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TO RECEIVE THE REPORT OF VA'S VOCATIONAL REHABILITATION AND EMPLOYMENT SERVICE TASK FORCE

HEARING

BEFORE THE

SUBCOMMITTEE ON BENEFITS

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

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TO RECEIVE THE REPORT OF VA'S VOCATIONAL REHABILITATION AND EMPLOYMENT SERVICE TASK FORCE

THURSDAY, APRIL 1, 2004

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

The subcommittee met, pursuant to notice, at 10:04 a.m., in room 334, Cannon House Office Building, Henry E. Brown, Jr. (chairman of the subcommittee) presiding.

Present: Representatives Brown, Miller, Michaud, and Davis.

OPENING STATEMENT OF CHAIRMAN BROWN

Mr. BROWN. Good morning. Thank you for your patience and for attending this hearing this morning. I am pleased to join Ranking Member Michaud and members of the subcommittee to receive the report of the independent Vocational Rehabilitation and Employment Service Task Force, which the Secretary of Veterans Affairs established last May.

General Omar Bradley, chairman of the President's Commission on Veterans' Pensions, said in his 1956 report on veterans' benefits that "In the modern concept of rehabilitation, disability compensation has an important but secondary role." General Bradley's views prevail today among VA customers. Disability compensation can help offset a veteran's average loss of earning power. But long-term sustained employment and economic independence represent the aspirations of most disabled veterans, according to VA's comprehensive 2001 National Survey of Veterans.

For many disabled veterans, VA's Vocational Rehabilitation Program represents the final opportunity for long-term sustained employment. I want to note VA's comprehensive analysis of 53,000 veterans participating in the Vocational Rehabilitation Program in 1999 submitted to former Benefits Subcommittee Chairman Jack Quinn. This analysis is referenced in the Task Force Report. It showed that the typical vocational rehabilitation applicant is 39 years old, applying for vocational rehabilitation services a modest period of time after having served in the military. And 49 percent of vocational rehabilitation applicants are between ages 40 and 60 when they reapply.

Not only does VA's vocational rehabilitation and employment programs work largely with an older population of disabled veterans, it is different than the rest of the Veterans Benefits Admin-

istration in another way, as well. Most of the VBA is a valued benefits processing and payment organization, one of the best in the world. However, VA's Vocational Rehabilitation and Employment Service, staffed by 1,118 dedicated rehabilitation professionals at 56 VA regional offices, is designed as a personalized, long-term human services delivery organization, much like the Veterans Health Administration.

The Vocational Rehabilitation Program is unique as it provides valuable face-to-face help to disabled veterans over many years as they train for and seek jobs that overcome their disabilities.

Notwithstanding the efforts of VA's vocational rehabilitation professionals, job placement rates are not what we would like them to be.

I look forward to Chairman Hardy's testimony on how to put the "E"—for employment—back into the VR&E program. And I applaud Secretary Principi and Under Secretary Cooper in creating the Task Force.

I will ask the Secretary to furnish VA's implementation plans on the report's recommendations that he accepts within 60 days. Then I will also ask the Department's chief operating officer, Deputy Secretary Mansfield, to brief subcommittee members and staff.

I have the good fortune to work with the subcommittee's ranking member, Mr. Michael Michaud. And now I recognize him for his opening statement.

OPENING STATEMENT OF HON. MICHAEL H. MICHAUD

Mr. MICHAUD. Thank you very much, Mr. Chairman, and good morning. It is good to have the committee back in action. I look forward to having another very productive year working with you, Mr. Chairman.

As our military personnel remain in harm's way around the world and we begin the largest troop rotation since World War II, I believe this hearing is an appropriate way to start our schedule. Today, we receive the report of the Secretary's Task Force on Vocational Rehabilitation and Employment. The report provides many recommendations on rebuilding, improving, and modernizing VA's Vocational Rehabilitation Service. And I welcome Ms. Dorcas Hardy, Chair of the VR&E Task Force, and looking forward to hearing your testimony.

I also want to thank the Task Force members, including John O'Hara, the Task Force executive director, for your hard work over the past year in developing and preparing this very important report. I believe everyone here today would agree with me when I say that the rehabilitation and preparation for employment and re-employment for disabled veterans should be as important as any other VA mission.

It would have been nice if we could have actually received this report about a month ago. Your findings and recommendations would have provided important information and persuasive evidence to the committee in our efforts to develop our budget views and estimates for the coming fiscal year. For example, the President's Budget actually calls for a cut of 103 FTEs within the VR&E program, while the Task Force actually recommends an additional 200 FTEs. I do not believe that it will be possible to make all the

significant change that you have recommended, as the administration-proposed budget provides a cut.

The Task Force report appears to be thorough, thoughtful, and well-designed for immediate implementation of certain recommendations. I certainly hope that VA takes this report as seriously as I and my colleagues will do.

I look forward to working with you, Mr. Chairman, to do all that we can to bring VR&E into the 21st century so that veterans completing or leaving the program will successfully transition into today's workforce.

We have an obligation to improve this program. We must direct its focus to disabled veterans' abilities, not their disabilities.

I am specifically interested in the Task Force's findings and recommendations regarding VR&E's workload stress; data integrity; seamless and accelerated transition services; and the coordination of employment counseling services throughout government. Above all else, I am concerned about VA's willingness to accept the Task Force report and use it as a blueprint to rebuild the VR&E program. Without VA's engagement and the administration's support, this report will end up like all other reports on this issue, good in theory, flawed in effect, and collecting dust, which is very unfortunate.

VR&E services are important, and this Task Force report is very timely, given the situation overseas and the economic situation here at home. There are actually, last year, a lot of labor market areas, one labor market area particularly in Maine that had an over 35 percent unemployment rate. I submit that a top-quality Vocational Rehabilitation and Employment Program is the least a grateful nation should provide to these brave men and women. And I think it is very important that we do that.

