal
Applicant Time	30 days
Employment Services Time	90-120 days
Evaluation Time (newly added)	30 days
Effectiveness	75%
Productivity	100%
Quality	100

Applicant Time is the amount of time between the receipt of the veterans application in VA to the date of his/her initial appointment.

Employment Services Time is the amount of time between completion of the veterans program of services and the date employment is confirmed.

Evaluation Time is the time required to complete the initial evaluation and create a rehabilitation plan.

Effectiveness is a measure of the percentage of veterans who become "job ready" to those who gain employment in a year. This definition is being revised.

Productivity is the measure of manpower cost versus work output.

Quality is the subjective evaluation of appropriate service. A score of 100 is an evaluation that all requirements have been met.

We are also creating a system of performance standards for field staff and they should be in place early in Fiscal Year 1994.

Question 6. Can you explain why counselors and vocational rehabilitation specialists do not discuss job placement with disabled veterans until near the end of their training?

On what criterion does VA determine which veterans enter training programs and which enter employment services?

Answer 6. It is incorrect to assume that counselors and vocational rehabilitation specialists do not discuss job placement with our chapter 31 participants. Existing program policy states that effective employment planning should begin at the earliest possible opportunity within the rehabilitation process. Program instructions encourage employment services to begin with the development of the rehabilitation plan, but in no case should it wait beyond 6o days prior to completion of the training phase. We continue to emphasize this policy to our staff and it will be a cornerstone of employment services training scheduled in the fourth quarter of this fiscal year.

An Individualized Written Rehabilitation Plan is developed with each veteran who requires services. An extensive evaluation of the veteran's needs dictates the specific services in each plan. If the veteran requires training, a training component is developed. If the veteran possesses adequate skills to obtain and maintain suitable employment, a employment services component is developed.

Question 7. Does VA now have a system for measuring the costs resulting from veterans who drop out of the program after their applications have been processed and their rehabilitation plans developed?

Answer 7. Over the past few years, we have learned that even if a veteran is forced to discontinue the program of rehabilitation services, significant gains are often made to improve the veteran's independence in daily living and ability to obtain and maintain suitable employment. Many of these gains, such as stablization of a medical problem, are elusive to attempts to measure. While we could calculate the dollars spent in behalf of the veteran before he or she discontinued the program, it would not represent the complete picture. We are developing additional program outcome measures which will give us a better cost/benefit picture. We anticipate completion of these measures by December 31, 1993 and we will be happy to provide them to you at that time.

Question 8. During their study, GAO found that only 5 percent of all applicants found eligible for the program were classified as rehabilitated.

Can you comment on this?

Answer 8. In their discussion of VA's "drop out" rate, GAO presented information on the success of the program, which indicated that only five percent of all individuals applying for vocational rehabilitation services are rehabilitated. This would only be an appropriate indicator of the success of the program if all individuals applying were automatically entitled to services, participation in the program was mandatory, and individuals were not permitted to terminate their programs until completed. However, these individuals have to meet certain criteria to qualify for the program. They also have to be motivated enough to comply with the program requirements and work toward long-range goals while hoping their medical conditions do not deteriorate, their financial situations worsen, or any one of a number of other issues do not arise which would prevent them from completing their rehabilitation program.

Question 9. In your judgment, to what degree does the excessive waiting period for counseling appointments affect the drop-out rate in the vocational rehabilitation program?

Answer 9. Numerous studies exist which show a positive relationship between the onset of disability and early commencement of rehabilitation services. In the case of disabled veterans, the onset of disability can mean a negative impact on employability and termination of a military career, as well as cause other physical, psychological, social, and economic ramifications. If the veteran learns of the vocational rehabilitation program and files an application, he or she must still meet the demands of daily living until scheduled to meet with a counselor and begin a rehabilitation program. If this time exceeds the veteran's ability to meet the demands, he/she may be forced to set aside rehabilitation plans and find any work that can provide an income without seriously deteriorating the disability. We often see these individuals return to us, years later, when their situation has worsened and the challenges and costs for rehabilitation are greater.

Question 10. The General Accounting office reported that VA kept no records to show the degree to which contracting is used to provide rehabilitation services.

Does VA now have a system in place to record such activities?

Answer 10. Because contractual service providers for rehabilitation services were not used very extensively, national data was not collected until fiscal year 1991. Contract use has risen dramatically in the past fiscal year and during the current fiscal year as the following data illustrate:

VR SERVICE CONTRACT FUNDS EXPENDED

Fiscal Year	Average Cost	# of Counselees	Total FY Costs
FY 1991	$170	2690	$ 457,364
FY 1992	$200	11943	$2,388,641
FY 1993(1/2 year)	$235	6632	$1,558,599

We will continue to track the funds expended for contract services. We anticipate continued increases.

Question 11. GAO also reported that in areas where rehabilitation services were coordinated with state programs and Department of Labor employment services, disabled veterans received enhanced services.

What can VA do to better coordinate the provision of such services with state and other Federal agencies?

Answer 11. We have long advocated the coordination of services with other agencies and have entered into national and local agreements with the Rehabilitation Services Administration of the US Department of Education and the Department of Labor. We have found that while we have the ability to directly affect the activities in a local jurisdiction, because of our organizational structure, other agencies do not have that same ability. For coordinated services to take place, each of the local agencies must make a commitment to do so and follow up with that commitment. Our operating manual, M28-1, Part I, Appendices 2A and 2B, outlines specific actions, by each agency, designed to further the goals of veterans rehabilitation. We will continue to emphasize the need for these actions in our oversight of field station activities.

Question 12. In the same report, GAO noted that VA does not keep summary data on the number of contracts for employment services. Is this now being done? If not, why not, and do you plan to do it in the future?

Answer 12. We do keep records of the number of cases receiving contracted employment services. Also the costs of these services are collected each quarter. The table below provides that data for FY 1992 and the first and second quarters of FY 1993.

EMPLOYMENT SERVICES CONTRACTED

	FY 1992	1st QTR FY 1993	2nd QTR FY 1993
# CASES	538	766	820
COSTS	$337,901	$383,829	$451,328

Question 13. How is it that the procedural manual related to the 1980 amendments in the chapter 31 program [employment services] was not issued until August 1992? Although there is no legitimate excuse for this, please explain to the Committee the circumstances that resulted in a 12-year delay. Additionally, please provide the Committee with a copy of the August 1992 procedures on employment assistance.

Answer 13. Original implementing instructions for the program created in 1980 were issued in April of 1981. These instructions included employment services, and over the years, additional instructions were provided through circulars. Employment service has always been a high priority for staff training, and we have had national, regional, and local training programs to improve the skills of our staff, including programs conducted at the National Veterans Training Institute in Denver. On several occasions, we purchased employment training and reference materials for field staff use and provided them with information on changes in various hiring programs and employment incentives. For the sake of efficiency, we decided to consolidate this material into one volume, and even provided field staff with draft copies so that they might benefit from the material in one volume as soon as possible. There certainly was not a delay of 12 years in issuing program procedures and we continue to provide our field staff with the most up-to-date material available. A copy of our procedural manual M28-1, Part IV, "Employment Services" is attached.

Question 14. GAO notes that one field office has identified financial problems as a key reason for veterans not completing their program, and the director of this office has directed his staff to address financial planning with all veterans in their initial counseling sessions. Since implementing this procedure in 1985, this office has had one of the highest percentage increases in the number of successful rehabilitations of any of the field offices.

Based on the demonstrated success of this procedure, will you require all field offices to follow the same procedure? if not, why not?

Answer 14. The conclusion of the GAO team came from observation of two independent variables, which may or may not have a cause and effect relationship. There is no credible data which show that the introduction of financial counseling was the sole or primary reason for an increased number of rehabilitations in the station noted. The increased success would likely be attributed to a number of factors, but we are conducting studies to better determine the needs of our veterans.

VA staff and the veteran develop an individualized written rehabilitation plan in each case in which entitlement to a program of rehabilitation services is found. This plan addresses all of the factors which may affect the veteran's ability to successfully pursue a rehabilitation program, including the veteran's ability to financially support himself or herself during the program.

The importance of sound financial planning has been reemphasized in recent in-service training meetings as a part of a broad-based effort to improve the development and implementation of the veteran's rehabilitation plan. We are also attempting to identify the key factors which affect a veteran's ability to successfully complete his or her rehabilitation plan.

Question 15. GAO recommended that VA consider benchmarking its performance under the vocational rehabilitation program in order to ensure that service to veterans continually improves and progress toward achieving program objectives is accurately measured.

Have you, or do you plan to, implement this recommendation? If not, why not?

Answer 15. Vocational Rehabilitation Service has established benchmarks for the performance of program objectives. Under the Total Performance Management System, the elements of timeliness, quality, effectiveness and productivity have been measured and analyzed continuously since June of 1989. Goals for each area have been established and tightened regularly to encourage field staff to provide more timely and effective services to veterans eligible for vocational rehabilitation.

The table below provides our most current performance data.

TIMELINESS (IN DAYS)

	FY 92	2nd QTR FY 93	GOAL
APPLICANT PROCESSING TIME	74	66	30
TIME TO OBTAIN EMPLOYMENT AFTER TRAINING	243	232	90-120
EFFECTIVENESS			
RATIO OF VETERANS RECEIVING EMPLOYMENT SERVICES WHO FIND SUITABLE EMPLOYMENT	67%	70%	75%
QUALITY*			
PROFESSIONAL DECISIONS	110	106	100
ADMINISTRATIVE DECISIONS	128	129	120

*Numbers are based on a rating scale established by the Vocational Rehabilitation Service.

PRODUCTIVITY

There are no national statistics on productivity since productivity is based on local workload factors comparing stations with themselves from year to year. National numbers do not have any statistical significance.

Question 16. In its discussion of timeliness standards for processing veterans, GAO noted that the timeliness standard for applicant status does not challenge VA field offices to improve services to veterans. It also notes that the current average time in applicant status is much too long. GAO also observes that VA has not established timeliness standards for the evaluation and planning and the employment training phases, or for completion of the entire program.

What steps are being taken to respond to these observations?

What effect do limited resources and large caseloads have on the issue of timeliness?

Answer 16. We have revised our goals in several areas and now have goals that state that the veteran should not have to wait more than 30 days from the time the application is received in VA to the time of the first initial evaluation appointment. The goal for completion of the evaluation and planning process has been set for 30 days. Since the needs of the veterans, and the rehabilitation plans designed to meet those needs, are so diverse, establishing an average goal for program completion would be unrealistic and could actually cause unintentional harm.

Our experience indicates that the size of the caseload has an impact on the timeliness and quality of service delivery. With the large caseload sizes, delays do occur in scheduling appointments and providing veterans in rehabilitation programs the assistance they need to progress. These delays can cause temporary disruptions, or in some cases, abandonment of the programs by veterans who seek other ways to meet their needs. With the number of veterans in Employment Status and the limited staff resources available to assist them, our time averages 5 minutes a week for each veteran. The employment search process requires a high level of guidance. We continue to seek out potential management improvements that will allow us to provide high quality service to the veterans.

Question 17. Do you plan to amend VA's criteria for rehabilitation specialists in order to emphasize experience or training in job placement? If not, why not. If so, when will this change be accomplished?

Answer 17. We have been vigorously pursuing changing the qualification standards for both counseling psychologists and rehabilitation specialists. One of the compelling reasons for changing these standards is to ensure the hiring of rehabilitation specialists who are adequately trained to provide employment services, as well as other job functions. Our proposed qualification standards include educational requirements consistent with current trends in the field of rehabilitation. The revised qualification standards for these two positions are currently in VA's internal concurrence process. We hope to have these standards in place by 10/1/94.

Question 18. I have received a copy of VA's comments to the GAO report entitled, "Vocational Rehabilitation: VA Needs to Emphasize Serving Veterans With Serious Employment Handicaps." I have not received a copy of VA's response to the report, "Better VA Management Needed to Help Disabled Veterans Find Jobs."

Has a VA response been prepared? If not, why not? If a response has been prepared, please provide the Committee with a copy of that response.

Answer 18. A copy of VA's response is attached.

APR 7 1993

The Honorable John Glenn
Chairman, Committee on
Governmental Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

At the request of former Chairman Alan Cranston, Senate Veterans Affairs Committee, the General Accounting Office (GAO) audited the Department of Veterans Affairs (VA) Vocational Rehabilitation Program to determine how it is achieving its primary goal of helping disabled veterans to obtain and maintain employment. As part of this assessment, Senator Cranston asked GAO to (1) determine what happens to veterans who apply for services, giving special emphasis to why so many drop out of the program, and (2) evaluate VA's standards for measuring program success and for providing veterans with timely services.

GAO reported their findings in their final report, VOCATIONAL REHABILITATION: Better VA Management Needed to Help Disabled Veterans Find Jobs (GAO/HRD-92-100).

I concur with GAO's recommendations and have taken actions to implement them. The Veterans Benefits Administration (VBA) has been working to implement 1980 legislation related to finding suitable employment for disabled veterans and additional actions are planned. VA has taken the lead in developing VA/Department of Labor agreements at both the national and local levels, but again, VBA has planned additional actions.

I am also very concerned about the high attrition rate in the Vocational Rehabilitation Program. VBA is currently conducting an attrition study that will provide information to make future decisions affecting the drop out rate of veterans. We are also reviewing program performance standards and will revise them if appropriate.

The enclosure details actions taken and planned to implement GAO's recommendations.

Sincerely yours,

Jesse Brown

Enclosure
JB/grj

DISPATCHED
APR 9 1993
SECRETARY'S OFFICE

DISPATCHED
APR 12 1993
SECRETARY'S OFFICE

cc: 203A
026H (GAO File #1796F)
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52B
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53B (GAO File #1796).

Similar letters sent
to attached list
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GJORDAN/grj 3/10/93 (3/10/93)

Enclosure

DEPARTMENT OF VETERANS AFFAIRS COMMENTS TO GAO
FINAL REPORT VOCATIONAL REHABILITATION: BETTER VA MANAGEMENT NEEDED TO HELP DISABLED VETERANS FIND JOBS
(GAO/HRD-92-100)

GAO recommends that I implement the requirements of the 1980 amendments related to finding and maintaining suitable employment for disabled veterans.

We have been working to implement these provisions for over 10 years. Regulations and operating procedures have been in place for some time. Also, training conferences and materials have been in use continually. In addition, VBA has completed the following actions:

- Released the program operating manual, M28-1, Part IV, Employment Services, to its field stations on August 3, 1992. This operating manual includes requirements to identify employment service needs early in the rehabilitation process and address those needs, as appropriate to the individual veteran's case.

- Held a joint VA/DOL/DOD (Departments of Labor and Defense) teleconference on September 17, 1992. Its purpose was to train staff of the three agencies on procedures to assist in providing services to meet the rehabilitation needs of separating service members who participate in the Disabled Transition Assistance Program (DTAP).

- Completed a joint workshop for VBA vocational rehabilitation officers and Veterans Health Administration rehabilitation service staff in February 1993 to develop uniform policy and procedures to assist severely disabled veterans achieve rehabilitation goals. The workshop included a panel focusing on coordinated employment services. Panelists included officials from state and federal rehabilitation programs, DOL representatives, and VBA.

The following additional actions are planned:

- Assessment of employment services will continue to be a part of all station surveys and Quality Review System case reviews. Recommendations for specific training activities will flow from these assessments. We anticipate the completion date to be September 30, 1993.

- A work group will be formed to review and refine current contracting procedures. The work group will develop a program guide for field staff to use to facilitate further use of

contracting for employment services. We anticipate the completion date to be September 30, 1993.

GAO recommends that I take the lead in developing with the Department of Labor an effective working arrangement for providing job placement services to disabled veterans.

VA has taken the lead in developing VA/DOL agreements at the national as well as the local levels. We will continue to focus attention on training personnel at the National Veterans Training Institute as resources are available, work with DOL on joint committees and special projects from the national level representatives and local veterans employment representatives, when appropriate. We also plan the following additional actions:

- All Vocational Rehabilitation and Counseling Officers will be required to meet with the appropriate DOL personnel in their area and produce a working agreement that will maximize the involvement of DOL resources for assisting chapter 31 veterans in employment services. We anticipate completion in early April 1993.

- We will explore with DOL'S Veterans Employment and Training Service, the idea of an employment services course at the National Veterans Training Institute. Such a course would be specifically tailored to the needs of VA rehabilitation personnel. We anticipate completion by June 30, 1993.

GAO recommends I determine why so many veterans drop out before completing the program and take action to reduce the number of dropouts.

The Vocational Rehabilitation Service is presently conducting an attrition study which will give us the necessary information to make future decisions affecting the drop out rate of our participants. Policies and procedures generated from this study and other input will be developed and distributed to field staff. We anticipate completion by September 30, 1993.

GAO recommends I review the performance standards established for the vocational rehabilitation program and determine whether service to veterans can be improved by establishing a realistic performance measurement system, such as benchmarking, that clearly focuses on the program's objectives and continually measures progress toward achieving them.

Performance measures are dynamic tools that assist us in improving the quality of service provided to disabled veterans. We are constantly looking for methods of fine tuning the management tools which will give us an accurate reading of the quality and level of service being provided. Using the four-member Vocational Rehabilitation and Counseling Field Advisor Committee as

consultants, we will accomplish this review and develop revised performance standards. We anticipate completion by September 30, 1993.

Department of
Veterans Affairs

Vocational Rehabilitation and Counseling Under 38 U.S.C. Chapter 31

Employment Services

April 16, 1992
M28-1, Part IV

Veterans Benefits Administration
Washington DC 20420

M28-1,Part IV

Veterans Benefits Administration
Department of Veterans Affairs
Washington, DC 20420

April 16, 1992

Part IV, "Employment Services," Veterans Benefits Administration Manual M28-1, "Vocational Rehabilitation and Counseling Under 38 U.S.C. Chapter 31," is published for the compliance of all concerned.

By Direction of the Chief Benefits Director

DENNIS R. WYANT, Ed. D., C.R.C.
Director, Vocational Rehabilitation Service

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RESCISSIONS

1. **Manuals**

2. **Interim Issues**

3. **Circulars**

28-80-3, App. P
28-85-8

CONTENTS

PART IV. EMPLOYMENT SERVICES

CHAPTER PAGE

1. Employment Services—General 1-1
2. Eligibility and Duration of Services 2-1
3. Employment Planning 3-1
4. Job Development and Placement Services 4-1
5. Supportive Services 5-1
6. Special Incentives for Employers 6-1
7. Self-Employment 7-1
8. Veterans Preference and Affirmative Action Programs 8-1
9. Postemployment Phase 9-1

CONTENTS

CHAPTER 1. EMPLOYMENT SERVICES—GENERAL

PARAGRAPH PAGE

1.01 Introduction 1-1

a. Purpose 1-1
b. Authority 1-1
c. Necessary Conditions 1-1

1.02 Definitions 1-1

a. Program (or Period) of Employment Services 1-1
b. Job Development 1-1

1.03 VR&C Division Responsibility 1-2

a. Case Management Is Critical Element in Employment Services 1-2
b. Monthly Reviews of Employment Services Cases 1-2
c. Services Must Be Offered to All Eligible Veterans 1-2

1.04 Veteran's Responsibility 1-2

CHAPTER 1. EMPLOYMENT SERVICES—GENERAL

1.01 INTRODUCTION

a. **Purpose.** The chapter 31 vocational rehabilitation program has as its intent not merely to supply training, but "to provide for *all services and assistance* necessary to enable veterans...to become employable and to maintain suitable employment." (38 U.S.C. 3100, emphasis added.)

b. **Authority.** VA furnishes employment services under 38 CFR 21.47 and 21.250 through 21.258. These regulations authorize a broad range of direct and indirect services and assistance until the veteran is placed in suitable employment and a 60-day or longer follow-up reveals that the veteran has satisfactorily adjusted in employment and that he or she can expect to remain on the job.

c. **Necessary Conditions.** VA will provide employment services when all of the following conditions are met:

(1) The veteran has completed a vocational rehabilitation evaluation;

(2) On the basis of information developed in the evaluation, VA has found the veteran to have an employment handicap under 38 CFR 21.51 or he or she meets the requirements of 38 CFR 21.47 as a current or prior rehabilitation program participant (see paragraph 2.01 below for further discussion of eligibility);

(3) VA has identified the needed employment services and verified that the services are available; and

(4) The veteran's IWRP (individualized written rehabilitation plan) or IEAP (individualized employment assistance plan) incorporates the needed services. (See 38 CFR 21.84 and 21.88 for more complete discussions of the IWRP and IEAP.)

1.02 DEFINITIONS

a. **Program (or Period) of Employment Services.** "Program (or period) of employment services" includes the counseling, medical, social, and other placement and postplacement services which VA can provide to a veteran under chapter 31, title 38 U.S.C., to assist the veteran to obtain or maintain suitable employment. The term "program of employment services" applies only if the veteran's eligibility under chapter 31 is limited to employment services. (See 38, CFR 21.250(b)(1).)

b. **Job Development.** "Job development" means a comprehensive, professional set of services to assist the individual veteran to actually obtain a suitable job, and not simply the solicitation of jobs on behalf of the veteran. Job development requires that case managers establish an ongoing, mutually beneficial relationship with local employers. If case managers provide well-trained, motivated chapter 31 participants as prospective employees, employers will be increasingly likely to offer veterans opportunities to compete for suitable employment (See 38 CFR 21.250(b)(2).)

(1) **Benefit to Employers.** Referral of suitably trained and prepared individuals who have received the necessary supportive services, such as adjustment counseling and job modification, benefits employers directly through the referred workers' long-term productivity.

(2) **Benefit to Veterans.** Successful referrals contribute a continuing benefit to the Vocational Rehabilitation Program by establishing a network of employers receptive to further VR&C (Vocational Rehabilitation and Counseling) Division referrals of potential employees.

(3) **Individual Aspects of Job Development.** Job development for individual veterans may also entail resume preparation, role-play interviewing techniques, and other services necessary to enhance the veteran's job readiness prior to referral.

(4) **Job Clubs.** VR&C Divisions may want to set up a job club or refer veterans to existing job clubs. A job club operates in a structured setting where groups of veterans work on various aspects of job search and in developing job seeking skills.

1.03 VR&C DIVISION RESPONSIBILITY

VR&C staff members are responsible for assisting the veteran until the veteran satisfactorily adjusts to employment and the veteran's situation meets the conditions for declaring the veteran rehabilitated under 38 CFR 21.196. Therefore, the case manager's responsibilities do not end when the veteran has completed training.

a. **Case Management Is Critical Element in Employment Services.** To meet VR&C employment and work adjustment responsibilities, effective caseload management becomes critical. The techniques and procedures discussed in this part will help case managers to carry out these responsibilities. For more information on case management, refer to part III, chapter 1, paragraph 1.01.

b. **Monthly Reviews of Employment Services Cases.** Beginning 90 days after the declaration of rehabilitation to the point of employability, and each month after that, the VR&C Division must review all employment services cases. This review may be done in group meetings of the VR&C Officer and all the case managers, by a committee of the VR&C Officer and selected VR&C staff members, or in individual sessions with the VR&C Officer and each case manager. Although group sessions are recommended, the VR&C Officer will choose the method of review which is most effective for the division. Group sessions can be extremely helpful in developing a team approach to providing effective employment services and in providing the widest knowledge base for addressing the employment needs of the veterans under review. These reviews may also include group analysis of the needs of veterans approaching the end of the training phase of their rehabilitation plans. To assure that each veteran is progressing according to plan, the case manager should contact the veteran in Employment Services case status monthly. During this contact, the case manager should assess the following:

(1) Is the veteran following the employment-seeking actions which the IEAP outlines?

(2) Do circumstances require modification of the IEAP, including changes in services or service providers? If the plan needs modification, the case manager and the veteran will develop these changes along with evaluation and progress criteria.

c. **Services Must Be Offered to All Eligible Veterans.** VR&C staff members will work with the veteran to assure his or her satisfactory conduct and cooperation in participating in the planned employment services. For a veteran receiving these services, an essential first step is the development of an IEAP. In developing the IEAP, VR&C staff members will make a reasonable effort to inform the veteran of the services available to assist him or her in securing suitable employment, including services available through other agencies and institutions. In the process of cooperatively developing an IEAP, VR&C staff members will also assure that the veteran is aware of his or her responsibilities regarding successful implementation of the rehabilitation plan. (38 CFR 21.362(b))

1.04 VETERAN'S RESPONSIBILITY

The veteran shares responsibility for achieving the job-readiness objectives in the IWRP and the job-seeking objectives in the IEAP within the time allotted under the IEAP. If the veteran fails to follow through in reaching the planned objectives, the case manager should contact the veteran to help resolve any difficulties in the job search. If the difficulties continue, the case manager may need to refer the veteran to the counseling psychologist to redevelop the plan. If the veteran still fails to cooperate, the case manager may need to make a decision to interrupt or discontinue employment services under 38 CFR 21.362 and 21.364. If the case manager has interrupted or discontinued employment services because the veteran has failed to cooperate, the VR&C Division can reinstate the veteran into Employment Services case status only if the veteran meets the requirements in part I, chapter 10 and in 38 CFR 21.364.

April 16, 1992

CONTENTS

CHAPTER 2. ELIGIBILITY AND DURATION OF SERVICES

PARAGRAPH		PAGE
2.01	Eligibility Criteria	2-1
a.	Eligibility of Current Participants	2-1
b.	Eligibility of Prior Participants	2-1
c.	Eligibility when General Vocational Rehabilitation Eligibility has Expired	2-1
d.	Determination of "Rehabilitated to the Point of Employability"	2-1
e.	Veterans Solely in a Program of Employment Services	2-2
2.02	Duration of Employment Assistance	2-2
a.	Duration Limited to 18 Months	2-2
b.	Employment Assistance Not Charged Against Entitlement	2-2
2.03	Authorization of Employment Services	2-3
a.	General	2-3
b.	Commencing Date	2-3
c.	Termination of the Authorization of Employment Services	2-3

CHAPTER 2. ELIGIBILITY AND DURATION OF SERVICES

2.01 ELIGIBILITY CRITERIA

a. **Eligibility of Current Participants.** Each veteran currently eligible for and entitled to vocational rehabilitation services to overcome an employment handicap is eligible for assistance in obtaining or maintaining suitable employment (see 38 CFR 21.47(a)). This includes veterans entitled to and needing only employment services (see subpars. c and e below) and veterans who may already have been rehabilitated to the point of employability, or who have terminated training (see subpar. b below), but who now need assistance in finding or maintaining employment.

NOTE: For a more complete discussion of the scope of assistance available, refer to part III, chapters 2, 3, 4, 5, and 6. See especially chapter 2, table 2.01 "Rehabilitation Services—Case Statuses in Which Services May Be Provided." See also chapter 5 of this part for additional information.

b. **Eligibility of Prior Participants.** A veteran who has been in a vocational rehabilitation program under 38 U.S.C. chapter 31 or a similar program under the Rehabilitation Act of 1973 as amended and is employable in competitive employment, in a sheltered workshop, or in another special situation at the minimum wage is eligible for employment assistance under the following conditions:

(1) The veteran has filed a formal claim for vocational rehabilitation;

(2) The veteran has a service-connected disability which meets both of the following conditions:

(a) The disability was incurred on or after September 16, 1940; and

(b) VA is paying at least the 20 percent rate of compensation for the disability, or would pay compensation if the veteran were not receiving military retired pay (For individuals who first applied for vocational rehabilitation before November 1, 1990, the veteran's combined disability rating must be greater than 0 percent. This includes veterans who are only entitled to compensation under 38 U.S.C. 1114(k) or former (q).);

(3) The veteran has either

(a) Completed a vocational rehabilitation program under 38 U.S.C. chapter 31 or participated in such a program for at least 90 days on or after September 16, 1940; or

(b) Completed a vocational rehabilitation program under the Rehabilitation Act of 1973 as amended after September 26, 1975, or participated in such a program for at least 90 days of post-secondary education or vocational training (38 CFR 21.47(b)); and

(4) A CP (counseling psychologist) has reevaluated the prior participant and has determined that the veteran currently has an employment handicap and that achievement of a vocational goal is currently feasible.

c. **Eligibility When General Vocational Rehabilitation Eligibility Has Expired.** VA may furnish a program of employment assistance even though the veteran's basic period of eligibility has already expired if the veteran has an employment handicap, but the veteran is currently employable in a suitable occupation (38 CFR 21.47(d)).

d. **Determination of "Rehabilitated to the Point of Employability".** VA considers a veteran rehabilitated to the point of employability when one of the conditions in 38 CFR 21.190(d) is met. A veteran rehabilitated to the point of employability has become employable in an occupation for which VA provided a program of training under chapter 31 and therefore is entitled to an EAA (Employment Adjustment Allowance). In particular, it means that the veteran has overcome the impairments relating to preparing for suitable employment which the CP originally identified when determining that the veteran has an employment handicap (see part II, chapter 1). The case manager will document the determination that the veteran has been rehabilitated to the point of employability on VA Form 28-1905d, Special Report of Training, addressing the following issues:

(1) Has the veteran overcome the deficiencies in education and training which originally contributed to the finding of need for vocational rehabilitation services and existence of an employment handicap? Has the veteran successfully completed the training necessary to enter employment in the occupation chosen for his or her program goal? In addition, has the veteran received all the nontraining rehabilitation services and assistance necessary to begin the job search process?

(2) Does the veteran need further remedial, supplementary, or additional training? Does the veteran need licensing or certification to achieve employability?

(3) Has the veteran demonstrated personal behaviors—for example, self-discipline, self-reliance, dependability—necessary to secure and maintain employment? Are continuing services, such as psychotherapy, necessary to maintain positive behaviors and maintain employment once the veteran obtains it?

(4) Is further preparation necessary to overcome the effects of negative attitudes toward the disabled? Attendance at an assertiveness seminar is an example of this preparation.

(5) Has the veteran adequately overcome the limiting effects of the veteran's disabilities—both service-connected and nonservice-connected? Are additional services, primarily medical services, necessary to address this issue? In answering this question, the case manager will pay particular attention to any changes which have occurred in the veteran's condition since the initial evaluation or subsequent reevaluations.

(6) Do current job market conditions continue to indicate that adequate opportunities exist in the veteran's occupational program goal? Although the CP and the case manager will thoroughly consider this issue during Evaluation and Planning, they must also periodically reassess market conditions while the veteran is in Rehabilitation to the Point of Employability. This reassessment will help to ensure that the veteran is progressing toward a realizable employment goal. The case manager will note these reassessments in the CER folder. Within the last 6 months the veteran in Rehabilitation to the Point of Employability, but *before* declaring the veteran employable, the CP and the case manager must completely analyze and document job market conditions for the veteran's specific employment goal.

(7) Does the veteran know how to conduct a job search and to succeed in the job interview process? Has the veteran received training in job interviewing skills? Does the veteran need role-playing training for the job interview process? Does the veteran need training or assistance in resume preparation?

e. **Veterans Solely In a Program of Employment Services.** In some instances, a CP may determine that a disabled veteran with an employment handicap is already employable, but needs employment services to obtain or maintain suitable employment. This veteran would not have progressed through Rehabilitation to the Point of Employability status. Therefore, he or she would not be entitled to receive an employment adjustment allowance. If the CP and VRS (vocational rehabilitation specialist) determine that achievement of a specific vocational goal is desirable, the CP will document this finding on VA Form 28-1902b, Counseling Record—Narrative Report. Following completion of the IEAP (individualized employment assistance plan), the case manager will then close Evaluation and Planning status and assign the veteran to Employment Services status.

2.02 DURATION OF EMPLOYMENT ASSISTANCE

a. **Duration Limited to 18 Months.** A period of employment assistance is limited to a total of 18 months (not including any time in Interrupted status). Within the 18-month limitation, the case manager will tailor the type, duration, and phasing of employment services to accommodate the veteran's needs. During the 18-month period, the veteran should concentrate his or her efforts to complete the agreed-upon activities in the IEAP. The case manager needs to encourage this diligence because good rehabilitation practice has shown generally that the best chance for a smooth transition to employment is immediately after successful completion of the education and training portion of a vocational rehabilitation program.

b. **Employment Assistance Not Charged Against Entitlement.** VA will not charge the 18-month period of employment assistance against entitlement under 38 U.S.C. chapter 31. Therefore, if an eligible and entitled veteran is employable in a suitable occupation, VA may still supply employment assistance even though the veteran has exhausted 48 months of chapter 31 entitlement and is not eligible for an extension. In general, a veteran who has received 18 months of employment services may not receive additional employment services. If a veteran has failed to achieve suitable employment by the end of this 18-month period, the VR&C Division must discontinue the case. A veteran in either Rehabilitated or Discontinued case status, however, may request

additional employment assistance. This veteran must formally reapply and VA must redetermine chapter 31 eligibility and entitlement. If the veteran is eligible and entitled, VA will offer the veteran vocational rehabilitation services—to include up to an additional 18 months of employment services.

