OVERSIGHT OF VA'S VOCATIONAL REHABILITATION

HEARING

BEFORE THE

SUBCOMMITTEE ON BENEFITS

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

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OVERSIGHT OF VA'S VOCATIONAL REHABILITATION

WEDNESDAY, FEBRUARY 4, 1998

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON BENEFITS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:05 p.m., in room 334, Cannon House Office Building, Hon. Jack Quinn (chairman of the subcommittee) presiding.

Present: Representatives Quinn, Hayworth, Evans and Filner.

OPENING STATEMENT OF CHAIRMAN QUINN

Mr. QUINN. Mr. Filner and I and others who will join us a little bit later are here today to look into the recent performance of what should be the VA's premiere benefit group, vocational rehabilitation.

We have several panels from the government, the veterans' service organizations and the vocational rehabilitation community and we are eager to hear from all of them this afternoon, but I and Mr. Filner both would like to begin with a few comments.

We are told we should be prepared for a vote in about 10 or 15 minutes. We will see where we end up with with that schedule but we will adjourn, of course, for us to get over to votes when that occurs.

First let me emphasize that this program, and all of us, I think, in the room know, is an employment program and not a training or an education program as such but if a veteran needs training or treatment to overcome an employment handicap, the law provides an excellent program that offers appropriate medical treatment and training opportunities.

I also believe it is fair to say that the program has been strongly criticized at times by the General Accounting Office on at least three occasions since 1982 and, unfortunately, the criticisms in each of the GAO reports seem to sound familiar.

And if I may just review a few of the consistent findings from GAO, some things have been said and many repeated, for instance, that the VA doesn't emphasize finding jobs for veterans, that the VA doesn't know why most veterans drop out of the program. Standards for measuring need to improve. VA focuses on training and not employment. The purpose of the program is not sometimes well understood even by veterans. The VA staff are not skilled sometimes in job placement or caseloads are too high. And the VA

is pointed to again as not having a good understanding of the cost of rehabilitation.

Clearly such criticisms do not encourage a great deal of confidence in the program. To its credit though, VA formed an internal design team to look at these and other issues with the goal of providing a blueprint for change, and we would like to help you do that.

About a year ago the design team submitted its final report and from what we can tell, it seems like it was buried in the bureaucracy for a while. GAO states that the new leadership at voc-rehab has begun pursuing some of the report's recommendations. So let's shed some light on some of the report's 15 wide-ranging recommendations on how to refocus vocational rehabilitation on the purpose of the program, and that purpose is putting disabled veterans into jobs.

The design team recommended the following: to develop an employment assessment model to redefine its workforce, reducing reliance on contracting, improving assessment of employee performance, increasing veterans' access to the program, increased partnering, reorganizing the VR&C service, giving the service director direct line authority over field operations, streamline procedures, identify measurable outcomes and increase automation.

We note here that the Steering Committee which reviewed the design team's efforts was largely, but not entirely, in agreement with the team's recommendations, which makes the low visibility of the report sometimes even more puzzling.

Judging from the written statements for today's hearing, it is difficult to get a handle on who is getting voc-rehab. Therefore today I would like to request that the Department provide this subcommittee with a detailed analysis of program participants, including who applies, who is authorized the benefit, who actually participates and who completes the program. I am especially interested in the types of rehab recommended by VA, and I would greatly appreciate it if we could have this analysis sometime by the end of March.

As I mentioned this morning, of course, we are willing and able, all of us, I know Mr. Filner and I on the subcommittee and the full committee, to work with those timetables, as long as we are communicating among each other what they might be.

Our hearing today also raises what I consider a larger issue and that one is being addressed by former Deputy Secretary Principi's Transition Commission, which is looking at how all of the benefits we provide for people leaving active duty fit together.

While not the purpose of today's hearing, it seems to me that programs like vocational rehabilitation, the GI Bill and veterans' employment programs would integrate more efficiently if they were all under one roof, especially with the enormous changes taking place in the areas of employment services and education.

Clearly these programs are intended to position a veteran to be successful in civilian life and I am concerned that the dispersion of these programs between multiple Federal agencies, which is confusing enough, is preventing them from reaching their full potential. We will look at this idea at a future hearing.

And one final point before I yield to Mr. Filner and Ranking Member Lane Evans. As a joint initiative with the ranking member, I am announcing formation of a Chairman's review group to bring many of today's witnesses together regularly to assess the government's progress on meeting the recommendations of the design team and the Secretary's advisory group. The staff will be in contact with you and I hope that we will be able to speed up some of the improvements in the voc-rehab program.

At this point I would like to welcome ranking member Lane Evans and our friend and colleague on this side, Mr. Hayworth, and yield to Mr. Filner, for some opening remarks. Bob?

OPENING STATEMENT OF HON. BOB FILNER

Mr. FILNER. I thank the Chairman and with you, I welcome all of the witnesses here today. I would like to particularly note the first appearance of our new Undersecretary for Benefits, Joe Thompson.

Joe, you have a reputation as a creative, innovative and uniquely skilled manager in your many years of service in the Department of Veterans Affairs and we are looking forward to that same type of leadership in Washington here and we are looking forward to working with you.

And, of course, we also welcome an old friend, Al Borrego, who is testifying again for us for the first time in his new position as the assistant secretary of labor for veterans employment and training. You have been there before with us and we know you have done a good job and we are looking forward to your leadership in this new capacity.

I think all of us in this room are committed to assisting those who are disabled in national service. This goes back hundreds of years. In fact, I learned that as long ago as 1636 the Plymouth colony enacted as its first law a requirement that payment be made to those disabled in the colonies' defense. And vocational rehabilitation in the modern sense was initiated back in 1917 when the War Risk Insurance Act established the first vocational rehabilitation program for war-injured citizens.

The structure of the program has changed periodically but the purpose has remained the same; that is, to bring service-connected disabled veterans into maximum productive independence in the daily world and to achieve and succeed in the world of work.

Our purpose today is very simple. It is to determine if our national commitment is, in fact, being met. Are the men and women disabled in service receiving the highest quality services and assistance that they have more than earned? As VA's Vocational Rehabilitation and Counseling Service made the changes in its culture and changes in its structure that, as the Chairman noted, were recommended by Congress, GAO, VSOs and the internal reinvention team—as VR&C made the changes that reflect the understanding that for most veterans, the primary goal of vocational rehabilitation is to restore that individual's ability to take his or her place as a successful contributing member of the civilian workforce. I hope that these questions will be addressed today.

Service-connected disabled veterans have always been, and must always continue, to be our first priority. Accordingly, the vocational

rehabilitation program provided for these men and women, as noted by the VA's own redesign team, must be the best in its class. And I intend to join with Chairman Quinn and hold the leadership in the Veterans Administration, from the Secretary, who we heard from this morning on the budget, right on down, holding all of them responsible for providing VR&C whatever support and pressure that are required to accomplish the goal.

I look forward to hearing from all of you and thank you for joining us this afternoon.

Mr. QUINN. Thank you, Bob. Thanks very much.

I yield now to the ranking member of the full committee, who joined me in Buffalo toward the end of 1997. Imagine that, a member of Congress coming to Buffalo in December.

Mr. EVANS. It was the chicken wings.

Mr. QUINN. Yes, it was the chicken wings that we had for him for lunch. Ranking member Lane Evans, thanks for visiting with me in December and thanks for being here this afternoon.

Mr. EVANS. Thank you, Mr. Chairman. I associate myself with your remarks and that of our ranking member of the subcommittee. I, unfortunately, do have a conflicting Armed Services Committee hearing that I have to get to right now but I appreciate your concern and active oversight on this particular issue. Thank you.

Mr. QUINN. Thank you.

Mr. Hayworth, opening remarks?

[No response.]

Mr. QUINN. Okay, our first panel is Miss Cynthia Fagnoni, Associate Director, USGAO, Veterans' Affairs and Military Health Care Issues, Health, Education and Human Services Division. That is a title and a half, Cynthia. We are pleased that you are with us this afternoon and you may want to introduce your colleagues.

STATEMENT OF CYNTHIA M. FAGNONI, ASSOCIATE DIRECTOR, VETERANS' AFFAIRS AND MILITARY HEALTH CARE ISSUES, HEALTH, EDUCATION, AND HUMAN SERVICES DIVISION, U.S. GENERAL ACCOUNTING OFFICE ACCOMPANIED BY JEFFREY L. POUNDS, SENIOR EVALUATOR, GENERAL ACCOUNTING OFFICE, ATLANTA, GA

Ms. FAGNONI. Thank you. I have with me today Jeff Pounds, who has done a considerable amount of work in this area for us.

Mr. QUINN. Hi. How are you? Thanks for coming. You may begin.

Ms. FAGNONI. Thank you. Good afternoon, Mr. Chairman and members of the subcommittee. I am pleased to be here today to provide our views on efforts the Veterans' Benefits Administration has made to help disabled veterans find and maintain suitable jobs through its Vocational Rehabilitation and Counseling program. As you know, in 1980 the Congress enacted legislation which changed the focus of this program from just providing training to disabled veterans to helping them get jobs.

The information I am presenting today will focus on the past problems VBA has faced and the progress made in helping disabled veterans obtain suitable employment. My observations are based on our published reports, as well as recent discussions with program officials.

First let me summarize what we have found in our years of reporting on this program. As you mentioned, Mr. Chairman, our work has shown that despite the legislative change enacted nearly two decades ago, VBA has continued to focus on sending veterans to training, rather than helping them get jobs.

In 1992 and again in 1996, for example, we found that VBA placed over 90 percent of veterans directly into training programs, while less than 5 percent went directly into the program phase designed to help veterans find jobs. Our 1996 analysis of national data also showed that the vast majority of veterans in training were enrolled in higher education programs.

For example, about 91 percent of such veterans were enrolled in a university or college. The remaining 9 percent were enrolled in vocational or technical schools or participated in other types of training programs, such as apprenticeships or on-the-job training.

VBA officials we spoke with during our 1996 review offered several reasons why their staff emphasized training over finding veterans jobs. They told us, for example, that it was difficult for staff to begin exploring employment options early because veterans entering the program expect to be able to attend college. Veterans acquired this expectation because the program was often marketed as an education program, not as a jobs program. This image of the program as education-oriented was also evident among some VBA management.

VBA officials also told us that their staff generally lack adequate training and expertise in job placement activities. They also said that large caseloads made it difficult for staff to spend time exploring employment options with veterans. Some staff were managing over 300 cases. One VBA official asserted that the optimal caseload would be about 125.

Not surprisingly, given this lack of focus on employment services, VBA has not been effective in placing veterans in suitable jobs. In our 1996 report, for example, we noted that VBA rehabilitated only 8 percent of eligible veterans. VBA has also not developed program goals and measures that would help in assessing program effectiveness.

Now let me turn for my second point to talk about the improvements, or attempts at improvement, VBA has made since our last comprehensive look at that program. At the same time we were conducting our 1996 study, as you've mentioned, Mr. Chairman, VBA was in the process of having its design team look at how to restructure the program and address the concerns that we and others had raised over the years. This report came out in October 1996 with the 15 recommendations.

Consistent with our findings and recommendations, the design team's recommendations focussed on the need for the vocational rehabilitation staff to emphasize employment throughout the program.

Shortly after the design team finished its report, the director of the vocational rehabilitation program retired and the program was headed by an acting director for nearly 9 months. Based in part on this lack of permanent leadership, VBA is in the early stages of implementing the design team's recommendations.

However, the new program director has told us that he and his management team support the need to refocus the program toward the goal of employment and described for us some of the specific actions they are taking. They are, for example, in the process of contracting out for assistance in reviewing and revising program applications and brochures to ensure that such documents clearly communicate the program's focus on employment.

The first stage in a multi-year roll-out of the new automated management information system has also been completed. This system is being designed to help program staff streamline and simplify work processes, measure program outcomes and establish new work measurements nationwide.

Such steps, if continued, could help the program better emphasize employment. With new program leadership in place, VBA has an opportunity to implement recommendations it has failed to act on in the past. However, the problems I have discussed are long-standing and sustained efforts will be needed to improve program effectiveness.

Mr. Chairman, this completes my testimony this afternoon. I would be pleased to respond to any questions you or members of the subcommittee may have.

[The prepared statement of Ms. Fagnoni appears on p. 29.]

Mr. QUINN. Thanks very much. We appreciate your original report and the written submission for today and we appreciate your staying within the 5 minutes allotted.

I have a general question more than anything else. I know that there is some new leadership there and we have talked with them personally and here and at other committees. Are you satisfied with the amount of communication that is going on between your office and some of the new leadership that is there?

Mr. FAGNONI. Well, I will have to say that from the time we did our 1996 report, which was in late 1996, we hadn't focussed a great deal on that program. We did do some work last year looking at the strategic planning efforts at the voc-rehab program and this was my first opportunity to work with Mr. Williams. VA officials were very helpful in our being able to get this testimony pulled together very quickly, and we look forward to working with them in the future.

Mr. QUINN. Very well. And we also understand that with the hearing this morning on the budget, this hearing and another hearing tomorrow, everybody was a little bit busy on the Hill trying to get everything pulled together. Thanks very much.

I don't hear any other questions. Thanks.

Ms. FAGNONI. Thank you.

Mr. QUINN. Our next panel is actually our second and third panel. Mr. Ronald Drach is here first in his capacity as chairman of the Veterans Advisory Committee on Rehabilitation. Ron, if you want to come forward and share those words of wisdom with us, we would appreciate it.

You are also on the third panel, I think, Ron. So we will let you begin, please. Thanks for being here today.

STATEMENT OF RONALD W. DRACH, CHAIRMAN, VETERANS ADVISORY COMMITTEE ON REHABILITATION

Mr. DRACH. Thank you, Mr. Chairman. I appreciate the opportunity to be here today as chairman of the Veterans Advisory Committee on Rehabilitation. This is the first time that we have been invited to appear as a committee and I really appreciate that. I was most recently reappointed by Acting Secretary Hershel Gober back in December as chairman of the Advisory Committee and the committee has been very active.

While the statute that set us up, 96-466, requires us to look at all rehabilitation programs, I am here today only to talk about the vocational rehabilitation programs because that is the subject of today's hearing.

In my prepared testimony I give you some background on the committee and how it was established and what our mission is and so forth, so I won't go over that. But I do want to point out that the committee was very pro-active when the design team got started. We looked at a couple of their documents, their social analysis and environmental scan, and offered comments to the design team as a committee and asked them to look at certain things within their jurisdiction as they were progressing, and a copy of those recommendations and those comments is attached to my prepared statement.

Also, the committee was very interested in particularly the 1996 GAO report. While we had looked at earlier GAO reports, we took a more active role, if you will, in the 1996 report because we wanted to make some comments to the Secretary on the GAO report of 1996.

Quite frankly, we don't agree with the—I shouldn't say we don't agree—we don't share the same concern that others have that a lot of veterans are placed in college programs. We are concerned that they are not given employment at the end of those training programs, but we look at the education part of it as a means to an end. And in today's economy, good careers, for the most part, require a college education. So I am not alarmed by that.

Mr. QUINN. Excuse me, sir. May I interrupt? We will add on to your time.

Would it be your thought that some of this education could take place along with employment?

Mr. DRACH. Absolutely. And when I wear my other hat we will talk a little bit more about that.

Mr. QUINN. I happen to agree with you on that.

Mr. DRACH. Because I have some recommendations from the DAV that are not recommendations of the Advisory Committee.

Mr. QUINN. I have some recommendations that aren't Bob Filner's recommendations, either, but that is okay. Sometimes we get caught up in thinking that we have to exclusively do one or the other, and I don't happen to think that is true.

Mr. DRACH. I will just give you one example that came to my mind yesterday in some discussions. When you take somebody and enter them into an education program, a lot of times people aren't really sure what they want to do. Ninety percent of people who graduate from college today don't work in the jobs that they graduated in, were trained in.

What I would recommend is that we look at the VA working closer with employers early on, early on, like maybe first semester or first year, and do some shadowing. Let that veteran go in and let's say the veteran's goal is to be an accountant. Well, let them shadow with Deloitte Touche or one of the big accounting firms and they may find out real quickly that that is not the right thing for them, that they really don't want to be an accountant.

Mr. QUINN. Excuse me again but it is as important to learn for one of these individuals that it is not the career to go into as it is to say it is.

Mr. DRACH. Absolutely.

Mr. QUINN. We always think that we are going to shadow somebody, we are going to put you in this situation, we are going to have you intern somewhere and you are going to turn around and end up an accountant, but it is just as important sometimes to learn that that is not your thing.

Mr. DRACH. Exactly. And under a shadowing concept or an internship or a work/study program, the veteran gets an opportunity, the employer gets an opportunity and it is a win/win situation in my opinion, with no cost.

Mr. QUINN. I agree. I didn't mean to interrupt, but I agree with you.

Mr. DRACH. That is quite all right.

So anyway, when the Advisory Committee looked at the GAO report there were a couple of other areas that we had some concerns about so we expressed our response to the Secretary, which is our role, to give the Secretary advice on rehabilitation issues. That was done and a copy of those comments are attached also to my report.

I will go into some of the committee recommendations that we have made over the last 3 fiscal years in the most recent meeting we had a couple of weeks ago, again restricting it to the vocational rehabilitation program.

The Advisory Committee, for as long as I can remember, has been working on upgrading qualification standards for vocational rehabilitation specialists. It has now been approved for a new position called vocational rehabilitation counselor. The committee received a letter from former Secretary Jesse Brown saying that his office approved it. The Office of Personnel Management approved it. The unions basically approved it. Everybody said okay, and it is not being implementod.

I understand that people are still being hired under the old standards. I haven't seen any implementing instructions. I would like to see implementing instructions go out.

Almost every meeting the Advisory Committee has, we make a recommendation to the Secretary that these new qualification standards be put into place. And I don't know how many positions have been filled using these new standards but my understanding is that there are very, very few.

We would like to see on-going education and training be provided to the VHA staff regarding voc-rehab, VR&C people. I have talked to a lot of VHA staff over the last couple of years, don't even know VR&C exists. There needs to be some on-going work there.

VHA needs to be part of case management. For the most part they are not part of case management.

The committee recommends that an MOU be developed between VHA and VBA, particularly the VR&C service, that every VA installation have a local MOU that details education and communication strategies, which is a measurable outcome, identification of a case manager and proper technical interaction between the two administrations.

We did recommend that more money be allocated to the committee for more meetings, which I have been assured is forthcoming.

The committee supports the efforts of the design team. We can't say we support the recommendations of the design team because we haven't seen it yet. We are still waiting, like everybody else, for a copy of the design team report and I understand it is coming out later this month. So the committee will be looking at that report and offering comments.

That concludes my prepared statement, Mr. Chairman. I will be happy to answer any questions.

[The prepared statement of Mr. Drach, with attachments, appear on p. 38.]

Mr. QUINN. Thanks very much. I suppose I got one of my questions in when I interrupted you before, and I'm sorry.

Mr. DRACH. That is quite all right.

Mr. QUINN. Let me just say that in part of your written testimony, and you touched on it here orally, as well, you talk about some on-going education and training for the staff, as well. This is not a question except to say that when you are talking about memoranda of understanding and on-going training and education, it gets back, for me, to this whole communication thing, that people are talking to each other.

And I would only say to you that that comes through loud and clear in your testimony in a lot of different areas and I appreciate that. That is why I asked the question of the first panel, in terms of how that communication is going.

Bob? No questions from Mr. Filner.

Stay where you are, then, Ron. We will ask the third panel to come forward.

Good afternoon, everybody. We are pleased to have you here with us this afternoon. I haven't determined any kind of order for anybody to testify. If it is okay with all of you, Mr. Thomas, I will start from my left and we will make our way across to Mr. Naschinski and then Mr. Drach again and Miss West finally.

We would ask, if it is possible, for you all to keep your opening comments at least to about 5 minutes or so and we will get to questions when the whole panel is finished. Thank you. You may begin.

STATEMENTS OF HARLEY THOMAS, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; JAMES B. HUBBARD, DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION; RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS; AND KELLI R. WILLARD WEST, DIRECTOR OF GOVERNMENT RELATIONS, VIETNAM VETERANS OF AMERICA

STATEMENT OF HARLEY THOMAS

Mr. THOMAS. Thank you, Mr. Chairman and members of the subcommittee. On behalf of the Paralyzed Veterans of America, it is an honor to participate in today's hearing.

From the inception of the Vocational Rehabilitation and Counseling program following World War II until 1980, the goal of rehabilitation was completion of training. Public Law 96-466, enacted in 1980, changed that mandate to employment being the ultimate goal of vocational rehabilitation.

In spite of that legislative change, VA has been slow to alter the culture within the VR&C to assure employment outcomes.

Beginning in 1988, as a result of recommendations made by the Secretary of Veterans Affairs' Veterans Advisory Committee on Rehabilitation, VR&C, began to review the qualification standards for counseling psychologists and vocational rehabilitation specialists. Following discussions with the Office of Personnel Management, the recognized unions and others involved in approving position descriptions, a new qualification standard was established for the position of vocational rehabilitation counselor.

Although the qualifications have been developed and the new position has been established, they have not been implemented satisfactorily. There is considerable confusion among the VA field staff on appropriate hiring practices for vacancies in VR&C throughout the country. PVA recommends that the VA should immediately implement nationwide the new counseling position with the attendant qualification standards for the appropriate vacancies that become available in VR&C.

PVA's foremost concern rests with the VR&C's ability to provide timely and comprehensive services to catastrophically disabled veterans. The primary goal of rehabilitation is to prepare the disabled veteran to become a productive member of society by helping them regain the ability to compete for gainful employment.

Veterans who sustain injuries that impair major bodily functions, like spinal injury, SCI, and spinal cord dysfunction, SCD, require comprehensive, clinical and rehabilitative care to return to their homes. That care, which is provided in a hospital setting, does not always prepare disabled veterans for immediate transition back into the workforce. Many catastrophically disabled veterans require a complex, coordinated array of services, including training, equipment, counseling and accommodations to reenter the job market.