Mr. Chairman, I want to thank you for holding this hearing and for your leadership not only on this issue but your leadership on issues as they relate to veterans. So thank you very much. I look forward to working with you this year on this important issue.

Thank you.

Mr. BROWN. Thank you very much, Mr. Michaud. I appreciate very much your opening statement and I certainly am supportive of being absolutely sure when the report comes back that we have some input into implementing whatever those necessary changes might be. And it is certainly a pleasure working with you in a nonpartisan way. We feel that the veterans' issues are not partisan, and we are grateful to have you as part of this team.

I notice Ms. Davis has come in. Did you have an opening statement, Ms. Davis?

OPENING STATEMENT OF HON. SUSAN A. DAVIS

Mrs. DAVIS. No, Mr. Chairman. Thank you very much. I am pleased that we are having this hearing and look forward to it. I think that San Diego may be mentioned once or twice because we do have a program there that really has built on some partnerships, and that is really what we need to be doing.

Now, Mr. Chairman, I think the men and women who join the military and fight on our behalf do that because they want to make a real contribution to this country. And I think it is absolutely crit-

ical that we find a way to enable them to do that when they return to our country. If we don't do that, then we really haven't kept faith with them.

Thank you, Mr. Chairman.

Mr. BROWN. Well, thank you. And thank you for serving on this committee.

I had the privilege back in January to actually go to Iraq and to meet with some of our military serving there. I had lunch with one group in Baghdad and dinner with another group up in Tikrit. By and large it is a different kind of a military. These aren't the average 18, 19-year-olds that we have found in other wars. These are seasoned reservists or National Guard folks. And it is a different clientele in the military today, and so I think this is something we are going to have to address, too, as they return back into their normal civilian settings.

Ms. Hardy, before we ask you to give your report, I am so delighted you would come and participate this morning that I feel it fitting that we ought to at least identify you in this introduction, so if you will be patient as I try to fittingly introduce you.

The Honorable Dorcas Hardy is chairman of the VA's Vocational Rehabilitation and Employment Service Task Force, is president of Dorcas R. Hardy and Associates, a government relations and public policy firm which represents a diverse portfolio of clients in health services, insurance, strategies, entitlement reform policies, and retirement and disability financing.

Ms. Hardy served as the U.S. Commissioner of the Social Security Administration from 1986 to 1989. As the chief executive officer of the nation's social insurance programs, she was responsible for providing monthly income to more than 40 million people at an annual cost of nearly $400 billion, and overseeing 67,000 employees. Ms. Hardy also served as assistant secretary of Human Development Services for the U.S. Department of Health and Human Services and was chairman and president of a Tucson rehabilitative technology company.

Ms. Hardy is a member of the Virginia Board of Rehabilitative Services and is a writer and advisor to Stroke Magazine, a monthly publication associated with the American Heart Association.

Thank you for coming. We welcome you now, Ms. Hardy.

STATEMENT OF DORCAS R. HARDY, CHAIRMAN, VOCATIONAL REHABILITATION AND EMPLOYMENT TASK FORCE, DEPARTMENT OF VETERANS AFFAIRS

Ms. HARDY. Thank you, Mr. Chairman. It is a pleasure to be here and address you and the members of the subcommittee. I have a fairly lengthy report. We are not going to start from page one and go to the end. I am going to try and be brief and give you some highlights of the report entitled "The Vocational Rehabilitation and Employment Program for the 21st Century Veteran." It is extremely comprehensive and is a good blueprint for the future.

The Task Force was the idea of Under Secretary of Benefits Admiral Cooper, who in the fall of 2002 was concerned about the VR&E program. Secretary Principi concurred and the Task Force was chartered in May of 2003. The Secretary was very clear he wanted an unvarnished look at this program top to bottom and he

asked us very clearly whether it met the intent of the law: Were veterans with service-connected disabilities getting and keeping suitable jobs or achieving independent living goals? We do provide a comprehensive detailed blueprint for building a new employment-driven service delivery system that is responsive to the 21st Century needs of our service-connected disabled veterans, and especially those with the most urgent needs. Our report is detailed; we did attempt to leave nothing to chance.

The background of all of this is that the VR&E, as you stated in your opening comments, is the only business line within the Veterans Benefit Administration claims processing culture that deals eye to eye with the veteran. And that means there are different approaches and skills from this tiny little program versus a larger claims processing culture that it resides in. It is important to understand that for good delivery of services to a veteran, we need both of those skills, both of those kinds of cultures, but they are not always easy to put together in the same place. That is not to say that VR&E cannot be well-managed or measured but we are dealing with a different approach, a social services delivery system versus a check-the-box claims processing system. I think we need both skills; the challenge, to provide that seamless integrated service to the veteran.

VR&E has been criticized over many years. Many concerns about Chapter 31 employment goals have been raised, but I think this new system that we are proposing responds to those concerns.

We did find that the demands and expectations of VR&E are significant. However, they are often unclear and conflicting. As a result, the entire organizational structure and staff are under stress. On the other hand, the system does do many things right. And its downside, if you will, is needing to put the "E" back into VR&E and employment focus on employment.

The sense of urgency your colleague referred to is especially acute at this time because of the Guard and Reservists who may want to return directly to employment or to college.

I am going to go quickly through three charts here, and I expect that if I can speak loudly enough, you all can see them and hear me. They are also in your hearing materials. Today, we have a VR&E process that has averaged 1,000 up to 1,500 days to get through. You start over here, you apply, you get entitled, you go through the system, (over 75 percent of the veterans, go into a long-term training program). You hopefully become job ready and you hopefully get employment. There are about 100,000 people out here in some place within the system. And there are 10,000 who are those who are successfully "rehabed." Seventy-five hundred of them go into employment. And the rest into independent living. The process is long. It is sequential. It doesn't always provide that, which is our problem, employment focus. And you have got to get to here before you talk about employment.