2.03 AUTHORIZATION OF EMPLOYMENT SERVICES

a. **General.** To determine the commencing date of an IEAP, refer to 38 CFR 21.326 and 21.88.

b. **Commencing Date.** Employment Services case status begins on the date VA determines the veteran has been rehabilitated to the point of employability (see par. 2.Old above). In the normal progression of a chapter 31 vocational rehabilitation case, Employment Services case status will begin immediately following completion of the period the veteran was in Rehabilitation to the Point of Employability case status. Thus, having completed formal training and other rehabilitation services and having achieved the necessary employability objectives included in the IWRP (individualized written rehabilitation plan), the veteran would then embark on a period of employment services designed to result in adjustment to suitable employment. When a program of employment services constitutes a veteran's entire rehabilitation program, the veteran may begin to receive the employment services established in the IEAP once the IEAP is signed.

c. **Termination of the Authorization of Employment Services.** The case manager will terminate authorization for employment services the earliest of the following dates:

(1) The last day VA provides employment services under the terms of an IEAP, when employment services are discontinued, or the veteran is rehabilitated;

NOTE: If a veteran's program is interrupted, the case manager must establish a specific date for reentry into Employment Services status under 38 CFR 21.197.

(2) The date VA finds that the authorization was erroneous because of an act of omission or commission either on the part of the veteran or on the part of another individual who committed or omitted the act with the veteran's knowledge;

(3) The last day of the month in which severance of service connection becomes final;

(4) The day preceding the date of a fraudulent act; or

(5) The date preceding the commission of a treasonable or subversive act for which the veteran is convicted. (38 CFR 21.326)

CONTENTS

CHAPTER 3. EMPLOYMENT PLANNING

PARAGRAPH PAGE

3.01 Role of Employment Planning in the Rehabilitation Process 3-1

a. Suitable Placement Is the Primary Goal. 3-1
b. Thorough and Early Employment Planning Is Critical. 3-1

3.02 Responsibility During Employment Planning 3-1

a. Veteran's Responsibility 3-1
b. VR&C Division's Responsibility 3-1

3.03 The Individualized Employment Assistance Plan 3-2

3.04 Creativity in Employment Planning 3-2

3.05 Selection of Services and Resources 3-2

a. Important Considerations 3-2
b. Service Categories 3-2

CHAPTER 3. EMPLOYMENT PLANNING

3.01 ROLE OF EMPLOYMENT PLANNING IN THE REHABILITATION PROCESS

Effective employment planning should begin at the earliest possible opportunity within the rehabilitation process. This may include extensive use of vocational evaluations and other evaluation techniques to determine the veteran's ability and motivation to work. The results of this evaluative methodology would then be immediately incorporated into career exploration activities, which lead to identification of a suitable vocational goal and planning of the training, services, and other assistance necessary to reach that goal. Title 38 U.S.C. 3104(a)(5) authorizes VA to furnish the necessary services to assist eligible disabled veterans to obtain and maintain suitable employment.

a. **Suitable Placement Is the Primary Goal.** Placement in and adjustment to suitable employment—that is, employment which is consistent with the veteran's abilities, aptitudes, and interests—is the ultimate purpose of each rehabilitative service which nearly all entitled veterans receive. Therefore, employment services are a primary component of almost all vocational rehabilitation programs. Nearly all IWRPs (individualized written rehabilitation plans) should clearly state a specific vocational goal and outline the specific employment activities which the veteran needs to pursue during his or her program to achieve that goal. Thus, the outline will focus the veteran's efforts not just on training, but on the ultimate vocational goal, obtaining gainful employment. Among these employment activities, the IWRP might include registering with college placement offices, joining professional organizations, and applying for summer jobs in the area of his or her chosen vocational field.

b. **Thorough and Early Employment Planning Is Critical.** Detailed planning is essential to the provision of effective employment services. In effect, planning for employment begins with the evaluation process, described in detail in part II, chapters 1 and 2. For a delineation of the preparation of the IEAP (individualized employment assistance plan), see part II, paragraph 2.05.

3.02 RESPONSIBILITY DURING EMPLOYMENT PLANNING

a. **Veteran's Responsibility.** An entitled veteran participating in employment planning must assist VR&C staff members to clearly understand his or her employment needs. He or she should accomplish this by openly and candidly reviewing personal strengths and goals, obstacles to goal attainment, and other pertinent vocational information during counseling sessions with VR&C CPs (counseling psychologists) and VRSs (vocational rehabilitation specialists).

b. **VR&C Division's Responsibility.** VR&C CPs and VRSs are ultimately responsible for establishing positive counseling relationships with each veteran in their caseloads. Within the context of that working relationship, VR&C staff members will ensure, to the maximum extent possible, that the veteran receives quality planning services. This requirement includes, but does not limit itself to the following concepts:

(1) The veteran is an equal partner in the employment planning process.

(2) The veteran's self-perceptions regarding both employment planning and vocational goal formation are important.

(3) The veteran can make informed vocational choices best if VR&C staff members select and include all appropriate resources and services within the planning process. These resources may include any combination of the following elements:

(a) Veteran's self-report;

(b) Record of past training, employment, and educational experiences;

(c) Vocationally oriented testing;

(d) Descriptive occupational literature and films;

(e) Information-seeking meetings with vocational role models; and

(f) Career reality testing designed to answer questions such as:

1. Does the veteran have the skills and abilities to successfully pursue the occupational interest?

2. What are the veteran's opportunities for eventual employment in his or her occupation of interest? State and municipal resources should be helpful in obtaining this information.

3. Are there aspects of the veteran's background or circumstances which could either jeopardize or enhance the potential for vocational goal attainment?

(4) The case manager should agree with the veteran on a specific time, place, and date for the first supervisory meeting after the veteran enters Employment Services case status. Ideally, this agreement should be done when the IEAP is signed.

3.03 THE INDIVIDUALIZED EMPLOYMENT ASSISTANCE PLAN

VR&C staff members will document the IEAP on VA Form 28-8872, Rehabilitation Plan. By signing this plan, the case manager and the veteran mutually agree to complete selected tasks intended to result in the veteran obtaining and adjusting to suitable employment. In each case, the IEAP will *individually* develop and rank the tasks in terms of preferred sequence of completion. The case manager and the veteran will complete the IEAP:

a. *No later than 60 days* before the projected end of the period of training and other rehabilitation services leading to the declaration that the veteran is employable, or

b. *Following evaluation* if employment services constitute the whole of a veteran's program.

3.04 CREATIVITY IN EMPLOYMENT PLANNING

Each veteran who participates in employment planning presents a unique opportunity to VR&C staff members. The realization of the veteran's ultimate goal of acquiring and maintaining suitable employment is directly related to the investment of time and effort which the CP and case manager expend in creatively integrating employment services and resources into the IEAP.

3.05 SELECTION OF SERVICES AND RESOURCES

a. **Important Considerations.** The CP's and case manager's assessment of employment assistance needs should include a review of *all* the following factors:

(1) Has the veteran profited from the services which VA has previously furnished?

(2) What personal strengths does the veteran have which support attainment of the program goal?

(3) What are the deficiencies which the program of services must assist the veteran to either overcome or circumvent if the veteran is to achieve the program goal?

(4) Can the veteran *reasonably achieve* the program goal?

(a) If the answer is "yes," which services and resources should the IEAP include to ensure goal achievement? List these services and resources in the IEAP in the order in which the veteran should receive them.

(b) If the answer is "no," is the stated program goal inconsistent with the veteran's abilities, aptitudes, and interests? Does the veteran need additional services? If so, which services does the veteran need? Should the veteran enter, reenter, or continue longer than originally planned in Rehabilitation to the Point of Employability case status to receive these additional services?

b. **Service Categories.** The CP and case manager will work with the veteran to develop a list of individualized services to promote attainment of the program goal.

(1) **Skill Development Needs.** The veteran may need to develop or improve his or her employment-seeking skills; that is, interviewing techniques, resume preparation, grooming and hygiene habits, and personal marketing.

(2) **Information Development Needs.** The veteran will need to acquire factual and realistic data about the job marketplace. VR&C staff members will emphasize the veteran's program goal, his or her perceptions of that goal, and what he or she may anticipate following the achievement of the goal.

(3) **Resource/Referral Needs.** VR&C staff members will select service providers from the following possibilities (see par. 4.05 for further discussion of contracting for employment services):

(a) **VR&C Division.** Participants should have access to all available resources, including the case manager, an outstationed DVOP (Disabled Veterans' Outreach Program) specialist, if available, the Career Development Center, job clubs, and other veterans.

(b) **VA Medical Facilities.** VR&C staff members may refer participants to VHA (Veterans Health Administration) facilities for therapy and treatment programs.

(c) **Community Resources.** VR&C staff members should refer participants to State employment services, placement services of schools and universities, rehabilitation agencies, and other locally based, not-for-profit facilities.

(d) **For-Profit Entities.** The VR&C Division may contract with for-profit entities to supply some or all employment services, including direct placement services, if:

1. VA determines comparable services from non-profit or public-sector agencies are not available in the veteran's community, but services by for-profit agencies are available locally. For example:

a. The veteran needs highly individualized services which are not available from public-sector or not-for-profit agencies,

b. Receiving the services from a public-sector or not-for-profit facility would constitute a hardship for the veteran.

2. VA cannot obtain comparable services cost-effectively from other sources, such as public-sector agencies or not-for-profit facilities. As an example, a for-profit agency has a much higher rate of placement than available not-for-profit and public sector agencies. Thus, the not-for-profit and public-sector agencies are not as cost-effective given the goal of placing the veteran in gainful employment. (38 CFR 21.252(a))

CONTENTS

CHAPTER 4. JOB DEVELOPMENT AND PLACEMENT SERVICES

PARAGRAPH PAGE

4.01 Introduction 4-1

a. General 4-1
b. Job Development 4-1
c. Overview of Service Providers 4-1
d. Public Labor Exchange System 4-1
e. Networking 4-1

4.02 Intra-agency and Interagency Coordination 4-2

a. Referrals 4-2
b. Coordination of Efforts 4-2

4.03 Direct Placement Services 4-4

a. Definition 4-4
b. Basic Principles 4-4

4.04 Promotion of Training and Employment Opportunities 4-5

a. General 4-5
b. How to Promote Training and Employment 4-5

4.05 Contracting for Employment Services 4-5

a. Areas Appropriate for Contract Services 4-5
b. Selection of Service Providers 4-5
c. Selecting a For-profit Service Provider 4-6
d. Program Monitoring 4-6
e. Contractual Requirements 4-7

4.06 Advocacy Responsibility 4-7

4.07 Job Analysis 4-8

a. Relationship to Direct Placement 4-8
b. Methodology 4-8
c. Job Profile 4-8
d. Other Important Considerations 4-8

4.08 Job Modification 4-8

a. Job Accommodation Network 4-8
b. Clearinghouse for the Handicapped 4-8

CHAPTER 4. JOB DEVELOPMENT AND PLACEMENT SERVICES

4.01 INTRODUCTION

a. **General.** Most veterans programs—whether administered by VA, DOL (Department of Labor), OPM (Office of Personnel Management), SBA (Small Business Administration), or another Federal agency—are designed to contribute to the individual veteran's readjustment to civilian life. Public Law 96-466 established suitable employment as a fundamental criterion of successful readjustment for veterans in the chapter 31 program. Viewed from this perspective, employment services—including job development and placement—become central to the VR&C (Vocational Rehabilitation and Counseling) mission. The material in this chapter supplements the information in part I, chapter 2, which identifies procedures for coordination with VHA (Veterans Health Administration), other VA elements, and all non-VA agencies with which VA has established interagency agreements. Part I, chapter 2 also contains information and procedures for referring veterans for services under these agreements. In making referrals, VR&C staff members will meet the standards set in these national agreements and any statewide agreements which implement the national agreements.

b. **Job Development.** As defined in 38 CFR 21.250(b)(2), job development means "a comprehensive professional service to assist the individual veteran to actually obtain a suitable job, and not simply the solicitation of jobs on behalf of the veteran." Job development is a difficult and demanding task. VR&C staff members need to coordinate with other community agencies to accomplish many aspects of job development. Therefore, this chapter will focus first on non-VA veterans' employment service providers and on interagency coordination.

c. **Overview of Service Providers.** Several Federal and State agencies supply employment services to veterans. In some geographical locations, employment services may also be available through local agencies, including county governments and private, nonprofit organizations. The availability of these local services may depend on other circumstances in addition to an individual's veteran status. For example, a veteran displaced from an assembly line job in a failing industry may be eligible for services under various special programs which local job training agencies—such as the Private Industry Council—administer. In addition, for-profit entities providing employment services exist in most areas of the country. Effective VR&C job development and placement services are conditioned upon VR&C staff members' ability to make full use of available resources. Each local office needs to develop and cultivate a referral network that may include the following organizations and programs:

(1) SESA (State Employment Security Agencies), State employment services, and VETS (Veterans' Employment and Training Service) of the United States DOL;

(2) Programs which the Rehabilitation Act of 1973, as amended, authorizes;

(3) OPM and the personnel offices of Federal agencies and installations in regional offices; and

(4) Any other public, nonprofit or for-profit organizations offering placement services.

d. **Public Labor Exchange System.** Mandated by the Wagner-Peyser Act, the nation's public labor exchange system receives its funding from a tax on employers. DOL exercises some administrative control over the State employment service system by distributing this funding and by prescribing regulations. VETS comprises a DOL central office staff in Washington and a network of directors and assistant directors in every State. These DOL employees do not directly deliver employment services to veterans; instead, they monitor and evaluate the delivery of these services by the State employment service system.

e. **Networking.** In many States, committees of representatives of the various service providers and other interested parties—such as veterans service organizations and employer groups—exist to facilitate networking and to implement special veterans employment initiatives. One example of these initiatives is a public awareness program aimed at private employers. Each State has a Governor's Committee on Employment of People with Disabilities and most large cities have a counterpart called the Mayor's Committee. Because these committees are excellent opportunities to network, the VR&C Officer should explore the benefits of staff participation on these committees.

4.02 INTRA-AGENCY AND INTERAGENCY COORDINATION

a. **Referrals.** VR&C staff members are responsible for determining appropriate placement resources for each veteran. VR&C staff members should incorporate detailed referral and followup procedures into locally developed, written interagency agreements. Prior to any collaboration with personnel outside VA, however, the case manager should inform the veteran of the services the outside agency or program will supply and the kinds of relevant information VA will share for official purposes. Any exchange of information must meet applicable State and Federal laws (e.g., the Freedom of Information Act and the Privacy Act) and agency regulations and policy. If appropriate, the veteran's written consent to the exchange should accompany the exchange of information. The veteran's IEAP (individualized employment assistance plan) should clearly show all referrals. For referrals to liaison staff members, identify the members by name, address and telephone number. The case manager should notify the liaison member (preferably through face-to-face or telephone contact) in advance of the referral so the veteran does not encounter confusion and unnecessary delay.

b. **Coordination of Efforts.** A sound knowledge of the roles and responsibilities of other public and private agencies providing job placement and related services will assist VR&C staff members in determining how to coordinate these activities. For example, close contact with DOL/SESA personnel and the State rehabilitation agency will help to minimize duplicate employer contacts. While efficiency argues that all parties arrive at a consensus regarding specific responsibilities, each case is unique and formal agreements should not inhibit the provision of needed services. Formal written agreements—such as VA agreements with DOL and rehabilitation service agencies—offer a basic framework for coordination and collaboration, but it is essential that each IEAP contain specific information about the methods, services, and activities that the veteran will use in achieving identified goals and objectives. The involvement of other service providers does not eliminate or reduce VR&C staff members' responsibility for case management (38 CFR 21.252). Note that the DOL Directors and Assistant Directors for Veterans' Employment and Training in each State are also responsible for monitoring Federal agencies' implementation of Disabled Veterans Affirmative Action Programs. VR&C Divisions should develop innovative methods of cooperation at the local level to support these programs.

(1) **Department of Labor and State Employment Security Agencies.** The U.S. DOL is administratively responsible for establishing and maintaining the nation's employment service system. (See subpar. 4.Old above for an overview of the public labor exchange system.) Each State participates in that system through a network of local offices. These State systems are known formally as SESA, but are often referred to as the Job Service. These State systems are the most significant providers of veterans employment services.

(a) **VA/DOL National and State Agreements.** The VA/DOL national agreement defines policies and procedures at the national level. Statewide agreements implementing the national agreement establish procedures for the coordination of employment services at the local level. VR&C staff members should be thoroughly familiar with their statewide agreement.

(b) **LVERs (Local Veterans' Employment Representatives) and DVOP (Disabled Veterans' Outreach Program) Specialists.** Most State employment service offices employ an LVER to monitor the office's delivery of services to veterans. In addition, under 38 U.S.C. 4103A, DVOP specialists must furnish priority employment assistance to current and former chapter 31 participants. Service to veterans is the responsibility of the entire Job Service system, including all staff members of each local office. Responsibility is shared and does not rest solely on the LVERs and DVOP specialists. In this context, each local Job Service office manager—the supervisor of the DVOP specialists and LVERs—is a key player in the system. The law requires that 20 to 25 percent of DVOP specialists work in VA locations. Therefore, the statewide agreement should arrange for outstationing a number of DVOPs at VA regional offices and other VA facilities (38 U.S.C. 4103A). The absence of this provision, however, in no way abrogates the responsibility of the Department of Labor to comply with this requirement. VR&C staff members, especially those who have immediate access to an outstationed DVOP specialist, need to develop a close working relationship with the entire Job Service system. VR&C staff members are also strongly encouraged to include State employment service personnel in the initial employment planning process related to job placement and OJT (on-job training) development. DVOP specialists can particularly help in outreach to employers to develop job opportunities

(2) **Office of Personnel Management.** Under 38 U.S.C. 4214, OPM is responsible for planning, implementing and overseeing the Federal affirmative action program for disabled veterans. For a discussion of affirmative action, see chapter 8. VR&C staff members should maintain liaison with the area OPM office and other Federal agencies' and installations' personnel offices to promote the employment of disabled veterans in the Federal government.

(3) **State Rehabilitation Agencies.** Arrangements with State rehabilitation agencies are often limited to assistance for veterans in areas distant from VA offices or where veterans have encountered placement difficulties. VR&C Divisions should explore expanding this cooperation and coordination in providing employment services to veterans under chapter 31 who are eligible for and can benefit from the assistance of State vocational rehabilitation agencies and other programs authorized under the Rehabilitation Act of 1973, as amended. This will require reviewing each case which the case manager has placed or will place in Employment Services status to determine whether the veteran could benefit from the assistance which the State vocational rehabilitation agency can provide. If this assistance will be helpful, the case manager should personally refer the veteran to enable State vocational rehabilitation staff members to make the necessary arrangements. VR&C Divisions may need to modify existing arrangements to ensure systematic referral and coordination.

(a) **Limitation on Services.** The VR&C Division can only request State vocational rehabilitation agencies to furnish placement services to obtain employment and postplacement assistance to determine if the veteran has adjusted in employment. VA will furnish any additional needed assistance—such as payment for supplies, medical care, and treatment—under the IEAP.

(b) **Use of Other Community Resources.** Increased use of State rehabilitation agencies to supply employment services is in addition to, rather than in lieu of, coordination with other community agencies or contracting with private agencies, both nonprofit and for-profit. Increased coordination with State vocational rehabilitation agencies should not affect utilization of DVOP specialists and other State employment service staff members. Similarly, VR&C staff members should continue to use their authority to furnish employment services under contract with both nonprofit and for-profit private entities.

(c) **Criteria for Rehabilitation.** Employment assistance must focus on occupational areas which carry out the rehabilitation plan which VR&C staff members and the veteran have developed. The employment resulting from these joint employment assistance efforts will thereby meet both the veteran's needs and the criteria of VA and State vocational rehabilitation agencies for determining that the veteran has been rehabilitated.

(d) **Furnishing Information.** VR&C staff members may furnish information needed to assist State vocational rehabilitation agency staff members in providing employment services to the extent permitted in Section IV, Exchange of Information, of the national agreement (see pt. I, app. 2B-3).

(4) **Small Business Administration.** The SBA offers training sessions in management and marketing techniques, some tailored exclusively to veterans, publishes extensive materials on business practices, and maintains a staff of local business people to consult with would-be entrepreneurs. During the development of an IWRP (individualized written rehabilitation plan) or IEAP for self-employment in a small business enterprise, VR&C staff members need to contact the SBA. The SBA can assist VR&C staff members and the veteran to make judgments concerning business trends, funding, marketing, and can assist in obtaining bank loans by guaranteeing payment against default.

(5) **VA Office of Small and Disadvantaged Business Utilization.** VR&C staff members need to be particularly aware of the Veteran-owned Small Business Outreach Program in the VA Office of Small and Disadvantaged Business Utilization (005SB), which can assist disabled veterans in their efforts to establish small businesses. This program takes affirmative action to solicit veteran-owned small businesses and to help them to participate in VA contract opportunities. Although this program does not give preference to veteran-owned businesses, it does provide an opportunity for these businesses to bid on and receive contracts. By the end of calendar year 1991, this program was instrumental in awarding over $200 million dollars in contracts to Vietnam-era and disabled veteran-owned businesses. Such contracts can mean the difference between success and failure for many small businesses.

(a) **Special Outreach Efforts.** The Office of Small and Disadvantaged Business Utilization conducts different outreach efforts to assist veteran-owned businesses:

1. It creates an awareness of contract opportunities among members of the veteran business community;

2. It coordinates outreach activities with national service organizations;

3. It sponsors veterans in business opportunity conferences;

4. It publishes a Forecast of Contracting Opportunities each fiscal year;

5. It publishes a veteran-owned small business resource list;

6. It develops news releases aimed at veterans in business; and

7. It maintains a dialog with SBA.

(b) **VR&C Responsibilities.** For all veterans in vocational rehabilitation program with small business ownership as the vocational goal, the VR&C Officer will ensure the close cooperation of VR&C staff members with the Office of Small and Disadvantaged Business Utilization. In case management, this coordination principally entails referrals of these veterans for information on business opportunities. The VR&C Officer will also forward to the Office of Small and Disadvantaged Business Utilization information on local SBA business development programs and summary descriptions of small business successes which result from vocational rehabilitation. To obtain further information from the Office of Small and Disadvantaged Business Utilization by telephone, call FTS (202) 376-6996.

4.03 DIRECT PLACEMENT SERVICES

a. **Definition.** At the most basic level, direct placement entails the following activities:

(1) Matching the needs, abilities, and aspirations of an individual veteran with the demands, salary, and other characteristics of a specific job;

(2) Communicating the terms of the match to the parties involved and working to bring about a successful job interview for both the veteran and the employer; and

(3) Establishing and maintaining placement aids (ranging from a card file index to a computerized data base) to facilitate these matching and communication activities.

b. **Basic Principles.** When a veteran requires direct placement, the VR&C Division must be prepared to furnish this service. Direct placement involves actively and personally intervening with employers on behalf of the veteran. Direct job placement occurs within a network which involves employers, employees, and service providers.

(1) **Employers.** An employer's paramount concerns are timeliness in the placement process and productivity on the job. Employers want good employees within a specific timeframe. In dealing with employers, the case manager—as the service provider to the employer—should think and act as a salesman in a consumer-oriented market. The employer has a need for a product—a new employee—or else the job would not be open. The service provider's job is to make the initial sale in a way that satisfies the customer, creates good will, and thus retains his or her business for future placements. This means service providers need to be responsive to time constraints placed on the job opening and must be aware of the quality of the product. The case manager as service provider must develop the tools to facilitate job matching to meet the employer's timeliness requirements. Case managers and the VR&C Officer need to investigate data base software that can be tailored to specific needs. The quality issue revolves around the referred veteran being "job ready."

(2) **Employees.** The veteran has completed training; otherwise, the service provider would not be concerned with direct placement. Nonetheless, general training—such as an academic degree or a proficiency certificate—is only the first consideration in determining whether an individual veteran is ready for a specific job. Licensing and many other supportive services (see chapter 5) may be necessary to make the veteran truly job ready. Issues of socialization and readjustment may also require resolution before a veteran—even an otherwise fully trained veteran—is ready to compete for a job. Once a case manager has determined that a veteran is rehabilitated to the point of employability, this denotes that the veteran has completed the education and technical training, has acquired the skills needed, and is emotionally ready for employment in his or her vocational objective.

(a) **Employment Services as Part of IWRP.** The veteran's IWRP should incorporate his or her employability objectives even if the activities associated with those objectives do not take place until after the veteran completes formal training activities. VR&C Divisions can begin to supply services and assistance to improve the veteran's employability—such as interviewing skills training—under the IWRP. The case manager need not declare the veteran rehabilitated to the point of employability before he or she begins to receive job-seeking and other related assistance and services.

(b) **Limited Job Interviews Prior to Job Readiness.** If the veteran is not job ready, a referral to a job interview is a disservice to both the veteran and the potential employer. The veteran's future employability will be impaired and that service provider's credibility with the employer will be damaged.

(3) **Employment Services and Service Providers.** In the context of direct placement, services are of greater significance than service providers. VR&C staff members should view services available from various providers as tools to help make the veteran more marketable, attract the attention of the customer (the employer), and break down the customer's sales resistance. Job analysis (see par. 4.07 below), job modification (see par. 4.08 below), and postplacement services (see chapter 9 below) are the appropriate tools. Supportive services available to chapter 31 participants—such as the provision of tools and supplies, transportation, incidental training and licenses—are truly significant job placement aids available to few other job seekers (see chapter 5 below). Special incentives for employers (see chapter 6 below) can also be extremely useful in difficult placement situations. Programs such as noncompetitive placement in public-sector employment, unpaid work experience, and affirmative action requirements of Federal contractors (see chapter 8 below) are also direct placement tools. The VR&C Division is authorized to utilize the job development and placement services of many different sorts of service providers: other public-sector agencies, including Federal, State, and local government agencies; nonprofit organizations, such as rehabilitation facilities and public post-secondary schools; and for-profit entities, such as employment agencies (see par. 4.05 below for more information on contracting for services).

4.04 PROMOTION OF TRAINING AND EMPLOYMENT OPPORTUNITIES

a. **General.** As funding permits, VA will promote the establishment of employment, training, and related opportunities for veterans with service-connected disabilities (38 CFR 21.252(b)). These activities are not limited to public awareness projects, but may also include, for instance, working to establish training programs for disabled veterans with a large employer or a noncompetitive appointment procedure with a State, county, or municipal civil service system. VR&C staff members should initiate and carry out these efforts for chapter 31 participants.

b. **How to Promote Training and Employment.** The keys to effective promotion are coordination and cooperation with other service providers and interested parties, a willingness to participate in activities such as job fairs and committee activities, and an awareness of the common sense principles of effective communication: Carefully and clearly formulate the message; identify the audience; and tell the story in terms that interest the audience. Conduct all promotional activities on a businesslike basis. Repeatedly, private employers have stated that they are open to the employment of disabled veterans, but their primary concern is finding the right person for the right job at the right time. Promotional activities appealing to this need will be more successful than approaches based on patriotism or social responsibility alone.

4.05 CONTRACTING FOR EMPLOYMENT SERVICES

a. **Areas Appropriate for Contract Services.** Provision of effective employment services is generally a labor intensive activity requiring specialized skills. The case manager and the veteran must identify the specific needs for these specialized employment services. This assessment should analyze needs such as skill development in the areas of resume preparation, interviewing techniques, and marketing methods—for example, interviewing for information and networking. In addition, VR&C staff members should also assess the need for direct placement services. Once VR&C staff members and the veteran have identified the needed services, three factors affect the decision whether or not to contract for the services:

(1) The veteran has identified service needs, but VR&C staff members either cannot supply or cannot timely supply the services;

(2) The severity of the veteran's disability requires specialized placement assistance from a person trained in placing the severely disabled; and

(3) Available resources, including public and private agencies, cannot provide adequate assistance on a no-charge basis.

b. **Selection of Service Providers.** The identified needs of the individual veteran constitute the primary factor in the decision to seek services from service providers outside the VR&C Division. Case managers are encouraged to network with other service providers—especially State rehabilitation agencies and SESA—to furnish to VA vocational rehabilitation participants the best possible employment services (see subpars. 4.Old and 4.02b(3) above on networking). Several agencies may supply services simultaneously. This situation is similar to a veteran in Rehabilitation to the Point of Employability status who requires medical care, psychiatric assistance, and vocational training at the same time. VR&C staff members may include nonprofit contract

organizations in the mix of service providers required to address the veteran's needs. In addition, the VR&C Division may also contract with for-profit entities if:

(1) Needed assistance is unavailable from another source;

(2) Needed assistance available from other sources is not as effective as that available from a for-profit entity;

(3) VA cannot obtain the needed assistance from other sources as cost-effectively as it can obtain the assistance from a for-profit entity; or

(4) Acquiring services from other than a for-profit facility would constitute a hardship for the veteran. (See also par. 3.05b(3)(d) above.)

c. **Selecting a For-profit Service Provider.** After making the decision to contract with a for-profit entity, follow these guidelines when selecting a service provider:

(1) The provider should be an established company with a proven track record. The case manager may review information on placement for a specific period, question references the provider submits, and confirm the credibility of testimonials the provider offers. At a minimum, the company must have been in operation for more than 6 months prior to the decision to contract.

(2) The company should be able to demonstrate its prior ability to deliver needed services with its own resources. This means the company can go beyond merely coordinating services which other entities offer, including public-sector and nonprofit private sector agencies.

(3) The company must have the demonstrated ability to work effectively with individuals with disabilities.

(4) The company must submit to the VR&C Division substantial and timely progress reports and other documentation which the individual veteran's circumstances require and, as necessary, to evaluate the company's performance on a regular and periodic basis. Generally, these reports will be required no more than once every 2 months. A schedule for submission of reports shall be a part of each contract.

(5) The company must have demonstrated the ability to furnish individualized services. Some services, such as job clubs, may only be available in a group setting. These services are not discouraged; on the contrary, their use is encouraged. The company must be able, however, to supply the needed individualized services itself.

(6) The contract with the service provider shall be subject to all provisions governing the negotiation and monitoring of contracts, including procedures to prevent waste, fraud, and abuse.

d. **Program Monitoring.** When using contractual services, the VR&C case manager will carefully monitor the provision of services and amend the rehabilitation plan and contract as necessary. The process of contracting for employment services does not relieve the VR&C case manager of case management responsibilities, including monthly contacts with the veteran. The VR&C Officer will carefully monitor the provision of employment services furnished through contractual arrangements. In addition to following the general provisions in subparagraph c above , the VR&C Officer will take any additional steps necessary to assure contract compliance and prevent waste, fraud, and abuse. For example, circumstances may warrant the submission of reports by the contractor more frequently than the minimum reporting requirement of every 2 months. There are two major types of contractual arrangements for employment services: performance-based and service-based. Whether contracts are performance-based or service-based, the case manager should develop contracts with service providers which best meet the criteria in subparagraph c above and which best achieve the goal of *suitable employment*.

(1) **Performance-based Contracts.** Performance-based contracts focus on tangible work products, often called "deliverables" or measurable results, such as suitable placements rather than a general service intended to culminate in placements. Some performance-based service providers may have a single charge regardless of services and time expended in the individual case, or they may not clearly identify service costs or time expended. These nonspecific practices lend themselves to waste, fraud, and abuse. When negotiating a performance-based contract, the VR&C staff member must clearly identify the services the provider will supply

and the charges for these services in the same manner as any other service contract. The total charge may not exceed the individual charges for the services which the contractor actually furnishes. The charges per case may not exceed the charges made by employment services agencies or organizations which are service- or process-based for the same or similar services.

(2) **Service-based Contracts.** Service-based employment contracts are based on separate charges for specific services and assistance.

e. **Contractual Requirements.** If approval for a facility to supply services under chapter 31 does not currently exist and if provision of these services will result in a veteran receiving subsistence allowance, VR&C staff members will follow normal approval procedures and request that the Education Liaison Representative establish a facility code for the newly approved facility. This requirement applies to for-profit entities as well as to educational institutions and other entities providing rehabilitation services. (See also pt. III, par. 2.02.)