Unfortunately, high priority has not been given to coordinating the flow of these services in a proper case management approach. Vocational rehabilitation for catastrophically disabled veterans should be one of the highest priorities of the VA.

In the context of catastrophic SCI and SCD, rehabilitation is a process by which medical, psychological and social functions are re-

stored or developed to a level that allows veterans with SCI/SCD to achieve personal autonomy in a noninstitutional environment.

One of the most frequent complaints of severely disabled veterans is the current inadequacy of employment opportunities in placement. VR&C must provide assessments and benefits in a timely manner that meets basic quality of service standards and be both accurate and compassionate in their determinations.

According to vocational counseling experts, to be effective, rehabilitation counseling and training must begin as soon as possible following medical rehabilitation. The array of rehabilitation and job counseling services must be orchestrated in a case management approach. Successful employment requires placing a veteran in a job that is compatible with his or her background, skills, experience, expertise and expectations. Once placed in the job, aggressive follow-up is required to address problems the veteran may face.

VR&C's current 60-day follow-up may not be sufficient. Earlier initial follow-up and additional subsequent follow-ups may be a more efficient technique.

Legislation to renew the Rehabilitation Act of 1973 was approved by the House Education and Workforce Committee and passed by the House of Representatives in April of 1997. Introduction of a Senate version of the Rehabilitation Act reauthorization legislation is expected soon in the Senate Labor and Human Resources Employment and Training Subcommittees.

Problems identified under the old Rehabilitation Act are also being seen within the VA Vocational Rehabilitation program. PVA believes that the VA should also make necessary changes to bring about a more efficient program designed around employment outcomes. The subcommittee should monitor improvements made in the Rehabilitation Act to address problem areas in the VA Vocational Rehabilitation program in the same fashion. Changes must include training to secure, retain or regain employment consistent with the strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice of the individual which will result in skills marketable in the local economy.

Additionally, current labor market information should be used to ensure that jobs for which the veteran is being trained exist in the geographic area where the veteran resides.

Mr. Chairman, thank you for holding this important hearing. This concludes my testimony. I will be happy to respond to any questions you or members of the committee have.

[The prepared statement of Mr. Thomas appears on p. 60.]

Mr. QUINN. Thank you, Harley. I appreciate that very much. I think, as I mentioned, we will save our questions until the whole panel has had a chance to issue their statement.

I understand that this is your first appearance here before us. You did great. We appreciate you coming forward today. Also your biography shows that you are a retired Navy Chief data processing technician and we appreciate your past service and certainly your service with us here on behalf of the Paralyzed Veterans of America. Thank you.

And representing the American Legion—before I looked up and saw it was Jim Hubbard I had some other name from my script

here but Jim, welcome this afternoon. We appreciate your being here. Please proceed.

STATEMENT OF JAMES B. HUBBARD

Mr. HUBBARD. I apologize for the change in cast here, Mr. Chairman. My colleague is home with the flu and we didn't want him spreading it around here or the office. So for the record, my name is James Hubbard, as in Old Father Hubbard.

Mr. Chairman, thank you for holding this hearing and thank you for inviting us to come here this afternoon.

Vocational rehabilitation of service-connected disabled veterans, especially those with serious employment handicaps, is a national obligation and it must not be taken lightly or accomplished half-heartedly.

The Department of Veterans Affairs strategic plan for 1998 through 2003 serves as a pretty good set of marching orders for the Voc-Rehab and Counseling Service. However, given its mission and the current workload, it is critical that the resources, both financial and personnel, are available to meet the challenges. Let me briefly outline the goals and the objectives of the strategic plan.

The general goal is to assure the vocational rehabilitation program is meeting the needs of veterans. Objective one is to increase the number of disabled veterans who acquire and maintain suitable employment and are considered to be rehabilitated. Objective two, provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve the maximum independence in daily living in a timely manner. Objective three, to provide vocational evaluation services to children with spina bifida.

The proposed strategies appear to be rational and realistic. Proposed performance goals seem to be logical and measurable. A quality reassurance program must also be implemented to closely monitor Vocational Rehabilitation and Counseling Service activities at each of the regional offices.

Adequacy of funding, staffing requirements and cooperation internally and with other government agencies to provide disabled veterans with the level of service they need and expect from the VA is paramount.

The key to successful job-hunting is networking. The Vocational Rehabilitation and Counseling Service must establish and maintain a strong employment network which includes the Veterans Employment and Training Service at the Department of Labor, the Office of Personnel Management and any other Federal and/or State agencies.

We also believe the National Veterans Training Institute is an invaluable resource for continuing educational opportunities.

The overall quality of the program can be measured by the quality of the personnel, but even the most qualified professionals have a maximum number of cases that can be effectively managed. One only needs to compare the caseloads of the VA with those of other Federal or State programs to see the nearly impossible tasking placed on VA Vocational Rehabilitation and Counseling staff. The private sector caseload is about one-third that of the VA.

Staffing levels should be increased to meet demand. Reducing the demand by restricting eligibility is immoral, unethical and dis-

honorable. The numbers of disabled veterans needing vocational rehabilitation should drive the resources rather than the resources available driving how many disabled veterans will receive vocational rehabilitation.

To those who say we cannot afford to meet the demand for voc-rehab, we say that this is simply an issue of priority assessment. The American Legion would support increased spending of tax dollars for vocational rehabilitation and job placement of service-connected disabled veterans. More importantly, the American people would see it as a national obligation and commitment to those who served this country.

The American Legion, along with everybody else, is still looking forward to reviewing the Vocational Rehabilitation and Counseling design team's final report. We are optimistic that the recommendations will both energize and empower the entire program. The report should offer observations, evaluations and recommendations of those on the firing line and in the trenches. Good intentions, however, alone will not achieve success. Congress and the VA must provide the tools, the resources and the personnel to implement effective changes.

Mr. Chairman, that concludes my statement. Thank you for offering us the opportunity and we'll look forward to questions.

[The prepared statement of The American Legion appears on p. 70.]

Mr. QUINN. Thanks very much, Jim.

Ron is back this time as the National Employment Director for Disabled American Veterans. We are pleased to hear from you.

STATEMENT OF RONALD W. DRACH

Mr. DRACH. Thank you very much, Mr. Chairman. With your indulgence, I would like to introduce three of our national service officers who are here with me today, all of whom have recently graduated or fairly recently graduated under the VA's Vocational Rehabilitation program, on-the-job training program through the DAV approved program.

Jeannette Genovese has gone to the point where she is now our supervisor in the Providence, Rhode Island office. Christine Bell is a service officer in Hartford, Connecticut and Michelle Vickery in Seattle, WA.

Mr. QUINN. Welcome. We are pleased you could be with us, even if it is in the back row.

Mr. DRACH. They are in town for some additional training. We thought it would be helpful for them to come up with us today.

Mr. QUINN. Absolutely. Thank you.

Mr. DRACH. Mr. Chairman, before we go any further I would like to point out that both the VA and Department of Labor have taken some very aggressive steps, some very positive steps to make significant improvements. While we haven't seen actual results yet, we can see some positive steps going on, and they are to be commended for those.

We would like to recommend another possibility and that would be to create a pilot project between the vets and the VR&C service and partnering with a private sector employer, maybe through a contractor, to look at how they can make better placements with

some of the more severely disabled and harder to place disabled veterans. So we would like to see some sort of a pilot on that.

Mr. Chairman, late yesterday I received a copy of the budget and as a consequence of that, I am going to digress from my prepared statement and ask for your indulgence. I know I am not going to be able to cover all of this material and would ask that the record be kept open so I can supplement my earlier prepared statement with some additional comments.

Mr. QUINN. Without objection, so ordered.

(See p. 40.)

Mr. DRACH. Thank you so much, Mr. Chairman.

I am not going to go in order here, only in order of what I feel to be most important that was in the budget document. They talked about the VR&C position, the vocational rehabilitation counselor position, and the new qualification standards. I have already commented on that as the chairman of VACOR. It is in my prepared testimony for the DAV. Paralyzed Veterans of America has echoed us on that issue.

I guess I am prepared to say now that if they don't move forward with this position that perhaps it should be added to the law. That way they would have to do it, make it part of the law and we can go from there. This has been too long in coming and it has been approved too long ago for it to only have a few positions filled.

In the budget document they talk about starting work as soon as possible for effective job search campaign, resume-writing development, job interview skills. We have a recommendation on that. One would be to reestablish the old career development centers. That is in my prepared testimony, also.

Another would be, and this could be a pilot perhaps, to take those skills, if you will, and make them part of an academic curriculum and maybe do a pilot with the University of Colorado at Denver, Boulder and Colorado Springs because they have NVTI housed out there right now. You could perhaps tie these classes in and make them a one-, two- or three-credit course and offer them perhaps in the first semester of the final year of college before graduation.

What we fail to do in this country today is teach people how to find jobs. We may prepare them with a degree in a particular discipline but we don't teach them how to find jobs, and this might be a good pilot also to do something like that. We would hope that you would agree with that.

I already mentioned the shadowing, the internships. In our prepared testimony we recommend that work study be expanded to the private sector. Right now work study programs are only working with veterans within the VA structure and with state and local governments and the Federal Government. We would like to see it expanded to private sector employers and not-for-profit sector employers.

Mr. QUINN. Again if I may, you mentioned that private sector earlier just before you began here. Give me a quick example of who we would look for in the private sector.

MR. DRACH. You could go to almost any corporation and say we would like to work with you on this; we want either a shadowing thing or do a pilot project with us to——

Mr. QUINN. One that comes to mind for me, I was involved in the ET Phone Home situation with Bell Atlantic and the rest of those companies. Is that something you think——

Mr. DRACH. Sure, Bell Atlantic. You can even use a smaller employer. It wouldn't necessarily have to be a major Fortune 500 employer. Find somebody who is interested. Perhaps find somebody who has done VA OJT back in the 1970s that would still be interested in doing it. I think we are limited only by our imagination and our effort to contact employers that might be willing to do that.

Mr. QUINN. Thank you.

Mr. DRACH. Providing on-going training was mentioned earlier for existing staff. There is a requirement in law that that be done. We would like to see that training go on. We would like to see the VA consider using NVTI for some of that training.

There is some comment in the budget document about transferring the claims processing from adjudication to the VR&C staff. They said if they approve it—I think they are looking at October 1998 to perhaps implement it—I would suggest that they do it now, get it started early on. It would help cut back the backlog in adjudication and it would help speed up the adjudication process for eligibility determinations.

They are to be commended. They are in the process now of revising their publications documents and forms to communicate the purpose of the program more clearly. We think that is a great idea. That is a design team recommendation. And we look forward to more positive things coming from that.

Including the family members in the rehab process—that gets back to the broader issue of case management. Who should be part of case management? VHA, VBA, the VR&C people, the family and certainly the DVOP. The DVOP is the one that best knows labor market information. VA doesn't, for the most part, have a good handle on labor market information.

We have heard complaints from DVOPs that they get voc-rehab graduates who have been trained for jobs that are not available in the local economy. That could be avoided if the DVOP is part of the case management early on, not 6 months before completion, early on, the first day of counseling.

That completes my testimony, Mr. Chairman.

[The prepared statement of Mr. Drach appear on pp. 38 and 73.]

Mr. QUINN. Thanks very much, Ron.

You heard the bells. We have 15 minutes. Ms. Kelli West is here representing the Vietnam Veterans of America as its Director of Government Relations. I am sure that you plan on about a 5-minute or so opening remarks. If we could hear from you and then Mr. Filner and I will excuse ourselves to vote and return, but we would like to hear you first, Kelli.

STATEMENT OF KELLI R. WILLARD WEST

Ms. WEST. Sure. I will try to be very brief and to the point.

VVA appreciates the opportunity to be here and share our perspective on the voc-rehab program. As members of Congress often do, I would like to associate myself with the comments of my colleagues, especially the two gentlemen sitting to my right. I consider

them to be preeminent experts on these issues and frankly, I rely on them for a lot of guidance and information.

Mr. QUINN. So do we.

Ms. WEST. Just a couple of general comments. VVA strongly supports the voc-rehab program. There are obviously some improvements that can be made. I think this is a very important program for many disabled veterans. It helps them get reintegrated back into the civilian workforce.

In general, one concern I had with the GAO report, and this may have been part of the initial request. I learned a lot looking at that report, but comparison of VA voc-rehab clientele to the States' voc-rehab programs presents some real distinctions that make it very difficult to compare client-for-client or dollar-for-dollar.

In general, VA voc-rehab participants are more highly educated and consequently are going to be seeking higher training and education and more high level jobs.

Working with the Department of Labor Advisory Committee on Veterans Employment and Training and the President's Committee on Employment of People with Disabilities Subcommittee on Disabled Veterans, we are aware that there are many improvements under way, as Mr. Drach said, that should show improvement in the job placement rates. It is too soon to see any results yet. In particular, though, coordination between Veterans Employment and Training Service, DVOPs and LVERs and voc-rehab should lead to some substantial improvement in placement rates, especially involving those employment specialists earlier in the process to avoid training people for jobs that don't exist in the local job market.

One point GAO raised that I thought was particularly interesting is again in the distinction between the State voc-rehab programs and VA's voc-rehab program. A "successful" rehabilitation in the State program can be a nonwage-earning job. I think many veterans want to find a paying job at the conclusion of their training, but some veterans may find it desirable to find voluntary employment. So perhaps that could be added to the success stories of VA voc-rehab, if you will.

Another point which I failed to highlight in my written statement, but thought about further over the weekend as I was at a homeless symposium in Las Vegas is the potential goal of self-employment. I am not certain if GAO looked at self-employment as an end goal or a successful rehabilitation. But for many disabled veterans we hear often that self-employment is very desirable, specifically because of the nature of their disabilities or schedules. So SBA should be integrated into this process, as well when, through the counseling process, that appears to be the desirable goal.

Along these lines, I know members of this committee—I believe Mr. Filner has legislation introduced—have been involved in the issue of beefing up SBA programs for veterans. We would very much like to see that happen and it is my understanding that the House Small Business Committee may be more amenable than ever before to that kind of initiative.

In closing, again I would like to reiterate some of the points made by my colleagues and express our interest, willingness and enthusiasm for working with this committee to make improvements. Thank you.

[The prepared statement of Ms. West appears on p. 79.]

Mr. QUINN. Thank you very much, Kelli. Let me thank all the members of this panel for their testimony.

I don't believe either of us have any questions for you so we are going to allow you to leave and just announce to everybody who is here, Al, you are going to be next, I think, on panel number four and then Joe, you are going to make up, with your team, panel five.

So we are told that there is at least one vote and the possibility of a motion to recommit, so why don't you plan on giving us maybe about 15 or 20 minutes and we will reconvene back here as soon as we can.

[Recess.]

Mr. QUINN. Al, do you want to come up?

We are back to finish up our last two panels here. We are very pleased that Secretary Al Borrego is here to talk with us. We have talked many times before, both here at this committee and with the full committee and a couple of meetings we have had in my office. Thanks for helping us with all those things.

Mr. Filner is on his way. We expect that we will have enough time to finish both panels, with questions, before we are interrupted for another vote.

We ask, as we have all afternoon, that you limit your remarks, at least at this point, to about 5 minutes or so and we are thrilled that you can be with us.

STATEMENT OF ESPIRIDION (AL) BORREGO, ASSISTANT SECRETARY, VETERANS' EMPLOYMENT AND TRAINING SERVICE, U.S. DEPARTMENT OF LABOR

Mr. BORREGO. Mr. Chairman, thank you for this opportunity to discuss with you the good work that the Veterans' Employment and Training Service at the Department of Labor and the Department of Veterans Affairs are doing together for our nation's disabled veterans. I ask that my complete statement be entered into the record.

Mr. QUINN. Without objection, so ordered.

Mr. BORREGO. In the mid-1990s staff at VETS and VA concluded that there needed to be better coordination and cooperation between the agencies in order to place more voc-rehab graduates into good jobs. The result was a memorandum of understanding between the parties in 1995. The MOU calls for local representatives of the two agencies to work as a team in connection with program participants to track their employment progress and to encourage workshops which would further cooperation and coordination.

Each state VETS and VA office was urged to enter into similar MOUs. Several action items were set out: ensuring effective coordination and liaison between voc-rehab centers and employment services, particularly at the local level; developing procedures for notifying DVOPs and LVERs when voc-rehab clients are within 90 days of completion of a training program or recognized as job-ready; ensuring that the full range of job services were made available promptly to clients; and monitoring all clients until they are considered to have entered suitable employment.

After one year of implementation, 33 percent of those who were referred to the employment service entered employment. This was

considered to be a major achievement. However, it was discovered that while a majority of localities had very successful programs, others were contributing less to the success of the initiative.

VETS took these shortcomings seriously. VETS' field staff was instructed to conduct a state by state review. They were asked to focus on the concrete results; namely, an increase in placement of voc-rehab clients. The director of VETS in each state meets quarterly with each regional office and employment services official to discuss their local program. Groups began to meet to work out problems. Staff engaged in training sessions. In some instances DVOPs and LVERs began traveling with voc-rehab case managers to assist with job development. Teams were created to devise plans for comprehensive tracking and reporting procedures and also to ensure a smooth hand-off during referral of clients from the VA to the employment service.

To further the effectiveness of the program, VETS instituted a placement specialist course in 1996. The training helps DVOPs and LVERs understand the marketplace for disabled veterans and enhances the unique skills needed to assist disabled veterans.

In early 1997 a task force was formed consisting of voc-rehab officers, state directors of VETS, employment service staff and representatives from the VETS national office and VA central office. The groups were asked to suggest specific recommendations for action, specific methodology for implementing recommendations, the responsibilities of each agency and time lines to carry out the recommendations. Programs that were working successfully were studied to see if they could be replicated elsewhere.

It was decided to put the recommendations of the working groups' deliberations in a manual for joint use by all field staff. Under current plans, the manual, entitled "Operating Guide for Improved Customer Service for Chapter 31 Veterans," is scheduled to be published in the next few months. Training sessions will follow soon after in six states. It is hoped that over 500 staff, including VA personnel, will attend.

Quarterly activity is analyzed at the national level by VETS and shared with VA's central office and a feedback report is sent out to each regional administrator. These reports let each region know how it is doing overall, how it is doing compared to the national average, and which states need to show improvements.

At the national level, VETS and VA staff meet quarterly to discuss the status of the program, to examine problems that have arisen and to make recommendations.

During fiscal year 1997 8,452 voc-rehab veterans registered with the job service replacement assistance. This is an increase of 50 percent from fiscal year 1996. 3,411 of these veterans entered into what the VA defines as suitable employment. Suitable employment is employment in line with the skills, aptitudes and abilities of the veterans and that does not aggregate the veterans' disability.

3,693 disabled veterans obtained employment. This is an increase of 98 percent over fiscal year 1996. [1] The VETS strategic plan projects that an additional 2 percent will enter employment every year over the next 5 years. Therefore it is VETS' goal to have

[1] In fiscal year 1997, the entered employment rate was 43.7 percent.

over 50 percent of those who complete the voc-rehab program enter employment by 2002.

I am very pleased with the progress that VETS and VA have made together to make the voc-rehab program an integral part of VETS' mandate to provide training and employment to our nation's veterans. I am confident that our joint effort on behalf of disabled veterans will provide the success we are truly capable of achieving.

Thank you. I would be pleased to respond to any questions you may have.

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

Mr. QUINN. Thanks very much and thanks for adhering to the 5-minute policy. We appreciate that. Everyone in the room appreciates that, I'm sure.

Ninety-eight percent increase in one category. That is almost double.

Mr. BORREGO. Yes, sir.

Mr. QUINN. We are pleased with that, as well. Thank you. We did have a couple of questions, one or two very brief ones.

You talk about the new memorandum of understanding that has been in place now for about the year?

Mr. BORREGO. A little bit more.

Mr. QUINN. A little bit longer than a year. And in the written part of your statement, as I looked through it, I was trying to find out if I missed something or trying to get a handle on how many of the States have complied, to make sure that there are memoranda of understanding at the State level. How are you doing with that?

Mr. BORREGO. All the States have MOUs. We have MOUs at all the States.

Mr. QUINN. Good. That's great.

I don't have any other questions. Mr. Filner couldn't be here but left a question, if I could get a start on an answer for it.

Because most vocational rehabilitation trainees pursue college level training, their employment needs are perhaps more difficult to fulfill than those with vocational technical skills. What special efforts can the DVOPs make to find suitable employment now for college graduates? And this sort of matches up with what Ron Drach might have been talking about a little bit earlier this afternoon.

Mr. BORREGO. Well, we do two measures of employment. Suitable employment is the VA's definition and that is jobs that are in line with the education that they got. The other one is jobs, just that they get jobs. Ninety-two percent of the jobs for all the voc-rehab were suitable employment. A lot of the jobs that our folks, that the DVOPs are getting for them, are in line with the education and training they received.

The other piece is the class that we have, the Placement Specialist, we have run 471 people through that class. It emphasizes a lot marketing veterans with disabilities to employers; so the marketing part is very important. And having now run 471 people through, I think we are beginning to see the effects. And when you see that large increase in job placements, a lot of it comes from the training in that class.

So we are emphasizing putting people through NVTI, giving them the skills that allow them to place veterans with disabilities. And the marketing has been one area that we really emphasize that leads to our success.

Mr. QUINN. Thank you. And I have one more. That was Mr. Filner's question.

Can you comment on the VETS national performance goals for the DVOPs and the LVERs in placing disabled veterans in jobs? Do you have some national performance goals, some numbers that we are trying to get to? Can you share those with us?

Mr. BORREGO. What we have done, in line with GAO's recommendation that we move to absolute goals, in fiscal year 1997 we had a placement rate into jobs of 43.7 percent for the voc-rehab. Of those, 40 percent, or 92 percent of the total, were suitable employment.