The veterans who are in independent living are generally the most severely disabled and often have mental health issues. I believe independent living is a transitional stage, meaning someone may take longer to achieve rehabilitation but they still can have a hope for employment, maybe not enough to totally support them-

selves but to be able to be, as the Congresswoman stated, a productive member of society in some way.

What the Task Force said is we do not think the linear approach is the only way to achieve rehabilitation in the 21st Century. Veterans need informed choices. They also need to be able to have a track where they can go if they are returning Guard and Reserve to assist them to go back to their old employer or similar employment, or assist them to go back to college. Therefore we have suggested that two new program tracks be added.

The other pieces of this current program should also be improved. This five-track employment process is the core of this whole new service delivery system. Some veterans would have priority for services because their needs are greater. Those who have a 50 percent disability rating and those who have been medically boarded out of the military. There is no reason for one branch of government to say you cannot work here anymore and then go over to another branch of government that says, "Oh, well, I am not sure I agree with that. Let's start all over again."

Once they are medically boarded out, they are eligible and are entitled to walk right into VR&E as would be those with a 50 percent disability rating and those who have special compensation for loss of use or loss of limb. the severely disabled veteran should become a priority..

We also think the returning Guard and Reserve should be able to go directly into a re-employment track to quickly get back into work. They may need some assistive technology to work better in their regular environment, or counseling.

Access to rapid employment track is for those returning Guard and Reserve who have skills and need assistance in returning to employment?

Self-employment and employment in long-term services tracks are what we have now.

I will comment briefly on self-employment. Some say that that is not a job of these social service people who are the counselors in this program. On the other hand, we do not expect them to help write a business plan. We do expect them to have the knowledge to figure out how to integrate what is in that community that focuses on self-employment, the small business crowd, the CEOs in the community who are looking at business plans and are providing community service to those veterans.

We want to make it very clear when somebody walks in the door that this is an employment program. VR&E will help you with rehab and will help you with counseling. But this is an employment program.

So how do we get there? I think that is really one of the issues that you all want to figure out. The Task Force looked at program organization, work processes, and integrating capacity and made many recommendations. The service delivery system is based on the VR five-track system. It is just as important to build the capacities of Central Office, and we think that the Chapter 31 veterans will be better served because of that.

There are many recommendations listed in my formal testimony, but I am going to highlight a few of them. On the program side, I want to emphasize the more rapid entitlement process. There

needs to be two new employment oriented tracks, especially for the Guard and Reserve. There need to be additionally staff who are trained in employment readiness as well as marketing and placement. There is a difference between getting a veteran ready to go to work and creating jobs in the private markets where a veteran can be employed. Two different types of people are needed to accomplish the employment objective.

The Task Force focused a lot on trying to bring together one VA. The VHA needs to better integrate with VBA in order to help the more severely disabled veteran. We did visit the Tampa VA Medical Center and they have an excellent model there where veterans who are in the SCI Center are receiving vocational rehab services with the goal to move into an employment situation.

The Task Force recommended a lot more integration with state VA directors and state VR directors. There was no reason for this small program to operate in a vacuum and they need to be able to leverage their community resources and the business community to generate employment opportunities for the veteran.

Organizational recommendations extend from the IT side to Central Office capacities, new contracting and purchasing procedures.

Our work process recommendations also went into functional capacity evaluation, using that new technology for selected individuals, measuring their function and therefore their ability to participate in a particular job. A lot of private industry use functional capacity assessment; the Government should be doing that as well.

We also recommend that VR&E take the lead role in the Disabled Transition Assistance Program, the DTAP program.

The Task Force has asked VR&E work with general counsel to publish updated regulations and manuals within the next 6 to 9 months.

In closing, I would just like to say that the restructuring of the VR&E program should be an urgent focus by the Veterans Benefit Administration and by VR&E. They have already begun to respond to that urgency, implementing many of these recommendations as we were finishing writing the report. VR&E agrees that there can be significant improvements.

Our country is at war. Service to our injured servicemembers must become priorities. We think this sense of urgency is particularly critical given the 350,000 mobilized or deployed Guard and Reserve personnel. As one of our Task Force members stated, after every war, programs need to adjust to the needs of the new veteran and the new environment. And for us that means providing the employment-driven services that are needed today. We also need to understand that there is a demand for service and knowledge-based skills as well as demand for some labor-intensive skills. So we must put that knowledge together and determine how do you guide the veteran to the best job possible.

The Task Force report also states that VR&E has been in many cases in a vacuum in their communities, that they need to reach out, use the benefits that have come from ADA and reclaim, that it is not a question of disabilities, it is a question of abilities. I think it can be done. I believe the veteran will be better served because of this. I am most appreciative that Secretary Principi and

Admiral Cooper asked me to chair this Task Force. We are going to get a lot of good jobs for these guys.

Thank you very much.

[The prepared statement of Ms. Hardy appears on p. 13.]

Mr. BROWN. Thank you, Ms. Hardy. As I looked at this chart that you just explained, "The Task Force proposed a five-track employment process is not something that is old and has been refashioned." It looks like you proposed a front-loading of the employment process by putting in two new options: re-employment and rapid access employment, along with some additional emphasis on self-employment, is that correct?

Ms. HARDY. That is correct. And one of the other highlights is informed choice. We don't want to be paternalistic. We don't want to say to somebody: "you did "X" in the military, therefore you should only do "Y." It is a question of these are your choices. These are your options. You are a young gentleman, a young lady or an older gentleman, older lady, and you can make choices for yourself. And here are the options. And we will provide the counseling and the assistance as you need it to obtain employment. We want you to get a job.