(1) **Contract.** Once a facility code has been established, the VR&C Division may execute a contractual arrangement with a for-profit employment service provider. The contract must contain an attached Schedule A identifying specific services the company can provide, the costs of these services, the furnishing of reports, and other pertinent matters. The schedule must also specify the conditions under which VA will make payment. For example, payment for services may be conditioned upon the veteran securing employment within 90 days. Performance-based contracts should define services in terms of concrete outcomes, often referred to as "deliverables." As noted in subparagraph d above, the contract must also include charges for the specific services which make up the deliverables. For a vendor providing placement services under a performance-based contract for an individual veteran, actual employment is the deliverable.

(2) **Authorizing Individualized Services.** Each veteran will receive needed individualized services, chosen from among the scheduled services allowable under the contract. The case manager may use VA Form 28-1905, Authorization and Certification of Entrance or Reentrance into Rehabilitation and Certification of Status, to initiate services on behalf of an individual veteran under the terms specified in the contract. VA will pay all contracts for employment services from the Readjustment Benefits Account appropriation 36X1037, cost account code 3511.

4.06 ADVOCACY RESPONSIBILITY

VR&C staff members will ensure that each veteran receiving chapter 31 employment services benefits from all applicable provisions of law or regulation providing for special consideration or emphasis or preference of the veteran in employment or training, especially programs and activities identified above in paragraph 4.01 (38 CFR 21.252(c)). Chapter 8 deals with the various veterans preference and affirmative action programs available to assist in placing disabled veterans in suitable employment. As part of advocacy for disabled veterans, VR&C staff members may perform, but are not limited to the following activities:

a. They should convince prospective employers, especially Federal contractors, that disabled veterans are excellent workers and that hiring disabled veterans is consistent with good business practice.

b. They should help to create a more favorable climate for disabled veteran job seekers through vigorous public awareness programs to educate employers and the general public. Many tools and opportunities are available to assist in this endeavor: Work with local VA Office of Public and Consumer Affairs personnel. Understand that what may appear commonplace in the rehabilitation community may be newsworthy to business or professional associations. For example, a veteran who has had his hand amputated as a result of an accident may complete training and be successfully employed as an accountant. VR&C staff members should bring this accomplishment to the attention of the State association of accountants, an important audience which may have been overlooked in the past.

c. They should work closely with industrial engineers, personnel workers, and job analysts of business and industrial firms to develop more realistic job requirements that do not exclude disabled veterans.

d. They should supply technical assistance for the modification of jobs, facilities, and equipment when this assistance is necessary for a chapter 31 participant to obtain employment.

e. They should provide postplacement assistance to veterans to help them in job orientation, to advise them when unexpected problems develop, and to provide other services to assure a suitable adjustment in employment.

f. They should assist the veteran to file a complaint. If the veteran believes the employer has discriminated against him or her or has not carried out affirmative action obligations, VR&C staff members should assist the veteran to file a complaint. The VA/DOL agreement describes the procedure for filing a complaint.

4.07 JOB ANALYSIS

a. **Relationship to Direct Placement.** Job analysis is an essential aspect of direct placement. This skill is particularly useful when dealing with small businesses which may not have a large personnel staff.

b. **Methodology.** Job analysis may be based on available information or may require an on-site visit to obtain detailed information about a prospective job. Although general information about jobs is readily available, it is sometimes inadequate, especially when the veteran has severe physical, emotional, or mental limitations. Consequently, the case manager may need to conduct an on-site analysis for situations in which precise information about job task requirements and the work environment is critical to successful placement. A job analysis should provide detailed answers to the following questions:

(1) What is the frequency and relative difficulty of each task?

(2) What mental and physical activities are necessary to perform the job?

(3) What is the purpose of the job and its component tasks?

(4) What are the established training and experience requirements of the job?

(5) How would the working conditions affect the veteran's disability?

(6) Are there any hazards intrinsic to the job or specific to the veteran's condition?

c. **Job Profile.** Once the case manager has explored these questions, the next step is to develop a profile of the job and its demands. Then VR&C staff members can evaluate the veteran's strengths and weaknesses in relation to the job's specifications. Using this information skillfully will greatly increase the likelihood of successful placement.

d. **Other Important Considerations.** Frequently, factors other than job tasks or the immediate work station pose the major obstacles to employment. For example, the case manager must also evaluate potential obstacles in locations such as the parking lot, entrances, restrooms, and dining facilities.

4.08 JOB MODIFICATION

When a well-trained veteran with the requisite experience meets obstacles in the work environment, this does not necessarily mean the veteran and job cannot match. While conducting a job analysis, the case manager should consider whether the job requires modifications to enable the veteran to capitalize on his or her strengths while minimizing the functional limitations which the disability imposes. As much as possible, the case manager should focus on adaptations that would also increase productivity and efficiency since these concerns are crucial to employers in their hiring decisions. The innumerable possibilities for adaptations include job task modification, job restructuring, work station redesign, alternative work schedules, and assistive devices. (See par. 8.01c for more on reasonable accommodation, especially in the Federal workplace.) Rehabilitation workshops, engineering or architectural schools, and other employers of handicapped persons may prove to be useful sources of advice and information. VR&C staff members should be aware of available resources. There are a number of agencies and organizations which can furnish information and assistance in job modifications. Among national level resources, the following may be particularly helpful:

a. **Job Accommodation Network.** The President's Committee on Employment of People with Disabilities supports JAN (Job Accommodation Network). To reach JAN through a toll-free phone number, call 1-800-526-7234 or 1-800-526-4698 (JAN-INWV) in West Virginia. JAN offers employers information on successful job accommodation measures and a free consulting service regarding reasonable accommodation.

b. **Clearinghouse for the Handicapped.** The Clearinghouse for the Handicapped is part of the Department of Education in Washington, DC. To contact the Clearinghouse, call (202) 732-1114.

CONTENTS

CHAPTER 5. SUPPORTIVE SERVICES

PARAGRAPH PAGE

5.01 Introduction 5-1

5.02 Supplies 5-1

5.03 Transportation 5-1

a. Travel 5-1
b. Special Travel 5-1
c. Payment Procedures 5-1

5.04 Incidental Training/Review Courses 5-1

5.05 Payment for Licenses and Fees 5-2

5.06 Services Excluded 5-2

CHAPTER 5. SUPPORTIVE SERVICES

5.01 INTRODUCTION

The VR&C Division may authorize a broad range of supportive services for a veteran who is receiving employment assistance (see part III, table 2.01). Supportive services include, but are not limited to, medical treatment and care, supplies, payment for licenses and other fees, special services for the blind and hearing impaired, transportation, and services to the veteran's family. VR&C staff members should carefully analyze the need for these employment-related services in each case and arrange to provide the required services in a timely manner. For example, the case manager should refer the veteran for treatment of identified medical problems prior to completion of training if possible. (38 CFR 21.254(a))

5.02 SUPPLIES

The policy governing provision of supplies, including employment supplies, is in 38 CFR 21.210 through 21.224. Procedures implementing these regulations for providing supplies during a period of employment services are in part III, chapter 6, especially in paragraphs 6.06a, 6.07, 6.08g through j, 6.09, and 6.10.

5.03 TRANSPORTATION

a. **Travel.** VA will pay for intraregional and interregional travel (but not moving) expenses to the place of employment under certain conditions. (38 CFR 21.370 through 21.376) Payment of this travel is limited to veteran's transportation costs and does not include the costs associated with the travel of dependents or possessions. The procedures for authorization of interregional travel are in part I, chapter 13. In all cases, VA must determine that the authorization of travel at government expense is necessary to effect the veteran's rehabilitation.

(1) **Limited Intraregional Travel for Interviews.** The VR&C Division may not authorize intraregional travel (that is, travel within the jurisdiction of the regional office) for a veteran to report for an interview to a prospective employer, except for on-job training. In the latter case, the employer must expect to hire the veteran if the interview is successful.

(2) **Intraregional Travel to Report for Work.** The VR&C Division may authorize intraregional travel for a veteran who is to report to prearranged, satisfactory employment following the determination that the veteran has been rehabilitated to the point of employability.

(3) **Interregional Travel for Veterans With a Serious Employment Handicap.** The VR&C Division may authorize interregional travel (that is, from the jurisdiction of one regional office to another) only to allow veterans with a serious employment handicap to report to a place of prearranged, satisfactory employment or to a job interview following the determination that the veteran has achieved employability. In addition, the case manager must document that satisfactory employment opportunities do not exist within the original regional office's jurisdiction.

b. **Special Travel.** If required for a seriously disabled veteran, the case manager may authorize a special travel allowance to cover the extraordinary costs of transportation the veteran incurs while the veteran is receiving employment services under an IEAP (individualized employment assistance plan). This travel allowance can continue through the first 3 months of employment. The procedures for authorizing special transportation allowances are in part III, paragraph 4.09. (38 CFR 21.154)

c. **Payment Procedures.** Procedures governing payment of travel and incidental expenses for the purposes of vocational rehabilitation are in VA Manual MP-1, part II, chapter 3.

5.04 INCIDENTAL TRAINING/REVIEW COURSES

VA may supply refresher training, short-term review courses, or other brief courses if the veteran has acquired the basic skills for his or her employment objective, but needs to prepare for a required license examination or needs to enhance basic skills to obtain and maintain employment. Whenever possible, the veteran should receive this incidental training under the IWRP (individualized written rehabilitation plan) before reaching the point of employability. When a veteran has begun employment, but the case manager determines that the veteran's training is deficient in a particular area, however, the case manager should offer the veteran this skill

enhancement training. The case manager should arrange for the veteran to receive this training at a time which does not interfere with the veteran's job responsibilities unless the employer will allow the veteran to train during work hours. The case manager may not authorize the veteran subsistence allowance for this training while the veteran is in Employment Services case status (38 CFR 21.254(a)).

5.05 PAYMENT FOR LICENSES AND FEES

VA may authorize payment for a license or fee when a government unit or an employer requires a license, permit, or certificate to fulfill the occupational or professional qualifications of the veteran's employment goal. Payment will include the costs of examinations required to obtain the license, permit, or certificate. The veteran must meet all prerequisites for taking the examination, such as successful completion of training, prior to VA authorization of payment (38 CFR 21.254(a)).

5.06 SERVICES EXCLUDED

The following services and financial assistance are not available to a veteran receiving only employment services under chapter 31:

a. Subsistence allowance;

b. Training, other than as indicated in paragraph 5.04 above;

c. Revolving fund loan; and

d. Work-study allowance. (38 CFR 21.254(b))

CONTENTS

CHAPTER 6. SPECIAL INCENTIVES FOR EMPLOYERS

PARAGRAPH PAGE

6.01 General 6-1

6.02 Eligibility Requirements 6-1

a. Basic Eligibility 6-1
b. Need for Special Employer Incentives 6-1

6.03 Search for Placement Opportunities 6-1

6.04 Employer Eligibility Requirements 6-1

a. Course and Facility Approval 6-1
b. Affirmative Action Requirements 6-1

6.05 How to Set Up the Program 6-2

a. IEAP Amendment 6-2
b. Contract 6-2
c. Procedures 6-2
d. Supervision 6-2
e. Documentation 6-2
f. Reimbursements 6-2
g. Followup 6-3

6.06 Direct Benefit Payments to the Veteran 6-3
a. Subsistence Allowance 6-3
b. Chapter 30 Allowance 6-3
c. Veterans' Job Training Act Benefits 6-3

6.07 Duration of Employer Payments 6-3

6.08 Changing the Program 6-3

a. Program Reclassifications 6-3
b. Program Terminations 6-3
c. Additional Program Approvals 6-4

6.09 Charge Against Entitlement 6-4

6.10 Program Limited to Private-Sector Employers 6-4

FIGURE PAGE

6.01 Schedule I: Reimbursement for Costs of Work Experience or On-job Training Under the Special Employer Incentives Program 6-5

CHAPTER 6. SPECIAL INCENTIVES FOR EMPLOYERS

6.01 GENERAL

A case manager may declare a veteran rehabilitated to the point of employability, but the veteran continues to have difficulty obtaining employment. The special incentives for employers program can provide this veteran with additional, extraordinary assistance in finding employment. Some veterans are unable to find employment or OJT (on-job training) opportunities because employers perceive these veterans as presenting special problems. These veterans may have serious physical disabilities, neuropsychiatric disorders, or long periods of unemployment. They may be older veterans who have a difficult time competing with younger candidates. Some veterans may require additional, specialized training or work experience to qualify for a particular job. The special incentive program pays employers for additional expenses they incur when either providing direct employment or training chapter 31 veterans in an OJT position. The program requires minimal paperwork. Therefore, the program is especially attractive to small companies which have more centralized personnel procedures, can make decisions quickly, and can benefit more appreciably from the payment.

6.02 ELIGIBILITY REQUIREMENTS

a. **Basic Eligibility.** To be eligible for assistance under the program of special employer incentives, the veteran must have been rehabilitated to the point of employability. This includes veterans who have received either an employment adjustment allowance on or after October 1, 1980, or a rehabilitation lump sum payment before that date. The veteran also must be currently in Employment Services status.

b. **Need for Special Employer Incentives.** Once the veteran meets the criteria in subparagraph a, the case manager must determine that the special incentive program is necessary to obtain needed OJT or to begin employment. The following circumstances are evidence of the veteran's need for the special employer incentive program:

(1) The veteran has failed to secure employment despite intensive job search efforts by VA and the veteran; or

(2) Few employers within commuting distance are willing to hire the veteran in a position consistent with the veteran's employment assistance plan; VA cannot expect the veteran to seek employment in other geographical areas because of his or her disability, family situation, or other pertinent factors; *and* the available local employers will offer on-job training or employment only if VA offers to reimburse them for direct expenses to the degree permitted under this program.

6.03 SEARCH FOR PLACEMENT OPPORTUNITIES

When the CP or case manager has determined that a veteran is eligible for this program, the case manager will begin to look for potential employers. The case manager will also amend the IEAP (individualized employment assistance plan) to show that the veteran needs special employer incentives to enable the veteran to secure suitable employment. A State vocational rehabilitation placement specialist, a local Disabled Veterans' Outreach Program specialist, or State employment representative should be able to assist in locating employers sensitive to the needs of the disabled population at large. Smaller companies have traditionally been more receptive to the special incentive program for reasons cited in paragraph 6.01 above. VR&C staff members must inform employers that the paperwork involved is minimal and that the case manager will assist the employer in voucher preparation, if necessary.

6.04 EMPLOYER ELIGIBILITY REQUIREMENTS

a. **Course and Facility Approval.** The case manager must establish that the employer complies with the course and facility approval provisions required of any other chapter 31 training facility under 38 CFR 21.290 and 21.292.

b. **Affirmative Action Requirements.** The case manager must assure that the employer complies with Title 5, Rehabilitation Act of 1973, as amended, pertaining to affirmative action for disabled persons, and with 38 U.S.C. 4212 regarding affirmative action for special disabled veterans (as defined in 38 U.S.C. 4211(1)) and Vietnam-era veterans. The Department of Labor publishes a list of noncomplying employers. Unless the case manager questions an employer's compliance, the case manager will consider that an employer not on this list meets these compliance requirements. VR&C staff members should direct questions concerning

compliance to the local Department of Labor representative or to the Education Services Unit (275D) of the Veterans Services Division.

6.05 HOW TO SET UP THE PROGRAM

a. **IEAP Amendment.** After the case manager finds an employer and the veteran agrees to work for that employer, the case manager will amend the IEAP to list the steps necessary to maintain employment as well as to determine if work experience or OJT is better for the veteran. Within the context of 38 CFR 21.256, OJT refers to particular job elements which may not have been part of a veteran's more generalized training under an IWRP (individualized written rehabilitation plan). For example, a veteran may have been trained in auto or TV repair, but not in repair of a particular make of car or TV model series.

b. **Contract.** Once the case manager has established that the employer meets the qualifications established under paragraph 6.04 above, the case manager will coordinate the signing of a contract. The CER (Counseling/Evaluation/Rehabilitation) folder must contain verification of the employer's compliance with applicable laws and regulations. The case manager will document this verification on VA Form 28-1905d, Special Report of Training. Each contract must include in a Schedule 1 the information in figure 6.01. The contract must also include this statement: "The contractor will ensure the veteran will not displace a current employee or prevent the recall of a laid-off employee."

c. **Procedures.** For OJT, the case manager will follow the procedures in part III, paragraph 2.02(c)(2) and part III, paragraph 3.05 except that the veteran may not receive subsistence allowance or other benefits which are not furnished during the period of employment assistance.

d. **Supervision.** The case manager will supervise each veteran in the same manner as veterans in special programs under chapter 31, paying close attention to the veteran's prospects for maintaining long-term employment. If the veteran does not realistically have a chance of maintaining the employment, the case manager should initiate action to interrupt this program, giving the veteran due process as described in part I, chapter 10.

e. **Documentation.** For both work experience and OJT programs, the case manager will maintain progress notes on VA Forms 28-1905d and 20-1905c, Monthly Record of Training and Wages.

f. **Reimbursements.** VA can reimburse an employer up to a maximum of one-half of the wages the employer pays the veteran while in the special incentive program. These wages should be agreed upon prior to the time the contract is signed, but cannot be less than the wages other employees receive in the same or similar jobs for the period. The company may pay the veteran at a trainee wage rate in an OJT program, but must pay the established journeyman rate in a work experience program.

(1) **Reimbursement Limited to Direct Expenses.** The employer may receive reimbursement only for *direct* expenses. Direct expenses include instructional costs (paying supervisors to instruct the veteran and purchasing instructional aids), training materials and supplies, modification of equipment or working areas to permit the veteran to be as productive as other workers, and finally, significant loss of the company's productivity. An employer must base all of these expenses on objective data and cannot approximate them. For example, workers in the same occupational classification get paid a similar salary, but are more productive. If this can be clearly verified, the employer can charge VA a percentage of the wages the veteran received during the incentive program since the veteran is less productive than similarly circumstanced workers while receiving the same salary.

(2) **Employer Responsible for Productivity Determination.** The employer makes the decision regarding loss of productivity. VA staff members may *not* review productivity or similar records beyond the brief justification which the employer submits to VA in claiming the lost productivity reimbursement.

(3) **Limitations on Amounts an Employer Can Claim.** The employer may not claim reimbursement for more than one-half the total wages paid to the veteran (projected in item 5 of Schedule 1 of the contract) while he or she is in the special incentive program. The employer will project the amount for reimbursement in item 6 of Schedule 1 of the contract. The employer may itemize each of the expense factors—e.g., 30 percent due to loss of productivity—or submit a single figure encompassing all of the factors for which reimbursement may be claimed.

(4) **Submission of Vouchers for Payment.** The employer may submit vouchers on a monthly or quarterly basis or may submit one voucher at the end of the program. The voucher must include the following:

(a) Beginning and ending dates of the period for which the employer is claiming reimbursement;

(b) Wages the employer paid during this period to the veteran;

(c) Wages the employer paid during this period to employees in the same or similar jobs, if applicable; and

(d) Amount of reimbursement the employer claims, itemized as follows:

1. Instruction costs;

2. Productivity losses; and

3. Supply and equipment expenses.

(2) **Case Manager's Voucher Review.** The case manager will review the voucher and ensure the figures correspond with Schedule 1 of the contract and with the VA Forms 20-1905c which the employer previously submitted. The total claim may not exceed 50 percent of item 5 of Schedule 1 of the contract. If the claim is incorrect, the case manager will return the total voucher to the employer with an explanation of the reasons for the return. Following approval, the case manager will forward the voucher to the Finance activity for payment in the same manner as other vouchers.

g. **Followup.** After completion of the program, the case manager follow up the veteran's progress for at least 60 days, in the same manner as other chapter 31 programs.

6.06 DIRECT BENEFIT PAYMENTS TO THE VETERAN

a. **Subsistence Allowance.** No veteran can receive subsistence allowance for an on-job training program under this benefit, but he or she is eligible for all services that veterans can receive under employment services.

b. **Chapter 30 Allowance.** If the veteran is in an OJT program approved for chapter 30 benefits and he or she is eligible to elect payment at the chapter 30 rate, however, the veteran may receive an allowance at the chapter 30 on-job training rate.

c. **Veterans' Job Training Act Benefits.** A veteran may not receive Veterans' Job Training Act benefits at the same time he or she is receiving benefits under this program.

6.07 DURATION OF EMPLOYER PAYMENTS

The case manager can authorize up to 6 months of work experience or OJT as a special employer incentive program. The case manager may request an additional 3-month extension (for a total of 9 months), but the VR&C Officer must approve it. If the veteran is in OJT, the case manager may request another 3-month extension through the VR&C Officer and the station Director. Only the Director, Vocational Rehabilitation Service (282) can approve this final 3-month extension. Therefore, special employer incentive payments for work experience may not exceed 9 months and for OJT may not exceed 12 months.

6.08 CHANGING THE PROGRAM

a. **Program Reclassifications.** The case manager may reclassify the program from work experience to OJT or adjust the duration of the program from the agreed-upon terms in the IEAP if it appears this change would benefit the veteran's chances of maintaining employment with the employer. For program reclassifications, the case manager will charge the period the veteran used for the first program against the period available for the new program.

b. **Program Terminations.** A veteran may be forced to leave his or her position at one company, however, because the employer terminated the employment, the veteran's disability deteriorated, the veteran was unable to cope with the stress of the job, or for another significant reason. Following reevaluation of the veteran's current employment needs, the case manager and the veteran may develop another program with a different employer without regard to the months of entitlement used in the previous program. Case managers need to carefully monitor entitlement usage for veterans who do not have a serious employment handicap to ensure that these veterans do not use more than 48 months of total entitlement (see par. 6.09 below).

c. **Additional Program Approvals.** Prior to beginning any second or subsequent special employer incentive program for a veteran, the station Director must request and the Director, Vocational Rehabilitation Service (282) must approve the program.

6.09 CHARGE AGAINST ENTITLEMENT

The case manager will charge basic chapter 31 entitlement for the period during which the employer is entitled to reimbursements of direct expenses under this program. For the period from the time VA determines the veteran needs this special program and the beginning of the program, VA will not charge either basic entitlement or the 18 months of employment services entitlement.

6.10 PROGRAM LIMITED TO PRIVATE-SECTOR EMPLOYERS

VA may not make payments under this special employer incentive program to public-sector employers, including Federal, State or local agencies.

1a. Position _____

1b. Duration of Work Experience Program _____

1c. Duration of On-job Training Program _____

2a. *Starting Date _____

2b. * Ending Date _____

3. *Starting hourly wage $ _____

X average number of hours veteran works monthly _____

= monthly rate: $ _____

4. *Number of months of the program _____

X monthly rate from item 3 above $ _____

= total wages: $ _____

5. *Total wages projected for the veteran during all phases of the incentives program (for only 1 phase = item 4): $ _____

6. Maximum total reimbursement (equals 50 percent of the total in item 5 above): $ _____

a. Maximum reimbursement for instruction to include time of both supervisors and peers: $ _____

b. Maximum reimbursement for productivity losses: $ _____

c. Maximum reimbursement for supplies and equipment; i.e., instructional aids, training materials, supplies, and minor modifications to equipment: $ _____

**NOTE: If there are two or more phases of the program which are paid at different wage rates, repeat items 2, 3, and 4 for each program phase. Give the total for all program phases in item 5.*

Figure 6.01 Schedule 1: Reimbursement for Costs of Work Experience or On-job Training Under the Special Employer Incentives Program

CONTENTS

CHAPTER 7. SELF—EMPLOYMENT

PARAGRAPH PAGE

7.01 Introduction 7-1

7.02 Comprehensive Analysis and Self-Employment Plan 7-1

a. Feasibility Analysis 7-1
b. Plan 7-2

7.03 Developing the Feasibility Analysis 7-2

7.04 Categories of Veterans for Special Assistance for Self-Employment 7-2

a. Category One—Most Severely Disabled Veteran 7-2
b. Category Two—Veteran With a Serious Employment Handicap 7-2
c. Category Three—Veteran With an Employment Handicap 7-2

7.05 Types and Levels of Assistance Which VA May Provide 7-3

a. Category One 7-3
b. Category Two 7-3
c. Category Three 7-3

7.06 Supplies and Related Assistance Which VA May Not Authorize 7-3

7.07 Disabled Veterans Trained for Self-Employment Under a State Rehabilitation Agency 7-4

CHAPTER 7: SELF—EMPLOYMENT

7.01 INTRODUCTION

Self-employment is an appropriate rehabilitation objective for many veterans. The conditions under which VA can furnish self-employment services are in 38 CFR 21.257 and 21.258. These regulations establish three groups of veterans for whom the requirements for receiving self-employment services are different: veterans with serious employment handicaps whom VA considers as most severely disabled veterans; veterans with serious employment handicaps, but whom the VA does not consider as most severely disabled veterans; and veterans with only an employment handicap. Both the law and VA regulations encourage self-employment as an objective for severely disabled veterans and others who are unlikely to achieve rehabilitation through the normal channel of employment by an existing company, agency, or organization. Therefore, if self-employment is truly the most appropriate vocational goal, VR&C (Vocational Rehabilitation and Counseling) staff members should not be discouraged from such a program either because the paperwork involved is extensive or because the veteran does not have a serious employment handicap.

7.02 COMPREHENSIVE ANALYSIS AND SELF-EMPLOYMENT PLAN

a. **Feasibility Analysis.** Before selecting self-employment as the veteran's rehabilitation goal, VA must conduct a thorough analysis of the feasibility of self-employment for the veteran. (See paragraph 7.03 below for a description of the resources which VR&C staff members may use in developing this analysis.) The CP (counseling psychologist) will prepare this analysis as a separate document and will attach it to the IWRP (individualized written rehabilitation plan) or the IEAP (individualized employment assistance plan). For veterans whose goal is self-employment, this type of IEAP is also referred to as the self-employment plan. VR&C staff members will prepare the analysis of feasibility for self-employment prior to the development of the self-employment plan. The veteran will not develop his or her own analysis of feasibility. The CP may use contractual services for this analysis if these services meet the conditions for use as a part of an evaluation. The analysis of self-employment feasibility must include, at a minimum, the following factors:

(1) The location and, if applicable, the cost of the site selected for the business;

(2) A financial statement describing the availability of non-VA financing—including the veteran's financial resources, local banks, and other sources:

(3) A study of the economic viability of the proposed small business plan, which, as a minimum, must discuss the following issues:

(a) The business location in relation to the geographic distribution of the population which the business would serve,

(b) The population traffic patterns which would bring business to the veteran's proposed site of operation,

(c) The probability the business could serve as a subcontractor to larger organizations,

(d) The probability the business could provide contract goods or services to VA or to other Federal agencies (see particularly paragraph 4.02b(5) for information on assistance concerning these contracts available from the VA Office of Small and Disadvantaged Business Utilization),

(e) The competition the veteran would face from similar businesses in the market area,

(f) A comparison of the operational expenses and projected growth in gross and net income from the business over the first 5 years of operation, and

(g) The veteran's ability to absorb losses in the early years of operation until the business develops an adequate market share;

(4) A cost analysis specifying the types, amounts, and estimated costs of services, initial stocks, and other supplies which VA would commit to furnish the veteran to begin operation of the business;

(5) A working outline for developing a market for the veteran's services or products beginning while the veteran is either in Rehabilitation to the Point of Employability or in Employment Services case status, whichever status is more appropriate to the veteran's circumstances;

(6) Identification of a suitable occupational objective in which VR&C staff members would normally expect the veteran to work in the public or private sector if he or she were not self-employed;

NOTE: VA will supply the same level of technical training and education in the self-employment program as the veteran would require for employment in the identified suitable occupational objective. In addition, VA will provide the veteran the business and management training needed to operate a small business.

(7) A schedule of the needed training for successful operation of a small business in the veteran's chosen field of endeavor; and

(8) The results of contacts with the Small Business Administration to secure special consideration under section 8 of the Small Business Act, as amended.

b. **Plan.** After completion of the feasibility analysis and its summarization in a written report, the CP will decide whether self-employment is feasible. If this determination is positive, the CP will work with the veteran and VRS (vocational rehabilitation specialist) case manager to develop the self-employment plan. If initial stocks and other supplies under the self-employment plan will cost more than $2,500, the regional office will forward the veteran's CER (Counseling/Evaluation/ Rehabilitation) folder, including the written feasibility analysis and the self-employment plan, to the Director, Vocational Rehabilitation Service (282) for approval. The regional office must receive this approval prior to final signature of the plan by the CP, the case manager, and the veteran.

7.03 DEVELOPING THE FEASIBILITY ANALYSIS

To complete the feasibility analysis, the CP should use the services of business associations, economic development corporations, the local Small Business Administration office, college business programs, and other appropriate organizations and offices to gather data concerning the local market. The CP may also arrange for professional consultation on either a voluntary or contractual basis to assist with the cost analysis, the assessment of equipment requirements, or other needed services. The case manager will monitor the provision of these analytic services and will initiate needed amendments to either the contract or the self-employment plan.

7.04 CATEGORIES OF VETERANS FOR SPECIAL ASSISTANCE FOR SELF-EMPLOYMENT

VA may furnish certain special assistance to veterans with an approved self-employment rehabilitation goal. The types of special assistance available and the conditions under which VA can make them available vary based on the veteran's level of disability. To determine a veteran's access to different types of assistance, the CP must first assign each veteran with an approved self-employment plan to one of three categories, applying the rules in 38 CFR 21.258:

a. **Category One—Most Severely Disabled Veteran.** Category one includes veterans whom VA has determined to be most severely disabled under 38 CFR 21.258. To be placed in this category, the veteran must have a serious employment handicap and the CP must determine that the veteran's employability limitations are so severe that they *require* self-employment as a vocational goal. Generally, self-employment for veterans in this category will be home-based.

b. **Category Two—Veteran With a Serious Employment Handicap.** For self-employment programs, the CP must assign to category two all veterans with a serious employment handicap whom he or she does not consider to be among the most severely disabled veterans. For example, a CP would most likely place in this second category a mobile veteran with a serious employment handicap who can pursue training in a school. This does not, however, prevent assigning a mobile disabled veteran to the first category.

c. **Category Three—Veteran With an Employment Handicap.** The third category comprises veterans who have an employment handicap, but who do not have a serious employment handicap.

7.05 TYPES AND LEVELS OF ASSISTANCE WHICH VA MAY PROVIDE

For the most severely disabled veterans, limitations to employability necessitate the choice of self-employment as a rehabilitation objective. Therefore, because their options are greatly limited, these veterans are entitled to an extraordinary degree of assistance. As the effects of disabilities lessen, options expand; consequently, the scope of special assistance narrows. A veteran with a serious employment handicap may receive much greater assistance than a veteran without a serious employment handicap. VA *must* furnish needed services and assistance to veterans who are most severely disabled (category one). In contrast, veterans who are not among the most severely disabled must meet certain restrictive conditions to receive this assistance. Thus, veterans with a serious employment handicap (category two) *may* receive the same types of services and assistance as most severely disabled veterans, but only after meeting an additional condition. Veterans with an employment handicap (category three), however, can only receive much reduced levels of self-employment services and assistance.

a. **Category One.** The VR&C Division may supply the following assistance and supplies to category one veterans as necessary to help these veterans successfully begin to operate their own businesses:

(1) Comprehensive training in the operation of a small business;

(2) Minimum stocks of materials such as an inventory of salable merchandise or goods, expendable items required for day-to-day operations, and items which are consumed on the premises;

(3) Essential equipment, including machinery, occupational fixtures, accessories, and appliances; and

(4) Incidental services such as business license fees.

b. **Category Two.** VA may furnish a category two veteran the same supplies and services as most severely disabled veterans. In contrast to category one veterans who receive these supplies and services *as necessary* to begin operation of the business, it must be shown that self-employment is the *soundest* method of achieving rehabilitation for veterans in the second category. This distinction results from the following rationale: In the case of the most severely disabled veteran, self-employment is the *only* feasible method of achieving rehabilitation; whereas, in the case of the category-two veteran, self-employment is the *better* choice among two or more alternatives.

c. **Category Three.** In a self-employment program, VA may provide a category three veteran the following assistance:

(1) Incidental training in the management of a small business;

(2) License or other fees required for employment and self-employment. This sort of assistance is most commonly associated with employment or self-employment in a skilled trade, such as an air conditioning mechanic; and

(3) The personal tools and supplies which the veteran would ordinarily require to begin employment. This sort of assistance is most commonly associated with skilled trade occupations, but may include electronic data processing equipment and related supplies if the veteran's situation meets the conditions in part III, chapter 6.

7.06 SUPPLIES AND RELATED ASSISTANCE WHICH VA MAY NOT AUTHORIZE

VA may not under any circumstances authorize assistance for any of the following:

a. Full or partial payment to purchase land or buildings;

b. Lease or rental payments;

c. Purchase or rentals of cars, trucks, or other vehicles; or

d. Stocking either a farm for animal husbandry operations or a fishery.