What we are projecting for our performance goals is that each year until 2002, that we increase placement, and that includes suitable employment, as well, by 2 percent a year to give us a 10 percent increase by 2002, putting us well over the 50 percent mark.

Mr. QUINN. That would put you at 52, no?

Mr. BORREGO. Right.

Mr. QUINN. 42, 2 percent a year, 10, by 2002. Thank you.

Mr. BORREGO. Thank you.

Mr. QUINN. Thank you, sir. We appreciate your being here and let us move now if we can to our fifth panel, the Honorable Joe Thompson, Under Secretary for Benefits, Department of Veterans Affairs, to be accompanied by Mr. Julius Williams, the director of the VA Vocational Rehabilitation Service, and anybody else you want to have join you at the table, protection-wise, security, moral support, friends of friends.

Joe, thanks for being patient with us today. I know you were here most all of the morning and we were interrupted then and we were interrupted this afternoon. I really appreciate it. On behalf of Mr. Filner and all the committee, many of whom couldn't get here, we appreciate your waiting for us and we are interested in hearing your testimony.

STATEMENT OF JOSEPH THOMPSON, UNDER SECRETARY FOR BENEFITS, DEPARTMENT OF VETERANS AFFAIRS ACCOMPANIED BY JULIUS WILLIAMS, DIRECTOR, VA VOCATIONAL REHABILITATION SERVICE

Mr. THOMPSON. Thank you, Mr. Chairman.

I would like to enter my written testimony for the record and try to summarize my thoughts.

Mr. QUINN. Without objection it is so ordered.

Mr. THOMPSON. Thank you. First of all, I do want to apologize for the lateness in getting my testimony over to the Committee. I promise that will not happen again.

I would like to thank the Chairman for demonstrating your support to veterans, particularly veterans in this program, by hiring some of our graduates in both your Buffalo office and here in Washington. I think that really demonstrates your support.

Mr. QUINN. Joe, let me interrupt you for a second to thank you and everybody involved, Julius and others, who were very, very ac-

commodating to us in placing Mark in Buffalo and Brian here in Washington. We are just thrilled with the results. We are trying to talk to as many people as we can; I worked on Filner here a few minutes ago. He promises me his staff is working on it. And we will do what we can to help you with that. That is great. Thank you.

Mr. THOMPSON. We appreciate that. Thank you.

Although this is the smallest of our programs in terms of the numbers and dollars involved, it really is the one that it is my belief goes to the heart of what VBA is all about and our nation's commitment to veterans.

I am proud to have the responsibility for this program. I am pleased that we have made some progress in the last few years in rehabilitating veterans, but I am concerned by some of the things I have seen.

First of all, I need to say that I agree with much, if not most, of the concerns that have been expressed in the previous panels. I am chagrined that after two GAO studies, IG studies, internal analyses with our own design team, reports from the Veterans Advisory Commission on Rehabilitation, all of whom arrive at largely the same conclusions, and 18 years after the law was changed, we are still sitting here discussing why we haven't moved the focus of the program from training to jobs.

I can tell you, Mr. Chairman, I am committed to changing that. I will strive to make sure that we don't have hearings where you are asking us this question anymore. That will be a goal of the service, to make sure that, in fact, we place veterans in jobs.

We do have good things going on. Al Borrego just mentioned the partnership with DOL. I think it has been a real positive development. Over the last few years, we have been developing joint training with them. We are looking to develop employment services training for our own staff. We are getting started on that right now, to make sure that our folks are aware. It is a needed skill in regional offices today.

We are also looking to publicize what the true focus of the program is. There are broad misconceptions, as was mentioned in your earlier panels, about what voc-rehab is all about. It is not simply training; the focus is on employment.

We are reinstituting our quality reviews, a practice we had dropped. This will help us make sure that the service being provided in regional offices is up to standards.

We are instituting new measures on how we measure success, one that aren't quite so narrowly focused or so focused on VA concerns but focused more on whether we are really doing the job for veterans.

We have contracted with Booz Allen to do a study as to why veterans drop out of the program. It's a question, rightly pointed out, that we can't provide an answer to today. So we hope to be able to provide that answer.

And probably the most compelling thing I think we have going on now is our business case study, where we are really starting with the premise that the program needs some significant revisions. We are taking all of the earlier reports—our own design team, the GAO recommendations, VACOR, the IG—and we're going

to cross-walk these against our initiatives and our plans. We are bringing our stakeholders in. We are going to invite them into this process so that we can come out with a plan that really will meet the rehabilitation needs of disabled veterans.

That is really all I wanted to say in summary, Mr. Chairman. I am ready for your questions.

[The prepared statement of Mr. Thompson appears on p. 90.]

Mr. QUINN. Well, thank you. We appreciate the testimony. And, as I said this morning, and you and I had a conversation as we went to some votes, we are ready, willing and able to help you in any way we can. You have a full plate right now and I know when we met in my office; I flew in during the break up in December; Nora joined you and we went through all kinds of things in the office, which turned the tables on me because then I had a lot of homework to do.

But you have had a full day today and I don't have any further questions. We appreciate your coming over today and appreciate the attention of everybody. Julius, thanks for being with us.

Mr. Filner, do you have anything you would like to add?

If you don't mind, at the late hour today we may submit some questions in writing. If we could have them back both to Mr. Filner and any of the members on the subcommittee, we would appreciate that.

Mr. THOMPSON. Mr. Chairman, if I could mention two things. Number one, you asked for some statistics on the program. As you know, the data we keep is just to make payments, so we have a very thin amount of information. But we do have a project under way that we hope will be able, by matching against DOD records, to come up with some more pertinent information about the people that utilize the program.

The second thing, I would like to state on the record that there were a lot of concerns about the new positions in vocational rehabilitation. We have, in fact, been utilizing that authority in this new job classification. We have 59 people nationwide that are working as—I forget the title of the new job, Julius.

Mr. WILLIAMS. Vocational rehabilitation counselor.

Mr. THOMPSON. Vocational rehabilitation counselor.

We have a few more pieces of bureaucratic information to get out and our expectation is that will be out shortly. But we have begun to make that transition.

Mr. QUINN. Thank you. So in response to the suggestion earlier that we may have to go the route of enacting some kind of legislation to get that done, you are saying we are doing okay without it?

Mr. THOMPSON. That is correct. In fact, Ron Drach said it was his testimony that spurred us to this and I have to agree with him.

Mr. QUINN. We agree with him, too, but it is good to hear that you are making some progress. 59, you say?

Mr. THOMPSON. Fifty-nine nationwide, and the number would be greater but we are simply not hiring too many folks. It is a relatively small program.

Mr. QUINN. Okay, great. Thanks very much.

I am going to suggest we recess and adjourn.

[Whereupon, at 4:13 p.m., the hearing was adjourned.]

APPENDIX

Honorable Jack Quinn
Remarks
Oversight Hearing on Vocational Rehabilitation
February 4, 1998

We are here today to look into the recent performance of what should be VA's premier benefit program, Vocational Rehabilitation. We have several panels from the government, the veterans service organizations and the vocational rehabilitation community, and I am eager to hear from them. But let me make just a few comments about the program before we proceed.

First, let me emphasize that this is an employment program, not a training or education program. But, if a veteran needs training or treatment to overcome an employment handicap, the law provides an excellent program that offers appropriate medical treatment and training opportunities. I also believe it is fair to say the program has been strongly criticized by the General Accounting Office on at least three occasions since 1982. And unfortunately, the criticisms in each of the GAO reports sounds distressingly similar. Let me review just a few of the consistent finds by the GAO.

1. VA does not emphasize finding jobs for veterans
2. VA does not know why most veterans drop out of the program
3. Standards for measuring need to improve
4. VA focuses on training, not employment
5. The purpose of the program is not well understood by veterans
6. VA staff are not skilled in job placement
7. Case loads are too high
8. VA does not have a good understanding of the costs of rehabilitation

Clearly, such criticism does not encourage a great deal of confidence in the program. To its credit, VA formed an internal design team to look at these and other issues with the goal of providing a blueprint for change. About a year ago, the design team submitted its final report and from what we can tell, it was buried in the bureaucracy for a while. I note that GAO states that the new leadership at voc rehab has begun pursuing some of the report's recommendations. So, let's shed some light on some of the report's 15 wide-ranging recommendations on how to refocus vocational rehabilitation on the purpose of the program - putting disabled veterans in jobs.

The design team recommended:

1. Developing an employment assessment model
2. Redefining its workforce
3. Reducing reliance on contracting

4. Improving assessment of employee performance
5. Increasing veterans' access to the program
6. Increased partnering
7. Reorganize the VR&C Service giving the service director direct line authority over field operations
8. Streamline procedures
9. Identify measurable outcomes
10. Increasing automation

I would note that the Steering Committee which reviewed the design team's efforts was largely, but not entirely, in agreement with the team's recommendations, which makes the low visibility of the report even more puzzling.

Judging from the written statements for today's hearing, it is difficult to get a handle on who is getting voc rehab. Therefore, I am requesting the Department provide the Subcommittee with a detailed analysis of program participants including who applies, who is authorized the benefit, who actually participates and who completes the program. I am especially interested in the types of rehab recommended by VA. I would greatly appreciate it if we could have the analysis by mid-March.

Our hearing today also raises what I consider a larger issue, one that is being addressed by former Deputy Secretary Principi's Transition Commission which is looking at how all of the benefits we provide for people leaving active duty fit together. While not the purpose of today's hearing, it seems to me that programs like vocational rehabilitation, the GI Bill and veterans employment programs would integrate more effectively if they were all under one roof, especially with the enormous changes taking place in the areas of employment services and education. Clearly, these programs are intended to position a veteran to be successful in civilian life, and I am very concerned that the dispersion of these programs between multiple federal agencies is preventing them from reaching their full potential. We'll look at this idea in a future hearing.

One final thing. As a joint initiative with the ranking member, I am announcing formation of a chairman's review group to bring many of today's witnesses together regularly to assess the government's progress on meeting the recommendations of the design team and the Secretary's advisory group. The staff will be in contact with you, and I hope you will help speed up improvements in the voc rehab program.

Before we hear from the first panel, I would like to recognize my good friend the ranking member, Bob Filner, for any remarks he may have.

Thank you Bob. Do any other members wish to make opening remarks?

Could we have the first panel please. Today we have with us Ms. Cynthia Fagnoni, Associate Director, U.S. General Accounting Office. Welcome and please proceed.

Thank you. I have a couple questions.

I now recognize the ranking member for any questions he may have.

Do any other members have any questions?

Could we have the second panel please. Mr. Ron Drach will represent the Secretary's Veterans Advisory Commission on Rehabilitation. Ron, I see you are doing double duty today. Please proceed.

Thank you Ron. I have a couple questions.

I now recognize the ranking member for any questions he may have.

Do any other members have any questions?

Could we have the third panel please. The third panel is composed of representatives of the veterans service organizations. Mr. Drach will now speak for the DAV, Emil Nachinski is here on behalf of the American Legion, Mr. Harley Thomas represents the Paralyzed Veterans of America, and Kelly Willard West represents the Vietnam Veterans of America. I understand that this is Mr. Thomas' first appearance before Congress, and I want to welcome him. His biography shows that he is a retired Navy Chief DP (Data Processing Technician). Thank you for your past service, Chief and welcome aboard. Please proceed in any order you wish.

Thank you. I have a couple questions.

I now recognize the ranking member for any questions he may have.

Do any other members have any questions?

For our fourth panel, Assistant Secretary of Labor for Veterans Employment and Training, Al Borrego will present testimony on VETS' role in the Voc Rehab program. Mr. Secretary, welcome, and the floor is yours.

Just a couple questions.

I now recognize the ranking member for any questions he may have.

Do any other members have any questions?

Our final panel today brings the newly confirmed Undersecretary for Benefits, the Honorable Joe Thompson before the Subcommittee for the first of what I hope is many informative and candid discussions of the challenges facing VBA. I want to personally congratulate Mr. Thompson on his appointment and to express my belief that the President made a good choice. Mr. Undersecretary, we've heard a good deal of criticism of the program here today, and I'm looking forward to your views on how to address them.

The Undersecretary is accompanied today by Mr. Julius Williams, Director of the Vocational Rehabilitation and Counseling Service. I would note that Mr. Williams is also relatively new on the job and welcome him to the hearing. Mr. Thompson, please proceed.

Just a couple questions.

I now recognize the ranking member for any questions he may have.

Do any other members have any questions?

I want to thank all of today's panels for their testimony. There is obviously a lot of work that needs to be done, and each of you who appeared here today have a role in meeting that obligation to our disabled veterans. To that end, I look forward to the first meeting of our review group.

The hearing stands adjourned.

REMARKS BY CONGRESSMAN MASCARA

VOCATIONAL REHABILITATION

FEBRUARY 4, 1998

THANK YOU MR. CHAIRMAN FOR CALLING THIS HEARING TO REVIEW THE VA VOCATIONAL REHABILITATION PROGRAM.

I BRIEFLY LOOKED OVER THE MATERIAL THIS MORNING AND IT LOOKS LIKE WHILE SOME PROGRESS IS BEING MADE IN CORRECTING ITS LONG-TIME PROBLEMS, THIS PROGRAM IS STILL SADLY NOT MEETING ITS MISSION OF HELPING DISABLED VETERANS OBTAIN GAINFUL EMPLOYMENT.

APPARENTLY AS PART OF ITS REINVENTING GOVERNMENT EFFORT, THE VA HAS DEVELOPED A MORE COMPREHENSIVE PLAN FOR FURTHER REVISING THIS CRITICAL EFFORT AND UPGRADING THE SKILLS OF ITS STAFF.

NEEDLESS TO SAY, I HOPE THE VA WILL FOLLOW THROUGH SO THAT THE NEXT TIME THE SUBCOMMITTEE HOLDS AN OVERSIGHT HEARING WE CAN FINALLY GET SOME GOOD NEWS.

THOSE WHO ARE DISABLED AS A RESULT OF THEIR MILITARY SERVICE DESERVE TO RECEIVE THE BEST AND MOST UP-TO-DATE TRAINING AND EMPLOYMENT SERVICES POSSIBLE.

THEY DESERVE THE CHANCE TO HOLD DOWN A DECENT, GOOD PAYING JOB THAT HELPS RESTORE THEIR DIGNITY AND RETURN THEM TO THE MAINSTREAM OF CIVILIAN LIFE.

WE , FRANKLY, SHOULD STILL NOT BE STRUGGLING WITH THIS PROBLEM. A CORRECTION IS LONG OVERDUE AND I HOPE IT IS FINALLY GOING TO MATERIALIZE IN THE WEEKS AND MONTHS AHEAD.

--THE END--

United States General Accounting Office

GAO

Testimony

Before the Subcommittee on Benefits, Committee on Veterans' Affairs, House of Representatives

For Release on Delivery
Expected at 2:00 p.m.
Wednesday, February 4, 1998

VOCATIONAL REHABILITATION

Opportunities to Improve Program Effectiveness

Statement of Cynthia M. Fagnoni
Associate Director
Veterans' Affairs and Military Health Care Issues
Health, Education, and Human Services Division

GAO/T-HEHS-98-87

49-406 98-2

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to provide our views on efforts the Veterans Benefits Administration (VBA) has made to help disabled veterans obtain suitable employment through its vocational rehabilitation and counseling program.[1] VBA is responsible for administering the Department of Veterans Affairs' (VA) nonmedical programs that provide financial and other benefits to veterans, their dependents, and survivors.

Millions of veterans have disabilities resulting from their service in the military. As a result, some need help in obtaining and maintaining employment. Since the 1940s, VA, previously the Veterans Administration, has provided training to veterans with service-connected disabilities to help improve their employability. In 1980, the Congress enacted the Veterans' Rehabilitation and Education Amendments, which changed the focus of the vocational rehabilitation program from just providing training to improve the employability of disabled veterans to helping them find and maintain suitable jobs. In fiscal year 1997, VBA spent about $388 million to provide vocational rehabilitation benefits to about 59,000 disabled veterans.

My statement today will focus on the past problems that VBA has faced and the progress it has made in helping disabled veterans obtain suitable employment. The information in this statement is based on reviews we conducted of the vocational rehabilitation program as well as recent discussions with program officials.[2] Because of time constraints, we did not attempt to update information on the services veterans received or the outcomes they achieved.

In summary, we found that the vocational rehabilitation program has not emphasized its mandate to find jobs for disabled veterans. In 1984, 1992, and again in 1996, we reported that the vocational rehabilitation program primarily focused on sending veterans to training, not on finding veterans suitable employment. For example, we found that VBA placed over 90 percent of eligible veterans directly into training programs, while less than 5 percent went directly into the program phase designed to find them jobs. VBA program officials told us that staff focused on providing training services because, among other reasons, the staff lacked adequate training and expertise in job placement. Similarly, we found that VBA placed few veterans in jobs. For example, we reported in 1992 and 1996 that VBA rehabilitated less than 10 percent of veterans found eligible for

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[1]VA defines a suitable job as a position consistent with a veteran's aptitudes, abilities, and interests.

[2]A list of related GAO products appears at the end of this testimony.

vocational rehabilitation services.[3] VBA program officials told us that the primary reason for the low percentage of rehabilitations was the lack of focus on providing employment services. Furthermore, we found that VBA has not focused on assessing program effectiveness.

In response to our and VA's earlier findings and recommendations, VBA's vocational rehabilitation and counseling service established a design team in 1995 to radically restructure the program. In 1996, the design team made specific recommendations aimed at improving program effectiveness. During recent discussions with program officials, we found that VBA is in the early stages of implementing the design team's recommendations. Program officials told us they are currently developing a strategic plan that they believe will address prior recommendations and set forth a plan of action for improving program effectiveness.

BACKGROUND

The mission of the vocational rehabilitation and counseling program is to provide all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the extent feasible, to become employable and to obtain and maintain suitable employment. Veterans are eligible for program services if they have a 20-percent or higher service-connected disability[4] and they have been determined by VBA to have an employment handicap. The law defines an employment handicap as an impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes, and interests.[5] A veteran with a 10-percent service-connected disability may also be eligible if he or she has a serious employment handicap.[6] The eligibility period generally extends for 12 years, beginning on the date of the veteran's discharge. A veteran found eligible for services can receive up to 48 months of benefits during the 12-year period.

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[3]Disabled individuals who obtain and maintain a suitable job for at least 60 days are classified as "rehabilitated."

[4]Veterans are assigned a disability rating ranging from 0 to 100 percent in increments of 10 percent. The rating represents the average impairment in earning capacity resulting from a service-connected injury or a combination of injuries.

[5]The Congress enacted this law, the Veterans' Rehabilitation and Education Amendments (P.L. 96-466), in 1980.

[6]VBA 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.

The vocational rehabilitation process has five phases. In the first phase (application), VBA receives the veteran's application, establishes eligibility, and schedules a meeting with the veteran. In phase two (evaluation and planning), a counselor determines whether the veteran has an employment handicap; if so, the counselor and the veteran jointly develop a rehabilitation plan.[7] The veteran then moves into training or education (phase three), if needed, and on to employment services (phase four) if training or education is not needed or after it is completed. During phase four, VBA and other federal and state agencies may help the veteran find a job. In phase five, the veteran is classified as rehabilitated once he or she finds a suitable job and holds it for at least 60 days.

VBA HAS NOT EMPHASIZED FINDING JOBS FOR VETERANS

The 1980 Veterans' Rehabilitation and Education Amendments made a significant change in VBA's vocational rehabilitation program by requiring VBA to assist veterans in obtaining and maintaining suitable employment. However, despite recommendations we made in 1992 that VBA fully implement this amendment and VBA's agreement to emphasize employment services, staff continued to focus on sending veterans to training rather than on finding them jobs. As a result, we reported in 1996 that few disabled veterans in the vocational rehabilitation program had obtained jobs. In addition, VBA has not focused on assessing program effectiveness as required under the Government Performance and Results Act of 1993 (the Results Act).[8]

VBA Has Not Emphasized Employment Services

VBA's vocational rehabilitation program has primarily focused on sending veterans to training rather than on finding them suitable employment. In 1992, VBA issued guidance that emphasized the importance of finding suitable jobs for veterans and suggested that field offices begin employment planning as soon as a veteran's eligibility for program services is established. However, regional officials told us that staff generally did not begin exploring employment options until near the end of a veteran's training.

In 1992, we reported that 92 percent of veterans who received a plan between October 1983 and February 1991 went from the evaluation and planning phase directly

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[7]A rehabilitation plan outlines specific services to be provided the veteran, the duration of services, and a basis for assessing progress toward the program goal.

[8]The Results Act requires agencies to clearly define their missions, set goals, measure performance, and report on their accomplishments.

into training programs, while only 3 percent went into the employment services phase. The remaining 5 percent went into a program designed to help them live independently or were placed in a controlled work environment. These figures remained virtually unchanged for the period we examined in our 1996 report. For example, from October 1991 to September 1995, 92 percent of veterans who received a plan went from the evaluation and planning phase into training programs, while 4 percent went directly into the employment services phase. The remaining 4 percent entered an independent living program or were placed in extended evaluation.

Moreover, our 1996 analysis of national program data on program participants showed that the vast majority of veterans in training were enrolled in higher education programs. For example, about 91 percent of such veterans were enrolled in a university or college.[9] The remaining 9 percent were enrolled in vocational/technical schools or participating in other types of training programs, such as apprenticeships and on-the-job training.

VBA regional officials we visited during our 1996 review offered several reasons for emphasizing training over finding veterans jobs. First, VBA officials told us that staff found it difficult to explore employment options early because many veterans entering the program expect to be able to attend college. Veterans had this expectation, according to VBA officials, because the program was often marketed as an education program, not as a job-oriented program. This image of the program was also evident among some VA management. For instance, the director at one regional office described the vocational rehabilitation program as the "best education program in VA."

A second reason for emphasizing training over employment, according to VBA officials, was that staff generally lacked adequate training and expertise in job placement activities. At one office, for example, a counseling psychologist told us that he and other program staff were not equipped to find veterans jobs because they lacked employer contacts and detailed information on local labor markets. In fact, counseling psychologists at the regional offices we visited during our 1996 review described the employment services phase as "the weakest part of the program."