Mr. BROWN. Thank you very much. Mr. Michaud, did you have a question?

Mr. MICHAUD. Thank you very much for your testimony. I will look forward to further reviewing the report in further detail. And, as you stated, it is very important that veterans do get into these programs. What are you doing as far as making veterans aware of this particular program and how do you deal with a state like the State of Maine, for instance, where it is a very rural state and if these services are provided at Togus, which is in the southern part of the state, particularly for a disabled veteran, when you look at the area, as I mentioned earlier, there are a lot of labor market areas in the State of Maine with double-digit unemployment numbers. And when you look at the Guard in Maine, Maine is one of the states that has the highest percentage of Guards over in Iraq and Afghanistan that has been hit pretty hard.

So how do you deal with a situation where the economy is lousy? It is a rural state. And how to make these programs easily accessible for a rural state like Maine?

Ms. HARDY. Well, I do believe we cannot fix everything overnight. But one of the comments that was made to me by staff yesterday was similar to that. And when we look at employment specialists and marketing to employers, if I were in Maine, I would ask that my employment specialist and my employment marketing folks, would probably be located in the Portland and the Augusta area and larger places where you are going to have a few more jobs, despite downturn in the State's economy.

But that doesn't mean that there aren't jobs. Maybe it is a question of trying to figure out where that veteran belongs, how do we make sure they are trained for that job. And then we figure out how to get them there. Veteran or non-veteran, it is the same for everybody in terms of getting to the place or having the employer get you to the place that you need to be to work.

So my initial thought on Maine was to make sure the employment people are in Portland or in the larger cities in the areas

where veterans can access services more easily rather than going to see a counselor in Togus.

But I think it speaks to all of the issues of employment throughout the country. There also should be somebody in Boston who is serving the southern part of your state, because you are all together up there. And New Hampshire is going to ask me the same questions, and so is Vermont, and how do we look at things differently than just we have to have 22 people in one office in this place. And so I think it is a new paradigm for many of these veterans.

Mr. MICHAUD. I appreciate your comment, but actually, it concerns me when you say Augusta or Portland, particularly when you look at Maine. It is a four-and-a-half-hour drive to Augusta. And if you have got a disabled veteran, it is very, very difficult. Have you looked at probably having these reps be mobile and actually go to different regions of a rural state to—

Ms. HARDY. Yes.

Mr. MICHAUD.—offer the services versus having all the burden placed on the veteran? If the veterans came back and they are disabled, they are going through a lot of trauma and family situations on their own, and to say you have got to go to Portland or you have got to go to Augusta, in the State of Maine, it is very difficult. And I think we ought to make sure that these services are made available to a lot of the veteran communities.

I haven't done an analysis to find out where all the veterans are in the State of Maine. Sixteen percent of Maine's population are veterans. And it is very high. And a lot of those are in the rural areas. So hopefully, I think it is important to make sure that they do get out there, be more mobile and make it as easy as possible for the veterans.

Ms. HARDY. I think Judy Caden, the new director of Vocational Rehabilitation and Employment, is very aware of that, and I am confident that will be addressed in their implementation plan. It should be different in different parts of the country.

Mr. MICHAUD. Thank you very much. And I couldn't agree more with that statement. Every state is different, even within a state it is different. And I think we have got to make sure that we have the flexibility to address the needs of the veteran. So thank you very much.

Mr. BROWN. And with that, with the flexibility of this committee, we have been joined by Mr. Miller from Florida, and we have California and Maine and South Carolina represented here today. So we have got a pretty good cross-section of the United States.

Mr. Miller, do you have a question?

Mr. MILLER. I thank you, Mr. Chairman, and I appreciate Chairman Hardy being here to testify. I apologize for being late, I was in another subcommittee meeting.

In reviewing the documents, it would appear that some of the recommendations are going to require some legislation. And I apologize if you have discussed this before I came into the room, but could you provide us some specific examples of what type of legislative fixes the recommendation would be looking for?

Ms. HARDY. We think that the need for legislative fixes, if you will, is minimal, but there are a few. One would be prioritization

of services. The statute would need to be changed to say that veterans are automatically eligible and entitled to VR&E services if they have more than a 50 percent disability rating; if they have a special monthly compensation of loss of use or loss of limb; and if they have been medically boarded out from the military. So those are definitional issues that I put on the technical side.

And then there are also limiting periods for use of Chapter 36 benefits, even before you have been accepted into the program. Chapter 36 has a time limit on it that is not in sync with the Transition Assistance Program and the Disabled Transition Assistance Programs from the military. So they need to be put together. It would mean that you would have a longer time to take advantage of Chapter 36. Those are the two that we have identified.

Mr. MILLER. Also, I just want to add a comment that I appreciate the leadership of both Secretary Principi and Under Secretary Cooper and what they have been doing as far as converting the vocational rehabilitation from just classroom training to more of a jobs-type program, and not just any job but long-term sustained employment. And I appreciate their leadership and yours as well.

Mr. BROWN. Ms. Davis, do you have a question?

Mrs. DAVIS. Thank you, Mr. Chairman, and thank you very much, Chairman Hardy, for being here. You mentioned that you obviously weren't looking for a one-size-fits-all solution, and in fact that has been one of the problems that we have had. But of all the recommendations that you have noted, and it is fairly exhaustive, I think, and comprehensive, is it possible to single out one or two that are just absolutely key and that things would not flow unless we do that? And I guess my follow-up to that would be, number one, do we have the resources to do that? And what would be the key obstacles in making that happen? Is it partly cultural? Is it resources? Is it the lack of partnerships in the community? What do you think is going to be the real problem?

Ms. HARDY. How about all of the above? As I said to the Admiral, you have to do all of this at once. It is not sequential.