7.07 DISABLED VETERANS TRAINED FOR SELF-EMPLOYMENT UNDER A STATE REHABILITATION AGENCY

VA may furnish a service-disabled veteran who has trained for self-employment under a State rehabilitation agency supplemental equipment and initial stocks and supplies if he or she meets the requirements for self-employment for the most severely disabled veterans in 38 CFR 21.258(b) and the following conditions are met:

a. The veteran is eligible for VA-sponsored employment assistance;

b. An official of the State rehabilitation program with responsibility for administering self-employment programs certifies that:

(1) The veteran has successfully completed training for a self-employment program, and

(2) The assistance needed is not available through non-VA sources;

c. The State program's individualized written rehabilitation plan describes the VA assistance needed; and

d. The Director, Vocational Rehabilitation Service (282) approves the request.

CONTENTS

CHAPTER 8. VETERANS PREFERENCE AND AFFIRMATIVE ACTION PROGRAMS

PARAGRAPH PAGE

8.01 Introduction 8-1

a. Rationale 8-1
b. Importance of Networking 8-1
c. Reasonable Accommodation 8-1
d. Regulations and Other Directives 8-1

8.02 Veterans Preference in Federal Employment 8-1
a. Five-point Preference 8-2
b. Ten-point Preference 8-2
c. Other Veterans Preference Benefits 8-3
d. Applying for Federal Employment 8-3
e. Special VA Preferences 8-3

8.03 Veterans Readjustment Appointments 8-3

a. General Eligibility 8-3
b. Eligibility Restrictions and Time Limits for Appointment 8-3
c. Minimum Job Requirements 8-4
d. Appointment Authority and Grade Levels 8-4
e. Training Program 8-4
f. Excepted Appointment 8-4

8.04 Noncompetitive Appointments for 30 Percent (or More) Compensably Disabled Veterans 8-4

8.05 Unpaid Training or Work Experience 8-5

a. Authority 8-5
b. Need to Use Federal, State, or Local Agency 8-5
c. Training in Federal Agencies 8-5
d. Considerations of Federal Laws 8-5
e. Training in Other Public-sector Agencies 8-5
f. Determination on Use of Unpaid Public-sector Training 8-5
g. Development of Training Program 8-6
h. Benefits and Services 8-6
i. Participants Are Not Federal Employees 8-6
j. Limitations on Nonpay Training in State and Local Governments 8-7

8.06 Certification of Severely Handicapped Applicants 8-7

a. Authority 8-7
b. Certification 8-7
c. Steps Leading to Certification 8-7
d. Special Appointment Authority for the Mentally Restored 8-7

8.07 Work-study Allowance Program 8-8

8.08 Coordination with Public-sector Agencies 8-8

8.09 Veterans' Employment Emphasis Under Federal Contracts 8-8

8.10 Outreach Under the VA's On-job Training Program 8-8

8.11 Job Training Partnership Act 8-8

a. Responsibility of State and Local Governments 8-8
b. Services Furnished Under JTPA 8-9
c. Referrals for JTPA 8-9

8.12 Reemployment Rights 8-9

8.13 Affirmative Action 8-9

a. Responsibilities 8-9
b. Employment in VA 8-9
c. Other Federal Employment 8-10

8.14 Facilitating Employment in the Private Sector 8-10

8.15 Inservice Training 8-10

TABLE PAGE

8.01 Noncompetitive Appointing Authorities and Programs Designed or Modified Specifically for Applicants With Physical or Mental Disabilities 8-11

8.02 Employment of Paid and Unpaid Readers, Interpreters, and Personal Assistants 8-12

8.03 Documentation or Special Requirements for Appointment Authorities or Special Program for Persons With Severe Physical Disabilities, Service-disabled Veterans Rated 30 Percent or More, Mentally Restored Individuals, and Unpaid Work Experience for Disabled Veterans 8-13

8.04 Criteria for Determining Eligibility for Appointment of Severely Handicapped Individuals to Excepted Positions Under Schedule A, Title 5, U.S.C. 213.3102(u 8-14

APPENDIX PAGE

A FPM Letter 307-15, New Employment Benefits for Veterans 8A-1
B FPM Letter 307-16, Changes in VRA and Other Veterans' Employment Requirements 8B-1

CHAPTER 8. VETERANS PREFERENCE AND AFFIRMATIVE ACTION PROGRAMS

8.01 INTRODUCTION

a. **Rationale.** Preference in government employment has been granted to veterans who have served in defense of the nation. Military veterans have shown their loyalty and commitment to the government of the United States. In addition, and of special importance to disabled veterans, it is the policy of the United States that "No otherwise qualified individual with handicaps in the United States...shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or under any program or activity conducted by any Executive agency or by the United States Postal Service." (29 U.S.C. 794, section 504 of the Rehabilitation Act of 1973.)

b. **Importance of Networking.** This chapter describes the statutory and regulatory provisions which specially emphasize the employment needs of Vietnam era veterans, disabled veterans, and individuals with handicaps (including disabled veterans with severe disabilities) in the public and private sectors. These provisions can contribute little to the suitable employment of disabled veterans, however, without effective cooperation on behalf of the intended beneficiaries. Implementing these provisions is a governmentwide responsibility. Therefore, VR&C (Vocational Rehabilitation and Counseling) staff members should work closely with OPM (Office of Personnel Management), the station's and other Federal agencies' Selective Placement Coordinators, State rehabilitation agencies, the Job Service, and personnel specialists in non-Federal government agencies, educational institutions, and private employers. Table 8.01 contains guidelines and regulatory citations for the utilization of several special appointment authorities, including the noncompetitive appointment authority for veterans with service-connected disabilities VA has rated 30 percent or more, mentally restored individuals, and persons with severe physical handicaps.

c. **Reasonable Accommodation.** Central to the policy of nondiscrimination against people with handicaps is the concept of reasonable accommodation. A Federal agency must make reasonable accommodation to the known physical and mental limitations of a qualified handicapped applicant or employee unless the agency can demonstrate that accommodation would impose an undue hardship on its operations. Reasonable accommodation includes such actions as making facilities accessible to and usable by persons with disabilities, job restructuring, modified work schedules, acquisition or modification of equipment or devices, adjustment or modification of examinations, and provision of readers for blind persons, sign language interpreters for deaf persons, and personal assistants for otherwise handicapped persons. In determining what constitutes an undue hardship, an agency may consider the size and type of its program and the nature and the cost of the accommodation. Table 8.02 offers guidelines for the employment of readers, interpreters, and personal assistants in the Federal government.

d. **Regulations and Other Directives.** Although this chapter provides a summary of veterans preference and affirmative action benefits, VR&C staff members should refer to the appropriate chapters of the FPM (Federal Personnel Manual) and related documents for detailed, current directives on veterans preference, including VRA (Veterans' Readjustment Appointment) benefits, and other affirmative action programs. Of particular importance are the following FPM chapters:

(1) Chapter 211 on veteran's preference;

(2) Chapter 307 on VRA benefits; and

(3) Chapter 333 on recruitment and selection.

8.02 VETERANS PREFERENCE IN FEDERAL EMPLOYMENT

The Federal Government gives special employment consideration to qualified veterans of the armed forces (Army, Navy, Air Force, Marine Corps, and Coast Guard) seeking positions in the Federal government. Veterans preference opportunities can significantly assist a case manager in placing veterans in Federal government positions. Preference applies to civilian positions, permanent or temporary, in both the competitive service and the excepted service. Preference does not apply to the Senior Executive Service, positions in the Legislative and Judicial branches of the Federal government, or positions in certain exempted agencies, such as the Central Intelligence Agency. The basic reference for veterans preference in Federal hiring is FPM chapter 211, subchapters 1, 2 and 3. FPM chapter 333 also contains important and detailed information regarding recruitment and selection of veterans who qualify for preference. For the requirements on agencies and veterans in taking personnel actions involving veterans preference, VR&C Division staff members should refer to these FPM chapters. Each VR&C Division should also be aware of the contents of current FPM numbered letters—equivalent to VA circulars—which OPM uses to keep personnel offices up to date on

the most recent changes in the FPM. For example, FPM Letter 307-15 updated the FPM concerning veterans' preference for Desert Shield/Storm participants and also provided details on implementing Public Law 102-16. This FPM Letter 307-15 is reprinted as appendix A to this chapter. Staff members in the VR&C Division, and particularly case managers, should be thoroughly familiar with the entire range of preference benefits available under these FPM chapters. In some instances, a qualified veteran's dependents may also receive these employment benefits. These benefits include, but are not limited to the following:

a. **Five-point Preference.** Five points are added to passing scores on Federal government employment applications from veterans who served on active duty if they were discharged under honorable conditions (an amnesty or clemency discharge does *not* meet this requirement) and served under at least one of the following sets of circumstances:

(1) The individual served during any period of war as defined in 38 U.S.C. 101(11), including the Korean Conflict and the Vietnam era.

(2) The individual served during the period beginning April 28, 1952, and ending July 1, 1955.

(3) The individual served for more than 180 consecutive days, any part of which occurred between February 1, 1955, and October 14, 1976. Initial active duty for training under the 6-month Reserve or National Guard programs in force during this period does *not* earn veterans preference.

(4) An individual who entered on active duty between October 15, 1976, and September 7, 1980, is not eligible for veterans preference unless he or she is disabled under 5 U.S.C. 2108 or served in a war, campaign, or expedition for which a campaign badge has been authorized, for example, Lebanon, Grenada, or Southwest Asia. The full list of authorized campaigns and expeditions appears in FPM Supplement 296-33, subchapter 7.

(5) Anyone who enlisted after September 7, 1980, or entered onto active duty on or after October 14, 1982, must meet an additional condition beyond the requirements stated in subparagraph (4) above: He or she must have served continuously for 24 months or for the full period of time for which called or ordered to active duty.)

NOTE: Post-1980 enlistees who incurred a disability which VA determines is compensable are exempt from the restrictions in subparagraphs (4) and (5). Similarly, a person is exempt if he or she is discharged or released from active duty either for a disability incurred or aggravated in the line of duty or under 10 U.S.C. 1171 or 1173 for hardship or other reasons. Under section 307 of Public Law 95-454, retired members of the armed forces above the rank of major or lieutenant commander are no longer considered preference eligibles as of October 1, 1980, unless they are disabled veterans.

b. **Ten-point Preference.** Every disabled veteran is entitled to the addition of ten points to a passing score on an application. In addition, these 10-point preference veterans are placed at the top of Civil Service registers. "Disabled veteran," for this purpose, means "a person who was separated under honorable conditions from active duty in the armed forces performed at any time and who either has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by VA or a military department." (FPM 211, subchapter 2, paragraph 2-1(6)). Any veteran who received a Purple Heart medal is also entitled to 10-point preference.

(1) **Distinction for Active Duty Disability.** There exists a distinction in this area between disabled veterans who served on active duty and disabled veterans who did not serve on active duty. FPM defines active duty as "full-time duty with military pay and allowances in the armed forces, except for training or for determining physical fitness, and except for service in the Reserves or National Guards." A footnote to paragraph 2-5 of subchapter 2 of FPM 211 states: "An individual who is disabled while undergoing training with a military reserve unit is not considered to be a disabled veteran and is not entitled to preference."

(2) **Categories of 10-point Preference.** Hiring offices of the Federal government must also distinguish between a 10-point preference based on the existence of a disability (termed a "disability preference") and a ten-point preference based on a service-connected disability rated at 10 percent or more (termed a "compensable disability preference"). On the SF-171, Application for Federal Employment, a 10-point preference eligible veteran must also indicate whether he or she has a disability of 30 percent or more. This 30-percent indication is to establish eligibility for noncompetitive appointment (paragraph 8.04). It does not add additional points to the veterans preference total.

NOTE: A veteran cannot claim both a 5-point and a 10-point preference.

c. **Other Veterans Preference Benefits.** In addition to 5-point and 10-point preferences, veterans preference benefits include the following:

(1) Restriction of competition to veterans preference eligibles in certain examinations as long as enough eligibles are available;

(2) Strict limitations on the selection of a nonpreference eligible when a preference eligible is available;

(3) Provision for veterans to reopen examinations under certain time limitations;

(4) Credit of time spent on active military duty to the length of time spent working in Federal service;

(5) Waiver of physical job requirements under certain conditions;

(6) Special provisions in layoff situations; and

(7) Job reinstatement rights.

d. **Applying for Federal Employment.** Standard Form 171, Application for Federal Employment, is a complex, 4-page form which many applicants incorrectly or poorly complete. Applicants must closely follow the directions on the form and complete all applicable blanks. Item 24, Work Experience, is the most important part of the form and usually presents the most problems. Case managers should find a useful, authoritative guide to completing the SF-171 and assist disabled veterans to use that guide to complete an effective application.

e. **Special VA Preferences.** Under 38 U.S.C. 4214(g), the Secretary of Veterans Affairs may accord preference to qualified special disabled veterans and qualified veterans of the Vietnam era for employment in VA as veterans benefits counselors, veterans claims examiners, veterans representatives at educational institutions, and counselors in readjustment centers. Special disabled identifies "a veteran who is entitled to compensation...for a disability (i) rated at 30 percent or more, or (ii) rated at 10 or 20 percent...who has been determined...to have a serious employment handicap; or...was discharged or released from active duty because of a service-connected disability." (38 U.S.C. 4211(1)) The procedures for assisting veterans in securing appointments are in FPM, chapter 307; MP-5, part I, chapter 307; and FPM, chapters 315 and 316.

8.03 VETERANS READJUSTMENT APPOINTMENTS

a. **General Eligibility.** Under section 4214 of Title 38, U.S.C., compensably service-disabled Vietnam era veterans, Vietnam-era veterans who served in a campaign for which a campaign or expeditionary medal or badge has been authorized, and post-Vietnam-era veterans may receive VRA benefits. Oversight of the VRA program is given to OPM. OPM publishes the regulations and other implementing instructions for VRA as chapter 307 of the FPM and in related FPM bulletins and letters. Effective March 23, 1991, there are no limitations on the educational experience of a VRA applicant.

b. **Eligibility Restrictions and Time Limits for Appointment**

(1) **Vietnam-era Veterans**

(a) **Restrictions.** Vietnam-era veterans must meet the definition of "veteran" in 38 U.S.C. 4211; that is, they must have served on active duty for more than 180 days and have been discharged with other than a dishonorable discharge. *In addition*, they must have a compensable service-connected disability rated at 10 percent or more, have been discharged for a service-connected disability, *or* for service during the Vietnam era only have served in Vietnam or another campaign of the Vietnam era for which a campaign or expeditionary badge or medal is authorized. Thus a service-connected disability rated as 0 percent does not qualify Vietnam era veterans for VRA. (See app. B below for FPM Letter 307-16 detailing the additional requirements for Vietnam era veterans which became effective October 10, 1991, and the proofs necessary to establish entitlement based upon authorization of the Southwest Asia Service Medal.)

NOTE: Continued service after the Vietnam era does not except a Vietnam era veteran from needing to meet these additional requirements.

(b) **Time Limits.** Vietnam-era veterans are eligible for a VRA appointment during the period ending 10 years after the date of the veteran's last discharge or release from active duty *or* until December 31, 1993, whichever is later. (See subpar. (3) below for disabled veterans with at least a 30 percent disability rating.)

(2) **Post-Vietnam-era Veterans**

(a) **Restrictions.** Post-Vietnam-era veterans are veterans who *first* entered active duty after May 7, 1975. To be eligible, these veterans must meet the definition of "veteran" in 38 U.S.C. 4211. (See also subpar. (1) above.)

(b) **Limitations on 180-day Requirement.** The 180-day service requirement does not apply to veterans separated from active duty for a service-connected disability or reserve and guard members who served on active duty under 10 U.S.C. 672(a), (g), or (d), 673, or 673b during a period of war (including the Persian Gulf War) or in a military operation for which a campaign or expeditionary medal is authorized. (See app. B for further details of these special considerations for reservists and guard members.)

(c) **Time Limits.** A post-Vietnam-era veteran is eligible for a VRA within the 10-year period after the veteran's last discharge or release from active duty or December 17, 1999, whichever is later. (See subpar. (3) below for disabled veterans with at least a 30 percent disability rating.)

(3) **Veterans With a 30-percent Service-connected Disability.** Disabled veterans who are 30 percent or more disabled have no time limits on their VRA eligibility.

c. **Minimum Job Requirements.** Veterans must meet only the minimum requirements for jobs through grade 11. An agency may waive the requirement for taking a written test.

d. **Appointment Authority and Grade Levels.** The authority for appointing an eligible veteran under a VRA is in 5 CFR 307.103. The maximum grade to which an agency may appoint an eligible veteran is GS 11, WG 11, or the equivalent. Effective March 23, 1991, there is no longer any grade level distinction based on the period of military service.

e. **Training Program.** Except for veterans with 15 or more years of education, the veteran and the employing agency must work out a training and educational program designed around the veteran's abilities and interests, the agency's needs, and the training or educational facilities available in the area. VR&C staff members may assist in developing a suitable educational plan for veterans eligible for chapter 31 services. VR&C staff members should coordinate developing these plans with the veteran and agency personnel involved in VRA placement.

NOTE: VR&C staff members may offer these counseling and planning services to all veterans entitled to VRA placement.

f. **Excepted Appointment.** The VRA is an excepted appointment. While in a VRA, disabled veterans will be in tenure group II. After 2 years of satisfactory performance on the job and in participation in the agreed educational or training program, the agency must convert the veteran's appointment to career or career-conditional or separate the veteran from Federal service.

8.04 NONCOMPETITIVE APPOINTMENTS FOR 30 PERCENT (OR MORE) COMPENSABLY DISABLED VETERANS

Under 5 U.S.C. 3112, a disabled veteran with a compensable service-connected disability of 30 percent or more may receive a noncompetitive appointment in a Federal agency if the veteran meets the job qualification standards. This appointment may lead to conversion to career or career-conditional employment. A key point to note is the authority to convert from a temporary appointment to permanent status after a relatively brief period of temporary employment. If the hiring agency does not convert a temporary appointment within the first 6 months, however, the appointee must wait until a total of 36 months has elapsed before another opportunity to convert occurs. Procedures for these appointments and conversion to permanent status are in FPM, chapter 316. It is often necessary to advise hiring officials and personnel specialists of the location of these guidelines to promote use of the special hiring authority. See table 8.03 for documentation and special requirements for noncompetitive appointments for 30 percent or more service-disabled veterans, persons with severe physical handicaps, mentally restored individuals, and disabled veterans who have successfully completed a Federal unpaid or nominally paid work experience.

8.05 UNPAID TRAINING OR WORK EXPERIENCE

a. **Authority.** Under 38 U.S.C. 3115, VA may use the facilities of any Federal agency (including VA) for training or work experience as a part or all of a chapter 31 program either without pay or for nominal pay. This unpaid training or work experience authority is in addition to VRA and the 30 percent or more service-connected disability noncompetitive hiring authority.

b. **Need to Use Federal, State, or Local Agency.** VA must first determine that this Federal agency training or work experience is necessary to achieve the goals of the veteran's IWRP or IEAP. Similarly, the VR&C Division may also use the facilities of any State or local government agency receiving Federal financial assistance. This includes facilities of State, county, city, and town governments, as well as the facilities of multigovernment agencies, such as regional transportation authorities and water and sewerage authorities.

c. **Training in Federal Agencies.** Following training in a Federal agency, veterans may receive a noncompetitive appointment to a vacancy for which the training has qualified them. Placement must be in the agency in which the veteran is training unless the veteran has agreed to other arrangements.

(1) **Placement Agreement in IWRP or IEAP.** The IWRP or IEAP must state that upon satisfactory completion of unpaid on-job training either the individual will be placed in the position in which he or she is training or the individual understands that a job is not available at the agency where the training takes place, but that placement in a similar position at another agency is reasonably likely. Because work experience enhances the veteran's general ability to secure employment in either the public or private sector, there is no requirement for the IWRP or IEAP to contain this agreement.

(2) **Completion Statement/Certificate.** According to FPM 315, appendix B-5, the VR&C Division and the training agency are to jointly issue the veteran a statement of completion following a successful training or work experience. Any Federal agency can hire the veteran within 1 year of the date of the completion certificate.

(3) **First Appointment Status and Conversion.** As with other noncompetitive appointments, the veteran's first appointment is classed as special tenure. This appointment may be converted to career or career-conditional within 6 months or at the end of 36 months. (38 CFR 21.299.) (See table 8.03.)

d. **Considerations of Federal Laws.** The VR&C Division may authorize unpaid training or work experience without regard to the compensation requirements of the Fair Labor Standards Act or the prohibition in 31 U.S.C. 665(b) against Federal agencies' acceptance of voluntary services. For veterans at Federal facilities, this training or work experience is considered Federal employment only for the employees' job-related disability protections under chapter 81 of title 5 U.S.C., but not for any other purposes of laws which OPM administers.

e. **Training in Other Public-sector Agencies.** VR&C staff members may secure use of non-Federal public-sector facilities to train disabled veterans by means of contracts, agreements, or other cooperative arrangements. Since Federal law allows use of noncompetitive hiring authorities for disabled veterans below the Federal level, VR&C Divisions should work with State and local government agencies to develop hiring authorities and training and employment opportunities which parallel the Federal practice.

f. **Determination on Use of Unpaid Public-sector Training.** The CP and the VRS will collaborate to prepare a determination as to the need for training on a nonpay or nominally paid basis in a public agency. This training may be all or part of a veteran's program of rehabilitation. This determination will be based on an analysis of the veteran's needs as indicated by his or her disability, education and work experience, employment goal, and other pertinent factors in relation to available training resources and the requirements for restoration of employability. For example, unpaid training in a public agency may be indicated under the following circumstances:

(1) Training in a work setting will best meet the veteran's needs, but because of the veteran's condition or other reasons, it is not feasible to develop suitable on-job training either with a private employer or on a competitive basis in a public agency.

(2) The veteran needs a period of work experience during or subsequent to a program of institutional training either for transitional or adjustment purposes or as an essential element to establish employability in the selected vocational objective in the public or private sector. In FPM 315, appendix B-4, OPM indicates that 1 month of "intensive, carefully-planned" training may substitute for 2 months of experience in determining that an individual meets the qualification requirements of a particular position.

(3) It is in the veteran's special interest to train in a public agency because his or her goal is a career in government service. Successful completion of the training or work experience should place the veteran in a uniquely advantageous position for entry into public service because the training is directly related to position qualification requirements. When a veteran trains in a non-Federal agency, VR&C staff members should take care to confirm the extent to which position qualification requirements can transfer from one jurisdiction or level of government to another. For example, a veteran should not train at a county agency as an equipment operator, only to find out later that his or her training and experience does not meet the qualification standards for an equipment operator in a State agency.

g. **Development of Training Program.** The development of the training program with the public agency is the responsibility of the VRS case manager. The policies and procedures for development and supervision of on-job training programs generally apply.

(1) **Authority for Training Plans.** There are two plans under which Federal agencies may train disabled veterans on the job under 38 U.S.C. chapter 31 authority: plans 1 and 2, as explained in FPM, chapter 315, appendix B. Chapter 31 unpaid or nominally paid trainees (plan 2) will not replace or be used in lieu of regular employees for whom funds and a personnel ceiling have been provided.

(2) **Agreements With Agencies.** The VRS will develop agreements with agencies to establish the conditions for training on a nonpay basis. These agreements will show that the veteran is not an employee under the law. An attachment to the agreement will outline the training program.

(3) **Monthly Reporting Requirements.** The agency will make monthly reports of training on VA Form 20-1905c, Monthly Record of Training and Wages. If the trainee does not receive wages, the agency will enter "None" in item 5A and will check "Other" and enter "Nonpay status" in item 6. Training programs with non-Federal agencies should follow this same process. Further detailed instructions are in part III, paragraph 2.02(c)(4) and (5).

h. **Benefits and Services.** Veterans in on-job training or work experience on an unpaid or nominally paid basis receive the same VA benefits and services as other disabled veterans training under chapter 31. The case manager will also authorize supplies in the same manner as for on-job trainees.

(1) **Subsistence Allowance.** For unpaid or nominally paid on-job training or work experience in a Federal, State, or local government agency, the trainee will receive the institutional rate throughout the period of training, as specified by law.

(2) **Training Time**

(a) **OJT.** On-job training may be combined with institutional training, but a veteran's OJT portion of the program must always be full time.

(b) **Work Experience.** In contrast with OJT, a veteran may undertake work experience in a Federal, State, or local agency on a full-time, three-quarter-time, or half-time basis, with subsistence allowance commensurate with training time. This work experience may also be combined with institution training, thereby possibly increasing the rate of subsistence allowance due the veteran.

(c) **Work Experience on a Less-than-half-time Basis.** VR&C staff members may authorize work experience on a less than half-time basis only under 38 CFR 21.314. That is, pursuit at less than half-time must be part of the veteran's plan. Additionally, a veteran cannot receive subsistence allowance if he or she is pursuing rehabilitation on a less than half-time basis.

(3) **Supervision.** Frequency of VA supervision of veterans in unpaid or nominally paid OJT and work experience will be not less than the frequency prescribed for other chapter 31 on-job training.

i. **Participants Are Not Federal Employees.** In the Federal government, veterans in on-job training or work experience on a nonpay basis are not considered employees for OPM purposes and do not receive leave or other employee benefits, with one exception: They are eligible for disability compensation under the Federal Employees Compensation Act. As with other trainees under chapter 31, they are eligible under 38 U.S.C. 1151 for additional disability compensation if they suffer injury during the course of rehabilitation which results in additional disability. Similarly, if the veteran dies as a result of injury on the job, his or her

dependents are eligible for survivors' benefits as if the death were service-connected. VR&C staff members must negotiate the terms of agreements with non-Federal agencies, but these agreements should contain these protections.

j. **Limitations on Nonpay Training in State and Local Governments.** Veterans in State and local government nonpay or work experience programs may not

(1) Work in positions involving political or religious activity, or

(2) Replace a current employee.

8.06 CERTIFICATION OF SEVERELY HANDICAPPED APPLICANTS

a. **Authority.** Under OPM regulations and procedures (FPM, chapter 306, subchapter 3), severely handicapped persons, including disabled veterans, may be appointed to a Federal job on either a temporary trial appointment (700-hour) or a Schedule A (excepted) appointment. Schedule A appointments (but not 700-hour appointments) are based on written certification by a VA CP or a State rehabilitation counselor that the applicant has the qualifications and abilities required to perform the duties of the job. Prior OPM approval is not required for a disabled individual to receive an excepted appointment. By OPM determination, this special procedure applies to "People with physical impairments which are sufficiently severe that they qualify medically for an excepted appointment under Section 213.3102(u) of Schedule A (of Title 5, U.S.C.) whether or not this authority is used." (FPM, ch. 306, subch. 4, paragraph 41b.) See table 8.04.

b. **Certification.** Under the special certification procedure, the CP evaluates the ability of the handicapped person to meet the requirements of a particular job and work situation. This individual certification is based on a systematic analysis of both the job and the veteran's qualifications and limitations. In this analysis, the CP establishes the veteran's ability to perform the duties of the position even though the veteran's disability may have prevented him or her from gaining all of the appropriate training or experience which the position requires.

c. **Steps Leading to Certification.** To certify an individual for appointment as a severely handicapped person, the CP must first complete a number of steps:

(1) Determine that the person is severely handicapped and the handicap constitutes a serious hindrance to securing employment;

(2) Evaluate the individual's specific job skills, capabilities, physical capacities, and limitations;

(3) Determine the requirements of the job through close cooperation with the prospective employer and on-site observation and will include consideration, as necessary, of possible adaptations and modifications of the job tasks and the worksite.);

(4) Determine, based on evaluation of the handicapped individual's skills, abilities, physical capacities, and limitations in relation to the specific job requirements, that the applicant can meet the job requirements;

(5) When the criteria for appointment as a severely handicapped person under either the trial appointment or excepted appointment procedures are met, and there is agreement with the employer, prepare VA Form 2157, Certification of Employability; and

(6) Document in a narrative statement the individual's ability to do the job, recommending any needed job task modifications or worksite modifications, and discussing the applicant's limitations or other work-relevant factors. If the certification is for an excepted appointment, the CP will furnish copies of these documents and a report of a current medical examination to the personnel officer of the employing activity for forwarding to OPM for prior approval.

d. **Special Appointment Authority for the Mentally Restored.** An individual who has been mentally restored may be appointed to a position noncompetitively under Schedule B, section 213.3202(K) of Title 5, U.S.C. This excepted appointment authority was developed to offer mentally restored persons an ample opportunity to establish a successful performance record to counteract prejudice on the part of employers. To be eligible for appointment as a mentally restored individual, the person must be at a severe disadvantage in obtaining employment because he or she has a psychiatric disability evidenced by hospitalization or outpatient treatment. The disability must also have caused a significant period of substantially disrupted employment. Finally, a

State vocational rehabilitation counselor or a VA psychologist or psychiatrist must certify the person for a specific position. See tables 8.01 and 8.03.

8.07 WORK-STUDY ALLOWANCE PROGRAM

Veterans attending school three-quarter time or more can work for VA up to 1300 hours per year. For this work, veterans receive either the Federal or State minimum wage, whichever is *higher*. Generally, veterans must work in VA facilities. If the veteran is performing outreach services or is preparing or processing VA forms, however, he or she may work in a non-VA facility. For example, a work-study might call veterans to inform them of available VA benefits. A work-study might also assist a Disabled Transition Assistance Program CP in collecting and forwarding claims for benefits and in answering calls and taking messages in an outbased location. A VA employee must directly supervise these outreach activities. The Work-study Allowance Program allows veterans to gain experience working in fields related to their training programs. For example, a veteran training to become an accountant might work in a VA Finance activity to perform his or her work-study obligation. Whenever possible, work-study assignments should be made with the intent of improving the veteran's employability in his or her occupational goal. (38 CFR 21.272)

8.08 COORDINATION WITH PUBLIC-SECTOR AGENCIES

Although ample authority exists to place veterans in Federal civil service jobs or training positions (38 U.S.C. 3115 and 5 CFR 315.604), this authority alone is of little value without a useful degree of communication and cooperation with OPM and other Federal agencies. Similarly, the VR&C Division's authority to utilize the facilities of non-Federal government agencies requires interaction with these agencies. The VR&C Officer is responsible for assuring open communication and close cooperation with other agencies. VR&C staff members should personally know the Veterans Employment Counselor in OPM's area office, the Veterans Employment Coordinator or Selective Placement Specialist in the Federal agencies within the area, and their counterparts in other public-sector agencies. Periodic contacts with these individuals and others responsible for employment and placement in potential host agencies are highly recommended as a means of promoting these programs as well as other special employment opportunities for veterans.

8.09 VETERANS' EMPLOYMENT EMPHASIS UNDER FEDERAL CONTRACTS

Under 38 U.S.C. 4212, contractors and subcontractors with Federal or Federally assisted contracts of $10,000 or more must list with the State employment service local office any new job openings that current employees will not fill. The State employment service must then refer veterans to these jobs on a priority basis. The contractor must also take affirmative action in hiring and promoting qualified special disabled veterans and veterans of the Vietnam era. (See 38 U.S.C. 4211 for definition of "special disabled veteran.") The OFCCP (Office of Federal Contract Compliance Programs), a component of the Department of Labor, investigates complaints and takes appropriate action in situations where there is evidence of noncompliance. The national VA-DOL agreement describes the responsibilities of VA, VETS (Veterans' Employment and Training Service), SESA (State Employment Security Agency), and local OFCCP in implementing 38 U.S.C. 4212. The statewide agreement or related document should contain specific directives to implement the provisions of the national agreement.

8.10 OUTREACH UNDER THE VA'S ON-JOB TRAINING PROGRAM

Close coordination with DVOPs and other SESA personnel will minimize duplication in outreach to employers for job development and placement purposes, the development and maintenance of affirmative action programs, and monitoring employer compliance with reasonable accommodation obligations.

8.11 JOB TRAINING PARTNERSHIP ACT

a. **Responsibility of State and Local Governments.** The JTPA (Job Training Partnership Act) transferred to State and local governments many responsibilities which the Federal Government formerly conducted. To meet local market conditions, State and local governments now have considerable flexibility in designing training programs. State and local governments gain this flexibility through PICs (Private Industry Councils), composed of appointed representatives from business, labor, and State and local governments.

b. **Services Furnished Under JTPA.** The Federal-State JTPA program offers job training to unemployed, economically disadvantaged youths and adults, including veterans. Generally, veterans must meet the same eligibility criteria as other applicants. Job Service staff members will assist veterans in determining eligibility for available training. This training may include OJT, vocational education, classroom instruction, or any combination of these activities. Trainees may receive income support on an as needed basis. The availability of training programs may vary from time to time depending upon the funding available through the PICs.

c. **Referrals for JTPA.** To explore training opportunities under JTPA, VR&C staff members should contact the designated liaison person or Local Veterans' Employment Representative. VR&C staff members will refer veterans under the personalized referral provisions in the national VA/DOL agreement.