Third, VBA officials told us that large caseloads made it difficult for program staff to spend time exploring employment options with veterans. As one counseling psychologist responsible for managing over 300 cases told us, "with such a large caseload, it's easier to place veterans in college for 4 years than it is to find them a job." VBA's

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[9]VA's national database captures the number of veterans enrolled in college or vocational/technical schools. However, several regional office staff told us that a significant number of veterans classified as attending college are actually enrolled in a vocational/technical training program provided by a community college. VA officials were not able to estimate how many veterans belong in this category.

Vocational Rehabilitation Service's Chief of Program Operations told us that the optimal caseload per staff person is about 125.

VBA Has Placed Few Disabled Veterans in Jobs

The vocational rehabilitation program has not been effective in placing veterans in suitable jobs. VBA program officials told us that the primary reason for the low percentage of rehabilitations was the lack of focus on employment services. In our 1992 report, we noted that approximately 202,000 veterans were found eligible for vocational rehabilitation program services between October 1983 and February 1991. About 62 percent dropped out of the program before ever receiving a rehabilitation plan, and an additional 9 percent dropped out after receiving a plan. VBA rehabilitated 5 percent of the eligible veterans, while the remaining veterans (24 percent) continued to receive program services.

In our 1996 report, we noted that 201,000 veterans applied to the vocational rehabilitation program between October 1991 and September 1995. VBA classified approximately 74,000 (37 percent) veterans as eligible.[10] Of these veterans, 21 percent dropped out before receiving a plan, and another 20 percent dropped out or temporarily suspended their program after receiving a plan. VBA rehabilitated 8 percent of the eligible veterans, and the remaining eligible veterans (51 percent) were still receiving program services at the time of our rewiew.

VBA Has Not Focused on Assessing Program Effectiveness

In testimony before this Subcommittee last June, we noted that VA's June 1997 draft strategic plan for fiscal years 1998 through 2003 included measures of veterans' progress in completing each rehabilitation phase of the vocational rehabilitation program.[11] However, the plan did not assess the program's effectiveness in helping veterans get and keep suitable employment. In subsequent testimony, we noted that VA's August 1997 draft strategic plan was an improvement over the earlier version and observed that it contained possible results-oriented goals, such as increasing the number of disabled veterans who get and keep suitable employment and are considered to be rehabilitated. However, VA's strategic plan, which was formally issued on September 30,

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[10]Of the 201,000 veterans who applied to the vocational rehabilitation program, 55,000 (27 percent) were classified as ineligible, 11,300 (6 percent) were awaiting an eligibility determination, and 60,400 (30 percent) dropped out of the program.

[11]VA developed this strategic plan pursuant to the Results Act.

1997, lacks a detailed discussion about how VBA plans to measure the overall effectiveness of its vocational rehabilitation program.

VBA HAS MADE LIMITED PROGRESS TOWARD IMPLEMENTING PROGRAM IMPROVEMENT INITIATIVES

In response to GAO and VA reports, the director of the vocational rehabilitation program established a design team in 1995 to radically restructure the program through improvements in program management. To help identify needed program improvements, the design team consulted with many internal and external stakeholders, including state and private-sector vocational rehabilitation officials, veterans' service organizations, the Department of Labor, and private contractors.

In October 1996, the design team issued a report that contained 15 recommendations for improving program effectiveness. Consistent with our findings and recommendations, the design team's recommendations focused on the need for vocational rehabilitation staff to emphasize employment throughout the program. The recommendations covered four major redesign areas: (1) changing the culture of the program, (2) implementing a strong marketing program, (3) streamlining program business operations, and (4) automating more of the program's business processes. The design team recommended, for example, that VBA develop an employment assessment model that would include an analysis of transferable work skills and a needs assessment. The model would be designed to give an accurate view of a veteran's abilities, aptitudes, and interests and help program staff focus on employment. Another recommendation was that VBA establish a national marketing strategy to provide accurate information about the vocational rehabilitation program, specifically to make clear the program's emphasis on employment. Furthermore, the design team recommended that VBA devise a work measurement system compatible with the Results Act, VBA work systems, and other information needs.

Shortly after the design team completed its report, the director of the vocational rehabilitation program retired, and an acting director led the program for nearly 9 months. In part because of this change in leadership, VBA is only now in the early stages of implementing the design team's recommendations. However, the new vocational rehabilitation program director told us he and his management team support the need to refocus the program toward the goal of employment and explained that they have begun to take specific actions to do so. He noted, for example, that they are in the process of contracting out for assistance in reviewing and revising program communications, including program applications, forms, pamphlets, brochures, and form letters, to ensure that these documents clearly communicate the program's focus on employment. The first stage in a multiyear rollout of a new automated management information system has also been completed, according to program officials. This system is being designed to help

program staff streamline and simplify work processes, measure program outcomes, and establish new work measurements nationwide.

In addition, program officials told us they are developing an overall strategic plan, which they hope to have completed by the end of this month, to address our and VA's past recommendations. This plan is to serve as a road map for the program--it will describe where the program is and where it needs to go, to better help disabled veterans obtain suitable employment. The plan will also include performance goals and outcome indicators to measure program effectiveness.

CONCLUSIONS

Despite a legislative mandate enacted almost 2 decades ago that required VBA to help program participants obtain suitable jobs and our prior reports documenting VBA's limited success, we found that the vocational rehabilitation program has not emphasized employment services. As a result, the program has rehabilitated few disabled veterans. VBA has recently taken steps that, if continued, could help the program better emphasize employment. With new program leadership in place, VBA has an opportunity to implement recommendations it has failed to act on in the past. However, the concerns addressed in this statement are long-standing, and sustained efforts will be needed to improve program effectiveness.

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Mr. Chairman, this completes my testimony. I would be pleased to respond to any questions you or Members of the Subcommittee may have.

RELATED GAO PRODUCTS

The Results Act: Observations on VA's August 1997 Draft Strategic Plan (GAO/T-HEHS-97-215, Sept. 18, 1997).

Veterans Benefits Administration: Focusing on Results in Vocational Rehabilitation and Education Programs (GAO/T-HEHS-97-148, June 5, 1997).

Vocational Rehabilitation: VA Continues to Place Few Disabled Veterans in Jobs (GAO/HEHS-96-155, Sept. 3, 1996).

Vocational Rehabilitation: Better VA Management Needed to Help Disabled Veterans Find Jobs (GAO/HRD-92-100, Sept. 4, 1992)

VA Can Provide More Employment Assistance to Veterans Who Complete Its Vocational Rehabilitation Program (GAO/HRD-84-39, May 23, 1984).

(105761)

VACOR
VETERANS ADVISORY COMMITTEE ON REHABILITATION

STATEMENT OF
RONALD W. DRACH, CHAIRMAN
VETERANS ADVISORY COMMITTTEE
ON REHABILITATION
BEFORE THE
SUBCOMMITTEE ON BENEFITS
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
FEBRUARY 4, 1998

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the members of the Veterans Advisory Committee on Rehabilitation (VACOR), I am pleased to appear before you today to offer our views and recommendations on the Vocational Rehabilitation program administered by the Department of Veterans Affairs. VACOR was established by Public Law 96-466, the Veterans Rehabilitation and Education Amendments of 1980 (section 3121 title 38 US Code).

The committee is charged with: assessing the rehabilitation needs of disabled veterans, reviewing the programs and activities of the Department of Veterans Affairs designed to meet these needs, and offering recommendations to the Secretary concerning the administration of veterans' rehabilitation programs under title 38, United States Code. The committee's Mission and Goals statement is attached.

The committee meets three or four times a year. Written correspondence detailing the accomplishments of and recommendations from each committee meeting is submitted to the Secretary throughout the year. This assures that the Secretary receives ongoing consultation regarding the administration of veterans' rehabilitation programs. The Veterans' Advisory Committee on Rehabilitation is committed to assisting the Secretary achieve a coordinated and comprehensive rehabilitation program for disabled veterans.

Nine members, who are appointed by the Secretary, represent disabled veterans and individuals distinguished in the fields of rehabilitation medicine, vocational guidance, vocational rehabilitation, employment, and training. The Secretary gives careful consideration to ensuring that the committee membership is fairly balanced in terms of points of view represented and functions to be performed as is required by the Federal Advisory Committee Act (FACA). Additionally, five ex-officio members represent selected Federal Agencies as required by section 3121(a) (3), title 38, United States Code A listing of the committee's current membership is attached.

The committee is charged with looking at all rehabilitation programs administered by the VA both on the medical and the benefits side. Because of the nature of this oversight hearing focusing on the Vocational Rehabilitation program, my comments and committee recommendations will be restricted to the Vocational Rehabilitation program.

In addition to the our recommendations, we were very proactive in providing input to the Design Team which concluded it's review of the Vocational Rehabilitation program and submitted it's report to management at the Veterans Benefits Administration in late 1996. We have been briefed on several occasions on the Design Team report and it's recommendations and continue to be concerned that the report has not been released. We have been informed that the report will be released some time later this month.

During the deliberations of the Design Team, we submitted comments on two of their documents titled *Social Analysis* and *Environmental Scan*. Our comments are attached.

As you know, the General Accounting Office did a report which was released in

September 1996 titled *Vocational Rehabilitation -- VA Continues to Place Few Disabled Veterans in Jobs* (GAO/HEHS-96-155). VACOR members did a complete analysis of the GAO report and submitted comments to GAO. Those comments are attached.

The following represent the recommendations made to the Secretary by VACOR for fiscal years 1995, 1996, and 1997.

RECOMMENDATIONS

- The Committee again recommended that VA's Vocational Rehabilitation and Counseling Service pursue their efforts to implement upgraded qualification standards for their vocational rehabilitation specialist and counseling psychologist positions. The committee expressed serious concern over the delay in getting these new standards implemented. (Former Secretary Jesse Brown provided a response to this recommendation on February 6, 1997. His response stated; "On March 24, 1994 the Secretary approved the new qualification standards for the Vocational Rehabilitation Specialist and Counseling Psychologist positions. The new standard requires a doctorate degree for the Counseling Psychologist positions. This standard is fully implemented. The standard for the Vocational Rehabilitation Specialist, which requires a minimal education level of a masters' degree, raised several concerns as to the impact this new standard will have on existing personnel. Following an advisory opinion from the Office of Personnel Management (OPM), VA created a new position—the Vocational Rehabilitation Counselor (VRC) in the 101 series and transferred the upgraded qualifications standards to this series. The VRC has been implemented for new employees. However, moving existing qualified personnel into the VRC 101 series is complicated and requires that labor-management partnership conditions be met an negotiated as appropriate.")

- The Committee recommends that on-going education and training be provided to VA's Veterans Health Administration (VHA) staff regarding the Vocational Rehabilitation and Counseling (VR&C) Program. As VHA's Memorandum of Understanding (MOU) with the Commission on Accreditation of Rehabilitation Facilities (CARF) has a training requirement this may be a good vehicle to use for orienting VHA field staff with VR&C field staff.

- The Committee recommends that an MOU be developed between VHA and VBA (VR&C Service) which contains a requirement that every VA installation have a local MOU that details education and communication strategies (a measurable outcome), identification of a case manager, and proper technical interaction between the two administrations.

- The Committee recommends that sufficient funding and staff support be allocated to enable the Veterans' Advisory Committee on Rehabilitation (VACOR) to hold four meetings a year. Funding and necessary resources should be a shared responsibility between VHA and VBA. (current VR&C Director Julius Williams has assured us that funding will be available)

- The Committee supports the efforts of the VR&C Design Team. We look forward to reviewing and commenting on the Design Team's final report.

- The Committee recommends that a joint training initiative be developed between DOL's Veterans Employment and Training program and VA's Vocational Rehabilitation and Counseling Program.

That concludes my statement and I will be happy to respond to any questions.

VETERANS' ADVISORY COMMITTEE ON REHABILITATION
WASHINGTON D.C.

MEMORANDUM

TO: Vocational Rehabilitation Design Team Members

FROM: Ronald W. Drach, Chairman, VACOR

SUBJ: **FURTHER COMMENT ON THE "SOCIAL ANALYSIS" AND THE "ENVIRONMENTAL SCAN" DOCUMENTS**

DATE: April 17, 1996

Attached is a copy of a letter from Lamona H. Lucas, Commissioner, Alabama Department of Rehabilitation Services, and a member of the Veterans' Advisory Committee on Rehabilitation (VACOR), transmitting her thoughts on the work of the Design Team.

I would appreciate it if you would associate it with the April 5, 1996 memorandum sent to you by me on behalf of the members of VACOR.

Ronald W. Drach

RONALD W. DRACH
National Employment Director

RWD:nb
Attachment

Fob James
GOVERNOR

Lamona H. Lucas
COMMISSIONER

Alabama Department of
REHABILITATION SERVICES

April 8, 1996

Mr. Ronald W. Drach, Chairman
Vocational Rehabilitation Steering
Design Committee
807 Maine Avenue, SW
Washington, D.C. 20024

Dear Ron:

I am so sorry that I was unable to participate with the other committee members on the conference call. Steve Shivers, my chief of field services, has given me good notes and I have read with great interest the materials that you sent. If it is not too late I would like to make a couple of my own personal comments.

First, I would like to say I am very impressed with the whole environmental scan process. I think this is an excellent way to get input from both internal and external stakeholders. I think the design team is to be commended.

There is one thing that does give me some cause for concern and that is the mention in more than one place of the state/federal vocational rehabilitation program as a competitor. I, in no way, view the VA Rehabilitation Program as a competitor. I believe that we can and should work together very closely in a strong partnership. Certainly that is the way we view the program in Alabama. We have many joint cases and, I must say, have realized a great deal of success through the relationship. We put a strong priority on serving veterans in collaboration with the VA.

In fact, I would like to invite the design team to come and look at our program in Alabama. I believe there are some things that we could demonstrate. First of all, our emphasis is on quality services that lead to quality outcomes for people with disabilities giving priority to those with severe disabilities. We frequently say, "Employment, Employment, Employment." That is our goal. We have gone to a great deal of trouble to establish performance standards for every employee of the agency so that we can indeed be sure that we are providing quality services that lead to employment. We have a simple but highly functional quality assurance system within the Agency. Without boasting, I would also like to say that our production is outstanding. We

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Mr. Ronald W. Drach
Page 3
April 8, 1996

from giving full attention to the people with disabilities that they are serving and assisting toward employment. I was on the original group that developed the Aspen Document that RSA and state agencies are utilizing in order to streamline the rehabilitation program. I would be happy to share any information I have with you and assist you in any way in this effort.

My invitation is wide open. I will be glad to have visitors and give any assistance that might be of value. Please let's work together to encourage the Veteran's Rehabilitation Program and the Civilian Rehabilitation Program to work collaboratively as partners to see that disabled veterans do indeed achieve positive outcomes of employment.

I look forward to seeing you at the next meeting in Phoenix in July.

Sincerely yours,

Lamona H. Lucas
Commissioner

LHL/jcb

VETERANS' ADVISORY COMMITTEE ON REHABILITATION
WASHINGTON D.C.

MEMORANDUM

TO: Vocational Rehabilitation Design Team Members

FROM: Ronald W. Drach, Chairman, Veterans' Advisory Committee on Rehabilitation (VACOR)

SUBJ: **DESIGN COMMITTEE'S "SOCIAL ANALYSIS" AND "ENVIRONMENTAL SCAN" DOCUMENTS**

DATE: April 5, 1996

The following comments are provided from the Veterans' Advisory Committee on Rehabilitation. A copy of the VACOR membership is attached.

On behalf of VACOR, I want to commend the Design Team for your excellent work, thoughtful deliberations, insightful recommendations, and personal sacrifices you have made over the past several months to get where you are today.

VACOR members have had an opportunity to review your "Social Analysis" and "Environmental Scan" documents and would like to offer the following comments for your review, consideration and, where appropriate, incorporation into your final report.

* * *

The first document for consideration is the "Social Analysis." Although the pages are not numbered, the fourth page from the last under the heading "What We Know," the second bullet, "They are concerned that VR&C is contracting out our core work. The majority of people interviewed, about 75 percent feel we should contract employment services."

RESPONSE

There are other areas where discussion takes place regarding contracting. The reality of contracting is that it is probably here to stay. From our experience, we know that a lot of veterans would not have gotten served had it not been for contracting. It should be noted that one major reason this Design Team is meeting is because of Congressional criticism that not enough disabled veterans were getting jobs following completion of training. Part of the reason identified for the lack of employment outcomes was the VA's inactivity with existing systems

such as the Disabled Veterans Outreach Program (DVOP). Because there is a national network already established consisting of Local Veterans Employment Representatives (LVERs) and DVOP Specialists, we believe employment services should be contracted for only after existing "free" services have been exhausted. We wish to emphasize, however, that our basic philosophy is that employment is the ultimate goal and whatever it takes should be used.

* * *

The fourth bullet reveals "100 % of the employees interviewed want better technological support: personal computers, fax machines, copiers, telephone systems, etc."

RESPONSE

We support this recommendation. VACOR members were incredulous that these employees were not provided "state of the art" technological support. We believe the solution to this problem is to place the VR&C offices under the control of Central Office, not the Regional Office Directors. This will assure that all offices receive the same equipment and the decision to provide such equipment is not left to the whim of a Regional Office Director who may believe that the Vocational Rehabilitation Program is not as deserving as other programs. One VACOR member stated he was shocked that such an antiquated system exists and the lack of "high-tech" equipment was a major impediment to successful outcomes.

* * *

The fifth bullet indicates "100 % of the employees want less paper work."

RESPONSE

Excessive paperwork is what keeps them from doing what they need to do — provide services to disabled veterans.

* * *

The sixth bullet talks about empowering employees to make decisions at the point of the work.

RESPONSE

We support empowering employees to make decisions at the point of work. This decision-making authority will increase efficiency and timeliness, reduce checks and controls that add no value and may even hamper the delivery of services. The cost of time and labor involved, under the current process, does not contribute to the effectiveness of the outcome. This would allow the professionals most knowledgeable about the case to make the decisions.

* * *

The seventh bullet states, "About 85 percent of the employees want more training in the areas of technology and staff development."

RESPONSE

Section 3118 Title 38 U.S.C. states in part: "The Secretary shall provide a program of ongoing professional training and development for Department of Veterans Affairs Counseling and Rehabilitation Personnel engaged in providing rehabilitation services...." We don't know how much has been budgeted for such ongoing training or how much training has been provided. The Design Team needs to obtain information on the type of training that can be provided under Section 3118; how much has been budgeted and spent over the past several years; how much is budgeted for FY 1996 and requested for FY 1997; and how many employees have received training. This information should contain both in-house training such as regional and national conferences and individual training through academic or continuing education units (CEU).

* * *

On the next page under the title of "Themes for VR&C Redesign," the second bullet wants to "decrease our long-term dependency on contracting."

RESPONSE

VACOR believes that may be an admirable goal. However, to reduce dependency on contracting would require additional staff and budget which is not a political reality. (See also our earlier discussion on this issue.)

* * *

The third bullet essentially wants to provide more access points.

RESPONSE

VACOR members generally agree with providing service at more access points. We are not sure however, if more access points will increase applicants and enrollees. The current workload is virtually unmanageable and this could exacerbate the situation. By increasing access points, you may increase applicants and enrollees.

* * *

The seventh bullet calls for: "train staff, empower them and hold them accountable with measurements of desired outcomes."

RESPONSE

We agree but remind the Design Team that the ultimate desired outcome is employment.

Prior to the establishment of the "Design Team," Under Secretary for Benefits R. J. Vogel sent a memorandum to Secretary Jesse Brown stating in part, "We have become too concerned about process and not sufficiently concerned about outcomes (EMPLOYMENT) (Emphasis provided).

* * *

The next document is the "Environmental Scan." These pages are numbered. On page twelve, it states: "We are collecting data on success rates of Chapter 31 participants segmented by age and disability rating. An attrition study has been undertaken to identify why veterans drop out of the Chapter 31 program."

RESPONSE

We encourage the completion of these studies and suggest that copies be provided to VACOR when they are available. The collection of data on success rates should be ongoing.

* * *

On page 12 in the second paragraph, it is stated: "Some of our current market segments include Chapter 35 dependents and non-disabled veterans who request the vocational/educational counseling services. ...all groups question whether we should be providing requested counseling services."

RESPONSE

We don't know of the legal pros and cons but perhaps this is an area where contract services could be focused, thereby allowing the VR&C staff to focus on the Chapter 31 eligibles.

* * *

On the bottom of page 12 and top of page 13, "...the national survey of veterans conducted by VA shows that VR&C success, as measured by the percentage of veterans rehabilitated, is much better with veterans rated 20 to 40 percent as opposed to those rated 50 percent or more. We may need to improve services to the more severely disabled, but we may also find that this group is less likely to benefit from service and/or less inclined to seek employment due to economic disincentives."

RESPONSE

Often times, the more severely disabled are harder to motivate, train, and get employed than someone with a lesser degree of impairment. These individuals may need more intensive services and motivation than some with lesser disabilities. We don't think generalizations should be made that one segment of disability rating may be easier to serve, albeit data may show a higher success rate for the less severely disabled. Is that a result of the disability or the result of inadequate services?

* * *

Near the bottom of page 13, it is stated "...with the help of our partners from the external environment, must decide which market segments most need and can benefit from our services."

RESPONSE

We are concerned those most in need may not be the ones who are easiest to serve or who can best benefit. We believe we have to be very careful in setting priorities or saying that one segment is more deserving than others. We cannot focus only on those whom we believe will be most successful although that would be the easy thing to do.

* * *

On page 20, the first paragraph under the heading, "Marketing Strategy," there is considerable discussion about likely successes among market segments.

RESPONSE

See attachment #1.