I think the most important, would be the Five Track Employment Process. It will mean doing things differently in offices and also giving the offices, as many of them have now, some standards of performance, and also letting them understand the need for consistency. In your district, you have a large population, something like 14 percent of the workload. In St. Petersburg, FL, it is the same thing. So there are about five or six offices in this country that have the vast amount of workload.

Perhaps a kind of a tiered approach in terms of performance measures should be considered based upon the population served.

I think communication with persons in vocational rehabilitation outside of VA is extremely important. The veteran service organizations have been very supportive of this program as it has gone along. They are talking to their members. And they need to understand the "E" is employment, "E" is not education. And I think those are the two, I could go on and talk about more.

Mrs. DAVIS. Is this going to require some, it is not necessarily money but it is time, it is time away from the tasks that people are doing in order to regroup, in order to re-train themselves?

Sometimes we want to re-train our veterans but we forget to re-train that staff who is working with them.

Ms. HARDY. Well, Ms. Caden has already set a May training session for a week for all the senior managers throughout the country. She has already stepped out on that to get them trained on the IT issues and a lot of the external and, internal communication issues.

And I did chat with some of the Veterans Administration state directors of Veterans Affairs this week and asked each one of them to take their state vocational rehab director to coffee. We have got to get this group together. We cannot get this job done unless everybody is working together.

So I appreciate your concern, but I think there is a lot of enthusiasm. This is a good staff. It is not a lazy staff. They are trying hard, and they just have to focus on what is important.

Mrs. DAVIS. Thank you. Thank you very much. Thank you, Mr. Chairman.

Mr. BROWN. Thank you, Ms. Davis.

Mrs. DAVIS. And I am sorry, Mr. Chairman, but I am going to have to go to another committee meeting.

Mr. BROWN. I understand. Thank you for being with us today.

Ms. Hardy, I see this report as a modern day version of the report of the Omar Bradley Commission, because of its wisdom and foresight in proposing to put the "E"—for employment—back into the VA's VR&E program, and I certainly applaud you for your efforts in this. Further, I would like to ask your appendix to the report, titled, "More Challenges Await, A Final Word from the Task Force Chairman" is very instructive to me regarding some of the policy issues that Congress may have to address in the future. And with your permission, I would like to enter your words into the Congressional Record.

Ms. HARDY. Thank you, Mr. Chairman. You certainly have my permission.

Mr. BROWN. Thank you very much.

[The information appears in the Congressional Record.]

(Submitted by Rep. Brown (SC) on July 22, 2004.)

Mr. BROWN. And thank you for being with us today. This concludes our meeting.

[Whereupon, at 10:45 a.m., the subcommittee was adjourned.]

APPENDIX

STATEMENT OF

DORCAS R. HARDY

CHAIRMAN, VR&E TASK FORCE

DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

HOUSE VETERANS' AFFAIRS COMMITTEE

SUBCOMMITTEE ON BENEFITS

APRIL 1, 2004

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The Task Force report is online at: http://www.va.gov/opp/vre_report.htm

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me to comment on the findings and recommendations of the 2004 Vocational Rehabilitation and Employment Task Force. The report, "The Vocational Rehabilitation and Employment Program for the 21st Century Veteran," was published this week and has been presented to the Secretary.

It is critical at this time in our history—when our Nation is at war—that the VR&E Service and its partners provide our injured service members with a seamless transition from the military to a successful rehabilitation and on to suitable employment or, if necessary, independent living.

This report is a blueprint for the Vocational Rehabilitation and Employment Service to rebuild its program into a new, comprehensive, employment-driven service delivery system responsive to the 21st century needs of service-connected disabled veterans. Our proposed new system is aligned with modern vocational rehabilitation practices that focus on veterans' abilities, not their disabilities. With appropriate leadership and resources, this program can become the model of public sector rehabilitation and employment.

In the fall of 2002, Admiral Cooper, Under Secretary for Benefits, issued a detailed guidance to VA Regional Office directors that focused on making the VR&E Program more proactive in serving program participants. His growing concern led him to ask Secretary Principi to establish a Task Force to make an independent assessment of the program. Secretary Principi chartered the Task Force in May 2003 and the initial fact-finding meeting was held that same month.

The Secretary directed the Task Force to give the VR&E program "an unvarnished, top-to-bottom independent examination, evaluation, and analysis." He challenged us to make recommendations to ensure that this program meets the intent of the law and the needs of service-connected disabled veterans with employment handicaps. I believe that this report thoroughly addresses those concerns.

Today, I would like to review for you:

- How the Task Force worked
- Some findings on the program and the veterans being served
- A blueprint for change, and
- Why VR&E must change now

How the Task Force Worked

The 12 members the VR&E Task Force represented a diverse group of public and private sector experts from the disability community, veterans service organizations, and the fields of rehabilitation, employment services, and public administration.

The Task Force conducted its work through fact-finding sessions, site visits, informal focus groups, analysis of program data, and reviews of previous reports. The Task Force also benefited from conversations with representatives from the General Accounting Office and the Veterans Health Administration and officials of other federal agencies, as well as private sector vocational rehabilitation experts, Chapter 31 veterans, and field staff who made valuable comments.

Because of the complexity of the program and the realization that it would be necessary to recommend a complete redesign of every part of the program, the report is very comprehensive and nothing is left to chance.

Task Force Findings

While the report highlights things that we found wrong with the VR&E program, we found many things that are right. From our perspective, the VR&E officers and staff in the field have done a superb job of weathering what has been a long period of inattention by Central Office. We were particularly impressed with the dedication and desire of the VR&E staff and contract professionals to serve veterans.