8.12 REEMPLOYMENT RIGHTS

Veterans, reservists, and members of the National Guard are entitled to certain reemployment and other rights, including protection against discharge from employment because of membership in reserve components of the Armed Forces or training duty obligations. Note that many current reservists and National Guard members are also veterans entitled to VA services and benefits based upon prior active service. Under 38 U.S.C. 4325, OVRR (Office of Veterans' Reemployment Rights), a component of the Department of Labor's Office of the Assistant Secretary for Veterans' Employment and Training, assists persons who are seeking reinstatement in their former positions. OVRR also assists veterans and employers by investigating complaints and attempting to resolve problems. The statewide agreement between VA and DOL should describe how the two agencies will coordinate the dissemination of information regarding veterans reemployment rights to veterans and employers.

8.13 AFFIRMATIVE ACTION

a. **Responsibilities.** The VR&C Division has specific responsibilities in helping to implement affirmative action in VA. These responsibilities derive from two major affirmative action activities:

(1) The Disabled Veterans Affirmative Action Plan, for which OPM has administrative responsibility, and

(2) The Comprehensive Affirmative Action Program for People With Disabilities, for which EEOC (Equal Employment Opportunity Commission) has administrative responsibility. Descriptions of these two programs are in VA Manual MP-7, part I, chapter 2, sections D and E respectively. Under section 501 of Public Law 93-112, the Rehabilitation Act of 1973, and section 403 of Public Law 93-508, the Vietnam Era Veterans Readjustment Assistance Act of 1974, VA's affirmative action responsibilities encompass employment in Federal agencies as well as employment by private employers who hold certain Federal contracts and by the subcontractors of these contract employers. VR&C staff members should be thoroughly familiar with VA affirmative action activities.

b. **Employment in VA.** Policies and procedures for establishing and maintaining a comprehensive, systematic selective placement program to provide increased and improved VA employment and career development opportunities for handicapped persons are set forth in VA Manual MP-5, part I, chapter 306, and in the VA affirmative action program plans which subparagraph a above describes. Overall responsibility for carrying out these policies and procedures in each station rests with the station Director. The Personnel Officer, who is designated as coordinator for selective placement of people with disabilities, has primary staff responsibility. The VR&C Officer or designee will actively participate with the Personnel Officer and coordinators at other VA facilities and other Federal agencies in the same geographical area. These responsible individuals will develop job opportunities within VA for disabled veterans for whom the VR&C Division has placement assistance responsibility; they will furnish specialized support and technical assistance to increase placement opportunities for handicapped veterans and nonveterans in VA; and they will help ensure the optimum utilization and adjustment of disabled veterans as employees. The VR&C Officer, with the assistance of CPs and VRSs, as appropriate, will participate in the overall station program as follows:

(1) He or she will serve on the station committee on employees with disabilities; and

(2) He or she will serve as consultant to the station coordinator and as a resource person in the following areas:

(a) Effecting proper placement of individual handicapped applicants,

(b) Analyzing the physical and other requirements of positions with a view to determining the suitability of the positions for handicapped persons,

(c) Modifying worksites and environment and restructuring job tasks to bring jobs within the capabilities of handicapped persons,

(d) Resolving problems of job adjustment related to disability,

(e) Planning career development for individual disabled veterans and other handicapped employees,

(f) Orienting supervisors and coworkers of handicapped employees, and

(g) Certifying severely handicapped applicants for appointment.

c. **Other Federal Employment.** Federal employment, especially under an expanded and strengthened program of affirmative action, represents an important placement resource for disabled veterans and other persons with handicaps. VR&C staff members need to aggressively develop and use this resource in discharging their responsibilities in the placement of disabled veterans.

(1) **Direct Contact With Agency Placement Coordinators.** One of the most effective ways of developing job opportunities is through direct contact with the coordinators for selective placement of the handicapped in the various Federal agencies. VR&C staff members can generally obtain the name and telephone number of the coordinator at each Federal agency by contacting the area OPM office. Often the duty of selective placement coordinator rotates among various staff members in an agency's personnel offices. In this case, OPM may not have the name and phone number of the selective placement coordinator. Normally, VR&C staff members can establish liaison by contacting the personnel office and asking for the selective placement coordinator. The VR&C Officer should initiate and maintain an active relationship with these coordinators, as well as with local OPM staff members, to locate employment possibilities for disabled veterans. These possibilities may include openings to which agencies may appoint severely disabled veterans based on a CP's special certification. As necessary, VR&C staff members will visit work places to observe job functions and working conditions.

(2) **Requests From Agency Coordinators.** The VR&C Officer will also be responsive to requests from agency coordinators to evaluate the qualifications of severely handicapped veterans under consideration as applicants under special appointment procedures. If appropriate, a CP will complete the special certification procedures (see par. 8.06).

8.14 FACILITATING EMPLOYMENT IN THE PRIVATE SECTOR

Private employers who contract with the Federal Government must offer employment and job advancement opportunities to disabled veterans and other handicapped persons. Many employers seek guidance in meeting the requirements of the law and VR&C staff members should work closely with these employers. This help should include general orientations about VA on-job training and other programs and services as well as what selective placement can accomplish. Then VR&C staff members should assist in identifying and analyzing specific jobs and job training situations for placement of disabled veterans and in making job and worksite modifications to accommodate handicapped workers. Having identified a particular job, VR&C staff members should refer veterans whom VA counseling has determined qualified for placement in the job. Following placement, CPs and VRSs should offer help in resolving any job adjustment or work problems that may arise. The VA/DOL statewide agreement should describe the overall coordination with the liaison in the OFCCP (see also par. 8.09).

8.15 INSERVICE TRAINING

The VR&C Officer in each regional office will hold inservice training sessions on policies and procedures which CPs and VRSs need to follow in implementing an intensive affirmative action program. Pertinent basic materials include sections 501 and 503 of Public Law 93-112; 38 U.S.C. 4212 and 4214; VA Manual MP-5, part I, chapter 306; FPM, chapter 306; and both VA affirmative action program plans for employment of disabled veterans and handicapped individuals. The VR&C Officer should invite to these training sessions VA field station coordinators and other staff members concerned with placing the handicapped. When discussing cooperative action with outside agencies, the VR&C Officer should also extend invitations to coordinators in those agencies; e.g., State vocational rehabilitation agency counselors and State Employment Security Agency selective placement counselors.

Appointment	Eligibility	Requires Prior OPM Approval	Certification by State VR or VA Required	Leads to Non-Competitive Conversion to Competitive Service	Length of Appointment	Reference FPM Guidance
Schedule A, 5 CFR 213.3102(u)	Severely physically disabled applicants	No	Yes, if direct appointment or if 700-hour and X-118 standards are not used No, if 700-hour temporary appointment and X-118 standards are used	Yes, upon successful completion of 2 years in permanent position	Permanent (full-time, part-time, or intermittent)	FPM 306, Subchapter 4; FPM 296-33 for processing
5 CFR 316.402(a)	Severely physically handicapped applicants Mentally restored applicants	No	Yes, if X-118 standards are not applied No, if X-118 standards are applied	No	Temporary NTE (not to exceed) 700 hours	FPM 306, Subchapters 4, 6; FPM 296-33 for processing; FPM 316-4-6(e)
Temporary 5 CFR 316.402-B-(5)	Veterans with 30% or more disability ratings from VA	No	Disability rating from VA required or from the military department	May result in conversion. Section 315.707	Temporary other than 30 days	FPM Ltr 30027; FPM 315; FPM 316; FPM 296-33 for processing
Schedule B, 5 CFR 213.3202(k)	Mentally restored persons	Yes	Yes	No	Temporary NTE 2 years (including time served under 700-hour appointment)	FPM 306, Subch. 6; FPM 296-33 for processing

Table 8.01. Noncompetitive Appointing Authorities and Programs Designed or Modified Specifically for Applicants With Physical or Mental Disabilities

Employment Status	Pay	Authority	Conditions of Employment
Competitive employees	GS or WG	Section 3102(c) of title 5 U.S.C. authorizes agency heads to assign current employees to provide personal assistance, reading, and interpreting services as may be necessary to enable their handicapped employees to perform their work.	Personal assistance, reading, and interpreting services performed by current employees on a part time or "as required" basis can be classified under "other duties as assigned." These employees remain in competitive service even if they are reclassified as readers, interpreters, or personal assistants. Assistant to the handicapped incumbent of a sensitive position is subject to security clearance (see FPM chapter 736).
Excepted service employees (appointed under Schedule A, 213.3102(11))	GS or WG	Section 3102(c) of title 5 U.S.C. authorizes agency heads to employ personal assistants, readers, and interpreters subject to section 209 of title 18 and to provisions of this title governing appointment and chapter 51 and subchapter III of chapter 53 of this title governing classification and pay.	The prime function of the position is to provide reading, interpreting, or personal assistance, however, other duties may be assigned on an "as needed" basis. Positions may be filled on a full-time, part-time, or intermittent basis. Assistant to the handicapped incumbent of a sensitive position is subject to security clearance (see FPM chapter 736).
Personal assistant, including readers and interpreters serving without pay from the agencies	Volunteer or paid by the handicapped employee or a nonprofit organization or State rehabilitation agency	Section 3102(b)(1) of title 5, U.S.C. provides agencies with the authority to employ without pay personal assistants, as well as readers and interpreters, for their handicapped employees, without regard to civil service classification laws. These individuals shall be considered employees only for purposes of compensation for injuries under chapter 81 of title 5, U.S.C. and are covered by sections 2671 through 2680 of title 28 relating to tort claims.	These individuals may perform no other official duties. Short term appointments may be processed on Standard Form 50-A. Substantially full-time service becomes creditable for retirement if the assistant is subsequently appointed to a position subject to chapter 83 of title 5, U.S.C. Assistant to the handicapped incumbent of a sensitive position is subject to security clearance (see FPM chapter 736).

Table 8.02. Employment of Paid and Unpaid Readers, Interpreters, and Personal Assistants

Physically Handicapped	Disabled Veterans	Mentally Restored	Unpaid Work Experience Disabled Veterans
Schedule A, 5 CFR 213.3102(u)	**Temporary 5 CFR 316.402(b)(5)**	**Schedule B, 5 CFR 213.3202(k)**	**No Appointing Authority**
INITIAL APPOINTMENT	1. Notice of compensable disability rating (30% or more from VA, dated within the preceding year or 2. Notice of retirement or discharge from active military service with a disability rating of 30% or more, dated at any time. (Note: This documentation is required for *both* initial temporary appointment and conversion to competitive service *unless* conversion is made within 1 year after qualifying temporary appointment.)	1. Certification from State vocational rehabilitation counselor or VA counseling psychologist 2. Position Description 3. Standard Form 171 4. Memorandum to OPM requesting approval	Plan 1
1. Position Description; 2. Standard Form 171; 3. Certification and narrative (see FPM chapter 306); and 4. Medical statement documenting the degree of impairment.			1. Written agreement between host agency and VA; and 2. Approval by OPM if training would change qualification standards of target position.
CONVERSION FROM 316.402(a) TO 213.3102(u)		SPECIAL REQUIREMENT	Plan 2: Service-Connected Disabled Veterans Only
Documentation as above plus: 1. Brief statement of satisfactory performance from supervisor; 2. Brief statement of how job accommodates disability; and 3. Reasons for approval or disapproval of appointment.		1. All appointments other than for a 700-hour temporary appointment must be approved by OPM (FPM 316.706(e)). Requests outside the metropolitan D.C. area should be sent to the appropriate OPM regional office. Request for appointment within the metropolitan D.C. area should be forwarded to the Director, Selective Placement Programs; 1900 E St., NW; Washington, DC 20415.	1. Written agreement between host agency and VA; and 2. Approval from OPM if training would modify qualification standards of target position or if training leads to noncompetitive conversion into a position.
DIRECT APPOINTMENT			
1. Position Description; 2. Standard Form 171 3. Certification and narrative; 4. Statement of how job accommodates disability; and 5. Reasons for approval or disapproval of appointment.			

Table 8.03 Documentation or Special Requirements for Appointment Authorities or Special Program for Persons With Severe Physical Disabilities, Service-disabled Veterans Rated 30 Percent or More, Mentally Restored Individuals, and Unpaid Work Experience for Disabled Veterans

Veterans With These Conditions May Be Eligible Based on Less Severe Disability in Conjunction With Other Placement Considerations					
Sight	**Hearing**	**Speaking**	**Motor Skills**	**Emotional**	**Other**
Corrected vision of each eye better than 20/200, but with concomitant disorders, such as tunnel or peripheral vision.	Loss less than 60 decibels with correction, but at least greater than 30 decibels (consider factors such as inability to use hearing aid on sustained basis).	(1) Loss or impairment of speech but able to hear; (2) Slurred speech (very difficult to understand); or (3) Severe stuttering.	Moderately impaired mobility: (1) Uses single leg brace below knee or elbow prosthesis; (2) Walks with limp; (3) Mild spasticity; (4) Moderately impaired dexterity; (5) Spasticity or atrophy one arm; (6) Inability to use standard equipment; or (7) Abnormally decreased or increased stature.	None (unless secondary to severe handicap).	(1) Kidney dialysis; (2) Heart pacemakers; (3) Hemophilia; (4) Convulsive or other disorders requiring medication which may have side effects; (5) Cancer; (6) Dyslexia; or (7) Appropriate condition not otherwise noted.
Veterans With These Conditions May Be Eligible Primarily Based on the Severity of Physical Disability					
Sight	**Hearing**	**Speaking**	**Motor Skills**	**Emotional**	**Other**
Corrected vision in each eye no better than 20/200.	Loss 60 decibels or greater in both ears with correction.	Mute because of deafness.	Severely impaired mobility: (1) Uses wheelchair, crutches, double leg brace, full leg or full arm prosthesis; (2) Awkward very slow gait; (3) Inability to stand or sit except short periods; (4) Spasticity severely impairs dexterity; (5) Spasticity or atrophy both arms; (6) Unable to write or pick up objects without great difficulty.	None.	Multiple moderate disabilities involving more than one physical function.

Table 8.04. Criteria for Determining Eligibility for Appointment of Severely Handicapped Individuals to Excepted Positions Under Schedule A, Title 5, U.S.C. 213.3102(u)

Office of Personnel Management

Federal Personnel Manual System

Published in advance of incorporation in FPM Chapters 211 and 307

FPM Letter 307-15

Subject: New Employment Benefits for Veterans

Washington, DC 20415
June 24, 1991

Heads of Departments and Independent Establishments:

1. Presidential Support for Employing Veterans

The President, on March 8, 1991, directed Federal agencies to ensure that Federal civilian employment opportunities are made available to the greatest extent possible to veterans of Operation Desert Shield/Storm, particularly those who have become disabled as a result of their military service. To help Federal agencies carry out the President's mandate, this letter provides information about two major changes in the employment benefits available to veterans, (1) the Southwest Asia Service Medal, which entitles recipients to preference in Federal employment and retention, and (2) the new veterans' readjustment hiring authority.

2. Veterans' Preference for Gulf War Participants

a) To recognize the special sacrifices and outstanding performance of the Armed Forces, President Bush ordered the creation of the Southwest Asia Service Medal for active duty personnel who served in military operations in southwest Asia or in the surrounding contiguous waters or air space on or after August 2, 1990, and before a terminal date to be set by the Secretary of Defense (Executive Order 12754, March 12, 1991).

b) The military departments will publish specific eligibility criteria for awarding the medal. (Note the National Defense Service Medal (NDSM), which was reinstated on February 21, 1991, by the Secretary of Defense, is not a campaign badge and, therefore, is not a basis for granting veterans' preference.)

c) Under civil service law (5 U.S.C. 2108), individuals who receive a campaign medal and meet the other eligibility requirements indicated below are eligible for veterans' preference in Federal employment. Thus, the more than half-million members of our Armed Forces eligible for the Southwest Asia Service Medal—including many reservists—can claim veterans' preference. This is the largest number of service men and women to be covered since October 14, 1976, when peacetime veterans' preference ended.

d) To qualify for preference, recipients of the Southwest Asia Service Medal must have been honorably discharged and have served continuously for 24 months or the full period for which called or ordered to active duty. Reservists who are released before serving the total period originally called for, are considered to have met this requirement. In addition, no minimum service period is required for (1) veterans with compensable service-connected disabilities, or (2) those discharged or released for disabilities incurred or aggravated in the line of duty or for hardship or other reasons under 10 U.S.C. 1171 or 1173 (FPM Chapter 211).

3. Documenting Eligibility for Veterans' Preference of Employees

a) Proof of eligibility for preference generally is provided on each certificate of Release or Discharge from Active Duty (Form DD 214) or other evidence issued by the military departments. Agencies should make sure that employees who return from active duty provide their personnel offices with copies of discharge papers or other military documents showing award of the Southwest Asia Service Medal. In some cases the military records may not show the award of the medal at all, if, for example, the employee was discharged before the medal was authorized. The military department is responsible for notifying veterans who have separated

of this medal award. Since not all returning reservists are eligible for this benefit, it is critical that personnel officials accurately determine which employees are eligible for veterans' preference and document their employment records to this effect.

b) Agencies should process an 883/Chg in Vet Pref action for each returning employee who is eligible for preference based on award of the Southwest Asia Service Medal. Agencies should cite CCM/FPM Ch 211 and ZJR/Operation Desert Shield as the authorities. The 883/Chg in Vet Pref action should be effective on the same date as the action documenting the employee's return to duty from LWOP or restoration after military separation. Both actions may be documented on the same SF 50, Notification of Personnel Action.

4. Determining Veterans' Preference Eligibility of Job Applicants

Establishing the eligibility of job applicants for veterans' preference is based on the same criteria specified in paragraphs 2 and 3 above. Some members of the Reserve and National Guard may have applied for civil service employment prior to being sent to the Gulf. OPM are offices have been instructed to revise the examination ratings of such individuals who claim preference based on the award of the Southwest Asia Service Medal. Federal agencies with direct-hire and delegated examining authority should make a similar revision upon notification from applicants. Also, in any contact with applicants, agencies should remind those who are eligible to contact the applicants, agencies should remind those who are eligible to claim veterans' preference on their application for Federal civil service employment.

5. New Veterans' Readjustment Appointment (VRA) Authority

Section 9, attached, of P.L. 102-16, signed by the President on March 22, 1991, makes several important changes in the VRA authority listed below. The new law:

– Is effective March 23, 1991. Appointments may be made immediately on the basis of the eligibility criteria in the new law without waiting for implementing regulations. Previous VRA eligibility criteria must not be used.

– Raises the maximum entry grade level to GS 11, WG 11, or equivalent for all VRA eligibles.

– Eliminates the education limits on VRA eligibility. There is no longer any restriction on the number of years of education VRA eligibles may have.

– Changes the VRA eligibility of veterans who entered the Armed Forces on or before May 7, 1975, and continued serving after that date. Those veterans no longer qualify as post-Vietnam-era veterans, but must meet the definition of Vietnam-era veteran, to be eligible for VRA appointment. Vietnam-era veterans are eligible for VRA appointments only if they meet the general definition of "veteran" in 38 U.S.C. [4211] (i.e., they served on active duty for more than 180 days and were separated with other than a dishonorable discharge or were discharged because of a service-connected disability) and either (1) have a service-connected disability, or (2) served in Vietnam or another campaign of the Vietnam era for which a badge or medal is authorized.

– Changes the definition of post-Vietnam-era veterans from "veterans who served on active duty after May 7, 1975" to "veterans who first became a member of the Armed Forces after May 7, 1975." All post-Vietnam-era veterans are eligible for VRA appointments provided they served on active duty for more than 180 days and were separated with other than a dishonorable discharge or were discharged because of a service-connected disability (38 U.S.C. [4211]).

– Changes the period of appointment eligibility. Disabled veterans who are 30 percent or more disabled have no time limit on their VRA eligibility. A Vietnam-era veterans is eligible for VRA appointment during the period ending 10 years after the date of the veteran's last discharge or release form active duty or until December 31, 1993–whichever is later. A post-Vietnam-era veteran is eligible for a VRA appointment within the 10 year period after the veteran's last discharge or release from active duty *or* December 17, 1999–whichever is later.

– Removes the December 31, 1993, expiration date from the VRA statute, thereby making the VRA authority permanent.

– Provides preference for disabled veterans over other veterans in appointments.

6. Selection Process for VRA Appointments

5 CFR Part 302 selection procedures must be followed in making VRA appointments. This assures compliance with statutory requirements that preference be provided for both disabled preference eligibles and nondisabled preference eligibles over VRA candidates who are not eligible for veterans' preference (see FPM Chapter 213.)

7. Documenting VRA Appointments

Other major provisions (length of appointment, training, nature of action, and temporary appointment based on VRA eligibility) have not changed. Agencies should use the same appointing authority shown in interim regulation 5 CFR 307.103 (see FPM Bulletin 307-26, dated April 30, 1990) following the instructions in FPM Supplement 296-33, subchapter 11. Until final regulations are issued, cite in the Remarks section of the ST 50, Notification of Personnel Action, "VRA Program revised by P.L. 102-16, March 22, 1991." OPM will be issuing regulations as well as revised instructions in FPM Chapters 307 and 316 to reflect the new requirements of the law.

8. OPM and Agency Support for All Veterans

a) While immediate attention is focused on the preference eligibles who served in Operation Desert Shield/Storm, we should not lose sight of the needs and entitlements of veterans from earlier eras, especially those who served during the Vietnam era or those who were disabled as a result of a service-connected disability. These individuals also left their regular civilian employment to join in a national military effort; their lives and the lives of their families were greatly disrupted. In recognition of the sacrifices made by members of the Armed Forces, it is essential that Federal agencies as employers take extra steps to help these individuals.

b) To assist all veterans—those who are disabled, those from Operation Desert Shield/Storm, including those eligible for VRA, and those who served in earlier conflicts—OPM has designated a staff member in each area office and the Washington Area Service Center as a contact point for inquiries from and about veterans. A one-page fact sheet for VRA applicants, which includes a list of these contacts, is attached.* OPM is pledged to provide full support to veterans. We urge Federal agencies to give every possible employment consideration to the dedicated and talented men and women or the Armed Forces as they return to civilian life.

Constance Berry Newman
Director

Attachments

*(*NOTE: To obtain this fact sheet and list, VR&C Divisions should contact their OPM area office.)*

Office of Personnel Management

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FPM Letter 307-16

Subject: Changes in VRA and Other Veterans' Employment Requirements

Washington, DC 20415
January 22, 1992

Heads of Departments and Independent Establishments:

VRA Law Amendments

1. On October 10, 1991, the President signed Public Law 102-127 that makes two changes in the Veterans' Readjustment Appointment (VRA) authority.

2. One change modifies the VRA eligibility of disabled veterans of the Vietnam era. To be eligible for appointment, these individuals must meet one of the two following criteria:

a. They must have a compensable service-connected disability, which is one rated at ten percent or more disabling; or

b. They must have been discharged or released from active duty for a disability incurred or aggravated in the line of duty.

Accordingly, a disabled veteran of the Vietnam era with a zero percent disability rating is no longer eligible. The change amends 38 U.S.C. 4214(b)(2)(A)(i) (formerly section 2014).

3. The other change in VRA eligibility particularly helps reserve and guard members who served for a period of less than 181 days active duty during Operation Desert Shield/Storm. That change excepts reserve and guard members from the requirement to serve on active duty for a period of more than 180 days, as long as they meet all of the following three requirements:

a. They were ordered to active duty under section 672 (a), (d), or (g), 673, or 673b of title 10. These sections are the statutory authorities for calling up reserves and guard members, including those in the Selected and the Ready Reserves. The remarks portion, item No. 18, of the service member's Form DD 214 should cite one of these sections as the basis for ordering the member to active duty; for example, "Reservist ordered to active duty in support of Operation Desert Shield/Storm 10 U.S.C. 673b."

b. They served on active duty during a period of war or in a campaign or expedition for which a campaign badge is authorized. Section 101(11) of title 38, United States Code, identifies the Persian Gulf War, beginning August 2, 1990, as a period of war (no ending date has been set). For purposes of VRA eligibility, reserve and guard members performing active duty during the Persian Gulf War are qualified whether or not they served in the Desert Shield/Storm theater of operations and received the Southwest Asia Service Medal. Please note the title 38 definition of wartime does not affect title 5 provisions; that is, to qualify for veterans' preference, a reserve and guard member called up for Operation Desert Shield/Storm would need to be a disabled veteran or receive the Southwest Asia Service Medal.

c. They were separated from this period of active service with other than a dishonorable discharge.

Correction of Standard Form 171

4. Under 5 U.S.C. 2108(4), persons who retire from the armed forces at or above the rank of major or the equivalent are not entitled to preference in appointment unless they are disabled veterans. The veterans' preference instructions on the tear-off sheet to Standard Form 171, revised June 1988, incorrectly indicate that reserve retirees also are excepted from loss of preference. This reference will be deleted when the form is reprinted.

Proof of Southwest Asia Service Medal (SWASM) Award

5. DoD instructions providing the eligibility requirements for the SWASM award were not available to military departments until after many reserve and guard personnel had been separated from active duty shortly after the end of Operation Desert Storm hostilities. Accordingly, the certificates of release or discharge from active duty (Form DD 214) for those personnel do not reflect the SWASM award even though they served in the theater of operations and are entitled to the medal.

The Department of the Army has established a demobilization task force at ARPERCEN, DARP-PAX-SI, Federal Records Center, 9700 Page Blvd., St. Louis, MO 63132-5200, telephone 314-538-2486, to review and update reservists' records to show the award. Reservists needing award documentation may be advised to contact the task force for further information. Responsibility for amending guard records has been given to the guard agency in each State, which is under the supervision of the State adjutant general.

In light of these circumstances, agencies should accept any official SWASM award notification from a military department, State guard agency, or other appropriate military authority, even though it is not a DD 214.

VRA Flyer

6. We have updated CE-100, the VRA flyer (copy attached)*, to reflect changes in the VRA law and revisions to the list of local OPM veterans representatives. Agencies should duplicate the flyer locally, as needed, to respond to applicant inquiries. Previous editions are no longer valid; they should be destroyed.

180-Day Waiting Period Suspended

7. The 180-day waiting period on Department of Defense (DoD) civilian employment of retired members of the armed forces, required by 5 U.S.C. 3326, has been suspended until November 5, 1992, by Public Law 101-510, section 1206(f). DoD has notified the service departments and Defense agencies.

Veterans Employment Data

8. To meet expanded reporting requirements, agencies have been asked to collect and submit new veterans data for the Central Personnel Data File. For further information, please see FPM Letter 298-39 dated August 7, 1991.

Constance Berry Newman
Director

*(*NOTE: To obtain this flyer, VR&C Divisions should contact their OPM area office.)*

CONTENTS

CHAPTER 9. POSTEMPLOYMENT PHASE

PARAGRAPH PAGE

9.01 Purpose of Postemployment Followup 9-1

9.02 Followup and Services 9-1

a. Beginning Employment 9-1
b. Services 9-1
c. Followup Format 9-1

9.03 Rehabilitation 9-2

a. Goals Achieved 9-2
b. Expected Progress to Rehabilitation 9-2
c. Employment Differs From Planned Goal 9-3
d. Veteran Not Rehabilitated to the Point of Employability 9-3
e. Veteran Received Only Employment Services 9-3
f. Documentation and Closure 9-3
g. Reentrance From Rehabilitated Status 9-4
h. Multiple Periods of Employment Services 9-4

FIGURE PAGE

9.01 Examples of Decisionmaking in Declaring a Veteran Rehabilitated 9-4

CHAPTER 9. POSTEMPLOYMENT PHASE

9.01 PURPOSE OF POSTEMPLOYMENT FOLLOWUP

The goal of a vocational rehabilitation program is suitable, permanent employment for the disabled veteran. Postemployment services seek to ensure that the veteran stays gainfully employed. Ideally, the vocational rehabilitation program envisions a process in which a veteran progresses from the determination that the veteran has an employment handicap, then through training to overcome the impairments to employability, and finally to reasonable adjustment to a permanent job that is suitable in terms of both the veteran's disabilities and his or her vocational interests, aptitudes, and abilities. Thus, postemployment services are the final, key step in rehabilitation.

9.02 FOLLOWUP AND SERVICES

a. **Beginning Employment.** Both chapters 1 and 3 of part III explain the importance of face-to-face contacts between case managers and chapter 31 participants. A case manager should contact each veteran at least monthly throughout the period of employment services, including the postemployment phase. If the veteran has secured a suitable job, the case manager will furnish the necessary services to maintain the veteran in that job. This monthly contact should result in good lines of communication, not only between the veteran and the case manager, but also between both of them and the new employer. On occasion, however, the case manager may obtain information, such as the date of employment, through communication—written, telephonic, or personal—with a third party. This third party may be an employer, a Disabled Veterans' Outreach Program specialist, or a school placement specialist. The date of employment is the beginning date of the *minimum* 60-day postemployment followup period. The case manager should use VA Form 28-1905d, Special Report of Training, to clearly document this date and the contact that was the source of the date in the CER (Counseling/Evaluation/Rehabilitation) folder.

b. **Services.** The employment assistance and services which a case manager may authorize are described in chapter 5 above. While the veteran is in Employment Services case status, VA may provide these services during the postemployment phase as well as during the preemployment phase.

(1) **Job Modification.** Job modification may be as appropriate after employment as before. Some needed modifications or accommodations may not become evident until after the veteran is on the job. The resources available to the case manager to assist in modification are outlined in paragraph 4.08 above.

(2) **Counseling.** Counseling the veteran regarding adjustment to employment will often be essential to adequately improve the veteran's ability to sustain gainful employment. With careful employment assistance planning, VR&C staff members may address potential problems early. Nonetheless, the need for counseling may not become apparent until after the veteran begins working. Although the veteran's new work environment is the focus of attention during this counseling, some of the key factors necessary for satisfactory work adjustment are outside of the workplace:

(a) Transportation;

(b) Child and family care;

(c) Personal budgeting and financial management;

(d) Use of leisure time; and

(e) Marital and family relationships.

(3) **VR&C Services as Placement Tool.** VR&C services, including counseling itself, constitute a significant tool for direct placement (see paragraph 4.03 above). Since these services assist the employer to obtain and maintain a productive work force, they help sell the program to employers. Job placement tools—such as counseling for a new employee—are available to few employers.

c. **Followup Format.** The first months on a new job constitute the critical adjustment period during which a worker must

become reasonably skilled in performing the assigned job tasks, learn how to relate to supervisors and coworkers, and gain experience in the work environment. Therefore, the case manager cannot declare a client rehabilitated until at least 60 days of the postemployment followup period have elapsed. During this period, the veteran must demonstrate that he or she is making a sound adjustment to employment and does not require further assistance under chapter 31.

(1) **Minimum Monthly Personal Contacts.** At least monthly, the case manager must personally contact the veteran and document the results of each contact in the CER folder on VA Form 28-1905d. These followup sessions will focus on three key questions:

(a) Is the job suitable in terms of the veteran's disabilities, training, abilities, and interests?

(b) Does the job offer the veteran a reasonable assurance of permanency?

(c) Is the veteran making a good adjustment to the work environment, including performance of job duties, relationship with coworkers, and other factors which will determine his or her ability to continue in employment?

(2) **Extended Followup.** The completion of the minimum 60-day postemployment followup period does not automatically indicate the veteran has satisfactorily adjusted in employment. Some veterans will need continued followup beyond this period. When longer followup is necessary, the case manager will document this on VA Form 28-1905d in the CER folder and continue to assist the veteran with needed services and counseling. The veteran may require services beyond those currently in the IEAP. In this case, the case manager should work with the veteran to amend the IEAP and should be prepared to assist the veteran in securing these newly identified services from available providers.