* * *

On page 24, under the heading "Supporting Data," the second paragraph states, in part, "Local directors vary in support of VR&C for staffing and funding of operations. VR&C has difficulty competing with adjudication for staff and funding." This is further discussed on page 25. The sixth paragraph states "many decisions concerning VR&C are made by regional office directors or central office management without the information needed to make the best decision."

RESPONSE

The VACOR members believe that the VR&C officer at the regional office should be accountable to and supervised by the Director of Vocational Rehabilitation and Counseling (currently Larry Woodard). Current policy is these individuals are employees of the regional office and are subject to the whims of the regional office director for many things. The Advisory Committee recommends these individuals come under the jurisdiction of the Central Office Director of Vocational Rehabilitation. (Also see our earlier comments.)

* * *

Further arguments for this can be found on page 26, where under the subject "Supporting Data" it is stated "There is a wide variance in the staffing and funding from one VARO to another...some VR&C offices have modern technology while others may not even have a fax or copying machine."

RESPONSE

See our response on page 2 under the issue of employees wanting better technological support and immediately above.

* * *

On page 29, the Design Team recommends: "establish a needs-based system for allocation of VR&C staff positions and place the control of the system and assignment of staff under VACO authority."

RESPONSE

We support this recommendation and believe this is keeping with our recommendation immediately above.

* * *

On Page 30, the first bullet states "Implement the Vocational Rehabilitation Counselor (VRC) position - Journeyman, GS-12."

RESPONSE

VACOR has long supported this proposal.

Since approximately 1988, VACOR has supported the idea of upgrading professional qualifications for Counseling Psychologists (CP) and a position of Vocational Rehabilitation Counselor. In one of the annual reports, we discuss this change as follows:

> It became readily apparent that the current qualification standards are woefully inadequate. The standards for both the CP and VRS positions do not assure the hiring of personnel with pertinent backgrounds. The vocational rehabilitation and counseling service realize that many of their professionals are not as well prepared to perform their jobs as they should be as defined by P.L. 96-466. The primary reason for this problem is that the qualifications for these professionals are vague and ambiguous. The proposed qualification standards for the Counseling Psychologist position require a Ph.D. or Psy.D. in clinical or counseling psychology. A Ph.D. or Ed.D. degree in rehabilitation counseling or in counseling and guidance with appropriate course work would also be qualifying. The proposed qualification standards for the Vocational Rehabilitation Counselor will require a Master's Degree in rehabilitation counseling, counseling psychology, or a related field with appropriate course work.
>
> We have expressed concern on more than one occasion that efforts to implement the new standards have been exceedingly slow and have caused considerable confusion among VA field staff on appropriate hiring practices.

* * *

On page 30, there is a discussion on "Design and Implement Case Management Teams."

RESPONSE

The Case Management Team should include a DVOP specialist or someone affiliated with the Department of Labor.

* * *

The Design Team suggests on page 32 the creation of a "separate Vocational Rehabilitation Administration (VRA) or organize VR&C in a similar way to General/District Counsel or create a Veteran Education and Rehabilitation Administration (VER) with VR&C thereunder."

RESPONSE

We believe this is a sound concept which the Advisory Committee supports.

* * *

Also on page 32, you suggest placing the "primary responsibility for independent living services in VHA."

RESPONSE

We have heard many comments from VR&C employees over the years that they are not adequately equipped to handle independent living services. We support this recommendation.

* * *

We have several thoughts on items mentioned on page 34. The first bullet talks about: "obtaining employment as a major goal."

RESPONSE

Obtaining employment should be the major goal.

* * *

The second bullet talks about measuring other outcomes.

RESPONSE

We are not sure that: "gaining sobriety, use of out-patient treatment instead of hospital recidivism," is a function of Chapter 31. In order to do this, should there be an interruption of training or if a client is a substance abuser shouldn't they be made "clean and sober" prior to entry into training?

* * *

The third bullet talks about counting employment and doing follow-up.

RESPONSE

The Advisory Committee supports that recommendation.

* * *

The Design Team wants to "enact legislation to allow for payments for an increased range of services such as clothing for job interviews and child care for single parents." (Page 36)

RESPONSE

We support this and encourage them and we recommend an expansion of that "range of services" to include travel expenses for job interviews.

RONALD W. DRACH
Chairman
Veterans' Advisory Committee
on Rehabilitation

RWD:nb
Attachment

ATTACHMENT #1

On page 20 of the Environmental Scan document, under the heading of Marketing Strategy, there is considerable discussion about likely successes among market segments.

The following views have not been shared with the other members of the Advisory Committee. They are strictly my own.

With the understanding that I am neither a counselor nor rehabilitation specialist and have not worked directly with Chapter 31 clients in that capacity, and I understand that this must be a very frustrating issue for staff, I must relate my concerns about the targeting of certain market segments.

First, it is my understanding that to achieve the desired authority to target certain market segments, legislation would have to be enacted. While "significant data" exists to support the relationship of disability percentage and likelihood of successful rehabilitation, I am concerned that all too often the easy way will be taken and we will see a "creaming" result.

Just because the data indicates that those rated 20 to 40 percent are most likely to succeed, they may not always be the ones most in need of vocational rehabilitation services. They may have a high success rate without vocational rehabilitation. By contrast, just because someone is 100 percent service-connected does not necessarily mean that they are most in need or can even best benefit. Each individual case must be looked at. Perhaps this is where case management can play a significant role. Success can, in part, be predicted by not only counseling and testing, but assessing and using other support systems available to the client including family support.

There are some contradictions under the section titled "Supporting Data." For example, "There appears to be less chance of success with 10% and 90-100% veterans." You go on to say your time "may be better spent working with more severely disabled veterans."

Who are the more severely disabled veterans if there appears to be less chance of success with those rated 90-100%. I agree that more time may be needed for those 90-100% disabled veterans to ensure a better chance of success. I believe we also have to ask the question: Who has a more pronounced employment handicap? Is it the 60 percent above the knee amputee who has an Associate's Degree in a field where the majority of work is sedentary or a 10 percent service-connected disabled veteran with the residuals of a gun shot wound of the shoulder with limited range of motion who is a high school graduate and only work history consists of arduous labor? Who needs the most help and who is most likely to succeed? Because of several factors beyond the disability, I think it is difficult to predict the success in either instance. Who then determines and what criteria is used to decide who gets the more intensive services.

You also talk about "The current process also motivates those who are beyond the age for vocational rehabilitation.... Do we want to motivate this segment or do we want to spend this effort on veterans more likely to benefit from services?" How do you determine who is "beyond the age for vocational rehabilitation?" For example, when I was on the Social Security Disability Advisory Council (DAC) we saw a lot of instances where it was difficult to get forty-five year old individuals back to work. This was due in part to the fact they may have started work at age eighteen, worked for twenty-seven years, became disabled enough to be eligible for Social Security disability insurance benefits, and found that the disability benefits approximated 70 to 80 percent of their pre-disability income. They viewed their benefits as early retirement.

Certainly, this individual would be difficult to motivate, but was he or she beyond the age for vocational rehabilitation. I don't think so. Looking at someone who is beyond a certain age (50, 55, 60, 65, 70, you choose), other factors need to be considered to include feasibility, percent of disability, past education and experience. I believe all of the same things you look at with any client must be considered before determining eligibility. Age alone cannot be a controlling determinant. It is at this stage where I believe giving the authority to the counselor by empowering that individual to make decisions at the local level, a determination should be made as to whether or not they are eligible.

There is also some discussion about the dual diagnosis veterans and the question you raise is: "Do we want to motivate this group or do we spend this time on minority and female disabled veterans who have special needs?" (Emphasis added.) It appears to me that the more severely disabled veteran including those with dual diagnosis, whether they're minority or female, certainly have "special needs." The question again becomes: "Do we focus services on those with special needs who are easier to serve or do we focus on those who are hard to serve?"

Under the paragraph titled, "Implications of Recommendations on Design Choices," it is indicated "by providing services to selected market segments, we should ensure greater success." How do you define success? I define it as career employment. How you select your "market segments" bothers me. It again opens the possibility for "creaming."

RONALD W. DRACH
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VETERANS' ADVISORY COMMITTEE ON REHABILITATION
WASHINGTON D.C.

VACOR RESPONSE TO GAO REPORT:
Vocational Rehabilitation – VA Continues to Place Few Disabled Veterans in Jobs
(GAO/HEHS-96-155) September 1996

While the Veterans' Advisory Committee on Rehabilitation (VACOR) has reached similar conclusions with the General Accounting Office (GAO) that the Department of Veterans Affairs (VA) continues to lack emphasis on employment outcomes for vocational rehabilitation, it should be pointed out that GAO's report was conducted during the time when VA was in the process of redesigning how they accomplish their mission and goals.

On May 3, 1995, VA's Office of Vocational Rehabilitation and Counseling (VR&C) Service and the Department of Labor's Office of the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) testified before Congress during an oversight hearing at which time it was pointed out that the two agencies were not doing enough to work together to ensure employment outcomes for disabled veterans who participated in vocational rehabilitation. Both agencies were advised to work closer together and show improvements for their mutual clients.

Shortly after that hearing, Congress requested GAO to do a study to determine "...whether VA's Vocational Rehabilitation Program is achieving one of its primary goals of helping disabled veterans obtain suitable jobs." VACOR believes that the GAO study was conducted at an inopportune time given the fact that VA had initiated a major effort to review its program and make recommendations for significant changes in order to respond to the Congressional direction. The GAO study and the redesign project were being done at the same time. Because the VA was in the process of responding to the Congressional criticism, VACOR members believe it was inappropriate for the GAO to start the study at that time.

We also believe that some of GAO's study comparisons were not valid. The following represent some more specific concerns VACOR members have about the report. As mentioned earlier, VACOR members are concerned that employment outcomes are not more of a priority. It should be pointed out that while the Vocational Rehabilitation Program may not always place the veteran in a timely manner, they have, through significant investments in education and training, given the veteran significant tools to compete in the civilian labor market.

While we don't expect the vocational rehabilitation staff to be placement specialists, we believe vocational rehabilitation staff should recognize their responsibility for placement outcomes and we expect them to work closely with existing public and private resources such as the Disabled Veterans' Outreach Program (DVOP), state vocational rehabilitation agencies, and private contractors for employment services. This should include developing an Individual

Employment Assistance Plan (IEAP) early in the process as well as follow-up to assure these veterans are placed in suitable career employment.

VACOR members believe very strongly that effective and efficient case management is crucial to employment success. Case management must include the benefits staff, medical staff, and DVOPs. Historically, this has not occurred and must be an integral part of any changes implemented by the VR&C.

We also find it ironic that GAO paints a dismal picture of the VA's program as compared to the Federal/State Program (hereinafter called the state program) of Vocational Rehabilitation. The various state programs were the subject of serious criticism by GAO just a couple of years ago. The comparison is flawed for several reasons which include the types of benefits paid, the type of client served, as well as the definition of successful rehabilitation.

By law, disabled veterans participating in an approved program of vocational rehabilitation receive a subsistence allowance in addition to having any other educational or training cost paid for. The state program does not provide a similar benefit. They do provide other maintenance which may include transportation, room and board, or other living expenses as a result of participation in a rehabilitation program. This, of course, is going to increase the cost of providing services to the disabled veteran.

Another unfair comparison is the classification of "rehabilitated." According to the GAO report on page 5, "However, in the State Vocational Program, suitable employment may not always involve wages or salary and may include, for example, working as an unpaid homemaker or family worker." This is not a common rehabilitation outcome and is primarily with blind clients. While these and sheltered employment may be commendable rehabilitation goals for certain clients, with the exception of VA's providing independent living skills training, rehabilitation goals for disabled veterans are for employment in competitive careers. We would not (in the case of a disabled veteran), except in rare instances, want to classify an "unpaid homemaker" as a successful rehabilitation.

Many of the services provided by the state program are also provided by the VA. These include counseling and guidance, vocational and educational training, on-the-job training, and employment assistance.

GAO also compared the VA system to the state system by pointing out on average that the state only spends about $3,000 on each rehabilitated client. What GAO failed to determine or didn't disclose is the return of investment. For example, how long following rehabilitation did both client groups work? What was their overall contribution in earnings to the gross national product? How much did they pay in federal, state, and local taxes? Perhaps a better comparison of successful rehabilitation from a purely dollars and cents standpoint would be to do longitudinal studies to compare the return to the tax base from each group.

VACOR members agree that there is an unacceptable high drop-out rate in the VA's program. However, this can be attributable, in part, to the lack of adequate staffing and the

inability of the VA to address the needs of all their clients as a result of staffing problems. During FY 1996, VA Vocational Rehabilitation Service staff carried an average caseload of 285. VA indicates that it should be no more than 125 and ideally, to do effective case management, a caseload should not exceed 50. It therefore falls to reason that with caseloads sometimes five times higher than the ideal, certain services will be deficient. Also, there is an average 46 day waiting period for a veteran to receive his or her first counseling session. This again is attributable to declining staff to client ratios and is totally unacceptable.

By comparison, the GAO's report "...show that almost half of those veterans who were rehabilitated obtained employment in the professional, technical, and managerial occupations -- fields such as engineering, accounting, and management. In addition, we found that the average starting salary of these veterans was about $18,000 a year." Pretty successful, we'd say!

VACOR members also believe that VA's Vocational Rehabilitation program is a comprehensive rehabilitation program with the major focus being suitable employment. However, it must be pointed out that training -- whether it be on-the-job, skills, or academic -- prepares an individual to compete in a competitive labor force.

Success can be measured in many ways, however, it is defined as being "The achievement of something desired, planned, or attempted." While GAO may believe that disabled veterans who are classified as rehabilitated have not been a success, I am sure that many of the individuals who went on to obtain career employment would argue with that philosophy.

GAO admits that the VA is in the process of "reengineering" and states "The success of VA's efforts will depend on which initiatives VA adopts and how they are implemented." The VACOR members agree with this and offers its services to work closely with the Director of the VR&C service and others within the VA structure to ensure efforts to improve its system are realized.

In conclusion, VACOR members understand many of the criticisms identified in the GAO report but on balance believes that the average client of the VA's Vocational Rehabilitation Program leaves that program better equipped to compete in the civilian labor market than they would have been had they not participated. We also agree with the importance of strong employment outcomes, now and in the future.

RONALD W. DRACH
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EDUCATION

1970 - 1978	Various course work at Allegheny Community College, Pittsburgh, PA Northern Virginia Community College, Alexandria, VA U.S. Department of Agriculture Graduate School, Washington, D.C.

EMPLOYMENT

1975 - Current	National Employment Director, Disabled American Veterans, Washington D.C.
1972 - 1975	Administrative Assistant to the National Director of Employment, Disabled American Veterans, Washington, D.C.
1970 -1972	National Service Officer, Disabled American Veterans, Pittsburgh, PA and Washington, D.C.
1968 - 1970	Receptionist, Department of Veterans Affairs, Pittsburgh, PA

ORGANIZATIONS AND AFFILIATIONS

1996 - Current	Member, Commission on Servicemembers and Veterans' Transition Assistance
1996 - Current	Member, VA's Steering Committee on the Redesign of Vocational Rehabilitation
1995 - Current	Vice-chair, President's Committee on Employment of People with Disabilities
1994 - 1997	Chairman, Secretary of Labor's Advisory Committee on Veterans' Employment and Training
1993 - Current	Member, Board of Directors, President's Committee on Employment of People with Disabilities
1990 - Current	Member, National Ability Center, Park City, Utah
1990 - Current	Life member, Military Order of the Purple Heart
1989 - 1991	Member, Handicapped Parking Regulatory Negotiation Advisory Committee, Department of Transportation
1989 - 1990	Member, National Performance Management Task Force, Department of Labor
1989 - Current	Member, Connecticut Handicapped Ski Foundation, Hartford, Connecticut
1988 - 1989	Member, Job Training Partnership Act Advisory Committee, Department of Labor
1988 - 1989	Member, Literacy Task Force, President's Committee on Employment of People with Disabilities
1986 - 1988	Member, Disability Advisory Council, Social Security Administration
1985 - Current	Chairman, Secretary of Veterans Affairs Advisory Committee on Rehabilitation
1985 - Current	Member, Nation's Capital Handicapped Sports, Washington, D.C.
1985 - 1989	Member, Veterans Administration Advisory Committee on Readjustment Problems of Vietnam Veterans
1982 - 1983	Member, Transition Task Force on the Job Training Partnership Act, Department of Labor
1975 - Current	Member, Veterans' Affairs Committee of the Interstate Conference of Employment Security Agencies
1973 - Current	Member, Subcommittee on Disabled Veterans, President's Committee On Employment of People with Disabilities
1970 - Current	Life member, Disabled American Veterans

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

STATEMENT OF

HARLEY THOMAS, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON BENEFITS

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING THE

DEPARTMENT OF VETERANS AFFAIRS,

VOCATIONAL REHABILITATION PROGRAM

FEBRUARY 4, 1998

Chairman Quinn, Ranking Democratic Member Filner and Members of the Subcommittee, on behalf of the Paralyzed Veterans of America (PVA) it is an honor to participate in today's hearing. PVA appreciates this opportunity to express our views on the Department of Veterans Affairs, (VA) Vocational Rehabilitation Program.

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VOCATIONAL REHABILITATION AND COUNSELING (VR&C)

From the inception of the vocational rehabilitation program following World War II until 1980 the goal of rehabilitation was completion of training Public Law 96-466, enacted in 1980, changed the mandate to employment being the ultimate goal of vocational rehabilitation In spite of that legislative change, VA has been slow to alter the culture within VR&C to assure employment outcomes.

Beginning in 1988, as a result of recommendations made by the Secretary of Veterans Affairs' Veterans Advisory Committee on Rehabilitation, VR&C began to review the qualification standards for counseling psychologists and vocational rehabilitation specialists Following discussions with the Office of Personnel Management (OPM), the recognized unions, and others involved in approving position descriptions, a new qualification standard was established for the position of vocational rehabilitation counselor Although the qualifications have been developed and the new position has been established, they have not been implemented satisfactorily. There is considerable confusion among VA field staff on appropriate hiring practices for vacancies in VR&C throughout the country. PVA recommends that the VA should immediately implement nationwide the new counseling position with the attendant qualification standards for the appropriate vacancies that become available in VR&C.

In recent months VR&C has made great progress towards improving the employment possibilities for disabled veterans going through Vocational Rehabilitation. PVA is pleased with the Memorandum of Understanding (MOU), signed between VR&C and the

49-406 98 - 3

Veterans Employment and Training Service (VETS) In January of 1997, a joint task force comprised of VETS and VR&C, was formed This task force agreed to create a Technical Assistance Guide, which we believe is a positive step Once the guide is completed, the task force plans to conduct joint training between Local Veteran Employment Representatives, Disabled Veterans Outreach Program Specialists (DVOP), and the VR&C staff PVA envisions that a higher level of understanding and service to disabled veterans will be the result of this cooperative effort The only hope for disabled veterans to obtain quality employment is to ensure that they are adequately prepared through a properly managed vocational rehabilitation process Achieving this goal will require early intervention and strict case management

Timeliness of Vocational Rehabilitation Services

PVA's foremost concern rests with the VR&C's ability to provide timely and comprehensive services to catastrophically disabled veterans The primary goal of rehabilitation is to prepare disabled veterans to become productive members of society by helping them regain the ability to compete for gainful employment Veterans who sustain injuries that impair major bodily functions, like spinal cord injury (SCI) and spinal cord dysfunction (SCD), require comprehensive clinical and rehabilitative care to return to their homes That care, which is provided in a hospital setting, does not always prepare disabled veterans for immediate transition back into the work force Many catastrophically disabled veterans require a complex, coordinated array of services including training, equipment, counseling, and accommodations to reenter the job market.

Unfortunately, high priority is not given to coordinating the flow of these services in a proper case management approach

Vocational rehabilitation for catastrophically disabled veterans should be one of the highest priorities of the VA In the context of catastrophic SCI/SCD, rehabilitation is the process by which medical, psychological, and social functions are restored or developed to a level that allows veterans with SCI/SCD, to achieve personal autonomy in an non-institutional environment.

One of the most frequent complaints of severely disabled veterans is the current inadequacy of employment opportunities and placement. VR&C's must provide assessments and benefits in a timely manner that meet basic quality-of-service standards, and be both accurate and compassionate in their determinations

According to vocational counseling experts, the delay in timeliness between applications for services and initial face-to-face counseling poses two adverse effects on the disabled veteran First, the veteran's level of motivation and morale is compromised as delays produce the impression that the system is unresponsive and uncaring. Second, severely disabled persons are prone to depression and psychosomatic symptoms, and excessive delays in vocational rehabilitation only make matters worse for these veterans. These adverse effects thwart the primary objective of vocational rehabilitation: the veteran's successful re-entry into the competitive job market and becoming a productive tax-paying member of society.

Experts also agree that, to be effective, rehabilitation counseling and training must begin as soon as possible following medical rehabilitation. The array of rehabilitation and job counseling services must be orchestrated in a case management approach. Successful employment requires placing the veteran in a job that is compatible with his or her background, skills, experience, expertise and expectations Once placed in the job, aggressive follow-up is required to address problems the veteran may face. VR&C's current 60-day follow-up may not be sufficient. Earlier initial follow-up and additional subsequent follow-ups may be a more efficient technique.

DISABLED VETERANS OUTREACH PROGRAM SPECIALIST (DVOP)

In May of 1995, a congressional oversight hearing was conducted by the House Veterans' Affairs Committee, Subcommittee on Employment and Education. At that time, both the Department of Labor and VA were criticized for not working closely to assure a meaningful service delivery system designed to maximize employment outcomes In delivering vocational rehabilitation services, case management is a significant tool used to bring all necessary services together to ensure a successful rehabilitation process. PVA believes that wherever possible, the DVOP should be part of case management, starting with the initial evaluation and rehabilitation plan, to assure successful employment outcomes. PVA also feels that there may be a need to change legislation currently requiring DVOPs to be Vietnam Veterans, as this population is considerably older than veterans currently transitioning from active service Opening these positions

to all veterans, or at a minimum, to those who served in the Persian Gulf, may add a significant number of eligible candidates to the applicant pool and will better serve the disabled veteran population.