As this subcommittee knows, Congress started a rehabilitation program for war-injured veterans of World War I, and from that time until 1980, successful rehabilitation was defined as the completion of training for suitable employment, not actual employment. Public Law 96-466 in 1980 changed everything. Since that time, successful rehabilitation has been defined as obtaining and maintaining suitable employment or achieving independent living. Since 1980, VA's vocational rehabilitation program has had little success in achieving the purpose of the law, despite being renamed, reorganized, and realigned several times.

Over the past two decades, the program has also been reviewed, assessed, and audited at least 24 times in separate external and internal reports, often by GAO, but also by the Congressional Commission on Service Members and Veterans Transition Assistance in 1999. Annually the VSO Independent Budget reports have also commented on the program.

Recurring themes appear throughout these reports, touching both the Central Office as well as the delivery of vocational rehabilitation and employment services in the field. The Central Office was criticized for failure to provide leadership, guidance, and program direction, often resulting in poor decision-making, outdated policies and procedure manuals, and lack of adequate program data.

The vocational rehabilitation and employment process has been repeatedly criticized for putting the emphasis on training, not employment services and employment results. The program was called too process-driven, resulting in a high attrition rate and a low success rate. In this process, veterans were declared rehabilitated without providing sufficient follow-up activities to make sure that the goal of long-term suitable employment was achieved. And, VR&E did not prioritize serving veterans with severe service-connected disabilities.

In addition, previous reports raised concerns about the failure to coordinate and be supportive within VA, with the Department of Labor, and with other federal and state agencies. The most significant and persistent criticism was that VR&E has still not fully implemented the types of changes necessary to comply with the 1980 law.

We can see the inability to achieve the employment goal in other ways:

- VBA has surveyed VR&E program participants since 1999. Participating veterans gave good marks to all the phases of the program except the job ready phase.
- Figures from the Bureau of Labor Statistics indicate that disabled veterans are on the low rung of the employment ladder.

A look at VR&E today can help explain why the employment goal has eluded the organization, despite notable efforts in recent years to refocus the program.

VR&E's vocational rehabilitation work process has remained relatively unchanged for many years. The process:

- Is composed of sequential steps that each veteran must go through to receive services—one size fits all.
- Takes a long time for the veteran to be ready for employment, creating more opportunities for life's problems to interrupt rehabilitation.
- Does not give priority to those veterans with serious disabilities.
- Places employment primarily at the end of the long, multi-step process rather than as an upfront consideration.
- Puts the focus on education, not employment, thus offering little in the way of informed choice for the veteran who may want to be employed right away, return to a previous employer, or pursue self-employment.

The Task Force was especially concerned with the growing workload, some of which has been consistently underreported over the years:

- The number of veterans applying for Chapter 31 benefits increased by 73 percent from FY 1992 to FY 2003.
- The number of veterans in various active phases of the Chapter 31 program at the end of FY 2003 increased by 67 percent in the same period (to 97,158 at the end of FY 2003).
- Annually more than 70 percent of the rehabilitation plans call for training or education.
- The number of veterans rehabilitated by obtaining a job or achieving independent living has averaged only about 10,000 a year since 1998. The number of veterans who gained employment gradually went down while the number of veterans maintaining Independent Living goals went up from FY 1998 to the end of FY 2003.

At present, the number of unique veterans being served in some capacity during a fiscal year is not fully reported. For example, the number of veterans who were in various active phases of the Chapter 31 programs (97,158 at the end of FY 2003) does not include veterans:

- In discontinued status,
- Receiving Chapter 36 counseling,
- Referred by VHA or other organizations for counseling,
- Evaluated 60 days after achieving their vocational rehabilitation goal,
- In receipt of counseling that does not result in Chapter 31 program participation, or
- Who received evaluations but were not found entitled.

The Task Force found VR&E and its whole organizational structure and staff under stress. Comments from VR&E staff reflect a concern that the demands and expectations being placed on VR&E are exceeding the organization's capabilities to effectively deliver an array of comprehensive services.

Further, the administration of the program is not consistent across VA Regional Offices as evidenced by the lack of standards of practice, evidence-based guidelines, and protocols. In addition, the VBA lacks cost accounting data on resources expended to rehabilitate individual veterans.

Lack of consistency is especially evident in the Independent Living program. Currently within VR&E there is a lack of sufficient direction and staff training, specialized personnel, and integration with the VHA and the larger community-based IL movement to comprehensively serve a disabled veteran. Individual VR&E offices have implemented their own approaches to IL services and have emphasized mostly quality of life issues and personal goals (which are important), but with little attention to potential employment opportunities. The IL philosophy that has developed over the last 40 years includes empowerment, productivity, community inclusion, equal access, and employment.

For the VR&E program as a whole, employment is the primary stated objective for any veteran who enters the program. However, VR&E does not capture data on a veteran's participation, or if a veteran gets a job prior to completing his or her vocational rehabilitation plan, or why a veteran elects to discontinue the program. VR&E data indicate that about 20 to 25 percent of the new applicants have been in the program before.

The Task Force observed that over the years, VBA's processing of claims has significantly improved—and rightly so. However, it appears that over an extended period of time, the emphasis on one of VA's historic missions—counseling and rehabilitation—has significantly diminished.

The Task Force concluded that the current VR&E System does not work as it was envisioned by Congress. It is our opinion that the system must and can be rebuilt, not just tinkered with.

Task Force Recommendations
For the VR&E program to be effective in the 21st Century, the Task Force recommends that VBA implement a new, five-track employment-driven service delivery system and a broad-based strategy to communicate to veterans and partners that the purpose of the program is employment.

The Five-Track Employment Process is the cornerstone of our recommendations. The new process includes five specialized program and service delivery options—all upfront in the process and based on informed choice for disabled veterans. The choices include:

- Reemployment of veterans with their previous employers
- Access to rapid employment services with new employers
- Self-employment for veterans
- Long term (traditional) vocational rehabilitation services including education
- Independent Living services with the possibility of employment when appropriate.