9.03 REHABILITATION

a. **Goals Achieved.** The case manager may declare a veteran rehabilitated only under the conditions in 38 CFR 21.196. This declaration must take into account the purpose of Rehabilitated case status. Rehabilitated case status indicates that the goals of a rehabilitation program or a program of employment services have been substantially achieved. Therefore, the case manager cannot declare a veteran rehabilitated until the veteran has substantially achieved the goals of a program. For example, a veteran embarks on a program of rehabilitation by entering an associate degree program in business, but drops out soon after entering. Approximately 18 months later, the veteran responds to an outreach letter and submits information that she is employed by the U.S. Postal Service. The case manager cannot declare this veteran rehabilitated because the veteran has not substantially achieved the goals of the rehabilitation program.

b. **Expected Progress to Rehabilitation.** In 38 CFR 21.194(d)(1)—which prescribes the conditions under which a case may be transferred from Employment Services case status—and in 21.196(b)(1)(i) and (ii), there is an expected sequence of actions which follows completion of education and training under an IWRP and which leads to the declaration of rehabilitation. First, the case manager determines that the veteran has been rehabilitated to the point of employability under 38 CFR 21.190(d). Second, the veteran will receive the services needed to assist in an active search for employment. Third, the veteran will gain employment in either the same occupation which the IEAP specifies or in a closely related occupation. At this point, the case manager will ascertain that wages and benefits in the job are commensurate with those received by other workers in the occupation. Fourth, following the mandatory minimum 60-day followup phase, the case—manager will determine whether the job is, indeed, suitable and whether the veteran is well adjusted to the job. The case manager must also determine whether the employment meets the criteria for permanency in subparagraphs (1) and (2) below.

(1) **Permanency.** A permanent job is one in which the veteran can expect to maintain employment as long as his or her performance is satisfactory and the hiring organization continues as a viable enterprise. A case manager may not declare a veteran rehabilitated in a job which is temporary in nature, such as a time-limited appointment. On the other hand, the case manager will consider as permanent any employment which is seasonal—such as construction work—if this is the occupational pattern.

(2) **Determining Permanency.** In determining permanency, the case manager should consider not only the nature of the appointment and the characteristics of the job (Is it a probationary appointment? Is the employer experiencing financial difficulties?), but also the veteran's performance and adjustment (Does the veteran find the job too difficult in spite of training? Are external factors, such as transportation or marital difficulties, negatively affecting performance? Does the job aggravate the

veteran's disabilities?). Specifically, when a veteran is in a temporary employment situation, such as the Federal Civil Service's Veterans Readjustment Appointment or a similar program, the appointment must be converted to permanent status and the veteran must maintain this permanent status for at least 60 days before the case manager can declare the veteran rehabilitated.

c. **Employment Differs From Planned Goal.** If a veteran who is rehabilitated to the point of employability is not employed in exactly the same occupation for which he or she was trained, the case manager must determine whether the actual job is closely related to the occupational goal.

(1) **Determinations of Close Relationship Between Jobs.** To determine that occupations are closely related, both the substantive content of training and the depth of training are critical issues. As an example, the subject matter of training required to prepare for a job as an aeronautical engineer is similar to that required for an aircraft mechanic. The depth of training required for the two jobs is, however, vastly different. An occupation which is closely related to the veteran's vocational goal should make significant use of the training which the veteran has received, both in terms of the *content* of the training and the *depth* of the training. Generally accepted sources of occupational information offer substantial assistance in making this decision. For example, the *Occupational Outlook Handbook*, described in subparagraph (2) below, can be particularly helpful.

(2) **Occupational Outlook Handbook.** The *Occupational Outlook Handbook* contains useful information on the nature of the work, working conditions, training, other qualifications, and advancement. The case manager must consider all these factors in determining whether a veteran's job is "closely related" to the occupational objective. The handbook also provides a paragraph on related occupations. This entry requires judicious use. Simply because an occupation appears under "Related Occupations" does not mean that it is closely related in the sense which chapter 31 requires. For example, the "Related Occupations" entry for drafters states: "Other workers who are required to prepare or understand detailed drawings, make accurate and precise calculations and measurements, and use various measuring devices include architects, engineering technicians, engineers, landscape architects, photogrammetrists and surveyors." On the basis of this handbook paragraph alone, the case manager should not consider the physically demanding occupation of surveyor closely related to the sedentary job of drafter in the context of the VA Vocational Rehabilitation program. The case manager must keep in mind that for a determination of rehabilitation, a veteran must be employed in a job which is suitable in terms of the individual's unique background, including disabilities. The occupation of "Law Clerk" may be perfectly suitable for one veteran trained as a lawyer, but totally unsuitable for another veteran with similar training. The case manager must consider interests, aptitudes, abilities (physical and mental), and a number of other factors.

d. **Veteran Not Rehabilitated to the Point of Employability.** The veteran may gain suitable employment and the case manager may be able to declare the veteran rehabilitated in spite of failure to achieve rehabilitation to the point of employability. In this case, for a case manager to determine the veteran rehabilitated under 38 CFR 21.196(b)(2), the veteran must have substantially achieved the goals of his or her rehabilitation program and must meet one of the following criteria:

(1) He or she must be employed and adjusted in the occupational objective established in the IWRP for 60 days, with wages and benefits commensurate with the wages and benefits received by other workers in the same occupation; or

(2) He or she must be employed in and adjusted to a job for 60 days in an occupation other than the one which the IWRP prescribed. In addition to being compatible with the limiting effects of the veteran's disabilities and otherwise consistent with the veteran's abilities and interests, this job must offer wages and benefits commensurate with the wages and benefits in the occupation for which the veteran trained.

e. **Veteran Received Only Employment Services.** A veteran who entered into a plan of employment services as the whole plan of rehabilitation services, but who failed to complete the terms of the IEAP may still achieve rehabilitation under the same criteria as a veteran who failed to complete the planned program while in Rehabilitation to the Point of Employability case status (see subpar. d(1) and (2) above). In this instance, the case manager will cite 21 CFR 21.196(b)(3)(i) or (ii) in the rehabilitation declaration.

f. **Documentation and Closure**

(1) **Interruption and Discontinuance.** A case manager may assign a veteran in Employment Services case status to Interrupted status under 38 CFR 21.197. If the veteran is subsequently unwilling or unable to continue pursuit of IEAP goals, the case manager must begin action to discontinue the veteran's program participation. The case manager will advise the veteran in writing of this

adverse action and offer the veteran the opportunity to exercise appellate rights and procedures. If the veteran does not appeal the decision within 30 days of the date of notification, or if the appeal process has been completed with no change in the original negative determination, the case manager will place the veteran in Discontinued case status. The case manager will thoroughly document in the CER folder all activity to interrupt and to discontinue the veteran's case.

(2) **Rehabilitation.** When a case manager declares a veteran rehabilitated, the case manager must document this finding under item 12 of VA Form 28-8872, Rehabilitation Plan. The case manager will cite the applicable paragraph in 38 CFR 21.196 under which the case manager declared the veteran rehabilitated. In addition, the case manager will complete a VA Form 28-1905d summarizing the case and the grounds for the rehabilitation declaration. (See part II, paragraph 2.17 for more information.) If a judgment as to suitability is involved, the case manager will include in the closure statement an explanation of the decision in terms of wages, benefits, and the veteran's abilities, limitations, and interests. If a veteran intends to maintain current employment which the case manager considers to be unsuitable, the case manager cannot place the veteran in Rehabilitated status.

g. **Reentrance From Rehabilitated Status.** Under 38 CFR 21.284, a veteran may reenter the chapter 31 program into Rehabilitation to the Point of Employability case status after having been declared rehabilitated if the veteran still meets the compensable service-connected disability requirement and either

(1) His or her service-connected disability has worsened to the point at which it precludes work in the occupation for which he or she was trained, or

(2) The occupation for which he or she was found rehabilitated is now unsuitable.

h. **Multiple Periods of Employment Services.** A veteran who has completed or participated for 90 days or more in either the VA Vocational Rehabilitation Program or a vocational rehabilitation program under the Rehabilitation Act of 1973 may be eligible for employment assistance even if the veteran previously received employment services. (See ch. 2 for eligibility criteria for employment services.)

The following two case histories present examples of the decisionmaking process for rehabilitation declarations.

JOB THE SAME AS VOCATIONAL GOAL

FACTS

A 38-year-old veteran has service-connected disabilities rated at 40 percent. The veteran's disabilities, ulnar nerve damage to left elbow and partial paralysis of the arm, resulted from gunshot wounds suffered in combat. The veteran served in the U.S. Army as a medic. The veteran first applied for vocational rehabilitation under Chapter 31 in 1969, soon after his discharge from active duty. Following several surgical operations and long periods of time in the hospital, the veteran entered training. Although he held a GED, his rehabilitation program placed him in an "accelerated high school" course intended to result in a high school diploma. The veteran eventually dropped out of the program and by 1972 a case manager placed the veteran in Discontinued status. In 1976 the veteran reentered the program and received counseling. In the meantime, he had worked in a refinery, but quit because the work aggravated his disability. Counseling in 1976 resulted in assigning the veteran to investigate on-job training opportunities. Contact with the veteran was lost once again. In 1986, the veteran applied a third time. Counseling revealed that since leaving the refinery the veteran had never held the same job for over 3 months and never earned more than $6.00 per hour working as a construction laborer. In spite of doubts regarding compatibility with the veteran's disability, the counselor suggested an unpaid work experience as a food service worker at a local VAMC. A CP (counseling psychologist), a VRS, and the veteran executed an IWRP with this goal. The veteran performed satisfactorily in the unpaid work experience for approximately 4 months and was hired as a food service worker making $600 per month. Two months later, the case manager declared the veteran rehabilitated.

DECISION MAKING

I. Did the veteran achieve the goals of a rehabilitation program?

Yes. The IWRP set forth the goal of gaining experience and employment as a food service worker. The veteran achieved this goal.

This case simplifies decision making at this point because there is little to analyze with regard to training goals and other goals, such as medical treatment or behavioral counseling. Given the nature of the program, rehabilitation to the point of employability—the transition between training and employment services—never became an issue. In most cases, the case manager would have to analyze these factors to determine whether the veteran had substantially achieved the goals of the program. For a veteran who did not complete the training planned in the IWRP, and thus never achieved rehabilitation to the point of employability, the veteran's wages become a crucial issue.

- If employed in the job in the IWRP, the veteran must be earning the same wages paid to others in that job. For example, a veteran leaves a heavy equipment operators training program prior to graduation and takes a job operating a backhoe for a farmer installing an irrigation project. The veteran earns $6 per hour, but the average graduate of the school he left earns $12 per hour. This indicates that the veteran failed to substantially achieve the goals of his program; therefore, the case manager could not declare the veteran rehabilitated.

- If the veteran fails to achieve rehabilitation to employability and gains employment in a job different from the one in the IWRP, the case manager must analyze the job's suitability and document the analysis. The analysis must show that earnings are commensurate with those paid to individuals in the job for which the veteran was training. For example, a veteran enrolled in a heavy equipment operator school leaves before graduation and secures employment as a mechanic at a heavy equipment dealership earning $14 per hour. Postemployment followup with the veteran determines that the job is suitable in terms of the veteran's abilities and interests and the work does not aggravate his or her disability. Since wages are commensurate, the case manager can declare the veteran rehabilitated.

II. Has the veteran been employed at least 60 days?

Yes. Documentation of face-to-face contact with the veteran established the beginning date of employment. The rehabilitation declaration in item 11 of the IWRP was dated 60 days later. Documentation of another face-to-face contact supported this decision.

III. Was the veteran's job the same as the job specified as the goal on the planning document (in this case, an IWRP)?

Yes. Nonetheless, postemployment followup must confirm that the job is suitable—both in terms of the veteran's interests, abilities, and aptitudes and his disabilities—and that the job is permanent. Further, postemployment followup must confirm that the veteran is well-adjusted in the job. In this case, postemployment followup appeared to confirm these three relevant points. The suitability of the job is still a question, particularly in light of the counselor's questions as to whether the work would be compatible with the veteran's disabilities. A longer postemployment followup period would have been justified and, if all went well, the basis for the rehabilitation declaration would have been strengthened. Permanence also remains an issue because the veteran's pay is low. It is easy to foresee a situation in which the veteran quits work at the VAMC to take a better-paying job as a laborer, knowing full well that he will not be able to sustain that employment. Thus, the veteran may apply once again to VR&C presenting virtually the very same circumstances he presented when he applied in 1986. These two factors—questionable suitability and permanence—weaken the rehabilitation declaration, but do not invalidate it. Is the veteran well-adjusted? The file contains nothing to indicate that he is not well-adjusted; however, a description of his financial situation would have improved the documentation to support the declaration.

JOB NOT THE SAME AS GOAL

FACTS

A male, 50-year-old, retired NCO (noncommissioned officer) with 26 years military service has a service-connected stomach ailment which is rated as 30 percent disabling. His disability prevents him from doing the work he was trained to do in the service. He applied to the VR&C Division for participation in vocational rehabilitation in 1983. A CP counseled him and worked with him and a VRS to execute an IWRP. This IWRP had the objective of cost accountant (DOT 160.167-018). While attending college, the veteran secured a part-time job in the commissary at a nearby air base. As graduation approached, the veteran secured a full-time job as a foreman in the base supply operation, but continued with his education and graduated in early 1987.

Well-documented postemployment followup for approximately 4 months reveals that the veteran is earning wages commensurate with those paid to cost accountants. The work does not aggravate his disability and seems suitable in terms of his interests,

aptitudes and abilities. The veteran's appointment is permanent and, thus, the employment seems stable. The case manager declared the veteran rehabilitated in mid-1987.

I. Basic Issues.

The veteran has completed the goals of his rehabilitation program and has been employed for over 60 days. Documentation indicates the work is suitable (in terms of interests, aptitudes, and abilities), does not aggravate his disabilities, and offers permanence.

II. Was the job closely related?

Pay is commensurate with that in his original objective. Working conditions are similar and do not aggravate his disabilities. Chances for advancement are also similar. Documented postemployment followup—including analysis of the position description as warehouse foreman—indicates that a bachelor's degree, while not a prerequisite for the job, was highly desirable and the duties of the job include substantial recordkeeping.

With well-documented postemployment followup specifically addressing all the relevant issues, it is clear that this job is closely related. Therefore, the rehabilitation declaration is correct.

Figure 9.01. Examples of Decisionmaking in Declaring a Veteran Rehabilitated

Recommendations from the VR&C Field Advisory Committee and VR&C Officers 1991-1993

Administrative

Revise QRS - Local and Central Office.

Educate Director's Office regarding VR&C.

Revise productivity system.

Eliminate productivity.

Improve VR&Cs position in the power hierarchy.

Need Administrative Assistant position for award processing.

Eliminate WIPP.

Cross link C&P master records with VR&C master records for dependency information.

More computer hardware.

Revise motivational follow-up procedures.

Adequate travel funds.

Update entitlement screens.

VR&C make entitlement determinations.

Eliminate R&E folders.

Private offices for VRS.

Cross reference regulations, manuals, circulars - WANG.

Revise the VR&C survey format .

Create a 1-800 fax number in VR&C.

Cross-match-check IRS or SS to determine receipt of other benefits..

Create a clearing-house for local initiatives

Improved communications from VR&C Service (hot lines, newsletters, etc.).

Revise work measurement system.

VR&C should complete the 1900 eligibility processing rather than Adjudication.

VR&C should stay out of adjudication activities and stick to rehab.

Eliminate the second no show letter from missed appointments.

Eliminate the VR&C officer required review of discontinued cases rated 50 percent or more.

Eliminate final discontinuance notice.

VR&C stations are in need of more ADP equipment and this includes not only Wang equipment but also PC laptops, scanners, testing equipment and printers.

Manuals and regulations should be maintained on a Wang data base for easy access and to ensure currency.

We need to simplify contract/purchasing procedures & use fee schedules whenever possible. We need additional training in contracting/purchasing. We need to provide opportunities to train with VHA contract specialists and supply personnel.

Prior Chapter 31 usage should again be shown on the GED eligibility screen.

Simplify contracting procedures.

Simplify and automate documentation, narratives, etc.

Simplify Quality Review System.

Counseling/Evaluation

Eliminate face to face evaluation requirements for ch 15.

Review counseling timeliness - VR&C.

Revise IWRP.

Provide guidance regarding Social Security recipients.

Reassess the state/federal rehab model to see if there is a better model.

Eliminate age discrimination.

Provide subsistence for vets in employment services status.

Better services from VHA (glasses, fee-based services,etc).

Travel pay should be provided for Chapter 31 veterans without serious employment handicaps for needed travel across state lines to secure jobs or to complete job interviews.

The initial evaluation procedures should be reviewed with the goal of decreasing length of dictation and focusing on the development of the rehabilitation plan.

A better orientation should be offered to veterans at the beginning of the Chapter 31 process to provide a clear understanding of the purpose of the vocational rehabilitation program.

Employment incentive programs should be expanded and the instructions simplified to encourage the use of this good program.

Rehabilitation Services

We need to implement on-line access to job service job bank computers in all states.

Employment incentive programs should be expanded and the instructions simplified to encourage the use of this good program.

Provision should be made for courtesy supervisions across state lines similar to the provisions for courtesy counseling services.

Contracting and purchasing procedures need simplifying.

On-the-Job Training incentives to employers.

Protection of compensation for psychiatric cases.

Improve Placement Services.

Work rate standard for employment services is seen to be very low when one considers the complexity of the job.

Training and Staff Development

Create a training guide for CP's and VRS'S.

Create a VRS Training Academy.

Require semi-annual Training for outbased staff.

Give us training on ADP.

Let VRCOs see other regional offices.

Levels of clerical support need to be improved and this should include developing a centralized position description for a VR&C program clerk or psychology technician or office technician or psychology assistant that would allow for grade progression beyond GS-5 level.

Comprehensive VR&C Training:

Continued professional training.

VR&C Officer training.

Training needed for Counseling Psychologist, Vocational Rehabilitation Specialist staff.

Staffing/Personnel

Psy. Aide/Technician - All Stations.

Blind Rehab Specialist - All Stations.

Classification consistency for clerical support.

Create a position for a development check.

Create standardized CP and VRS performance standards.

Adequate staff.

Eliminate performance standards.

Time and staff needed to develop contacts, unpaid work experiences with Federal agencies.

More time needed to develop VR&C staff locally using community and VA resources.

Review staffing needs. Small stations are in need of more support staff. Large stations need Assistant VR&C Officers.

Other

Need for research and evaluation of VA Vocational Rehabilitation efforts with the chronically mentally ill.

Did VAMC's get the word on DTAP? Need better coordination with some VAMC'S.

DEPARTMENT OF VETERANS AFFAIRS
Regional Office
450 Main Street
Hartford CT 06103

January 5, 1993

In Reply Refer To: 308/28

Dr. Dennis R. Wyant, Director
Vocational Rehabilitation Service (28)
Department of Veterans Affairs
810 Vermont Avenue, N.W.
Washington, D.C. 20420

SUBJ: VR&C Advisory Committee Report

1. I am enclosing a report of the VR&C Advisory Committee for your review.

2. The committee plans to obtain feedback from the field on each of the recommendations. This will allow us an opportunity to revisit each of the recommendations at the Tampa Conference and possibly form working sub-committees to develop them futher.

3. Your comments and suggestions will be appreciated.

JAMES C. MALLEY, Ph.D.
Chairman,
VR&C Advisory Committee

Enclosure

28/005 7110H JM:jm

VR&C ADVISORY COMMITTEE REPORT

Gerald C. Braun, Western Area

Kenneth A. Frick, Southern Area

John P. Hackett, Central Area

James C. Malley, Eastern Area, Chairman

December 1992

VR&C Advisory Committee

Recommendations for Future Policy Directions

Executive Summary

The following report summarizes the continuing work of the VR&C Advisory Committee. We wish to acknowledge the contributions of Gary Pirkle, VR&C Officer, Waco VARO, the Committee's original Chairman, and Scott Nielson, VR&C Officer, Phoenix VARO, who represented the Western Area. Although committee membership has changed, current members unanimously consented to carry forth the major recommendations for future policy direction developed by the first committee. Therefore, they are included in this report. Indeed, the thematic concerns have remained constant from committee to committee. They center around the following two questions:

1. How can the VA Vocational Rehabilitation program meet the demands of a continually increasing caseload and still meet the rehabilitation needs of each eligible veteran?
2. How can the program increase and improve rehabilitation outcomes?

Burgeoning caseloads combined with limited resources create problems in both the quality and timeliness of service. The result is often unhappy consumers, burned out employees, and critical reviews by external auditors. Although well intentioned and necessary programs, the DTAP, Chapter 36, and reintroduction of 10% disabled veterans into the program, all place new demands on an already overstressed system.

In today's economic climate it is no longer enough to justify our program in terms of the moral obligation that our nation has to serve its disabled veterans. We have to convince the skeptics that rehabilitation represents the very best kind of investment in human development, an investment that pays off in economic and human resource dividends to our society. To do this, we may have to market our program differently. For example, the recent General Accounting Report made an implicit assumption that vocational rehabilitation is somehow either training or job placement. This kind of all or nothing thinking is defeating to the program. Indeed, the language of PL 96-466, which followed in the wake of the Rehabilitation Act of 1973, was intended to broaden, not limit, the scope of rehabilitation services to disabled veterans.

With this in mind, and after carefully reviewing feedback from VR&C field offices, the Committee made the following ten major recommendations for future policy direction:

1. Create a new program focus.
2. Adopt a continuous needs assessment model of case management.
3. Create a marketing strategy consistent with new program focus.
4. Reconceptualize the Case Manager concept.
5. Emphasize the brokering of services.
6. Develop strategies to deal with caseloads demands.
7. Eliminate the concept of entitlement.

8. Broaden the definition of rehabilitation outcomes and develop procedures for implementation.

9. Expand employment placement resources.

10. Develop marketing and networking initiatives with private industry for purposes of job development.

Each recommendation is discussed in more detail in the pages that follow. Some recommendations are already in the process of being implemented. Most of them, however, will require further study and development. To accomplish this the Committee hopes to draw upon the talent in the field, to obtain consensus, and to form working task groups to develop implementing procedures.

RECOMMENDATIONS

RECOMMENDATION 1. Create a new program focus.

DISCUSSION

One consultant to the VR program said that we were looking at the world through the wrong end of the binoculars. By this he meant that we are defining rehabilitation much too narrowly in terms of veterans achieving suitable employment. Early in the process we select a DOT vocational goal and then hope the veteran achieves it. This is something akin to the humming bird flying to the distant planet Mars with the Washington Monument tied to its tail. This is out of sync with state of the art rehabilitation and not in keeping with the intent of Congress which emphasized the need to foster broader independent living goals. While suitable employment is clearly one important rehabilitation goal, there are many others. The current narrow focus on getting veterans jobs builds into our program an "all or nothing" thinking that sets us up for failure. The overemphasis on suitable employment as the sine qua non of rehabilitation is reflected in our work. We are strong in the vocational aspects of counseling, but weak on assessing the broad range of needs that each individual brings to the counseling situation. In keeping with this new focus, we believe that the Vocational Rehabilitation Service should be renamed the Rehabilitation Service. This would be more in keeping with the vision contained in PL96-466.

RECOMMENDATION 2. Adopt a continuous needs assessment model of case management.

DISCUSSION

Although the "initial assessment" model currently used in VR&C results in comprehensive initial assessment, too much emphasis is placed on assessment as a one time event, and too much attention is directed to the "ultimate vocational goal." On the other hand, too little attention is given to "short term goals" and immediate needs that will have a greater influence on the client's circumstances. These immediate needs and short term goals are also those things which the case manager has the greatest opportunity to influence. Needs assessment emphasizes planning to achieve short term objectives by using the TQM "plan, do check, act" model. The major themes in needs assessment are:

a. Needs assessment is holistic and includes:

(1) Independent living needs

(2) Medical needs

(3) Financial needs

(4) Personal adjustment needs

(5) Remedial needs

(6) Training needs

(7) Career development needs

(8) Job placement needs.

b. Need assessment is dynamic and ongoing.

(1) Needs change with the veteran's changing circumstances.

(2) Needs must be continually assessed.

(3) Continuous assessment means

(a) review plan

(b) identify current needs

(c) secure services

(d) evaluate results

(e) modify plan

c. Needs are assessed in the framework of program components:

(1) Initial assessment

(2) Improving rehabilitation potential

(3) Independent living

(4) Training

(5) Preparation for employment

d. Needs assessment improves opportunities for quality service while permitting flexibility.

e. Needs assessment prioritizes veterans' needs and actively involves veteran in the rehabilitation process.

f. Needs assessment emphasizes:

(1) Synthesis of information

(2) Planning

(3) Service Delivery

(4) Feedback

g. Given the purposes of vocational rehabilitation stated in 38 CFR 21.11, the assessment model allows for focus on the various components of rehabilitation.

RECOMMENDATION 3. Create a marketing strategy consistent with new program focus.

DISCUSSION

In VR&C Advisory Committee Recommendations, Part I, we recommended the creation of a new program focus. We are not just a training program, any more than we are just a jobs program. Rather we provide a host of rehabilitation services designed to meet a wide array of rehabilitation needs, with the ultimate goal of assisting veterans to achieve maximum independence in daily living and suitable employment. The manner in which we describe our program creates a set of expectations within the veterans population that we serve. For decades we have marketed our program as essentially a "training" program - something like the regular GI Educational Assistance programs, only better. We emphasize the fact that we pay tuition, books and fees and the fact that veterans "get up to 48 months of training." This message is embedded in our pamphlets, in our intake and orientation meetings, even in the recent DTAPs video presentation. Its not surprising then - when we analyzed 114 VA Form 1900 applications from the four Advisory Committee member stations, that 78 (70%) said they wanted to go to college or vocational school. In the sample of 114 applications only 4 veterans indicated that all they wanted was help in getting a job or an apprenticeship program. A new marketing strategy would downplay the "benefits" side of our program; it would downplay tuition, books, and fees, subsistence allowance, and 48 months of training, and emphasize the

ideas that we conduct a thorough rehabilitation needs assessment and then develop a program of services designed to assist the veteran become suitably employed and/or more independent in their daily living. Only after a veteran has undergone the rehabilitation assessment would it be appropriate to discuss which of the broad range of services would be appropriate. We recommend using professional marketing consultants to assist with this process, preferably consultants that have already had some success in marketing rehabilitation programs.

RECOMMENDATION 4. Reconceptualize the Case Manager Concept

DISCUSSION

Change the current Counseling Psychologist/Vocational Rehabilitation model to a more generic Rehabilitation Counselor position. Rehabilitation Counselors would be generalists who would work with veterans from the beginning to the end of the rehabilitation process. They would make entitlement decisions, conduct initial needs assessment and then arrange for necessary services through contracts, fee for service, VA Medical Centers or any other source. With the increased pressure of heavy caseloads, new programs, and need to achieve results, we need to have a core of rehabilitation experts that refer to outside specialists to do direct service delivery.

RECOMMENDATION 5. Develop a new Case Manager model that emphasizes the brokering of services.

DISCUSSION

Our mission is to provide the goods and services veterans need to reach their rehabilitation goals. To ensure quality we must give case managers the tools they need to contract for needed services. Under our current system, case managers are required to complete a comprehensive evaluation and provide most of the other services the veteran needs. They are like a one-person band trying to be all things to all clients. We cannot expect them to be an expert in all areas of rehabilitation nor can we expect them to have the time to provide all of the services each veteran needs. Our case managers should be more like the conductor of the symphony. Their job should be to locate and bring together all of the resources needed to accomplish successful rehabilitation. Rather than provide direct service, they need to broker services through the use of contracts. Contracting procedures should be simplified and streamlined. Case managers will use this tool if we automate and simplify the process. The goal of the Contracting Task Force should be to define and simplify this process. Contract forms should be short and easy to use. We should purchase on a fee-for-services basis to the maximum extent possible. Case Managers should be able to contract for any rehabilitation service that the veteran needs. These include but are not limited to: psychosocial history, functional capacity evaluation , transferable skills

evaluation, testing, medical services (not available in VHA), financial planning, personal adjustment counseling, training and employment services.

RECOMMENDATION 6. Develop strategies to deal with caseload demands.

DISCUSSION

As stated above, burgeoning caseloads combined with limited resources creates problems in quality and timeliness of service. Well intentioned and necessary programs such as DTAP, Chapter 36 requested counseling, and the renewed eligibility of veterans with a 10% SCD who need to be assessed for SEH placed demands on an already overstressed system. Consequently, we need to move from a system of rigid rules and regulations to a program that is more flexible. We recommend developing strategies to deal with these current and anticipated caseload demands which eliminate unnecessary management layers and empower front line workers with more responsibility. We encourage the continuation of efforts to eliminate forms, rules, regulations and procedures that do not contribute substantively to the rehabilitation process. Specifically, we recommend the following actions be taken:

A. Eliminate duplication in voucher audit by designating authorization and payment functions to voucher audit clerk in Finance Section.

B. Revise the motivation/outreach activities to allow for the local VR&C Officer to exercise judgment and which veterans will be targeted for motivation/outreach and which veterans who will be targeted for follow up after missing appointments.

C. Eliminate the requirement for minimum frequency of supervision. Replace with suggested guidelines.

D. Consider establishing VR&C help teams to assist stations with unmanageable caseloads (week at a time).

E. Eliminate the requirement for annual review. Under the needs assessment model and, indeed, even in current practice the rehabilitation program is being reviewed continuously.

F. Let VRS use a 1905D needs assessment checklist form.

G. Give option to VR&C to update eligibility screens when an extension of entitlement is needed.

H. Establish a task force/sub-committee to review and eliminate unnecessary reports.

I. Develop as screening letter to send to veterans and dependents under Chapter 30, 32, 35, 107 who have requested counseling. The letter should be easily automated and should require the claimant to call VR&C within a specified time in order to confirm that the request for counseling is sincere.

J. Simplify and improve QRS.

K. Continue efforts to streamline contracting services in order that brokering of services can be readily accomplished. Reemphasize brokering of services for chapter 31 evaluations, rehab planning, certain case management services as well as employment services.

L. Provide option to send screening letter to 20% veterans who are beyond basic termination date.

M. Develop a strategy for dealing with the number of veterans with 10% SCD's who will be applying for services after 10-1-93. The old pronounced employment handicap procedures might be explored or allowing contractors to offer a "recommendation" regarding SEH. If the contractors recommendation is negative, the VR&C Officer should be given the option to deny the claim without the veteran being seen by a CP.

N. Establish manual standards for CP and VRS caseload size.

O. For any veteran who fails to report for counseling (Chapter 31 included), allow for CER designation to be taken out of BIRLS and for the CER to be destroyed.

P. Allow for the case management to be done via telephone, letter, mail in of questionnaires of Job Seeking efforts, e.g. work sheets, etc.

Q. Automate communication with VAMC through AMIE system .

R. Designate specific computer equipment designated solely for employment assistance, software could include job lead networks.

S. Make use of which case control system is used optional. Some offices may prefer 719/WIPP control system, while other offices may prefer use of 6013 or ad hoc reports.

T. Revise and clarify manual criteria as to when personal computers can be purchased without prior CO approval.

RECOMMENDATION 7. Eliminate the concept of entitlement.

DISCUSSION

As long as a veteran has basic eligibility for vocational rehabilitation, service delivery should be predicated on the basis of identified rehabilitation needs. The concept of entitlement is artificial and arbitrary and stems from vocational rehabilitation's historical connection to the GI Educational Assistance program. Vocational rehabilitation programs outside of VA do not charge months of entitlement, but rather focus on trying to meet rehabilitation needs.

Until this recommendation can be legislatively changed, the Committee recommends that, when possible, entitlement decisions be made as early on in the counseling as possible. Chapter 2 of our manual states that the entitlement decision is the single most important decision a Counseling Psychologist makes. The Committee disagrees with this assertion. While determining entitlement is important, assessing rehabilitation needs within the context of a counseling relationship, and then responding to those needs is, in reality, the most important thing we do. We believe that the entitlement decision can and should be made as early in the process as possible. In many circumstances entitlement or nonentitlement is clear and can be determined without the need for a complete psychosocial evaluation. We believe, especially in the

case of a negative determination, most veterans prefer knowing where they stand early on in the process. While all veterans should be offered the opportunity for a complete evaluation, they should be offered accurate information about their options, including the option not to undergo a complete evaluation, especially if they know they will not be able to have any services underwritten by the VA. In such instances, the evaluating Case Manager should not need to dictate the complete captioned report as is the present case. All decisions affecting the veteran, including that of entitlement, should be conveyed as soon as possible with an explanation supporting the decision. Each veteran should know what formal determinations have been made, know what his/her alternatives are and sufficient information to determine a course of action.

RECOMMENDATION 8. Broaden the definition of rehabilitation outcomes and develop procedures for implementation.