Congress is in the process of re-authorizing the Rehabilitation Act of 1973, which contains the authority for the $3 billion Vocational Rehabilitation Program. This program is the principal system of employment counseling and training available to all people with disabilities. Legislation to renew the Rehabilitation Act was approved by the House Education and Workforce Committee and passed the House of Representatives in April of 1997. Introduction of a Senate version of the Rehabilitation Act reauthorization legislation is expected soon in the Senate Labor and Human Resources Employment and Training Subcommittee.

The Rehabilitation Act was last re-authorized in 1992 and is currently operating under a one-year extension. Congress must act on renewing this program in 1998. During the 1992 reauthorization, language was added to the Act strengthening the objective of an employment outcome for clients of state vocational rehabilitation systems. In the past, many clients of vocational rehabilitation have been pressured to accept any job, regardless of their interest in and qualifications for a position. As part of the reauthorization process during this Congress, efforts are being made to create stronger ties between state vocational rehabilitation systems and so-called "one stop" job counseling and employment centers envisioned under job training program consolidation legislation working its way through Congress.

Problems identified under the old Rehabilitation Act are also being seen within the VA Vocational Rehabilitation Program PVA believes that the VA should also make necessary changes to bring about a more efficient program designed around employment outcomes The subcommittee should monitor improvements made in the Rehabilitation Act, to address problem areas in the VA vocational rehabilitation program in the same fashion. Changes must include training to secure, retain, or regain employment consistent with the strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individual, which will result in skills marketable in the local economy. Additionally, current labor market information should be used to ensure that jobs, for which the veteran is being trained, exist in the geographic area where the veteran resides

VR&C EQUIPMENT

The Design Team review of vocational rehabilitation found that many VR&C offices do not have state-of-the-art equipment such as computers, fax machines, and in some cases dedicated telephone lines It is practically impossible for VR&C staff to do an adequate and timely job without necessary equipment. Without their own dedicated equipment, VR&C staff must rely on the goodwill of the regional office director to provide needed support, including computers, faxes, and even telephones. PVA believes all VR&C staff should be provided with state-of-the-art equipment in order to efficiently perform the duties of providing vocational rehabilitation and employment services to disabled

VR&C CONTRACTING

As a result of continuing declines in personnel and resources, VR&C staff have been reliant more and more on private contractors for services such as counseling, testing, employment services, and case management The expenditures for those services approximate $27 million annually At the same time, there has been a decline in resources and full time equivalent employment The Design Team identified many problems in the contracting process, including the fact that many veterans do not wish to deal with contractors and would rather deal directly with VR&C staff. In a contractor environment, personnel turnover is generally high, compared to the stability of VR&C staff. When the veteran deals directly with VR&C staff, there is a general feeling of a personal commitment to serving the veteran's needs. The more VA depends on contracting, the less justification there is for existing staff, let alone additional staff PVA believes VR&C should follow the recommendation of the Design Team to redefine contracting, reduce their dependence on contracting, provide the tools to purchase needed services for veterans in the vocational rehabilitation program, and expand use of the fee-for-service purchasing rather than contracting.

Mr. Chairman, thank you for holding this important hearing. It shows your concern for the needs of disabled veterans. Mr. Chairman this concludes my testimony. I will be happy to respond to any questions you or members of the Subcommittee may have.

Harley Thomas

Harley is a veteran of twenty years military service in the United States Navy. During his military career, he spent a tour in Japan and Vietnam with Fleet Air Reconnaissance Squadron One (VQ1). In 1968, Harley served aboard the USS Piedmont in support of fleet operations in Vietnam. Harley spent his final tour in the service with the Defense Communications Agency in Reston, VA, where he retired in February 1976 as a Chief Data Processing Technician. Following his military career, he worked in the computer industry as a senior system analyst until 1996. Harley holds a degree in business from the University of Virginia He is currently employed by the Paralyzed Veterans of America, as an Associate Legislative Director.

Information Required by Rule XI 2(g)(4) of the House of Representatives

Pursuant to Rule XI 2(g)(4) of the House of Representatives, the following information is provided regarding federal grants and contracts.

Fiscal Year 1998

General Services Administration —Preparation and presentation of seminars regarding implementation of the Americans With Disabilities Act, 42 U.S C. §12101, and requirements of the Uniform Federal Accessibility Standards — $15,000.

Department of Veterans Affairs— Donated space for veterans' representation, authorized by 38 U.S.C. §5902, — $243, 912* (as of December 31, 1997).

Court of Veterans Appeals, administered by the Legal Services Corporation — National Veterans Legal Services Program— $63,656 (as of December 31, 1997).

Fiscal Year 1997

Architectural and Transportation Barriers Compliance Board— Develop illustrations for an Americans With Disabilities Act, 42 U.S.C 12101, technical compliance manual— $10,000.

Department of Veterans Affairs —Donated space for veterans' representation, authorized by 38 U S.C. §5902. — $975,651.*

Court of Veterans Appeals, administered by the Legal Services Corporation — National Veterans Legal Services Program— $238,307

Fiscal Year 1996

General Services Administration— Preparation and presentation of seminars regarding implementation and the Americans With Disabilities Act, 42 U.S.C. §12101.— $25,000.

Federal Elections Commission— Survey accessible polling sites resulting from the enactment of the Voting Access for the Elderly and Handicapped Act of 1984, P L. 98-435, — $10,000.

Department of Veterans Affairs— Donated space for veterans' representation, authorized by 38 U.S.C. §5902, — $897,522 *

Court of Veterans Appeals, administered by the Legal Services Corporation — National Veterans Legal Services Program — $200,965.

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* This space is authorized by 38 U.S.C. § 5902. These figures are estimates derived by calculating square footage and associated utilities costs. It is our belief that this space does not constitute a federal grant or contract, but is included only for the convenience of the Committee.

STATEMENT OF EMIL W. NASCHINSKI, ASSISTANT DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION
BEFORE THE
HOUSE VETERANS AFFAIRS COMMITTEE
SUBCOMMITTEE ON BENEFITS
ON
VA's VOCATIONAL REHABILITATION PROGRAM

FEBRUARY 4, 1998

Mr. Chairman and distinguished members of the Subcommittee:

The American Legion appreciates the invitation to express its views on the Department of Veterans Affairs' (VA) efforts to improve the quality of services being provided to disabled veterans by its Vocational Rehabilitation program.

The American Legion shared the concerns addressed by the Government Accounting Office (GAO) in its 1992 and 1996 reports on Vocational Rehabilitation. ***Putting Veterans First*** is a wonderful motto, but only shallow words of promise, if not actively practiced. Vocational rehabilitation of service-connected disabled veterans, especially those with serious employment handicaps, is a national obligation that must not to be taken lightly or accomplished half-heartedly.

Sergeant Webster Anderson, a Vietnam veteran, lost his legs and an arm near Tam Ky in 1967. For his actions and heroism in combat, he was awarded the Medal of Honor. Years later, Sgt. Anderson was a guest speaker at a school when a student asked him if he would do what he did all over again, knowing the personal cost. Without hesitation he replied, "Kid, I only have one arm left, but my country can have it any time it wants."

Such dedication is hard for some people to truly understand, but that is the same degree of commitment Congress and VA should have towards each and every individual eligible for the VA's Vocational Rehabilitation program.

Rather than a rehash of specific problems clearly highlighted in the two GAO reports, The American Legion would rather focus on solutions. The first place to start is what VA knows must be done and how they plan to accomplish it. The Department of Veterans Affairs Strategic Plan for FY 1998-2003 serves as excellent marching orders for the Vocational Rehabilitation and Counseling Service. However, given its mission and the current workload, it is critical that resources (financial and personnel) are available to meet these challenges:

General Goal: Assure the Vocational Rehabilitation program is meeting the needs of veterans.

Objective 1: Increase the number of disabled veterans who acquire and maintain suitable employment and are considered to be rehabilitated.

Objective 2: Provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living in a timely manner.

Objective 3: Provide vocational evaluation services to children with spina bifida.

The proposed Strategies appear to be rational and realistic. The proposed Performance Goals seem to be logical and measurable. A quality assurance

program must also be implemented to closely monitor Vocational Rehabilitation and Counseling Service activities at each of the 57 VA regional offices. Therefore, the successful execution of this plan is critical to achieving the goal. Focus by the Director of the Vocational Rehabilitation and Counseling Service must be directed on adequacy of funding, staffing requirements and cooperation internally and with other government agencies to provide disabled veterans with the level service they need and expect from VA.

The key to successful job hunting is networking. Vocational Rehabilitation and Counseling Service must also establish and maintain a strong employment network which includes the Department of Labor's Veterans Employment and Training Service, Office of Personnel Management and other such federal and state agencies. Vocational Rehabilitation and Counseling Service must join forces with others who can help market and employ service-connected disabled veterans. Local Veterans Employment Representatives and Disabled Veterans Outreach Program specialists are veterans' advocates in the local communities. The National Veterans Training Institute is also another valuable resource for continuing educational opportunities.

The American Legion strongly believes that the Vocational Rehabilitation and Counseling Service must have well trained and fully qualified rehabilitation specialists and counseling psychologists. This will only be achieved by meeting appropriate qualification standards. The overall quality of the program can be measured by the quality of the personnel, but even the most qualified professionals have a maximum number of cases that can effectively be managed. One only needs to compare the caseloads of VA, with those of other federal or state programs to see the nearly impossible tasking placed on VA Vocational Rehabilitation and Counseling staff. Compared to the private sector, the average caseload is about a third of VA's.

Staff levels should be increased to meet demand. Reducing the demand by restricting eligibility is immoral, unethical and dishonorable. The numbers of disabled veterans needing vocational rehabilitation should drive the resources needed, rather than the resources available driving how many disabled veterans will receive vocational rehabilitation. To those who say we cannot afford to meet the demand for vocational rehabilitation, this is simply an issue of priority assessment. The American Legion would support increased spending of tax dollars for vocational rehabilitation and job placement of service-connected disabled veterans. More importantly, the American people would see that as a national obligation and commitment to those who served this country.

Consistent with the view that service-connected disabled veterans should be accorded maximum access to vocational rehabilitation training and education as well as necessary employment assistance, The American Legion urges the Congress to reconsider the entitlement restrictions imposed by PL 104-275. This measure was strictly budget-driven and intended to obviate the U.S. Court of Veterans Appeals decision in Davenport v. Brown. The Court found that VA for years has illegally denied otherwise eligible veterans entitlement to this benefit. PL 104-275 was meant to unfairly restrict demand and The American Legion believes it should be amended to restore the previous more liberal provisions of the law.

The American Legion, along with many others, is still looking to reviewing the Vocational Rehabilitation and Counseling Design Team's final report. The American Legion is optimistic that the recommendations will both energize and empower the entire Vocational Rehabilitation program. This report should offer observations, evaluations and recommendations of those on the "firing line and in the trenches." But good intentions alone will not achieve success. Congress and VA must provide the tools, resources and personnel to implement effective changes.

Recently, The American Legion discussed the Vocational Rehabilitation program with the Commission on Servicemembers and Veterans Transition Assistance. Many of the concerns expressed during that meeting offered deeper insight into existing problems identified by GAO and others. Everyone pretty much agreed that education and training is important, but ***meaningful*** employment must be the ultimate outcome.

Mr. Chairman, that concludes our statement. Again, thank you for offering The American Legion the opportunity to present our views on the VA's Vocational Rehabilitation and Counseling Service.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON BENEFITS
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
FEBRUARY 4, 1998

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than one million members of the Disabled American Veterans (DAV) and it's Women's Auxiliary, I want to thank you for allowing us the 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 as well as the other members of this subcommittee and commend you for your ongoing review of the Vocational Rehabilitation program to assure disabled veterans are receiving quality and timely services.

The DAV has long held to the principle that our nation's disabled veterans should be adequately cared for by providing compensation for their service-connected impairments, necessary medical treatment and services, prosthetics, sensory aides, other assistive devices and vocational rehabilitation services which ultimately lead to employment. We believe that if the federal government fails to provide any of these services or products, we as a nation have failed in the mission to rehabilitate the disabled veteran. It is not enough to provide all of the services mentioned and fail to assist that disabled veteran in obtaining suitable employment.

I have attached a copy of Resolution number 001, the DAV Statement of Policy adopted by our National Convention in Las Vegas, Nevada. This Statement of Policy includes the principle of "Vocational Rehabilitation and/or education to help the disabled veteran prepare for and obtain gainful employment." (Emphasis added.) Vocational Rehabilitation as we know it today was established by Public Law 78-16 enacted shortly after World War II. From its inception the program has as its goal the restoration of employability. The DAV as well as others in the veterans employment community believed that goal was insufficient. In 1980, DAV was in the forefront of supporting legislation which ultimately became Public Law 96-466 and among other things made significant changes and improvements in the Vocational Rehabilitation program.

Long before the enactment of Public Law 78-16, the DAV was vocal in its support of vocational rehabilitation and opposition to proposed cuts in that program. The following are selected excerpts from the annual report of Judge Robert S. Marx, National Commander, to our second National Convention convened in San Francisco, California, dated June 27, 1922:

STOPPED CUT IN TRAINING PAY

> ...shortly after our first convention adjourned, it was proposed to cut the pay of Vocational Training Students twenty ($20) dollars a month. Our organization, single-handedly, fought and stopped this cut in pay. I may add here that the same influences which tried to cut vocational training pay last year are at work this year and that this Organization stands absolutely opposed to any cut in Vocational Training pay, any cut in compensation allowances, or any cut in the allowance for medical treatment and hospitalization. We believe in economy in the operation of the government, but we do not believe in economy at the expense of the disabled men.

49-406 98 - 4

OPPOSE OPENING OLD ARMY CAMPS

. .during the Winter we stopped the order to rehabilitate men within thirty days after they finished school without giving them placement training and secured in its place a ruling which entitled a disabled man do practical as well as theoretical training whenever the same is necessary.

VOCATIONAL TRAINING ACUTE PROBLEM

The problem of vocational training was never in a more acute stage. In an effort to show results, hundreds of men are being rehabilitated on paper who are not rehabilitated in fact. Men are still being rehabilitated after having received only a theoretical training in a school and without the necessary practical or placement training to enable them to compete with their able-bodied comrades. While government experts quarrel over the technical meaning of the word "rehabilitated," the average American has no trouble in defining that term. This organization holds that a man is not rehabilitated until his training has been completed to a point when he can obtain employment in competition with able-bodied workers and earn a sufficient sum to maintain himself and his family upon a decent standard of living.

DISABLED VETERANS DEMAND EMPLOYMENT

The problem of employment for disabled men has reached a stage where it demands immediate consideration and action by this Convention. The government has so far utterly failed to discharge its responsibilities under the law to find employment for disabled men declared to be rehabilitated. Today, more than three years after the war has ended, the government has not yet a working plan for placing trained, disabled men into satisfactory employment. As proof of this sweeping statement, I hold in my hand a typical letter of rehabilitation, sent to a disabled veteran by the United States Veterans' Bureau.

UNITED STATES VETERANS' BUREAU

Cincinnati, Ohio, April 18, 1922

Dear Mr. Weaver:

Your course at the Ohio Mechanics Institute (Intensive Course in Architecture) will terminate June 5, 1922. You will be carried on the payroll until June 30, 1922 in order to give you an opportunity to arrange suitable employment. If you can arrange your employment before June 5th so that you can start to work immediately upon the termination of your schoolwork, you can be carried in placement training until June 30th. There will be no placement training in your case after June 30th and you will be permanently withdrawn from the Veterans' Bureau training payroll on that date.

Judge Marx's statement that ". . the government has not yet a working plan for placing trained, disabled men into satisfactory employment." is still true more than 75 years later. We suggest you ask the VA for a written plan and timetable to implement such a plan as envisioned by Judge Marx.

Since the May 3, 1995 oversight hearing the VA and the Department of Labor have taken considerable steps to improve their working relationship. The VA established a Design Team and Steering Committee to review how Vocational Rehabilitation does business. The Department of Labor through the National Veterans Training Institute (NVTI) developed a training course for Disabled Veterans Outreach Programs Specialist (DVOPs) who are working

with vocational rehabilitation clients. What is lacking is cross training between the two agencies and the Design Team report has still not been released The release of the Design Team report with its recommendations is long overdue.

The Veterans' Advisory Committee on Rehabilitation (VACOR) as well as the DAV has long supported a change in the qualification standards for Vocational Rehabilitation Specialist. VACOR has made several recommendations to the Secretary of Veterans Affairs on that issue. On February 6, 1997, former Secretary of Veterans Affairs Jesse Brown offered the following response to that recommendation:

> **Recommendation:** the committee [VACOR] again recommended that VA's Vocational Rehabilitation and Counseling Service pursue their efforts to implement upgraded qualification standards for their Vocational Rehabilitation Specialist and Counseling Psychologist positions. The committee expressed serious concern over the delay in getting these new standards implemented.
>
> **Response:** on March 24,1994, the Secretary approved the new qualification standards for the Vocational Rehabilitation Specialist and Counseling Psychologist positions. The new standard requires a doctorate degree for the Counseling Psychologist positions. This standard is fully implemented. The standard for the Vocational Rehabilitation Specialist, which requires a minimal education level of a masters' degree, raised several concerns as to the impact this new standard will have on existing personnel Following an advisory opinion from the Office of Personnel Management (OPM), VA created a new position—the Vocational Rehabilitation Counselor (VRC) in the 101 series and transferred the upgraded qualification standards to this series. The VRC position has been implemented for new employees. However, moving existing qualified personnel into the VRC 101 series is complicated and labor-management partnership conditions must be met and negotiated as appropriate.

I have learned that very few regional offices have implemented this change and are still filling vacancies under the old criteria using the Vocational Rehabilitation Specialist (VRS) qualification standards. We must ask why and request the committee ask the VA for their schedule for implementing these new standards. The VRS standards require that the candidate only have " a bachelor's 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 not related to rehabilitation could be a VRS under that criteria.

The following resolutions were adopted at our most recently concluded National Convention:

RESOLUTION NO 055

AMEND THE VOCATIONAL REHABILITATION PROGRAM -- This resolution calls for the elimination of the 48 months of entitlement and the requirement that the veteran must generally start and complete a program within twelve years following determination of eligibility.

RESOLUTION NO 086

VOCATIONAL REHABILITATION EMPLOYMENT ASSISTANCE – This resolution urges the VA's VR&C service and Department of Labor's VETS to establish formal cross training for VA vocational rehabilitation counselors and DOL funded veterans employment specialists in order to expedite appropriate and effective job placement for disabled veterans completing their rehabilitation. It also requests additional funding for this cross training and urges VETS to increase the number of DVOP staff outstationed at VA vocational rehabilitation offices.

RESOLUTION NO. 194

EXPAND AUTHORITY FOR UNPAID WORK EXPERIENCE – Currently unpaid work experience is available to a vocational rehabilitation client with either federal, state, or local governments. This resolution seeks an amendment that will allow disabled veterans under Chapter 31 to participate in unpaid work experience with private and not-for-profit sector employers.

RESOLUTION NO. 195

DISABLED VETERANS OUTREACH PROGRAMS SPECIALIST (DVOPs) SHOULD BE PART OF VA VOCATIONAL REHABILITATION CASE MANAGEMENT.

RESOLUTION NO. 200

VR&C BE PROVIDED STATE OF THE ART EQUIPMENT – This would ensure that regional office directors are held accountable for all VR&C staff at the regional office level are provided state of the art equipment in order for them to efficiently perform the duties of providing vocational rehabilitation and employment services to disabled veterans

RESOLUTION NO. 202

IMPLEMENT THE QUALIFICATION STANDARDS FOR THE VOCATIONAL REHABILITATION COUNSELOR POSITION – (See earlier comments on this issue)

The DAV along with AMVETS, Paralyzed Veterans of America (PVA) and Veterans of Foreign Wars (VFW) publishes an Independent Budget (IB) for the Department of Veterans Affairs I have attached excerpts from the upcoming IB dealing with the VR&C program.

The VR&C service recently developed a computerized employment referral service called "REVERE" (Rehabilitated Veterans Employment Referral). REVERE is a listing of disabled veterans who are job ready and willing to return to the workforce. These men and women are fully trained and qualified to do the jobs for which they have been trained. If they are willing to relocate, it is so indicated and to what parts of the country. The DAV has offered to work with the VR&C services to contact employer groups to provide a briefing on this service so employers may take advantage of a group of job ready, job seeking disabled veterans. The VA is to be commended for this most progressive idea.

We continue to be concerned about the large case loads that the VR&C field staff must manage. The average case load is now 290, (In fiscal year (FY) 1993 it was 230; FY 1994, 236, FY 1995, 247; FY 1996, 259), by contrast the average in the state vocational rehabilitation program is 126 and private rehabilitation is 30 to 40. VA has been criticized for having too many Chapter 31 clients in college programs. We do not share that criticism, as we believe education is a means to an end. VA does need to emphasize more that the end result of that education program is employment and not just completion of training. The VA has recognized that in too many instances the vocational rehabilitation program has been described as the "GI Bill for disabled veterans" because of it's history of educational training and has identified areas for correction. Some of those areas include public information and outreach as well as some of their own written materials and forms, which need to emphasize employment outcome. Again, we believe the VA is taking very positive steps toward achieving many of these goals. Regrettably, we are not going to change a culture overnight. The VA has been doing business the same way since at least Public Law 78-16 and based on Judge Marx's remarks of 1922, that thinking started as far back as then.

We believe that in order for the vocational rehabilitation service to realize successful employment outcomes effective and timely case management must be initiated. In a case management model both the Department of Labor's Disabled Veterans Outreach Program specialist (DVOP) and someone from the Veterans Health Administration (VHA) should be involved from the initial stages of the vocational rehabilitation process. It is often too late when a DVOP is brought in because the person may have already been trained for an occupation that

does not exist in the local economy This could be avoided by having a DVOP be part of the Individual Written Rehabilitation Plan (IWRP) from the outset.