The Task Force recommends the use of triage techniques to provide for rapid assessment of a veteran's immediate and long-term needs and placement into an initial track—with the agreement of the individual veteran. But the process provides options for moving to other tracks as needed to reach the employment goal. This contrasts with the current process that includes lengthy, linear steps most often beginning with education, but less often leading to suitable employment.

However, rebuilding the employment process alone is not enough.

The overall service delivery system, of which this five-track process is the key part, must be redefined and shored up—program management, fiscal and human resource allocations, quality assurance, procurement, and much more. It is just as important to increase Central Office capacities as to implement a new employment-driven process for the field. The Task Force believes that VR&E can be successful in rehabilitating the veterans who come to its door. Implementation of Task Force recommendations will better enable VA to care "for him who shall have borne the battle."

The report includes more than 100 recommendations in four broad categories—Program, Organization, Work Process, and Integrating Capacities.

- Program recommendations address eligibility and entitlement, employment services and staffing, policy development, Independent Living services and staffing, and partnerships, including federal, state, and local.
- Organization includes recommendations on organizational, program and fiscal accountability; CO organization and facilities; and CO staffing and workforce management.
- Work Process highlights recommendations on workload management, contract services, case management and specialization, priority service at VHA, functional capacity evaluation (FCE), and Disability Transition Assistance Program (DTAP).
- Integrating Capacities recommendations address regulations and manuals, performance measures, quality review process, information and systems technology, training, resource management, and program analysis and evaluation.

The report provides commentary or appendices that explain in considerable detail what steps to take and in what sequence.

Here are some of the other Task Force recommendations by category.

Program

- Develop new policies and procedures to implement the new, five-track employment-driven service delivery system with priority given to Guard and Reservists in the tracks for reemployment and rapid access to jobs.
- Expand Chapter 36 to fully use its capabilities. This will speed up counseling services to veterans even before entitlement to Chapter 31 has been established. (About 88 percent of those found eligible are found entitled in the current process.)
- Remove the limiting periods for use of Chapter 36 counseling benefits, which we understand may require a legislative change.
- Accelerate the delivery of Chapter 31 rehabilitation services to those veterans in most critical need. This means, for example, considering making the following veterans automatically eligible or entitled: individuals medically discharged by DoD, veterans with a combined service-connected disability rating of 50 percent or more, and veterans who have loss of limb or loss of use of limb.
- Create new staff positions and add staff for an Employment Readiness Specialist and a Marketing and Placement Specialist to facilitate implementation of the five-track employment-driven service delivery system.
- Establish a VR&E Service CO staff position dedicated to lead and manage the Independent Living program.
- Create Independent Living Specialists positions with personnel experienced in social work, counseling psychology, and disability.
- Provide consistent and uniform training for IL specialists; provide consistent training.
- Initially, focus VHA/VR&E integration on Centers of Excellence for spinal cord injury, traumatic brain injury, blind rehabilitation, and stroke. Establish protocols

for a VHA/VR&E team approach (One VA) under the leadership of the IL specialist.

- Initiate a study of the population of veterans currently in the VR&E IL Program and those receiving IL services; use this data and other research to develop estimates of the future demand for IL services and the types of services that might be needed to support veterans.

Organization Recommendations

- Enhance the functionality of CWINRS on a priority basis to address requirements for internal control and financial management. This means more effective management of contractor services and products by veteran, counselor and type of goods or services; establishing cumulative expenditure thresholds for purchase of goods and services and establishing a second level of pre-approval tied to these thresholds.
- Increase the current direct staffing level of the VR&E Central Office staff to more appropriately reflect the level of resources needed to execute the mission of the VR&E Service and support new and required capacities.
- Provide dedicated staff to plan and implement VA's responsibilities in DTAP and execute a consistent, national DTAP program at all Department of Defense installations and Military Treatment Facilities.

Work Process Recommendations

- Design and implement pilot functional capacity evaluation projects as a first step toward implementation as needed throughout the program.
- Set goals and measures of success to improve the administration of VA's responsibilities in TAP and DTAP.

Integrating Capacity Recommendations

- Work with General Counsel to publish updated Chapter 31 regulations consistent with the new Five-Track Employment Process and the integrated service delivery system within 9 months of the date of the VR&E Task Force Report.
- Initiate a study of other federal, state, and private sector vocational rehabilitation service organizations to benchmark process outcomes, performance measures, and quality assurance processes.
- Remove the VBA policy constraints impacting VR&E productivity and service delivery to install T-1 lines for all VR&E out-based locations.
- Hire a systems integration contractor to provide sustaining support to the VR&E Service for process and requirements analysis, technology assessments and recommendations, assistive technology consultation, and project management.
- Develop and conduct formal initial training courses and a recurring training program using community as well as private sector and university-based experts and advocates in the field of disability, rehabilitation, and employment of persons with disabilities.

It is extremely important that VR&E integrate services and strategies across agency lines. VR&E needs partners if it is to rebuild and meet the needs of current and future veterans with service-connected disabilities.

VR&E needs to renew alliances at all levels and make new strategic alliances with new partners at the local, state, and national levels. The Task Force suggests that the level of cooperation between VR&E and others that assist veterans should be dramatically improved, particularly with the Department of Labor's Veterans' Employment and Training programs.

The partnerships with the Departments of Labor and Defense must be strengthened and implemented if VR&E is to succeed. Working together will better benefit our service-connected disabled veterans. During the site visit to San Diego, the Task Force observed a successful partnership between VETS representatives and VR&E staff that was reinforced by a written agreement. Likewise, the State Directors of Veterans Affairs must continue to be key strategic partners with VR&E at state and local levels.