DISCUSSION

It is the consensus of this committee that a new focus is needed in regards to meeting the mission of the Vocational Rehabilitation Program. Specifically, we must refocus on our assessment techniques in addition to effectuating regulatory changes to better measure successful rehabilitation outcomes. Many veterans who have been and are being classified as "discontinued" (rehab failure) are, in fact, enjoying a very successful life-style because of their involvement with the VA rehabilitation program. As indicated in the prior VR&C Advisory Committee Report, one consultant to the VR&C Program said "we are looking at the world through the wrong end of the binoculars." The implication of this statement is that we have the tendency toward defining a declaration of rehabilitation much too narrowly. In such instances, it is felt that the delivery of other essential rehabilitation support services may go virtually unnoticed without the veteran having successfully completed the specific DOT employment objective. It is felt that in many instances, it is unnecessary to identify a specific DOT. The rationale for this is to reduce the general feeling that we are caught up in a dichotomy of providing either training or employment as the sole measure of a successful rehabilitation

(An exception to this, perhaps, are those veterans who may be involved exclusively in a program of independent living services). To a significant degree, we are led to think this way when applying the existing definition of rehabilitation contained in Title 38. While this definition over a period of time has gotten VR&C practitioners focused on employment, it has also created a rather myopic accountability system for measuring successfully rehabilitated cases. Hence, we feel that a broader definition implying a more holistic approach is now required. A greater focus on needs assessment must be emphasized as a continuous on going process. The need for rehabilitation is evolutionary and dynamic. Consequently, focus must be shifted more towards short term goals identified through the needs assessment and included in the Individualized Rehabilitation Plan. The plan needs to be more generic in nature to include the employment assistance phase without designation of a specific 9 digit DOT code. A declaration of rehabilitation can then be made when it has been confirmed that the criteria for our existing regulations have been bet; however, it is felt that the definition of rehabilitation should be expanded. For example, good counseling practice recognizes the real life possibility that a veteran may find it necessary to accept work that is not totally suitable. When the veteran accepts employment which fails to meet one or more of the criteria for suitability, the option of closing the case as successfully rehabilitated should remain when it can be justified in the following manner:

a. Explanation has been given to the veteran concerning the unsuitable aspects of the job;

b. The veteran has made the job choice in light of all the facts; and

c. The veteran has been informed, in the event the job does not prove suitable or the need arises for further services, that he/she may reapply-apply for vocational rehabilitation services.

RECOMMENDATION 9. Expand employment placement resources.

DISCUSSION

VR&C excels in meeting the education needs of our disabled veterans. This success is directly attributable to the extensive resources available to veterans pursuing educational objectives. These include the institutional resources of training facilities, the subsistence allowance, other VA benefits and a comprehensive agency administrative support system that allows delivery of these benefits without placing major time demands on VR&C staff. To achieve increased effectiveness in employment assistance we need to build a similar structure of benefits and support. Specifically the committee recommends that we address the needs of employers, veterans and the agency.

A. Employer needs: We must recognize that we are in competition with other agencies that are promoting employment of groups with special needs. JTPA, certain public assistance, workers compensation and state vocational rehabilitation programs all have programs of employer incentives. The committee recommends that:

(1.) The employer incentive program be simplified and made available to all veterans in either rehabilitation to employability or employment services and that the program simply allow for 50% reimbursement of veteran wages for up to 9 months. Eliminate the present variable formula and eliminate the manual requirement that the veteran have received en employment assistance allowance or lump sum payment. Allow for employer incentive payments for vets in state and local government.

(2.) Allow for work experience programs in the private sector.

B. Veteran Needs: To meet veteran needs, more resources must be made available to veterans in employment assistance:

(1.) Allow for RFL's in employment assistance.

(2.) Allow for the payment of up to 12 months of Subsistence Allowance in employment services for certain structured services including attendance at job club programs, structured job search programs, and work experience/volunteer services programs.

(3.) Allow for an incentive payment to the veteran if he/she achieves suitable employment prior to exhausting the 12 months in employment services.

(4.) Allow for payment of a clothing allowance for veterans to purchase necessary work & interview clothes.

(5.) Allow for payment of travel expenses for veterans to attend job interviews.

C. Agency needs:

(1.) Allow for a job development specialist in each VR&C division. (2.) Continue to simplify contracting procedures.

(3.) Simplify the OJT program by allowing a payment structure that is similar to "ch-34"

(4.) Provide a productivity count for veterans in employment services as well as when the vet exits Employment Services.

RECOMMENDATION 10. Develop marketing and networking initiatives with private industry for purposes of job development.

DISCUSSION

We need to sell our program to private industry. Many successful efforts have been made to make inroads in public sector employment. We need to make similar efforts to tap the unlimited resources of private business and industry. This could be done both at the national and local level. One of the most powerful ways to do this would be through a non-pay work experience program in private industry. We encourage vigorous pursuit of this initiative. Much more can be done in the way of "hire the veterans with a disability" programs. Marketing our program through such organizations as the Chamber Of Commerce, state business and industry associations, Governors committees, etc. Again, we recommend using a marketing consultant to assist with this project. Such a consultant would assist in the development of pamphlets, videotapes, public service announcements, etc.

SUMMARY

In summary, the VR&C Advisory Committee believes that the VA Vocational Rehabilitation is still one of the best rehabilitation programs in the world. However, over the past decade, the professional staff-client ratio has eroded to the breaking point. To meet the challenges of the future, we need to develop new ways of doing business. We need to unencumber counselors from bureaucratic obstacles and empower them to take on more responsibility. Although we need to continue to compete for more resources, the trend for the future is more likely to be that of a shrinking federal workforce. Therefore, if we want to meet the needs of our veteran customers, we can no longer afford the luxury of sharing caseloads as we do in the current Counseling Psychologist/Vocational Rehabilitation Specialist structure. All qualified Masters Degree employees should become functionally autonomous counselors responsible for caseloads from the point of application to the point of rehabilitation. By brokering for community based services, we will be able to provide services more conveniently to veterans in their own communities and, stretch our resources at the same time.

To maintain our leadership role in the rehabilitation community, we need to make a paradigm shift from the linear "trait-factor" rehabilitation model to a "dynamic rehabilitation" model. The former emphasizes assessment as a one time event that culminates in the selection of a rehabilitation goal; the latter acknowledges the complexities of human behavior as well as the medical, psychological and socio-cultural aspects of disability. In dynamic rehabilitation, needs assessment and rehabilitation planning is regarded as a continuous process. Rehabilitation successes are cumulative building on each other in support of vocational rehabilitation goals.

Lastly, we need to be more aggressive in marketing our program, both within and outside of VBA. The VA Vocational Rehabilitation program should potentially be one of the shining stars of the Department of Veterans Affairs, because it epitomizes all that VA stands for and is trying to achieve: to ensure that all veterans, having sacrificed for their nation, have the fullest opportunity to attain realistic and satisfying vocational and personal goals.

The Honorable John Glenn
Chairman, Committee on Government
Affairs
United States Senate
Washington, DC 20510

The Honorable William V. Roth, Jr.
Ranking Minority Member
Committee on Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable John Conyers, Jr.
Chairman, Committee on Government
Operations
House of Representatives
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The Honorable William F. Clinger, Jr.
Ranking Minority Member
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The Honorable John D. Rockefeller IV
Chairman, Committee on Veterans'
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United States Senate
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The Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans'
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The Honorable Frank H. Murkowski
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The Honorable Bob Stump
Ranking Minority Member
Committee on Veterans' Affairs
House of Representatives
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The Honorable Leon E. Panetta
Director, Office of Management
and Budget
Washington, DC 20503

Mr. Lawrence H. Thompson
Assistant Comptroller General
Human Resources Division
U. S. General Accounting Office
Washington, DC 20548

Question 19. You mentioned in your testimony that you are making effective use of the $5 million in the Readjustment Benefit account to contract for certain services.

Am I correct in saying there has been a significant increase in the use of this contracting authority?

Answer 19. Yes, from 1991 to 1992 there was a 422 percent increase in VR&C's use of the contracting authority. Contracting for services has helped our staff meet the heavy demands for their services, and we expect this increased demand for services to continue through fiscal year 1994.

Question 20. Under the current cap of $5 million, do you expect to run out of contract funds in fiscal year 1994?

Does the Veterans Benefits Administration (VBA) have procurement specialists who could be made available to help vocational rehabilitation staff with their contracting?

Answer 20. It is estimated that if the present rate of contracting continues in fiscal year 1994, we will run out of contract funds in the middle of the fiscal year.

VBA does not have procurement specialists. VR&C staff members are receiving some assistance with contracting issues through consultations with contract specialists at VA medical centers and clinics.

Question 21. I am very concerned about the proposal in the President's budget to reduce VR&C staffing by 18 FTEE. In view of VR&C's already poor timeliness statistics and anticipated increase in workload, how can you justify reducing staffing in the area?

What percentage of the 600,000 compensation and pension claims pending in VBA do you estimate will be applying for chapter 31 benefits?

Answer 21. We are also concerned that our 1994 anticipated workload. Our most severe problem, though, is in the Compensation, Pension, and Education program. Our 1994 request reflects an aggressive effort to shift resources into adjudicating claims in order to reduce our adjudication backlog. We have created avenues, e.g., new ADP systems and the use of contractual services, to minimize the impact of reduced staffing in the VR&C program.

We project approximately 125,000 original compensation claims will be processed during FY 1993. From our experience, thirty percent of these claims will result in applications for chapter 31 services. This means 37,500 applications for vocational rehabilitation will follow from those processed in FY 1993. It also means that 75,000 may follow in the period of FY 1994 and FY 1995, as the claims are adjudicated.

Question 22. What is the purpose of the VR&C Field Advisory Committee? How are the committee members selected? How often does this committee meet? What recommendations have been made by the Committee over the past four years? Which of these recommendations have been implemented? What travel money is available to this committee for fiscal year 1993? For fiscal year 1994?

Answer 22. The committee was formed in December of 1990 for the purpose of acting as a "sounding board" to the Vocational Rehabilitation and Counseling Service in program areas including policy, organization, and procedure. The committee can independently make recommendations in these areas. There are four committee members, selected from each of VBA's regions, and the members are expected to obtain the ideas and opinions of other VR&C Officers in their respective areas when deciding issues before the committee. Copies of their recommendations, since creation of the committee, are attached. The committee has been invaluable in their assistance to the VR&C Service and their regional office colleagues.

The committee members serve a two-year term with no more than two new members in each year. Four meetings in Washington are scheduled for FY 1993, at the cost of $18,000. The committee also met during the annual VR&C Officer workshop in Tampa and regularly interact with each other, their counterparts in other regional offices, and the VR&C Service, by telephone and electronic mail. Due to expected travel fund limitations, we do not believe that we will be able to support the same level of travel in FY 1994.

Question 23. What has been the turnover rate of vocational rehabilitation and counseling psychologists during the past four fiscal years?

Answer 23. Eight percent per year.

Question 24. What percentage of those who initiated chapter 31 training during the past four fiscal years were military retirees?

Answer 24. We do not collect data that would identify veterans who retired or separated because of medical reasons versus those who retire for longevity. In our own survey two years ago, we found that less than one percent of chapter 31 participants had thirty years or more of active military service, and that an additional six percent had twenty years or more of military service.

The evaluation of a veteran's need for vocational rehabilitation services includes an assessment of the marketable skills gained through education, training, and experience, but the number of years of military service, including retirement after a specific number of years, has no real significance to the determination of entitlement.

Question 25. Does VA conduct consumer satisfaction surveys of chapter 31 participants? If not, why not. If so, when was the last survey conducted? What were the results? How did they compare with the results of earlier surveys?

Answer 25. On June 29, 1992, VA released the results of a satisfaction survey of all disabled veterans who had completed their Vocational Rehabilitation program and were determined "rehabilitated" during fiscal year 1990.

The two key findings of the survey were: 1) There was a lack of communication and mutual understanding between the vocational rehabilitation counselors and their clients concerning the functions of the rehabilitation process in regard to employment, and 2) There is a strong positive correlation level with the program as a whole and the satisfaction level with the actions of individual counselors.

We are concerned about the first finding as it indicates our clients expectations for employment assistance are different from the staff's understanding of the services they provide. One way we plan to address this concern is by further training VR&C staff in September on how to coordinate the effective provision of employment services.

While earlier surveys of this type have not been conducted, the Vocational Rehabilitation Service is currently involved with a VBA satisfaction survey and plans to use the results to change policy and/or procedure, as necessary.

Question 26. In the past years, VA's vocational rehabilitation program was considered the finest available anywhere. Could that be said today?

Answer 26. Most certainly! The Congress created an excellent program and we all believe that it is the best program of its kind in the world. However, the potential of the program cannot be fully realized until sufficient resources are available to carry out its mission. We will continue to explore every avenue that holds any promise of improving our effectiveness.

Question 27: Please describe the administration of the revolving loan fund established under section 3112, title 38, U.S.C. What is its purpose? How many loans were provided during the last four fiscal years? What is the default rate of this loan fund? Is the fund adequate to provide assistance to all those who request and qualify for it? If not, what action should be taken to ensure that all those who request assistance receive it?

Response: The purpose of the VA's Vocational Revolving Fund is to provide loans up to $666 to service-connected disabled veterans who are temporarily in need of financial assistance, while enrolled in VA's Vocational Rehabilitation Program.

The number of vocational revolving fund loans provided during the last four fiscal years is as follows:

1989:	4,461
1990:	5,102
1991:	5,148
1992:	5,278

The default rate of the vocational revolving fund is almost zero, as all advances from the fund are repaid by deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance or retirement pay.

In fiscal year 1993, sufficient funding exists in the revolving fund to provide adequate assistance to all service-connected disabled veterans who request and qualify for loans. However, the revolving fund is a discretionary account and the number and the amount of loans which may be authorized are limited by the amount appropriated by the Congress.

Over the last three years, we have limited the amount which could be loaned on an individual basis to $200 beginning in the third quarter of the fiscal year.

Question 28. What percentage of those who apply for chapter 31 participation are found to be eligible? What steps can be taken to reduce the number of ineligible individuals who make application?

Answer 28. Two factors which affect the eligibility and entitlement of veterans for the vocational rehabilitation program are as follows:

1. A veteran must have a compensable service-connected disability evaluated at 20 percent or more, or have applied for a vocational rehabilitation program before November 1, 1990, if he or she has compensable service-connected disability of less than 20 percent. All applications for vocational rehabilitation are screened by the Adjudication Division to assure that these criteria are met before forwarding the case to the Vocational Rehabilitation and Counseling Division for further processing of the veteran's claim. We find that 10 percent of all veterans applying for assistance under the vocational rehabilitation program do not meet either of these criteria and are therefore ineligible for vocational rehabilitation. These individuals are informed of their ineligibility for the vocational rehabilitation program by the Adjudication Division. The letter to the veteran informs him or her of other programs through which he or she may be able to secure training or employment assistance.

2. The law (38 U.S.C., section 3106) requires that each veteran who meets the eligibility criteria described above be provided an initial evaluation to determine whether he or she is entitled to a program of rehabilitation services. Approximately 85 percent who meet eligibility criteria described in paragraph 1 are found to have an employment handicap and, therefore, to be entitled to a program of rehabilitation services. While the right to an initial evaluation may only be changed by legislation, we have taken a number of administrative steps to assure that those veterans who are most interested in and motivated for the program are provided the assistance they wish in as timely a manner as possible. For example, field staff may conduct group orientation sessions at which veterans have an opportunity to learn more about the program. The outcome of these meetings reinforces interest or leads to decisions to direct their attention to other possibilities for training and employment. The result is a more positive feeling on the veteran's part, conservation of staff time and improved program administration.

Effective October 1, 1993, veterans with disability ratings of 10 percent may be found entitled to a program of rehabilitation services if they are found to have a serious employment handicap. It is expected that only a small proportion of service-connected veterans with disability ratings of 10 percent will be found to have a serious employment handicap. Accordingly, we are developing a detailed letter which will inform the veteran of the requirements which a veteran with a disability rating of 10 percent must meet in order to be found entitled to a program of rehabilitation services and exploring other possibilities which will not infringe on a veteran's right to an initial evaluation.

Question 29. On average, how often do vocational rehabilitation specialists (VRSs) contact their clients? Are VRSs informed when a client drops out of the program? How and by whom are they notified? Are VRSs required to contact a client who has dropped out? If not, why not? Are you developing a reporting system that would maintain informative data, including the specific reasons for program termination, regarding chapter 31 drop outs? If not, why not?

Answer 29. While the needs of individual clients may affect the schedule of supervisory contacts, at a minimum VRSs are required to contact clients in educational programs and apprenticeships at least once per term for the first six months of enrollment, and then once per year. Clients enrolled in non educational programs are contacted monthly during the first six months, then bimonthly for the length of their programs. The individual needs of clients are considered when scheduling contacts, and these needs usually demand more frequent contacts than the minimum required.

We do have a reporting system in which our staff record the reasons for a veteran's discontinuance of the rehabilitation program. To augment this data, we are currently engaged in a more in-depth study of our case records to identify more specifically why veterans discontinue their programs of vocational rehabilitation. The data collection will be completed by 11/1/93 and the analysis of resultant data completed by 12/31/93. We will revise our reporting systems, as well as program policies and procedures, based on the results of this study.

Question 30. Section 3116, title 38, U.S.C., provides that the Secretary may make payments to employers for providing on-job training if necessary to obtain needed training or to begin employment.

During fiscal years 89, 90, 91, and 92, on behalf of how many veterans were such payments made? What total amount was expended using this authority during those fiscal years?

Answer 30. The following table provides the number of veterans and the total amount expended under the special employer incentive program:

Year	Number of Participants	Amount of Employer Incentive
1989	45	$ 96,850
1990	63	226,236
1991	53	102,798
1992	71	186,718
TOTAL	232	$612,602

Question 31. What effect has TAP/DTAP had on VR&C caseloads. Please provide the Committee with the travel funding available during fiscal years 92 and 93, by station, for VR&C staff who participate in TAP/DTAP training.

Answer 31. TAP and DTAP resulted in an increase in our workloads. The number of veterans in programs of vocational rehabilitation was 36,548 in FY 1992 and is expected to continue to rise to 39,700 in FY 1993 and 44,000 in 1994. Concurrently, the number of servicemembers, veterans, and eligible dependents who received educational/vocational counseling in FY 1992 was 13,187. This is expected to continue to rise to 30,000 in FY 1993 and 48,817 in 1994.

See the attached table for the requested information on travel funds.

STATION LIST			Total Travel	DTAP Travel	Total Travel	DTAP Travel
			FY 92	FY 92	FYTD 93	FYTD 93
ALBUQUERQUE	340	w	$4,029.10	$250.63	$1,951.33	$306.67
ANCHORAGE	363	w	$20,400.75	$2,441.00	$7,551.83	$0.00
ATLANTA	316	s	$11,015.02	$3,205.77	$5,895.19	$3,133.84
BALTIMORE	313	e	$6,088.64	$2,335.00	$3,916.20	$1,155.70
BOISE	347	w	$10,108.00	$505.00	$4,831.00	$242.00
BOSTON	301	e	$9,847.16	$468.50	$1,807.47	$365.00
BUFFALO	307	e	$8,040.27	$553.98	$3,316.66	$553.98
CHICAGO	328	c	$10,000.00	$2,900.00	$6,919.95	$1,658.00
CLEVELAND	325	c	$15,441.33	$33.50	$8,087.16	$105.19
COLUMBIA	319	s	$2,132.58	$783.56	$431.61	$0.00
DENVER/CHEYENNE	339	w	$15,653.15	$1,790.49	$8,087.47	$241.00
DES MOINES	333	c	$11,283.22	$859.00	$5,169.87	$238.00
DETROIT	329	c	$8,921.91	$2,078.00	$4,193.40	$861.75
FARGO	437	c	N/A	N/A	N/A	N/A
FORT HARRISON	436	w	$75,997.00	$0.00	$3,369.64	$71.28
HARTFORD	308	e	$4,686.00	$330.00	$2,754.00	$138.00
HONOLULU	459	w	$18,890.00	$0.00	$6,810.00	$34.50
HOUSTON	362	s	$37,145.86	$24,717.00	$14,400.87	$14,400.87
HUNTINGTON	315	e	$13,904.95	$0.00	$6,753.66	$0.00
INDIANAPOLIS	326	c	$9,497.08	$0.00	$4,312.31	$0.00
JACKSON	323	s	$6,045.00	$1,776.00	$3,036.00	$890.00
LINCOLN	334	c	$3,004.89	$436.19	$1,079.24	$0.00
LITTLE ROCK	350	s	$3,947.66	$620.66	$1,147.57	$0.00
LOS ANGELES	344	w	$6,377.85	$498.00	1,178.00	$0.00
LOUISVILLE	327	c	$10,093.00	$3,192.00	$5,985.00	$275.00
MANCHESTER	373	e	$2,088.10	$39.13	$803.78	$26.75
MILWAUKEE	330	c	$14,288.36	$0.00	$6,371.08	$0.00
MONTGOMERY	322	s	$6,838.10	$383.00	$3,379.16	$550.44
MUSKOGEE	351	s	$12,044.80	$1,128.35	$5,654.06	$306.50
NASHVILLE	320	s	$19,531.00	$760.00	$8,490.00	$590.00
NEW ORLEANS	321	s	$4,548.71	$648.00	$2,092.20	$453.40
NEW YORK	306	e	$7,190.70	$0.00	$2,273.97	$0.00
NEWARK	309	e	$10,367.90	$1,250.00	$5,324.00	$3,450.00
PHILADELPHIA	310	e	$6,693.73	$2,017.96	$5,359.65	$925.62
PHOENIX	345	w	$4,507.00	$676.00	$2,193.00	$394.00
PITTSBURGH	311	e	$9,525.41	$0.00	$4,536.29	$20.00
PORTLAND	348	w	$8,744.15	$0.00	$5,079.91	$0.00
PROVIDENCE	304	e	$2,633.60	$117.80	$1,202.51	$102.28
RENO	354	w	$4,757.38	$0.00	$2,105.08	$0.00
ROANOKE	314	e	$25,062.00	$3,456.00	$17,343.00	$2,267.00
SALT LAKE CITY	341	w	$1,098.19	$308.00	$535.00	$144.00
SAN DIEGO	377	w	$6,597.35	$2,984.00	$4,291.56	$1,517.00
SAN FRANCISCO	343	w	$26,362.16	$0.00	$10,184.57	$0.00
SAN JUAN	355	s	$7,687.00	$50.00	$6,429.00	$90.00
SEATTLE	346	w	$21,297.00	$3,892.00	$8,448.00	$1,589.00
SIOUX FALLS	438	c	$3,806.94	$0.00	$3,162.68	$0.00
ST LOUIS	331	c	$12,410.00	$2,072.00	$7,365.00	$1,036.00
ST PAUL	335	c	$9,024.00	$0.00	$3,344.89	$0.00
ST PETERSBURG	317	s	$24,500.00	$10,918.00	$12,530.00	$4,309.00
TOGUS	402	e	$3,874.00	$962.00	$1,825.00	$423.00
WACO	349	s	$15,396.49	$367.02	$9,103.74	$608.66
WASHINGTON	372	e	$3,353.35	$3,088.25	$1,603.88	$1,362.00
WHITE RIVER JCT	405	e	$988.33	$0.00	$105.50	$0.00
WICHITA	452	c	$8,342.54	$0.00	$4,108.40	$0.00
WILMINGTON	460	e	$6,195.00	$666.00	$4,429.00	$356.00
WINSTON-SALEM	318	s	$12,073.03	$4,172.69	$15,769.22	$2,495.45
TOTALS			$624,376.74	$89,750.48	$277,250.56	$47,686.88

Question 32. In his testimony, the DAV witness noted that the "chapter 15" program is not cost effective and has dramatically increased VR&C workload without sufficient positive outcomes to the detriment of service-connected disabled veterans. Do you agree with this statement? If no, why not?

Answer 32. During the pilot period of the Vocational Rehabilitation Program for Certain Pension Recipients (chapter 15), program requirements did cause a significant burden on VR&C staff. This program has undergone legislative change and is now tailored to those veterans who can benefit the most from the program and who actively wish to participate. In addition, we are now able to contract most of the evaluations using the Pension account as the funding source, so that this program does not detract from the resources available for service-disabled veterans.

Question 33. How many employees in the VR&C Service have received any employment services training and what did that training consist of?

Answer 33. Almost all of the professional employees in the VR&C Service have received some kind of employment services training. In the summer of 1991, 70 newly-hired VA employees attended a course developed by the Department of Veterans Affairs and the Ohio State University that covered employment services and job placement. Training and reference materials were distributed to all participants, and at a later date copies of these materials were sent to each outbased facility and any station that had not received them so that others could be trained at the station.

Twenty-six regional training workshops were held during fiscal years 1991-92 with an opportunity for participation by all professional staff. Each workshop included a session on employment services and/or job placement. For FY 1993, 12 regional workshops are being planned nationwide. Each workshop will include a program on either "successful caseload management," "the role of contracting," or "creative approaches to the provision of employment services."

Annual VR&C Officer training programs have included sessions on employment services or job placement since 1991.

A training program on employment services is being developed for August 1993. Close to 100 counseling psychologists and vocational rehabilitation specialists in VR&C Service will participate in this training. This training will be taped, and the tapes will be edited to create 3-4 modules. Each field station will be provided a set of modules along with a training outline and printed materials to be used for further staff training.

Question 34. DAV noted that in 1988 an Employment Services Task Group identified 36 problems that impacted on the delivery of employment services. What has been done to address those 36 problems. Does this Task Group still exist. If not, why not? If they do still exist, how many times have they met since 1988?

Answer 34. The Employment Services Task Group was an ad hoc group comprised of four Vocational Rehabilitation Specialists who consulted with the Vocational Rehabilitation and Counseling Service on how to improve our performance in employment services. Many of their recommendations were useful and have been incorporated in program policy and procedure. Since this was an ad hoc group, it disbanded after submission of its recommendations. The VR&C Field Advisory Committee now serves the role of field consultants to the Service.

Question 35. How many VR&C staff have gone through NVTI training? What type of training was provided by NVTI? How many VR&C staff will receive NVTI training during fiscal year 1993? How many during fiscal year 1994?

It has been suggested that VR&C contract with NVTI for a training Course designed to enhance the employment-placement skills of VRSs. This seems like an excellent idea. Will you pursue this recommendation? If not, why not?

Answer 35. Since 1990, over 350 VR&C staff received training through NVTI. VR&C staff have attended a number of different courses at NVTI, including their "Presentation Skills" course which teaches our DTAP coordinators how best to offer information concerning VA's Vocational Rehabilitation program. Since June of fiscal year 1991, 50 DTAP coordinators have attended this course and we have scheduled 30 VR&C personnel to receive this valuable training in fiscal year 1993. The Department of Labor, one of our partners in the DTAP effort, has funded this training. We are unsure of how many additional VR&C personnel DOL will be able to fund in fiscal year 1994 to attend this training.

We have been in contact with NVTI to design a course for us. Unfortunately, because of the overwhelming training schedule brought on by the Service Members Occupational Conversion and Training Act (SMOCTA), they are unable to help us this year. The stage is set, however, to work with them to develop such a course next year if the funds are available.

Question 36. DAV suggested that Individual Employment Assistance Plans (IEAPS) should be developed, with the full participation of the eligible veteran, during early contacts with chapter 31 participants. Would this be an effective way to further emphasize that employment is the ultimate goal of vocational rehabilitation? If not, why not? If so, will you adopt this recommendation?

Answer 36. DAV's suggestion is consistent with current guidance to the field on employment planning in the rehabilitation process as outlined in M28-1, Part IV, Chapter 3.01. It states, "Effective employment planning should begin at the earliest possible opportunity within the rehabilitation process...Nearly all IWRP's (individualized written rehabilitation plans) should clearly state a specific vocational goal and outline the specific employment activities to reach that goal...[which] will focus the veteran's efforts not just on training ... the IWRP might include registering with college placement offices, joining professional organizations, and applying for summer jobs in the area of his or her chosen vocational field."

71-902 O - 93 - 9

Question 37. You mention in your testimony that a recommendation that would strengthen qualification standards for VRSs is being prepared for the Secretary. Why has it taken several years to reach this point in the process of amending the qualification standards? The Committee has raised this issue several times in recent years. Please keep me informed in writing regarding the progress being made on this initiative.

Answer 37. The Vocational Rehabilitation Service has been vigorously pursuing an effort to change the qualification standards for both counseling psychologists and rehabilitation specialists for the past four years. A labor-intensive job analysis was required for each position (vocational rehabilitation specialist and counseling psychologist). These analyses were time-consuming to complete and involved the work of many individuals. Currently, the qualifications package is in VA's internal review process.

Question 38. Have you taken any action to amend employee performance evaluation procedures in order to emphasize the importance of employment placement services? If not, why not?

Answer 38. We are in the process of updating VR&C Officer performance standards to reflect an increased emphasis on services to seriously disabled veterans, employment services, and improved quality of rehabilitations. We plan to implement similar prototype standards for counseling psychologists and vocational rehabilitation specialists in the near future.

Question 39. DAV noted in its testimony that organization has provided every VR&C office with a series of six workbooks regarding employment-related activities and issues. Are these workbooks reproduced and made available to chapter 31 participants? If not, why not?

Answer 39. The materials from DAV were received by our field staff but the decision to use the material or reproduce it has been an option left to the local staff.

Question 40. What procedures are currently followed if a chapter 31 participant terminates training because of a worsening physical or mental condition? Are follow-up efforts required to ensure that necessary medical treatment is provided and that the individual reenrolls in training when his or her condition improves? If not, why not.

Answer 40. VR&C policy and procedure dictate that a veteran who terminates training because of a worsening of a physical or mental condition be referred to appropriate medical service providers so that the condition may be assessed and treated. The veteran may be continued in an active status, even though training is suspended. The scope of program services is not limited to training and there may be substantial periods of intensive services that are not directly related to training. If a veteran must suspend all services, he or she will be placed in an interrupted category and periodically contacted to determine if the reasons for interruption can be resolved.

Though it is the responsibility of the veteran to notify the case manager when the veteran interrupts training, VRSs work closely with both veterans and service providers in order to facilitate an ongoing exchange of information. Clients who are in interrupted status are contacted regularly to assist them in resolving any problems which have led to interruption of training. Documentation of these contacts is maintained, and cases are coded when placed in a non-active status. This information can be used to assess why training is not completed.

Question 41. The recent GAO reports on the vocational rehabilitation program point out that VR&C offices operate rather independently. What exactly is the relationship between the VR&C office, the director of the regional office and the director of the Vocational Rehabilitation and Counseling Service? What are the lines of authority? To whom are the VR&C offices ultimately responsible? What responsibility does the director of the regional office have for the proper implementation of procedures by his VR&C office? What reporting systems are in place to ensure that VR&C offices are following the mandated procedures?

Answer 41. The Director, Vocational Rehabilitation and Counseling Service, is responsible for development of program policy and procedure and assuring that the program budget requests adequate resources and that program purposes and goals are met. This is a staff function. The Director of a VA Regional Office is a line official who administers all VBA programs in his or her area of jurisdiction. This person has day-to-day control of the workload and workflow in a regional office and assures that each veteran or beneficiary receives the best service possible. The Vocational Rehabilitation and Counseling Officer is the regional office line official who is directly responsible for the administration of the VR&C program. The staff under this official has the direct contact and direct service provision responsibility. Reporting mechanisms such as periodic workload assessment and systematic analyses of operations are in place to meet the line responsibilities of manpower productivity and effectiveness and quality control, within budgeted resources. Quality control and reporting mechanisms, such as random case review and periodic quality control surveys, are also in place to measure the staff responsibilities of meeting the program goals and objectives.

Question 42. Are VR&C field staff required to routinely make contact with nearby hospitals regarding potential chapter 31 participants? If not, why not?

Answer 42. Particularly since the advent of the TAP/DTAP program, VR&C staff have been more active in contacting servicemembers with service-connected disabilities scheduled for separation and veterans who have recently separated with service-connected conditions, in military, VA, or civilian health care facilities. Since VR&C does not have resources to cover all such facilities, the first contact may be made by regional office veterans benefits counselors, service officers of recognized veterans organizations, or state/county veterans service officers.

Question 43. In its study entitled, "VA Needs to Emphasize Serving Veterans With Serious Employment Handicaps", GAO recommends that VA develop a performance evaluation system that acknowledges the additional time required to provide vocational rehabilitation services to veterans with serious employment handicaps. Has this recommendation been implemented? If not, why not?

Answer 43. Vocational Rehabilitation Service's performance evaluation system currently recognizes the additional time required to work with the more seriously disabled client. The time required to provide services to all chapter 31 veterans, those with or without a serious employment handicap, is periodically measured and appropriate productivity standards are established. We do not have separate production standards for clients with a serious employment handicap versus those who don't.