We also believe that some disabled veterans interrupt their training for medical reasons. That could be a result of scheduled surgery or other medical treatment. If a physician or someone within VHA knowledgeable about the veterans condition(s), interruption for medical reasons may sometimes be avoided. There will be situations when a veterans disability may be exacerbated for some reason, and necessitates withdrawal or interruption of training. This too could possibly be minimized by the use of VHA personnel in the Case Management structure.

Shortly after the enactment of Public Law 96-466, the "Veterans Rehabilitation and Education Amendments of 1980," the VA piloted Career Development Centers (CDCs). Initially, they proved to be very successful but, because of funding problems they eventually disappeared.

The concept of the CDC is a very sound one. We believe they should be reestablished. The CDC was a resource center where vocational rehabilitation clients could go and do independent research on the job hunt as well as attend "classes" on how to find a job and market themselves. Part of the CDC included videotaping mock interviews and critiquing them with the vocational rehabilitation specialist or counseling psychologist. The CDC's were stocked with important information and resource materials to assist in the job search.

Someone once said, "The hardest job you'll ever have is finding a job." Services such as resume' writing, interview skills, job finding skills, and employer research are some things that should be provided at a CDC.

An additional component of the CDC should be "job clubs " We believe this could be accomplished in cooperation with the local employment security agencies, network of Local Veterans Employment Representatives (LVER) and Disabled Veterans Outreach Program (DVOP) specialists. CDC and job clubs could be established jointly between the VA and job service which will benefit many job seeking veterans.

We would like to offer the following recommendations for your consideration:

- As we mentioned earlier, education is a means to an end and should be continued and be made part of a effective vocational rehabilitation system.
- It should be emphasized that employment is the ultimate goal of rehabilitation and VR&C staff should be held accountable for employment outcomes.
- An Individual Employment Assistance Plan (IEAP) should be developed at the outset of the veterans counseling. The disabled veterans should be part of that planning process and when it is identified that a employment objective is paramount and to just a "degree" we believe there will be a higher level of success.
- A "fact sheet" should be developed and provided to veterans and should include, but not limited to, information on the Job Training Partnership Act (JTPA) Veterans Readjustment Appointing Authority (VRA); affirmative action provisions with federal government agencies and federal contractors; REVERE (mentioned earlier); the non-competitive appointing authority contained in Section 3112 Title 5 USC; the special appointing authority authorized under 5 CFR 315 604; and information on veterans' preference at the federal, state and local government level.
- More work study opportunities need to be developed and provided to vocational rehabilitation clients.

In conclusion I want to state emphatically that DAV believes the staff both in Washington and the field of the Department of Veterans Affairs' Vocational Rehabilitation and Counseling Service are dedicated, hard working employees who have the best interest of disabled veteran clients in mind.

They are too often overworked, understaffed, burdened with many administrative responsibilities, attempting to serve three masters, i.e. the veteran, the regional office director and the central office staff—they are frustrated.

If we intend for this country to have a meaningful vocational rehabilitation program for our disabled veterans –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 wounded, injured or otherwise disabled in service to our country that we really don't care about them either.

That concludes my statement and I will be happy to answer any questions.

Vietnam Veterans of America, Inc.

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A Not-For-Profit Veterans Service Organization Chartered by the United States Congress

Statement of

VIETNAM VETERANS OF AMERICA

Presented By

KELLI R. WILLARD WEST
DIRECTOR OF GOVERNMENT RELATIONS

Before The

House Veterans' Affairs Subcommittee on Benefits

Regarding

VA's Vocational Rehabilitation Program

February 4, 1998

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Biography -- Kelli R. Willard West, Director of Government Relations

Funding Statement -- January 29, 1998

INTRODUCTION

Chairman Quinn and members of the Subcommittee, Vietnam Veterans Of America (VVA) is pleased to have the opportunity to share our perspectives on the VA vocational rehabilitation program, and present our views on the assessments made by the General Accounting Office (GAO) and recommendations made by the Veterans Advisory Committee on Rehabilitation We compliment you for holding this oversight hearing, as this is a critical benefit program for many veterans

At the outset, I would like to note that VVA strongly supports the VA's vocational rehabilitation program. For many veterans, VA vocational rehabilitation services may be the only way a disabled veteran is able to become fully and meaningfully integrated into civilian life

VVA submits the following general comments about the VA's vocational rehabilitation program for your consideration. Our comments are based on the experience of our membership, our participation in various advisory and consumer panels, and a review of the GAO report, Vocational Rehabilitation: VA Continues to Place Few Disabled Veterans in Jobs (GAO/HEHS-96-155, Sept 3, 1996)

COMPARING VA VOC REHAB TO STATE PROGRAMS

In general, VVA concurs in GAO's recommendation that the VA should continue to emphasize placing rehabilitated veterans in suitable, meaningful employment This should be the obvious goal of any vocational rehabilitation program. And veterans participating in these programs have perhaps a greater, rather than a lesser, opportunity for successful job placement There is definitely room for improvement in the VR&C's performance on job placements

VVA is concerned, however, with some of the comparison between VA's vocational rehabilitation program and the Department of Education's state vocational rehabilitation program. There are significant distinctions in clientele which must be taken into account The changing demographics of today's veteran leaving the military, when compared to the civilian population addressed through the state vocational rehabilitation program, presents strong distinctions

For example, GAO reported that, on average, over 90 percent of the VA vocational rehabilitation applicants were 44 year-old males who had completed high school, and 25 percent or more had also completed 1 or more years of college The GAO also reported that the average cost of rehabilitating a veteran to gainful employment was $20,000, and that about 91 percent of such veterans were enrolled in a college or university. The GAO compared these statistics against the state vocational rehabilitation program wherein 60 percent of the participants were 34 year-old males, of whom 43 percent had not completed high school and 17 percent had completed 1 or more years of college

Since the termination of the Vietnam War draft, our current armed forces are an all volunteer force, and typically, the vast majority of service members either have a high school degree or GED equivalent on enlistment. In short, over the last thirty years, the entry educational level of service members has increased, and is generally higher than the civilian population. It only stands to reason that veterans entering the VA's vocational rehabilitation program may have higher educational and training needs/goals than their civilian counterparts. Also, in addition to the ardors of boot camp and initial accession training, the average veteran has completed entry-level skill and apprentice training in a military occupational specialty prior to separation from the service As a result, it is not unreasonable that veterans in vocational rehabilitation have unique vocational goals beyond those of their civilian cohorts.

The GAO also reports that the percentage of veterans participating in vocational rehabilitation with disabilities of 50 percent or more has declined, while the percentage of veterans with disabilities of 10 and 20 percent has increased. Again, this trend is not unexpected since fewer veterans today have been exposed to extreme and extended combat and its concomitant risk of severe physical and psychological disability Moreover, the 12 year eligibility period has long since passed for most severely disabled Vietnam-era veterans

With these differences in program participants and needs, it is natural that VA and state programs will have some distinctions in outcomes as well Therefore a dollar-for-dollar or client-to-client comparison is not entirely reflective of the program effectiveness

STEPS FORWARD ON GOAL OF EMPLOYMENT

Through our work with the Department of Labor (DOL) Advisory Committee on Veterans Employment and Training, as well as the President's Committee on Employment of People with Disabilities, Subcommittee on Disabled Veterans (SODV), we are well aware of the relatively poor employment rates of vocational rehabilitation participants. And we are confident that ongoing efforts by the agency will lead to measurable improvement

We are confident that the VA is moving in the right direction. The GAO reports that percentage wise, fewer veterans are dropping out of the vocational rehabilitation program, and more are being rehabilitated. By any measure, the VA is making progress in improving the vocational rehabilitation program, and their reengineering efforts should reap tangible benefits in the near term Accordingly, the VVA does not foresee a need for implementing major statutory changes to the present VA vocational rehabilitation program

One of the most significant and most logical steps already underway is VR&C's initiative to start the employment counseling prior to and along with the education/training goal setting in phase to of the program. By examining employment goals and possibilities at the outset, certain foibles can be avoided. For example, when counseling a veteran participant who has no desire to relocate for post-training employment, it makes perfect sense to set a goal which complements the local job market. Better planning to avoid resource investment in unattainable employment goals will certainly improve the VR&C program.

One way of meeting this employment goal planning objective is the involvement of DOL's Disabled Veterans' Outreach Program specialists (DVOP) and Local Veterans' Employment Representatives (LVER) in the VR&C process and at a much earlier point These employment services personnel can be a valuable resource to the VR&C programs and to individual participants in both planning and placement And it only makes sense that service providers in these programs would make referrals back and forth. Job ready (or nearly ready) veterans should be referred by VR&C to the DVOPs and LVERs. And veterans seeking DVOP and LVER employment assistance who are assessed to need education/training should be referred to VR&C

From our perspective, it is logical to have these two programs closely integrated to manage individual veterans' cases. Because of fiscal constraints, it doesn't make sense to have the VR&C program create an entirely separate employment services system to meet the employment goal Rather, by coordinating case management between the two programs, the goal will be more easily attained and without needless duplication of services Another GAO report, Veterans' Employment and Training. Services Provided by Labor Department Programs (GAO/HEHS-98-7, Oct 17, 1997), indicates that 70 percent of DVOPs and 60 percent LVERs surveyed do serve VR&C clients, but the numbers served are quite small, and it seems service doesn't begin until VR&C education/training is completed

DVOPs and LVERs can assist with goal setting by helping to assess the job market and clarifying training needs for specific employment fields And by starting the placement process before the client completes the VR&C training component, rather than waiting until the veteran is "job ready," many veterans may be able to move from VR&C phase three (training/education) directly through phase four (employment services) to phase five (rehabilitation) almost seamlessly GAO did note improvement in this coordination since the signing of a memorandum of understanding (MOU) between the two agencies in August 1995.

One point raised in the GAO report, which was of particular interest, is the fact that under the state vocational rehabilitation program, a suitable job can be a nonwage-earning position. This raises another -- often very difficult -- decision faced by many disabled veterans as they approach employment. Many veterans are able to support themselves and their families through VA and other disability benefits or other means As such, they may not find it financially necessary to obtain compensated work. Yet, they might want to make contributions through volunteer work or other activities. To be successfully "rehabilitated" under the VR&C program, participants must find gainful (wage earning) employment Whereas that may not be the true, personal objective of some veterans,

who can nonetheless benefit substantially from and make greater societal contributions because of the VR&C benefits program.

VVA fully endorses the recommendations made by the Veterans Advisory Committee on Rehabilitation for improving the VA's vocational rehabilitation program. In particular, and for the reasons sited above, we believe it is very important that the cooperative work between DOL's Veterans Employment and Training Service and VA's Vocational Rehabilitation and Counseling Program be extended. It seems that the level and successfulness of this interagency coordination varies a great deal from geographic area to area. Joint training of service providers through the National Veterans Training Institute (NVTI) would have substantial benefits.

CONCLUSION

As discussed previously, VVA fully supports this program and is ready to work with the VA and Congress to improve the VA's vocational rehabilitation program. The program is a viable and much needed benefit for many veterans. Despite the questionable validity of the comparing VA and state vocational rehabilitation programs, VVA supports the GAO's and Advisory Committee's recommendations for improving the vocational rehabilitation program.

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KELLI WILLARD WEST
Director of Government Relations

Kelli Willard West joined the VVA government relations department in 1993, after serving in the U.S. House of Representatives as Legislative Assistant to a Member of Congress from her home state of Iowa. As VVA Legislative Assistant and subsequently Deputy Director for Government Relations, her areas of responsibility included health care, Agent Orange, PTSD and related issues. In October 1995, she was promoted to her current position as Director of Government Relations.

West is responsible for coordinating VVA government relations and legislative activities, advising VVA leaders on strategy; overseeing and training VVA's nationwide network of legislative coordinators in support of national VVA advocacy goals; and keeping the general VVA membership informed through reports in *The VVA Veteran*

Kelli received her B.A. in Global Studies from the University of Iowa. She resides in Washington, D.C., with her husband Rich, who is Communications Director for a House member from Missouri.

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January 29, 1998

The national organization Vietnam Veterans of America, Inc. (VVA) is a non-profit veterans membership organization registered as a 501(c)(19) with the Internal Revenue Service VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

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STATEMENT OF ESPIRIDION (AL) BORREGO
ASSISTANT SECRETARY
DEPARTMENT OF LABOR
VETERANS' EMPLOYMENT AND TRAINING SERVICE
BEFORE THE
SUBCOMMITTEE ON BENEFITS
HOUSE COMMITTEE ON VETERANS' AFFAIRS
February 4, 1998

Mr. Chairman and Distinguished Members of the Subcommittee:

Thank you for this opportunity to share with you the good work that the Veterans' Employment and Training Service (VETS) at the Department of Labor (DOL) and the Department of Veterans Affairs (VA) are doing together for our Nations' disabled veterans. I want to share with you our progress to date and plans to improve performance nationwide.

Although many people, including active duty personnel and veterans, consider Vocational Rehabilitation & Counseling (VR&C) to be solely a training program, primarily it is an employment program and thus directly involves VETS and the Disabled Veteran Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVER) funded by the Department of Labor.

In 1989, VA and DOL entered into an agreement calling for more cooperation between the parties, to improve networking efforts in the field, and to establish management information systems to enable accurate reporting of performance. This agreement called for a team approach to job development and placement for veterans completing only the training component of the program.

In the mid-1990's, staff at VETS and VA concluded that there needed to be better coordination and cooperation between the agencies in order to place more VA vocational rehabilitation graduates into good jobs. The staffs met and discussed what needed to be done. The result of these discussions was a Memorandum of Understanding (MOU) between the parties signed on August 1, 1995. The MOU calls for local representatives of the two agencies to work as a team in connection with participants in the area of job development and placement beginning no later than 90 days prior to the projected completion of the training portion of the VA program or with those program participants recognized as being job ready, to create and maintain information systems that would allow the parties to track their employment progress, and to encourage workshops and similar settings which would promote new ideas and further cooperation and

coordination between the parties.

A Veterans' Program Letter (VPL) notified the State Employment Security Agencies (SESAs) and VETS staff of the provisions of the MOU, and each state VETS and VA office was urged to enter into similar MOUs, delineating the responsibilities of the local parties and setting out reporting requirements. Implementation of tracking and reporting requirements commenced on October 1, 1995. Several action items were set out: (1) ensuring the establishment of effective coordination and liaison actions between all VR&C stations and SESAs, particularly at the local level; (2) developing procedures for notifying DVOPs and LVERs when VR&C clients are within 90 days of completion of a training program or recognized as job ready; (3) ensuring that the full range of job services are made available promptly to VR&C clients; and (4) monitoring all clients until they are considered to have entered suitable employment.

After one year of implementation, VETS was able to report that 33 % of those who were referred to the SESAs for employment assistance entered employment. This was considered to be a major achievement. However, when the data was looked at in depth, it was discovered that while a majority of localities had very successful programs, others were contributing less to the success of the initiative. Some States had not formalized the State MOU, and VETS, VA and SESA staff were not cooperating on the local level.

VETS took these shortcomings seriously. Dissatisfaction with the unevenness in improvement led to notification of VETS field staff to conduct a thorough and comprehensive state-by-state review of the relationship between the Vocational Rehabilitation & Counseling personnel, SESAs and VETS in each of the ten VETS' regions. They were asked to focus on the concrete results produced from the relationship between the Agencies; namely, an increase in placement of VR&C clients. Those States that had not entered into State MOUs were required to provide a status report with a follow-up report, plus a copy of the signed MOU once completed. VA Central Office simultaneously requested similar information from its field staff. In States with more than one VA Regional Office, a separate MOU exists with each Regional Office. The Director of VETS in each State meets quarterly with each Regional Office and SESA officials to discuss their local VR&C program. In some States, local DVOPs and LVERs are invited to give the staffs their input on how the program is working in their region.

In most States, the MOUs have also led to a new and valuable exchange of information. Some clients referred to the SESAs by the VR&C program never registered at an employment office, and those people were omitted from the reporting system. However, as a result of the State MOUs, States are now sharing employment and wage information collected from Unemployment Insurance wage records with VA, allowing VA to track down clients who had failed to register at the employment office. When these former clients are found to be employed, VA is now able to close the applicable case files.

Much good news came out of this review. Groups began to meet regularly to work out problems. Staff members from all the agencies, including the SESAs, engaged in training sessions

Personnel were designated as points of contact. In some instances, DVOPs/LVERs began traveling with VR&C case managers to assist with job development. DVOPs/LVERs became members of VA/Contractor advisory boards. Teams were created to devise plans for comprehensive tracking and reporting procedures, and also to ensure a smooth "handoff" during referral of VR&C clients from the VA to the SESAs.

However, this review made it clear that there was still room for improvement. There were significant differences in the way that each agency envisioned reaching the ultimate goal of successful job placement and adjustment to employment for disabled veterans, without duplication, fragmentation or delay in the services provided. There were disconnects in the language used in reporting and disagreements between SESAs and VR&C officers concerning DVOP specialists out-stationed to VR&C locations with regard to lines of authority. These ongoing problems led VETS and VA National Office staff to issue directives to their local staffs asking for mutual validation of local referral and placement activity data, and instructions to continue to work to improve the relationship between the parties.

To better ensure coordination and cooperation between the parties on the ground, DVOPs were assigned to the VA Regional Offices, particularly those with VR&C programs. Every State, Washington, DC, and Puerto Rico now have a DVOP out-stationed at VA VR&C locations. Whether the DVOP is out-stationed full or part-time depends on the case load of the applicable VA center.

To further the effectiveness of the program, VETS contracted with the National Veterans' Training Institute to begin an "Employment Assistance Basic Course for Vocational Rehabilitation & Counseling Service Clients" in 1996. This was a joint effort by both VA and DOL/VETS and was designed to train the staffs of both Agencies directly involved with the VR&C process. Lack of funds severely limited attendance by VA staff. Those DVOPs with the heaviest VR&C client caseloads were the first to receive this training. The training helps DVOPs and LVERs understand the marketplace for disabled veterans, enhances the unique skills needed to assist disabled veterans, and provides a basic understanding of the general policies and procedures of the VR&C Service.

As a further outcome of this review, it was determined that an in-depth brainstorming session was needed to come to grips with the persistent problems. An In Process Review (IPR) of the workings of the MOU was held in February 1997. A task force was formed consisting of five VR & C officers, five State Directors of VETS (DVET), five SESAs staff, and representatives from the VETS National office and VA Central Office. Over 150 issues, concerns and problems were raised the first day of the first meeting. The remaining two days of the meeting were spent working on three key items: roles and responsibilities, communication (including marketing), and tracking and reporting.

Working groups wrestled with each of these three areas, determining the best way to deal with them on a nationwide scale. The groups were asked to suggest specific recommendations for

action, specific methodology for implementing recommendations, the responsibilities of each agency and timelines to carry out the recommendations. Programs that were working successfully were studied to see if they could be replicated elsewhere. It was decided to put the recommendations of the working groups' deliberations in a manual, for joint use by all field staff involved with the VR&C program. The working groups were given additional instructions over the next few months as additional information came into play and it was decided that follow-on training based on the manual should be implemented. Under current plans, the manual, entitled Operating Guide for Improved Customer Service for Chapter 31 Veterans, is scheduled to be published in the next few months, after approval by VETS and VA. Training sessions will follow soon after. It is hoped that over 500 VR&C officers and case managers, SESA personnel, DVETS and Assistant DVETS, and DVOPs/LVERs designated as central points of contact who have not already attended the VR&C Placement Specialist Course given by the National Veterans' Training Institute, will attend.

VETS field staff report VR&C activity every quarter, with data elements in a format mutually agreed to by VETS and VA. The activity is analyzed at the national level by VETS, and shared with VA Central Office, and a Feedback Report is sent out to each Regional Administrator of VETS concerning the VR&C activity within his individual region. These Reports let the Region know how it is doing overall, how it is doing compared to the national average, and which states need to show improvement. Regional Administrators are directed to respond to the VETS National Office on all anomalies on the Feedback Reports. In addition, they are encouraged to provide success stories that illustrate the ultimate goal of successful job placement and adjustment to employment for disabled veterans.

At the national level, VETS and VA staff meet on a regular basis to discuss the status of the program, to examine problems that have arisen and to make recommendations. In addition to the regularly scheduled meetings, the staffs get together whenever an issue arises that requires immediate attention.

Although there are some states that are not matching the success of their sister states, progress is being made. In West Virginia, for example, prior to the MOU, the VR&C staff almost exclusively contracted out the employment services needed for those who completed the program. Because of the new working relationship between VA and DVOP staff, the VR&C programs in West Virginia now refer 100% of the veterans to the SESAs for placement in jobs. Contractors are only engaged for the most difficult cases, to assist the DVOP or LVER. In Virginia, where there have been persistent problems, the former VETS' lead for the VR&C program in the National Office is now an Assistant State Director and is personally involved in assessing the current relationship between the VA VR&C and the Virginia Employment Commission and what actions are required to turn this program around.

During Fiscal Year (FY) 1997:

* 8,452 disabled veterans, determined to be job ready, were referred from the VR&C program and registered with the job service for placement assistance by DVOPs and LVER. This is an increase of 50% from FY 1996 (5,631 veterans).

* 3,411 disabled veterans entered into what the VA defines as "suitable employment." Suitable employment is employment in line with the skills, aptitude and abilities of the veterans and that does not aggravate the veteran's disability.

* 3,693 disabled veterans were either directly placed in positions or obtained employment through DVOP/LVER assistance. This is an increase of 98% over the Fiscal Year 1996 number (1,863 veterans).

* The entered employment rate for Chapter 31 disabled veterans in FY 1996 was 33%. In FY 1997, this entered employment rate was increased by 10%, to 43.7%.