The Veterans Benefits Administration periodically revises its productivity standards. We plan on studying and revising those standards specific to Vocational Rehabilitation and Counseling activities early next fiscal year. At that time we will explore establishing separate standards for veterans with serious employment handicaps and those who do not have a serious employment handicap. If this distinction proves to be useful in helping the staff to provide timely, quality services to their clients, we will adopt the change nationwide.

Question 44. Section 513, title 38, U.S.C. permits the Secretary for purposes of all laws administered by the Department, to accept uncompensated services. Has any thought been given to recruiting graduate students in fields related vocational rehabilitation to assist VR&C staff? This could be an attractive opportunity for students to gain actual clinical experience.

Answer 44. Currently qualified graduate students assist our staff through the work-study benefits program and internship arrangements. Internship arrangements appear to draw on the same population that would be interested in working on an uncompensated basis, with the added incentive of completing degree requirements.

Major problems in using graduate students under any arrangement are the need for a substantial investment of training time before these students can assist professional staff and the requirement of supervision that may include frequent reports back to the training institution. It must be remembered that the main purpose of the student's placement is to receive training, not provide an additional tool to manage an excessive workload. That investment of staff time may not generally be worthwhile unless the individual agrees to stay with the program for at least two terms. If we can get this type of commitment, uncompensated work arrangements may be an additional source of assistance for our staff. Even then, the best payoff would come if in the future we were able to attract more well-trained and qualified students to become VR&C employees.

Followup Questions to Dr. Martha Hickey
Counseling Psychologist
VARO Winston-Salem, N.C.
From the HVAC Hearing of May 20, 1993

Question 1. We understand one of your major responsibilities as a counseling psychologist working out of the Winston-Salem Regional Office is to implement the DTAP program at a number of military facilities. What facilities are you servicing? How frequently do you provide DTAP services at these facilities? Are you seeing all of the servicemembers you should be?

Answer 1.

A. Installations served.

Marine Corps Base Camp Lejeune
Marine Corps Air Station Cherry Point
Marine Corps Air Station New River

Servicemen and women travel from the following installations:

Marine Corps Auxiliary Field, Bogue
U.S. Coast Guard Station, Fort Macon
Marine Corps Camp Johnson
Marine Corps Camp Geiger

Servicemen and women stationed at the smaller Camps or Fort travel to the closest DTAP point or to the point of choice. Commands provide transportation as needed by the service members to attend DTAP.

Other NC DTAP programs.

U.S. Army Base, Fort Bragg
Seymour Johnson Air Force Base
Pope Air Force Base

Together we provide service to 119,000 active duty population.

B. Frequency of service. Each of the major installations listed above has AT LEAST TWO DTAP services each week. Often there are more.
DTAP is a multi-dimensional, diverse program which is tailored at each installation to meet the needs of the population served and services required.

- TAP and DTAP are integrated programs which work closely together at all our NC installations. The TAP and DTAP Coordinators are team members. Information about Vocational Rehabilitation (Chapter 31) and Vocational and Educational Counseling (Chapter 36) is presented at TAP briefings. Servicemembers have the opportunity to attend a forms class provided by the TAP Coordinator every week to complete their applications for disability and vocational rehabilitation.

- Command Education is an integral part of the DTAP and TAP program. The DTAP and TAP Coordinator each accept every opportunity to brief command gatherings about our programs. Examples are: First Sergeants School, Officers Call, Professional Military Education classes. We actively seek these opportunities to educate the troop leaders about DTAP/TAP.

C. Seeing all the service members? The DTAP population is varied. It is composed of three parts which are detailed below.

- Service members going through Physical Evaluation Boards (PEB) who have been identified as being so severely physically disabled that they are being processed for separation. This population contains the MOST SEVERELY DISABLED men and women. They are my DTAP's highest priority. I am seeing all of the PEB servicemembers whose Boards are processed through the two U.S. Naval Hospitals which I serve - Cherry Point and Camp Lejeune. The support from the hospitals has been tremendous in implementing DTAP. We have a combination DTAP which is comprised of class, individual appointments, and even home visits for the most severely disabled. Servicemembers are self-referring to this program even when they have not yet been formally referred to the Board. The PEB will not be processed at either hospital unless the servicemember attends DTAP.

- The retiree population. I am only seeing a portion of the retirees prior to their departure from service. I believe that more servicemembers are retiring than are attending (about 150 each installation each quarter) the voluntary seminars which comprise the retirement program. Each of the installations offers through the Family Service Center a voluntary three day Pre-Retirement Seminar on a quarterly basis in which both the TAP Coordinator and the DTAP Coordinator participate. The retirees who do participate in the Pre-Retirement Seminars also use the entire scope of DTAP and TAP. The ones who do not attend the seminars may use portions of the DTAP and TAP IF they have been exposed to it through our Command Education program. The emphasis on Command Education is in part our response to increase retiree utilization of DTAP and TAP.

- Servicemen and women separating from service (EAS, VSI, SSB, etc.). This is the least disabled of the DTAP populations and the largest with which we deal. To the extent that Commands require separating servicemembers to attend TAP, the members do receive good services. These men and women are provided information about Vocational Rehabilitation and Vocational Counseling as well as all aspects of VA benefits through the TAP briefs which take the form of Pre-Separation Briefs, Civilian Readjustment Briefs or the like. Many of the Chapter 36 Counseling Cases originate here.

This group of individuals tends to be younger, to be separating after one or two terms of enlistment or to be at midcareer and accepting separation incentive. Currently there are 12 contract counselors providing Chapter 36 benefits to separating service members. In the first quarter of 1993, we processed over 2,700 Chapter 36 cases, either through providing direct services, forwarding applications to a future home of record, or contacting servicemembers who had applied for and subsequently declined services. The Chapter 36 Vocational and Educational Counseling is an ideal opportunity to validate plans and obtain objective information through assessment.

Question 2. Some individuals have questioned whether the effort put into implementing DTAP is leading to worthwhile results. What is your opinion?

Answer 2.

- DTAP is a program whose result is to empower veterans by providing accurate and timely information. Is DTAP worthwhile? I believe the answer to that lies with the individual service members served by DTAP. Undoubtedly, the service members appreciate DTAP. We hear their thanks every week, almost every day. "I'm really glad there's a service like this", "they should have started this long ago", "this really helped me out a lot", thanks for your program" - all are typical feedback we receive.

Question 3. What is the biggest challenge you face in implementing the DTAP program? If you could change the DTAP program or the way it is being implemented, what would you change?

Answer 3.

- The biggest challenge I face is without a question time management. The program is enormous in scope - three distinct populations, three major installations, three major components (teaching, PEB's, Chapter 36). There simply is not enough time to plan, to manage, to coordinate, to administer and to deliver DTAP.

- If I could change anything, I would increase funding for contracting so that we could have a DTAP Coordinator and an Administrative Staff worker at every major installation. After the draw-down is completed, I would retain DTAP and maintain at least one DTAP Coordinator in each state that has major military installations because I believe DTAP and TAP are valid functions independent of draw-down and should be maintained as part of the total VA service. We will always have attrition, separation, retirement and PEB as long as we have military forces. That normal attrition and separation is VERY SIZABLE in North Carolina.

Question 4. Dr. Hickey, I understand that you are heavily involved in conducting outreach activities for disabled veterans in the Winston-Salem area and to accomplish this effort you travel some 800 miles per week. Do you believe that outreach activities are critical enough to VA's Vocational Rehabilitation Program to warrant this level of effort?

Answer 4.
- I'd like to clarify some of the details in this question. My entire program is conducted NOT in the Winston-Salem area of North Carolina, but rather on the eastern coast. I provide service at the major installations listed above and for veterans throughout the eastern part of NC. My official travel takes me on the road from Marine Corps Air Station New River north to Camp Lejeune and north from there to Marine Corps Air Station Cherry Point. The driving time EACH WAY from New River to Camp Lejeune is about 35 minutes and from Camp Lejeune to Cherry Point is about one hour. My office is located at New River. I have the luxury of working out of it about two days per week.

- My outreach activities consist of taking the DTAP program to the servicemembers where they work. I believe this is absolutely critical to the accessibility of the program, especially when you consider that some of our most disabled servicemembers, the ones undergoing PEB, are junior troops who have no personal transportation. The program is meaningless, in my personal opinion, if it is not accessible. For it to be accessible, it has to be delivered where the servicemembers work. Outreach and the efforts, herculean as they feel at times, are absolutely necessary for DTAP.

- Your final question, however, seems to ask do I believe that outreach is critical enough to Vocational Rehabilitation to warrant a level of effort comparable to mine in DTAP? My answer is that I believe outreach is requisite in any program which purports to serve seriously disabled persons. Is it worth the effort? I believe we could test it somewhere and see if it is.

Follow-up Questions to Mr. Vincent Monteforte
Vocational Rehabilitation & Counseling Officer
VARO Roanoke, Virginia
From the Hearing of May 20, 1993

Question 1. Mr. Monteforte, you have been successful in meeting some of the heavy demands of your workload through contracting out services to expert service providers in the community. Has this been a satisfactory method for meeting this demand and, if so, what can you share with your fellow VR&C officers that would help them achieve success in this area?

Answer 1. I believe it is too early to say that our contracting efforts have been successful in meeting workload demands. In April 1992, the Roanoke VR&C Division let three $25,000 contracts with private rehabilitation firms and practitioners to provide services to VR&C clients. Knowing that the number of potential referrals for contract services would exceed the dollar amount of the contracts, we started procurement activities through the VA Medical Center for contracts above the authority of the VR&C Officer. The negotiated procurement process was initiated in July 1992 and was concluded on March 1, 1993, with the approval of three $250,000 and one $200,000 contracts. The contracts are for the following services:

Vocational/Educational Counseling (Chapters 30, 32, 35, 36, 106, etc.)

Employment Placement (Chapter 31)

Vocational Assessment/Systematic Exploration (Chapters 31 and 15)

The negotiated procurement process is complex, labor intensive and time consuming. It has taken us eight months to develop, negotiate and let the contracts. Contractors and VR&C staff were trained in April and we started referring Chapter 31 cases in May. It will probably be July before we start to see quality cases generated from this relationship. The contracts give us the potential of referring 150 Chapter 31 cases per month to contract providers. We have again initiated the procurement process, this time to identify and contract with firms and individuals for case management services. Given the complexity of the procurement and contracting process, we do not anticipate that these contracts will be in place for us to begin services until January of 1994.

Using contractual services for chapter 31 veterans provides us a dilemma. The service-disabled veteran is, always has been, and always will be VA's highest priority. VA staff deeply feel the commitment to serve these men and women. Many of our staff very much regret the circumstances which require us to call on contract service providers to do the job that we feel is our most important role. In addition, obtaining contractual service is not without costs. Beyond the actual cost for service is the large amount of time and effort required by VA staff to properly advertise, receive proposals, negotiate contracts, administer the distribution of cases to contractors, oversee the letter and quality of contract services, and authorize payments.

Question 2. Do you see your regional office as a typical station? If not, how is it different? If so, what do you see, as a result of your experiences, as the most important issues affecting the delivery of vocational rehabilitation services to veterans today? As lawmakers, where would you have us focus our attention?

Answer 2. I do not believe the Roanoke Regional Office is a typical regional office. I believe a combination of factors make us atypical. They are:

(1) Workloads in VR&C, Adjudication, and Loan Guaranty are extremely heavy and have been so for at least five years;

(2) In addition to a large veteran population, the Roanoke Regional Office also has in its jurisdiction a large number of military facilities, i.e., Ft. Eustis, Ft. Lee, Ft. Monroe, Langley AFB, Norfolk Naval Base, Little Creek Naval Base, Ft. Storey, Yorktown Naval Weapons Station, Oceana NAS;

* A large number of separating and retiring service personnel remain in Virginia, close to their support systems and networks;

* The largest naval facility in the world is located in Norfolk;

* 75 percent of the VR&C Division workload is located in the Tidewater Area of Virginia, more than four hours away from the regional office;

* The Roanoke Regional Office is closer to three other regional offices (Winston-Salem, Huntington, Washington, DC) than it is to its own outbased staff (Richmond, Hampton) making staff training and program coordination difficult.

The most important issues affecting the delivery of vocational rehabilitation services to veterans in the Roanoke Regional Office are:

(1) rapidly expanding VR&C workload (40 percent annually over the next three years);

(2) the timeliness and effectiveness goals set by the Vocational Rehabilitation Service.

(3) the additional burden on VR&C staffing resources due to new programs and initiatives;

(4) the growing DTAP initiative requiring additional resources;

(5) the increased complexity of cases seen by VR&C staff requiring more time to arrange and coordinate services;

(6) the inability to fill staffing vacancies in VR&C because of a priority to provide additional staffing to Adjudication Divisions;

(7) VRS caseloads are currently twice the goal set by Vocational Rehabilitation Service;

(8) the administrative burden of contracting makes it less than ideal answer for dealing with rising workloads.

I have been in VR&C for nearly 22 years, and over the years I have seen the effectiveness of the program eroded due to the addition of new programs and initiatives without additional resources. In recent years, we have seen various requested counseling initiatives, VJTA, Pilot Program of Vocational Rehabilitation for Certain Pension Recipients, Chapter 31 subsistence allowance processing, and DTAP, to name just a few. Soon, responsibilities for SMOCTA counseling and for providing initial evaluations to those rated 10 percent with serous employment handicaps will be added. Proposals for VR&C personnel to expedite the adjudication of memorandum ratings and eligibility determinations (traditionally performed by Adjudication personnel) are now being discussed. On a day-to-day basis, VR&C staff must decide on what they will work and

on what tasks they will fail. It reminds me of the analogy of being in a room with 50 rabbits and trying to catch all of them. It is impossible to do. Either we have to have more rabbit catchers or we need to focus on catching the fattest rabbits. In my opinion, the fattest rabbits are providing rehabilitation services and assistance to service disabled veterans and DTAP.

As lawmakers your focus should be to see that adequate resources are provided so that service disabled veterans are provided timely and effective rehabilitation services and assistance. If adequate resources cannot be provided then lawmakers should assure that available resources are directed only to the disabled.

Question 3. Mr. Monteforte, I understand that in the short time you have been at the Roanoke Regional Office, the VR&C workload has increased significantly. What accounts for this increase? What techniques are you using to address this workload and are they working?

Answer 3. The VR&C Division workload continues to grow at an accelerated rate based on the incidence of service disabled veterans in the Tidewater area of Virginia as well as increased vocational rehabilitation applications resulting from the implementation of the Disabled Transition Assistance Program (DTAP). Recent VACO survey findings indicate that the Roanoke VR&C Division counseling psychologist (CP) workload increased 41% and the vocational rehabilitation specialist (VRS) workload increased 29 percent since August 1991.

Roanoke counseling psychologists complete counseling cases (32 per month) at a higher rate than the national average (24 cases per month). Even at this high rate of completed cases, the Division receives 100 more cases per month than can be worked.

The current total VRS case manager workload is 1,551. The average VRS is working with 286 veterans at one time. The Vocational Rehabilitation Service (VACO) recognizes a caseload of 125 per VRS as generally permitting provision of quality rehabilitation services. The current State/Federal (State Department of Vocational Rehabilitation) average is 108. We have reduced the number of cases our VRSs work with by giving each of our counseling psychologists a small caseload. This is a method of robbing Peter to pay Paul and time is taken away from the counseling activity. Division projections suggest the VR&C workload will continue to expand at the rate of approximately 40 percent annually over the next three years. The following techniques have been employed to address the expanding workload:

* priority scheduling for those applicants considered to have a serious employment handicap;

* group orientation sessions to explain the provisions of the VA vocational rehabilitation program;

* group testing;

* contracting for initial evaluation services under Chapter 31;

* contracting for vocational/educational counseling services under Chapters 30, 32, 35, 36 and 106;

* distributing VRS caseload to VA counseling psychologists;

* consider contracting for DTAP briefings;

* have Military Assistance Coordinators perform DTAP briefings to free DTAP counseling psychologist to conduct Chapter 31 initial evaluations;

* pursue contracting for case management services.

While implementation of the aforementioned techniques will help, they will not allow us to keep pace with the incoming flow of cases.

Question 4. You are responsible for a number of large military facilities in the Tidewater Virginia area. What are the greatest challenges you face in providing transition services to separating servicemembers from these facilities? Do you feel you are providing the types of services you should be under the D-TAP program, and if not, why not? What do you require to implement the D-TAP program as you feel it should be implemented?

Answer 4. The Disabled Transition Assistance Program assists servicemembers separated because of medical reasons. These men and women attend a four-hour briefing, offered at military hospitals, emphasizing benefits and services available to the disabled. The purpose of the program is two-fold: (1) to identify servicemembers with service-connected disabilities so they can be advised of the services and assistance available under the Vocational Rehabilitation Program, and (2) to expedite the process of getting into the vocational rehabilitation program by as much as one year. Early intervention is its goal and distinction. A vocational rehabilitation program is most effective when it starts close to the onset of injury. By being accessible to servicemembers when they are in the process of being medically evaluated and discharged from the services because of their disabilities, the DTAP program meets this important criteria for effective vocational rehabilitation.

The DTAP program is presented to servicemembers just as their medical boards have been completed, and prior to the Physical Evaluation Board's decision regarding their fitness for duty. Many of them are distraught, grappling with the fact that their military careers are over. Many are sick and on medication, not able to concentrate on transition to civilian life. Many are angry holding the service responsible for their dilemma and seeing only a dismal future for themselves and their families. Without their military careers, most have no way to support themselves. They are in a panic. The news of the Vocational Rehabilitation Program offers a solution, a way out of their dilemma, a life raft, so to speak. Panic is displaced by hope as the servicemembers engage in concrete career planning. The Vocational Rehabilitation Program assists them in mapping their rehabilitation goals and objectives and begin a future with hope.

The concept on which DTAP is based is excellent, however, due to the increasing retirement and separation activity, my DTAP personnel can reach only 50 percent of servicemen and women. Once the servicemember applies for vocational rehabilitation, it may take as long as nine months before they can be seen for evaluation services. I am afraid we are promoting a program that we cannot deliver in a timely fashion.

Follow-up Questions For Mr. Wayne Otts
Supervisory Vocational Rehabilitation Specialist
For the HVAC Hearing of May 20, 1993

Question #1. I understand you find the Special Employer Incentives Program to be very helpful in assisting vocational rehabilitation program participants. Is there some reason why this program isn't used more frequently around the country? Are there other employer incentives that would be helpful in assisting you, and your counterparts throughout the country, in assisting veterans in getting and keeping suitable jobs?

Response: The Employer Incentive Program is not used more frequently because the program is very labor intensive. It requires significant staff time to find and educate employers on how to use the program. In addition the preparation and administration of contracts is very labor intensive. Employers must be educated regarding problems and limitations of the disabled. They must incorporate some type of program to make them feel comfortable working with disabled veterans. Employers must also become familiar with the requirements of the Americans with Disabilities Act. Case managers must also be available to deal with problems that arise for both the employer and the veteran. This is an excellent program; however, most offices throughout the Department of Veterans Affairs do not have sufficient staff available to use this program effectively.

One of the most helpful incentives for assisting disabled veterans in getting and maintaining employment is the Targeted Jobs Tax Credit (TJTC) program. Most employers are familiar with this program. In addition, the program is administered by the Department of Labor and does not require as much of our time.

Question #2. I have heard that vocational rehabilitation specialists' caseloads throughout the country are exceptionally high and it is very difficult to get adequate travel funds to see veterans. What are the caseloads in Phoenix? Do you have adequate travel funds to do the job? If you don't, what impact does this have on the veterans you are to be serving?

The caseload for vocational rehabilitation specialists in Phoenix is 180 cases per case manager. The recommended caseload is 125 cases per case manager. In addition, 50 percent of our case managers are trainees. Due to these elements, case managers do not have time to give each disabled veteran the case management and employment services needed to assure successful adjustment into suitable employment.

During fiscal year 1993, we have been able to meet the minimum requirements for contacts with veterans in outlying areas. Travel funding seems to be adequate at this time; however, any cut in our present travel funds would be devastating. One missed supervision visit could result in a veteran failing his or her rehabilitation program. The cost, both financially and in human terms, would be significantly greater than any savings made in travel funds.

Disabled American Veterans
Response to Questions from the Hearing on
Vocational Rehabilitation Program
of May 20, 1993

Page 1

1. What specific actions should be taken to improve the relationship between VR&C staff and Veterans' Health Administration personnel?

The Under Secretary for Health Care and the Under Secretary for Benefits must agree to work together, not only at the national level, but more importantly at the Regional Office and Medical Center level. One of the problems which can be addressed but not solved is location. The mere fact that medical centers, for the most part, are located separately from regional offices compounds the problem of the two working together.

However, the Regional Office Director and the Medical Center Director must ensure a cooperative atmosphere between the two services and they should be held accountable through management review systems. Their success in rehabilitation efforts should be considered when evaluating them for merit pay or promotional opportunities. They should develop a plan of action which should be submitted to Central Office for review and subsequent approval. The Secretary should communicate to all stations his strong support for successful vocational rehabilitation outcomes.

2. I understand that under the Job Ready Disabled Veterans Connection program, which was established jointly by VA and OPM to place rehabilitated veterans in Federal jobs, only one veteran has been placed since the program was initiated in 1991. How do you explain this very poor placement rate? What can be done to improve the effectiveness of this program?

The Job Ready Disabled Veterans Connection (JRDVC) is an excellent concept but as you know has had too few enrollments. This is due in large part to what we believe is a perfect example of federal agencies' lack of interest in hiring disabled veterans and complying with the affirmative actions provisions of Section 4214, Title 38 USC.

Federal agency managers are surrounded by mandates to hire from certain segments of our population who may be under represented in the agency. Under the Federal Equal Opportunity Recruitment Program (FEORP), managers are held accountable for their hiring of certain minority members. Their performance evaluations hinge in part on their success. No such provision exists for the hiring of disabled veterans. Accordingly, federal managers are not encouraged to recruit disabled veterans.

Additionally, Section 4214 Title 38 USC provides only for affirmative action. A disabled veteran who believes an agency has failed to take affirmative action or otherwise discriminated against him or her has no rights of recourse. We believe in order for JRDVC to be successful a more meaningful program with accountability needs to be put into place to ensure federal managers devote the attention and desire to recruiting disabled veterans. Additionally, OPM and VA could do more to market the program. Vocational rehabilitation counselors and vocational rehabilitation specialists need to do more job development using all of the tools available to them such as JRDVC, the 30 percent non-competitive appointing authority (Section 3112 Title 5 USC), VRA and others.

Disabled American Veterans
Response to Questions from the Hearing on
Vocational Rehabilitation Program
of May 20, 1993

3. We on the Committee have noticed that, in spite of the dismal timeliness statistics and high drop-out rate, we rarely hear from veterans expressing dissatisfaction with the Vocational Rehabilitation Program. Does your organization hear complaints from veterans regarding Chapter 31? If not, how do you explain this?

We too, in the DAV, receive few complaints or inquiries from disabled veterans expressing dissatisfaction with the Vocational Rehabilitation Program. We believe this is due in large part to a high frustration level and the need for the disabled veteran to go out and find a job to support his or her family.

We believe vocational rehabilitation is not viewed as an "entitlement" like compensation which puts money directly into the pockets of service-connected disabled veterans. Because of the long wait, the disabled veteran probably becomes frustrated and gives up. We also believe that until such time as a disabled veteran is actually denied vocational rehabilitation, he or she doesn't hear from the VA and believes they will be called when it is their turn.

In all probability, if a disabled veteran calls the VA, they are told their case is pending and there is a huge backlog. That probably frustrates the veteran who then decides to give up.

What is more difficult to explain is why so many drop out after their first counseling session. I am not sure why this occurs and I believe it needs further exploration. Perhaps GAO or the VA should conduct an investigation into the high drop out rate, both prior to and subsequent to the first counseling appointment.

4. In its reports on the Vocational Rehabilitation Program, GAO recommended several administrative changes that could be made to improve the delivery of services. In your view, which of those recommendations should be implemented first?

In the GAO report titled "VA Needs to Emphasize Serving Veterans with Serious Employment Handicaps," GAO makes two administrative recommendations which could be implemented with little difficulty.

We agree and support the recommendation that the Secretary reemphasize "... to VA field offices that disabled veterans with serious employment handicaps are to be (1) provided special outreach services and (2) given priority when scheduling initial counseling and evaluation appointments." As indicated in our testimony of May 20, 1993, we also believe performance standards must be in place that ensure accountability in implementing this recommendation. Emphasis by the Secretary without outcome measurements would be meaningless.

The second recommendation suggests that "... the Secretary recognize the additional time required to provide services to these veterans in the employee productivity standards." It must be recognized that many disabled veterans with serious employment handicaps need labor intensive services to become rehabilitated and successfully employed. Until such time as that is recognized, we will probably continue to see <u>emphasis on quantity over quality</u>.

Disabled American Veterans
Response to Questions from the Hearing on
Vocational Rehabilitation Program
of May 20, 1993

Page 3

In the other GAO report titled "Better VA Management Needed to Help Disabled Veterans Find Jobs," four recommendations are outlined on page 5. We believe if the above-mentioned recommendations are implemented effectively, the first recommendation in this report would be taken care of. We believe the recommendations as sequentially outlined on page 5 are ranked in importance.

QUESTION SUBMITTED BY THE HONORABLE "SONNY" MONTGOMERY
TO MR. CLIFTON E. DUPREE, PVA
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
ON VOCATIONAL REHABILITATION PROGRAM - MAY 20, 1993

1. What specific actions should be taken to improve the relationship between VR&C and Veterans' Health Administration personnel?

Answer: PVA advocates the need for active participation by VR&C representatives in each VA medical center. It is also considered immensely important that vocational rehabilitation specialists be a part of the interdisciplinary and patient planning team. Veterans, particularly those of whom are seriously disabled, should receive rehabilitative counseling as soon as possible subsequent to their injury and during treatment.

At a very minimum, VR&C representatives should provide evaluations of physical and intellectual capacity of veterans while they are still hospitalized. An early evaluation, assessment and discussion of a veteran's interests and attitudes will help to facilitate a more timely and effective plan for vocational adjustment. At the time of release, veterans should already be headed in the direction of vocational goals that best reflect their abilities, needs, and desires. All of these issues should be addressed as a part of a comprehensive treatment plan which allows veterans to actively participate in planning their future. Such active participation will cultivate a sense of esteem that comes with controlling their destinies and help direct their thoughts toward positive roles in mainstream society.

2. I understand that under the Job Ready Disabled Veterans Connection program, which was established jointly by VA and OPM to place rehabilitated veterans in Federal jobs, only one veteran has been placed since the program was initiated in 1992. How do you explain this very poor placement rate? What can be done to improve the effectiveness of this program?

Answer: According to OPM, since this is a demonstration project we can't expect quick results. The Job Ready Disabled Veterans Connection (JRDVC) program is another means for which Federal employers can identify eligible employees, as you would under other special emphasis programs such as the Veterans' Readjustment Act (VRA) and 30% or more disabled veterans program.

However, Secretary of Veterans Affairs Brown, announced that VA managers are taking steps to increase the number of veterans employed by the VA, and providing the maximum consideration for hiring disabled veterans. Other Federal agencies need to place more emphasis on hiring veterans in general and especially disabled veterans using the special authority already available to them to do so.

3. We on the Committee have noticed that, in spite of the dismal timeliness statistics and high drop-out rate, we rarely hear from veterans expressing dissatisfaction with the Vocational Rehabilitation Program. Does your organization hear the complaints from veterans regarding Chapter 31? If not, how do you explain this?

Answer: One of the most common complaints expressed by seriously disabled veterans to PVA National Service Officers concerns the feasibility of training opportunities. It is not an uncommon practice for counselors to evaluate seriously disabled veterans as unfavorable candidates for vocational and rehabilitative training. Seriously disabled veterans are frequently dissuaded by counselors to seek vocational and rehabilitative training due to the gravity of their disabilities. The less seriously disabled veterans are more likely to successfully complete rehabilitative training because they require less time and effort. Based on this pattern, one could surmise that the number of complaints regarding vocational and rehabilitative training is erroneous because the actual number of complaints does not reflect comments from seriously disabled veterans.

In commenting on adequacy of the vocational rehabilitation program, it should also be mentioned that many veterans complain that completion of the program is of no use if it is not followed up by aggressive job placement. The most common complaint that has been echoed is "What good does rehabilitation do if I'm not in a position to use it?" Many veterans complain they are working in areas totally unrelated to the field they were trained in.
PVA favors the development of job placement and aggressive investigation into career opportunities for rehabilitated veterans.

In reference to this problem, PVA refers you to our previous comments concerning the establishment of a position with VR&C that would promote job opportunities for those undergoing training or who have completed vocational rehabilitation.

4. In its reports on the Vocational Rehabilitation Program, GAO recommended several administrative changes that could be made to improve the delivery of services. In your view, which of those recommendations should be implemented first?

Answer: Identifying disabled veterans, and making sure the needed outreach and assistance is provided on a priority basis. Providing follow-up counseling as necessary to ensure the veteran has the opportunity to finish the vocational rehabilitation program.

The VA should establish a means to identify why a veteran drops out of vocational rehabilitation. Specific information on why veterans drop out could help VR&C identify areas in which to improve services to veterans.

CHAIRMAN MONTGOMERY TO VETERANS OF FOREIGN WARS

1. **What specific actions should be taken to improve the relationship between VR&C staff and Veterans' Health Administration personnel?**

   Under the present system there is not much more that can be done. Generally speaking, there is very little interchange between VR&C and VHA because a determination for vocational rehabilitation entitlement is not made until after the compensation examination has been completed and after a service-connected rating has been rendered by the Veterans Benefits Administration's (VBA) rating board.

   Based on the above cited procedure it would be presumptuous of VHA's medical examiner to give an opinion of whether the veteran is a candidate for vocational rehabilitation training with the possible exception of an obvious physically disabled veteran. However, the VFW believes such a medical "opinion" regarding further training would certainly assist the counseling psychologist who has the final responsibility to make such a determination.

2. **I understand that under the Job Ready Disabled Veterans Connection program, which was established jointly by VA and OPM to place rehabilitated veterans in Federal jobs, only one veteran has been placed since the program was initiated in 1991. How do you eaxplain this very poor placement rate? What can be done to improve the effectiveness of this program?**

   The VFW is at a loss to explain why OPM has been able to place only one disabled veteran into a federal job during the past two years. We respectfully suggest that VA and OPM are in a better position to present the facts and circumstances of this joint program.

3. **We on the committee have noticed that, in spite of the dismal timeliness statistics and high drop-out rate, we rarely hear from veterans expressing dissatisfaction with the Vocational Rehabilitation Program. Does your organization hear complaints from veterans regarding Chapter 31? If not, how do you explain this?**

   It is a fact that the timeliness in all aspects of VBA and VHA form processing is abysmal. However, the VFW has no immediate record of specific complaints regarding the Vocational Rehabilitation Program (VRP).

   A facet of this overall problem involves the veteran's economic situation. Specifically, many disabled veterans who are in a job training program will drop out of this program at a point when they feel that they are sufficiently trained to enter the job market. This raises the two important questions of:

   - are veterans cheating themselves by dropping out before the training program is completed and/or;
   - is the training program too long?

   It should be recalled that in the first instance the veteran trainee is carried in VRP in an "interrupted" status while he is employed.

   A suggestion to possibly speed things up within V&RC itself would be to have the counselling psychologists eliminate their lengthy, expensive presentations and adopt a structured format such as that currently used in C&P examinations to meet the requirement of the Automated Medical Information Exchange (AMIE).

4. **In its reports on the Vocational Rehabilitation Program, GAO recommended several administrative changes that could be made to improve the delivery of services. In your view, which of those recommendations should be implemented first?**

The VFW believes the very first change that should be implemented deals with VA reviewing the performance standards presently established for the VRP and determine whether services to veterans can be improved by establishing a realistic performance measurement system, such as benchmarking, that clearly focuses on the program's objectives and continually measures progress toward achieving them.

In other words, this recommendation is asking VA to take a step or two back and look at this program objectively with the view of improving upon their past practices. This complete recommendation is found on page 28 of report number HRD-92-100, September 1992.

Although not called for in this question, the VFW feels professionally obligated to add its own "top priority" action regarding VRP. We firmly believe VA should terminate actions outlined in section 1524, Chapter 15, USC. This deals specifically with determining whether a seriously disabled nonservice-connected veteran who is under the age of 45 should be considered for a vocational rehabilitation program. This optional program has turned out to be very time consuming and costly when we note that only 3 percent of these veterans ultimately find jobs.

However, this category of veterans still has available through Department of Labor and the respective individual states the Disabled Veterans Outreach Program (DVOP) specialists, who do act as a conduit to assist disabled veterans in finding a level of employment that will be satisfactory to the veteran and the employer.

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