The VETS' Strategic Plan projects that an additional 2% of disabled veterans who have been determined by VA VR&C to be job ready, referred to and registered with the employment service, will enter employment every year over the next five years. Therefore, it is VETS' goal to have over 50% of those who complete the VR&C program enter employment by 2002. As the VA works to increase the number of disabled veterans who receive assistance through VR&C and then move smoothly into suitable employment, VETS' has gathered the resources necessary to handle 10,000 referrals a year from the VR&C program.

I am very pleased with the progress that VETS and VA have made together to make the Vocational Rehabilitation and Counseling program an integral part of VETS' mandate to provide training and employment to our Nation's veterans. Continual vigilance will be needed and provided to ensure that there is continued improvement based on the progress made quarter by quarter over the last two years. I am confident that our joint effort, on behalf of disabled veterans, will provide the success we are truly capable of achieving.

STATEMENT OF

JOSEPH THOMPSON

UNDER SECRETARY FOR BENEFITS

VETERANS BENEFITS ADMINISTRATION

DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

SUBCOMMITTEE ON BENEFITS

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1998

Mr. Chairman and Members of the Subcommittee.

It is a pleasure to appear before the Subcommittee today to discuss initiatives that are improving the administration of the Department of Veterans Affairs (VA) Vocational Rehabilitation Program for service disabled veterans. This program has faced many challenges in recent years. While we have successfully addressed many of them, we know we need to do much more.

We recognize that we have many things to accomplish if we are going to improve the program to the point where we are meeting all our veterans' needs and stakeholders' concerns. We also realize that we have a history in which our actions may not have been as responsive as they could have been in addressing criticisms or recommendations by organizations such as the General Accounting Office (GAO) and the Veterans' Advisory Committee on Rehabilitation (VACOR)

While acknowledging these shortcomings, I am pleased to be able to tell you what we are doing to meet criticisms and to further improve this critically important program. When I assumed the leadership of the Veterans Benefits Administration a few months ago, I was familiar with the GAO reports and the Vocational Rehabilitation and Counseling (VR&C) Service's responses to GAO recommendations for program improvement. Therefore, I will begin by discussing our progress in addressing recommendations GAO has made. Then I will bring you up to date on implementation of Government Performance and

Results Act (GPRA) outcomes and measurements for the VA Vocational Rehabilitation Program. Finally, I will comment on recent recommendations that VACOR has proposed.

Mr. Chairman, as you know, the primary purpose of the VA Vocational Rehabilitation Program is to help service-connected disabled veterans get and keep suitable employment or to achieve the maximum independence in daily living. A statutory change to this program in October 1980 focused us on employment as the goal. Training, counseling, rehabilitation, job placement, and other services should support a suitable employment outcome. We directed increased attention on such activities as employment services and the examination of existing and transferable work skills. We trained our staff members; we developed regulations and procedural manuals; and we regularly conducted oversight surveys of the program. Despite these activities, we recognize that we still have a large challenge ahead of us to get our staff members to focus more on employment services.

We have made progress, however, in the employment area. In FY 1992, we began to increasingly emphasize suitable employment i e.; employment that is consistent with the veteran's interest, aptitudes and abilities. By FY 1995, 6,075 disabled veterans achieved suitable employment through this program, an increase of 33 percent over the preceding year. In FY 1996, the number of disabled veterans achieving suitable employment rose to 7,199—an increase of 19 percent over FY 1995. Most recently, in FY 1997, 8,398 disabled veterans entered suitable employment—an increase of 18 percent over FY 1996. I would like to point out that these suitably rehabilitated veterans in this most recently completed fiscal year represent a 166% increase over the number of such rehabilitated veterans in FY 1992, the year GAO first recommended that VR&C needed to improve its employment placements for Vocational Rehabilitation Program participants

One of the resources we are increasingly using in our efforts to identify employment opportunities for veterans in our program is the Veterans'

Employment and Training Service (VETS) of the Department of Labor (DOL). We have developed an effective working arrangement with VETS for providing job placement services to disabled veterans. On August 1, 1995, VA and DOL signed a Memorandum of Understanding that establishes a framework for mutual cooperation and coordination of services. In 1996, the National Veterans' Training Institute (NVTI) developed a joint VA/DOL training curriculum to improve the working relationship between VA and DOL staff members. In 1997, a joint VR&C/VETS task force began to examine what more VR&C could do to improve our services to the employment needs of disabled veterans. We agreed to develop a Technical Assistance Guide to provide guidance to our staffs. We are currently working on this initiative and expect to complete it within the next four months. This year, we will develop and hold a training program based on the recommendations in this guide.

Our efforts to improve our working arrangements with VETS/DOL are continuing. For example, VR&C Service Director Julius Williams and DOL Assistant Secretary for Veterans' Employment and Training Espindion Borrego have initiated quarterly meetings to develop a better understanding of the challenges they face in that partnership. I believe the dramatic increase in employment of disabled veterans over the past several years is evidence of the emphasis the VR&C program has placed on working with VETS to increase the employment of disabled veterans who complete vocational rehabilitation programs.

In its 1992 report, GAO recommended that we take the lead in developing an effective working arrangement with DOL for providing job placement services to disabled veterans. I believe the record demonstrates that we have done so. We value this resource for employment of disabled veterans. We will continue our effort to improve and enhance this partnership as part of our mission to help disabled veterans find and keep suitable employment.

The GAO also identified a lack of employment services expertise in VR&C staff members. We agree with this finding. VR&C is working with VBA training elements to identify appropriate training opportunities and obtain additional

employment services expertise. Although we work closely with DOL and third party placement elements, building greater staff expertise in developing and executing overall employment services and placement strategies is essential.

Mr. Chairman, we have been and are concerned—as we know you and the other members of the Subcommittee are—about determining why veterans drop out before completing their vocational rehabilitation programs. In addition, GAO has expressed concern about the number of veterans who drop out of the program. We know that significantly large numbers of veterans who apply for the program do not complete their claims to the point of entering a program of services. Some veterans' circumstances change after they apply for the program. Other veterans apply without an adequate understanding of the program for which they are applying.

We believe that the majority of the veterans who drop out do find employment, but often this employment is incompatible with the limitations of their disabilities. Such unsuitable employment does not qualify as a program success. Unsuitably employed veterans may later return to us because they could not continue in that employment.

We have not determined all the reasons this happens, but we do have some ideas. To examine this issue more thoroughly and to fulfill our need for carefully developed information about unplanned program terminations, we hired a widely recognized consultant firm in October 1997. The consultant is to identify the reasons why veterans prematurely exit the program and to recommend ways we can be more effective in getting veterans to complete their programs. The consultant's findings are due in September of this year.

The VR&C Service has received justifiable criticism for not emphasizing to veterans, veterans service organizations, and other stakeholders that the primary purpose of the Vocational Rehabilitation Program is suitable employment following a planned program of rehabilitation services. This is essentially a problem of communications. Even though the program changed its focus from training to employment following training in 1981, many stakeholders continue to think of the program as only an education and training program.

To address this issue, we have developed a statement of work and are currently in the process of identifying a consultant to assist us in developing and executing a communication strategy. This strategy will enhance our up front communications with veterans and other stakeholders to provide a clearer understanding of the program's purpose. This strategy will also allow us to better use employment services to communicate with potential employers about the benefits to them of hiring rehabilitated disabled veterans. This will create a pool of employers eager to hire qualified disabled veterans we refer to them.

Mr. Chairman, in recent years the VR&C Service has increasingly relied on contracting with non-government service providers to timely meet the rehabilitation needs of disabled veterans. This contracting activity began with the crushing workload caused by post-Gulf War military downsizing. In FY 1993, VA spent $5.5 million on contracting support for vocational rehabilitation. By FY 1997, this annual expenditure had increased to $27 5 million Contracting for services has allowed us to timely continue serving disabled veterans and has created hundreds of additional access points for disabled veterans to receive services.

The Director of the VR&C Service, however, recognized the immediate need to take a close look at this contracting activity to determine if it is cost-effective in meeting the needs of disabled veterans. In December 1997, he formed a task force to study VR&C contracting and to report its results by May 1998. This interdisciplinary team comprises VR&C field and headquarters staff, contracting officers, persons with backgrounds in finance and support services from field offices, and contract specialists from VA Central Office's Acquisitions and Materiel Management Office.

We anticipate that the recommendations of this Task Force will likely enable us to further increase access to veterans through contracting. Although outbasing VR&C staff is the primary way to improve local delivery of evaluation, counseling, and case management services, we believe that initiatives leading to more access points through contracting are also valuable. More access points make services more readily available to our customers. When the results of this

task force's study are in, we in VBA will use the recommendations to establish the proper role of contracting. We will then determine the best direction for contracting for rehabilitation services to disabled veterans.

Mr. Chairman, this Subcommittee received testimony on June 5, 1997, detailing our progress in establishing realistic Government Performance and Results Act (GPRA) performance measures for the VA Vocational Rehabilitation Program. At the time of that testimony, a VR&C Task Force was working to revise the VR&C performance standards initiated in FY 1997. As a result, new performance standards or indicators went into effect in FY 1998 that better reflect the strategic goals of both GPRA and the VR&C Vocational Rehabilitation Program. Accomplishment of these goals will directly contribute to helping veterans get suitable jobs. These performance indicators are:

Claims Processing Timeliness and Completion. VR&C staff members will work closely in face-to-face contacts with veterans whom VA has found eligible for the Vocational Rehabilitation Program. As a result of these contacts, VR&C staff members will provide each veteran a timely, comprehensive evaluation and entitlement decision.

Outcome Success. We expect that monitoring and improving this critically important indicator will contribute to the suitable employment of disabled veterans.

Success Outcome Unit Cost. The VR&C Service now determines the average unit cost to assist a veteran to complete a rehabilitation program. This is consistent with overall Veterans Benefits Administration efforts to acquire appropriate cost information and function in an environment of reduced resources. This average unit cost consists of VR&C salary expenditures and contracting expenditures over all rehabilitation services that place the veteran in a successful outcome.

Accuracy Review Outcomes. VR&C Service will now review at least 4 percent of all cases for quality work. The goal is to reduce the number of cases needing improvement. We are near completion of a major revision to our quality assurance system. This revision will allow us to ensure consistency and

accuracy in our processes and will be integrated into the overall VBA Quality Assurance Program.

In addition to these performance measures, we have planned a customer satisfaction survey to assure that we have candid responses from the disabled veterans we serve. We are now designing this survey, building on the experience of the other business lines and hope to benefit from their experience. Further, consistent with GPRA requirements, the VR&C Service will undergo a formal program evaluation

We expect all these initiatives will ensure a greater understanding of what we have done that is good and what we still need to do to improve the performance of the Vocational Rehabilitation Program as it works to return disabled veterans to suitable employment and productive lives.

Mr. Chairman, as you know, I am concerned about VBA data integrity. A part of this concern is the lack of comprehensive program data with which to manage the Vocational Rehabilitation Program as well as the other programs that the VR&C Service administers. I am pleased to report that the VR&C Service has taken a significant step to address this concern. We implemented the first stage of a new management information system, WINRS, at VR&C field offices in October 1997. This system will enable VR&C Service to better manage in a number of important ways the Vocational Rehabilitation Program, as well as other benefit programs for which VR&C Service is responsible. We are now evaluating the performance and have begun work toward delivering stage two of this basic system.

Stage one of WINRS primarily facilitates case management in the field to directly support our delivery of benefits and services. It contains substantial information about our program participants. Stage two increases this pool of information, but, more significantly, places the information into a corporate data environment. This corporate data environment will provide nationwide information to support program evaluation and strategic planning We expect to deliver elements of stage two processing by November 1998

The 1996 GAO report correctly cited the lack of readily available data on the cost of providing rehabilitation services. We feel that WINRS is a substantial initiative to address these data deficiencies.

Mr. Chairman, the Veterans' Advisory Committee on Rehabilitation recently released its two-year report for calendar years 1996 and 1997. The Committee made 15 recommendations to improve the rehabilitation of disabled veterans. VA is now reviewing these recommendations. Most of the recommendations concern the Veterans Health Administration. We in VBA are studying the recommendations for the VR&C program and will provide the Subcommittee with our response in the near future.

Mr. Chairman, under Mr. Williams' leadership, VR&C is developing a Business Case, which is the next logical step in the VR&C reengineering effort. Let me explain a few of the purposes and elements of this Business Case.

First, the Business Case will map VR&C's reengineering efforts and plan for achieving needed program improvements. It will link each initiative to meeting a need and achieving a goal. It will recommend steps to achieve each goal. It will also identify VR&C's direct contribution to VBA's and ultimately VA's strategic plan.

Second, the Business Case will chronicle our progress toward implementing initiatives and achieving goals. This document will contain comprehensive data to measure performance, evaluate trailing indicators, and establish leading indicators. The Business Case will be a living document that will reflect future adjustments to VR&C's plan as program requirements, resources, and strategic goals warrant.

Third, there is an element of the Business Case that we feel will be especially helpful to this governing body as well as other stakeholders. This document will contain a crosswalk that identifies each recommendation from reports and studies—such as those by GAO, VACOR, and VR&C's Design Team—and directly links them to initiatives, strategies, and VA's positions. We

believe this will enhance accountability and will keep everyone better informed about what we are doing and why we are doing it.

Finally, the Business Case will chronicle VR&C's history and activities from this point forward. This will be an invaluable tool for strategic planning, evaluating program performance, as well as communicating with stakeholders. I would like to note that this process will be enhanced as our data and information management improve.

Mr. Chairman, I hope I have conveyed the progress VA's Vocational Rehabilitation and Counseling Service is making toward providing the quality services that our nation's disabled veterans need and deserve. We recognize we still have a long way to go, but I am confident we will successfully meet this challenge.

Mr. Chairman, this concludes my testimony. I would be pleased to answer any questions you or members of the Subcommittee may have.

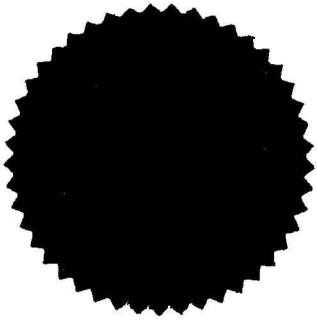
Written Statement of

William F. Crandell
AMVETS Operations Director

Before the
HOUSE SUBCOMMITTEE ON BENEFITS

On The
VA VOCATIONAL REHABILITATION PROGRAM

Wednesday, February 4, 1998
Room 334
Cannon House Office Building



Mr. Chairman and members of the Committee, AMVETS appreciates this opportunity to present its views on the Vocational Rehabilitation program of the Department of Veterans Affairs (VA). AMVETS has not received any Federal grants or contracts during the fiscal year 1997 or in the previous two fiscal years in relationship to the subjects presented today.

AMVETS has been concerned for a number of years about the high dropout rate and the low job placement rate in this important program. We believe they are correlated.

Public Law 96-466 was enacted in 1980 because Congress recognized that employment had to be the ultimate goal of vocational rehabilitation. This represented a change of mandate for the VA's Vocational Rehabilitation and Counseling Service (VR&C), which had since its inception after World War II viewed completion of training by the client as the end of its task. Despite its changed mandate, VR&C shows little sign of accepting redirection. There remains a core of VA careerists that ignores this mandate.

This program is in desperate need of attention. AMVETS had high hopes for the Memorandum of Understanding signed in 1995 by VR&C's Larry Woodward and Preston Taylor of the Department of Labor's Veterans Employment and Training Service (VETS). We have not seen significant improvement in job placement out of VR&C. VA needs to focus on this area. There must be a change in the culture of the employees. The number one way to measure success is employment.

Disabled Veterans Employment Specialists

One of the key instruments of the Department of Labor (DOL) for connecting disabled veterans to employment should be the Disabled Veterans Employment Specialists (DVOPs) employed by the states and overseen by DOL's Veterans Employment and Training Service (VETS). Where DVOPs have been able to bring their skills, contacts, and case management approach to the service of disabled veterans as part of their rehabilitation team, the chances of individual programs leading to employment have been significantly increased. Without their participation, the odds of finding meaningful work go down.

Yet VR&C seems uneasy with partners from outside VA, partners connected to employment. What Congress ruled in 1980 -- 17 years ago now -- is that it is unacceptable for VR&C simply to retain disabled veterans in one training cycle after another without their finding jobs. Throughout VR&C, foot-dragging seems to indicate staff that is leery of losing clientele to the job world. That theme was clear in testimony delivered before a House Veterans' Affairs Committee hearing in May 1995, and nothing has changed since.

DVOPs need to be part of the initial evaluation and rehabilitation plan, and must follow through case management straight on to employment. They may contribute to an assessment of what training best provides locally marketable job skills. Their connection to DOL gives DVOPs current labor market information that can ensure there is a need in the geographic area where veterans live for the jobs they are training to pursue.

The Question of Whether to Move the DVOPs and LVERs

There is a perennial proposal to move VETS -- or oversight of the DVOPs and/or Local Veterans Employment Representatives (LVERs) -- from DOL to VA, dollar-for-dollar and item-for-item. That seems to AMVETS to pose a number of problems to Congress:

- VA has no labor exchange: Congress could give the DVOPs access via laptops, but making the State Employment Security Agencies (SESAs) cooperate would be problematic.

- The money comes from the FUTA account now. What would be the source at VA?

- Locations are a major problem. In New York State, for example, NYS DOL has over 80 locations covering the whole state. VA, in contrast, has only 10 Vet Centers and 2 Veterans Affairs Medical Centers (VAMCs) -- nothing to the north of Utica. Service is starkly cut if only current VA facilities are used, and otherwise VA has to rent other space.

- While some DVOPs work quite well on their own, when outstationed at VA facilities under current arrangements, others work well under supervision and need it. If they are only stationed at VA facilities, what is the source of that supervision?

- Resources are a major problem, and VA does not have them.

- If Congress federalizes DVOPs/LVERs to make this work, how would it grandfather them in, given the pay differential?

- VA does not want them, and they would not work well there. VA is a reactive bureaucracy rather than a proactive one. The hospital model does not work in employment. That is a core problem now with VA Vocational Rehabilitation.

- Funding is a major problem. The dollar amount would come out of Function 700 (all of VA); When VA takes a cut in FTE, where does it cut, DVOPs or medic staff? The answer has never been medical staff. This is the origin of the current problem in Vocational Rehabilitation, which now has about 30% of the staff it had in 1980. This has made the outstationing of DVOPs at Vocational Rehabilitation necessary in the first place

The "GI Bill of Rights" Mentality
VA Vocational Rehabilitation grew out of the era of the original GI Bill of Rights, one of America's most successful education and employment programs. But what made that program work for disabled veterans was a national mood of gratitude and a sense that veterans -- disabled or not -- were people who "can do." That mood disappeared long before the Vietnam War

Completion of education or training no longer means a veteran is likely to be hired, even in the age of the Americans with Disabilities Act (ADA). The onus now is on the disabled veteran, and he or she needs all the help available in finding work.

Yet our sense is that many of the seasoned professionals in VR&C have not let go of the image that completion of training is all that is needed. Perhaps it is simply an unwillingness to do things differently, to change the comfortable way things have always been done. Certainly we have seen no indication that the leadership of VA has been firm with VR&C, giving orders and making them stick. Within the past year, a common complaint heard at forums held across the nation by the Subcommittee on Disabled Veterans of the President's Committee on Employment of People with Disabilities was that the DOL-VA Memorandum of Understanding needs to be enforced.

Marketing of VA Vocational Rehabilitation needs to stress employment as a likely outcome of training. Vocational rehabilitation cannot be any longer simply a route to a college degree. The public has no interest simply in awarding disabled veterans long-term stays on campuses or esoteric courses that do not lead to productive employment. Congress, the General Accounting Office, the leading veterans service organizations (VSOs) and the Veterans Advisory Committee on Rehabilitation have all criticized this lingering approach that is part of the culture of VR&C, but nothing has changed.

Private Contractors
AMVETS supports the recommendation of the Design Team to reevaluate VR&C contracting out of services. This is a short-sighted response to staffing cuts that has resulted in uneven service to disabled veterans.

The example of the effect of the Government Performance Results Act (GPRA) on VR&C is symptomatic. Despite the overall acceptability of VA's recent strategic plan, VR&C can furnish no information at present on its own GPRA planning, and expects the consulting firm of Booz, Allen to let it know in September or October how it is doing.

At the Regional Office level, many veterans would rather deal with VA staff than with contract personnel. At present, the annual expenditure for contracted services has almost reached the level of FTEE expenditures, $27,000,000 compared to $32,000,000. VA should expand the use of fee-for-service purchasing, rather than rely so heavily on contracting.

Increased contracting gives the appearance of justifying further staffing cuts, when the reverse is true. Replacing retired and down-sized "old mode" VR&C staff selectively with new people in redefined slots could invigorate the program. Contracting does not seem to have made any real improvement in employment outcomes.

The Need for State-of-the-Art Equipment

State-of-the-art equipment could maximize the cost-effectiveness of the reduced VR&C staff. As a minimum, VR&C needs personal computers, dedicated phone lines linked to fax machines and computers, for example. We believe that Regional Office directors should be accountable for obtaining and maintaining such equipment.

AMVETS supports the findings of the Independent Budget that current technology -- not the wave of the future but the wave of the present -- could go a long way toward making VR&C's heavy case loads more manageable. The average caseload for VR&C staff is 290 cases, compared to 126 for state/federal programs and under 40 for private agencies. Up-to-date equipment -- with adequate training -- can at least allow VA caseworkers optimal efficiency.

Conclusion

Early intervention remains an important goal in vocational rehabilitation, Mr. Chairman, but there are many veterans for whom <u>any</u> intervention would still be helpful. These include young disabled veterans who have not been reached or who have found VA offers them too little hope of employment at the end of the process. There are also older disabled veterans who have become technologically obsolete, and who still need help and redirection. VA vocational rehabilitation continues to do a marginal job, and that needs to end.

However, we are encouraged that new leadership under Julius M. Williams Jr. shows promise. AMVETS looks for a more focused, results-oriented operation.

Mr. Chairman, this concludes our testimony.

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