Well-developed networks are in place for many groups, both public and private sector, and they should be used to improve outreach efforts to inform veterans about VR&E services as well as to generate potential employment opportunities. For example, the Task Force recommends that VR&E leverage the capabilities of State Vocational Rehabilitation agencies. The Task Force urged a Memorandum of Agreement with the Council of State Administrators of Vocational Rehabilitation and this MOU will become a reality when Admiral Cooper and VR&E Service Director Judy Caden sign the document on April 26.

It is important that all agencies at all levels of government—federal, state, local, and tribal—work together to ensure that our veterans, especially our disabled veterans, are properly served. VR&E must apply state-of-the-art practices and make job placement and retention the measure of success. To do this, agencies must use strategic partnerships and alliances, not only with each other but with the private sector, which will be a willing partner.

Why VR&E Must Change Now

The Task Force Report offers six principal reasons why VA must transform VR&E now, not later.

- The U.S. is at war. Service to our injured service members must become cardinal priorities.
- This sense of urgency has never been more acute than now. The VR&E Service is facing a new challenge: Many Guard and Reserve personnel who have been mobilized will want to return directly to employment or to college.
- Significant numbers of veterans—in war and peacetime—will continue to experience illnesses or impairments that impact their lives forever. However,

advances in medical rehabilitation, biomedical technology, rehabilitation engineering, and assistive technology will enable many who were not previously employable to get a job and to work for longer periods of time after military service than in previous generations.

- After every war, programs must adjust to the needs of the new veteran and a new environment. This means providing the type and timeliness of employment-driven services needed today and in the future because the demand for service and knowledge-based skills is greater than the demand for physical labor.

- The VR&E Program is also out of sync with 21st Century attitudes towards persons with disabilities. This Nation has witnessed a seismic shift in societal attitudes toward persons with disabilities, especially since the passage of the Americans with Disabilities Act (ADA) in 1990, the world's first comprehensive civil rights legislation for people with disabilities. Views have shifted from *disabilities* to the *abilities* of persons, along with a rapid return-to-work strategy.

- Finally, strong indicators point to the fact that the current VR&E program, organization, and traditional vocational rehabilitation process are stressed.

It is my fervent hope that no more reports or discussions about the Vocational Rehabilitation and Employment Program are needed, just immediate and concrete actions that are supported by the Administration, the Department, and the Congress. Veterans deserve service that is timely, effective, and efficient. It is good public policy and it is the right thing to do.

For the service-connected veterans of this century, and for those who served before, VA must shore up the Vocational Rehabilitation and Employment Program. Why not build on its strengths, learn from its shortcomings, and make it the best public sector vocational rehabilitation program.

To serve those who serve us, we all must make the commitment and bear the price because *what they give up* is greater and *what they give us* is priceless.

It has been my honor to serve as the VR&E Task Force Chairman and I appreciate the opportunity to appear before this Subcommittee.

Thank you.

Supplemental Information
to the
Statement
of
Dorcas R. Hardy
Chairman, VR&E Task Force
Department of Veterans Affairs
Before the
House Veterans' Affairs Committee
Subcommittee on Benefits
April 1, 2004

2004 VR&E Task Force Report: The Vocational Rehabilitation and Employment Program for the 21st Century Veteran

Executive Summary

INTRODUCTION

In years past, the Vocational Rehabilitation and Employment Program was proudly called the Department of Veterans Affairs "crown jewel." Today, the Task Force believes that the jewel—and the pride—can be restored to an even greater brilliance. It will take effort, but the Department of Veterans Affairs must build a new, comprehensive, employment-driven service delivery system responsive to 21st Century needs of service-connected disabled veterans.

"It will take effort, but the Department of Veterans Affairs must build a new, comprehensive, employment-driven service delivery system responsive to 21st Century needs of service-connected disabled veterans."

No VA mission is more important at this time in our history—especially now when the United States is at war—than enabling our injured soldiers, sailors, and airmen and other veterans with disabilities to have a seamless transition from military service to a successful rehabilitation and on to suitable employment after service to our Nation. For some severely-disabled veterans, this success will be measured by their ability to live independently, achieve the highest quality of life possible, and realize the hope for employment given advances in medical science and technology.

Today, the Veterans Benefits Administration's Vocational Rehabilitation and Employment (VR&E) Service is vested with delivering timely and effective vocational rehabilitation services to veterans with service-connected disabilities. Unfortunately, the VR&E Program remains the subject of criticism after many previous studies and reports have recommended changes. The most persistent criticisms from the Congress, the General Accounting Office, and others over the last 10 years and more have been that the VR&E Service has not implemented the types of changes necessary to comply with the intent of Title 38, U.S.C. Chapter 31 to enable veterans to obtain and maintain suitable employment.

"...the Task Force heard testimonials from veterans that if not for the efforts of a VR&E counselor, they would not have succeeded in turning their lives around and achieving their career goals."

This report by the VA Task Force on Vocational Rehabilitation and Employment responds to the Secretary's charge in May 2003 to give the program an *"...unvarnished, top-to-bottom independent examination, evaluation and analysis."* The report provides recommendations that address the fundamental issues that have prevented reform of the VR&E Service. It is essential that these recommendations be implemented in a timely manner—and in their entirety—so that veterans can receive the services needed to work and live productively in the 21st Century.

The Task Force wants to state at the outset that it has been impressed with the dedication and desire of the VR&E Service staff and contract professionals to do a good job for veterans. While this report highlights those things that are wrong with the VR&E Program, there are many things that are done right. During visits to VA Regional Offices, the Task Force heard testimonials from veterans that if not for the efforts of a VR&E counselor, they would not have succeeded in turning their lives around and achieving their career goals. From our perspective, the VR&E officers in the field and their staffs have done a superb job of weathering what has been a long period in which there has been limited leadership, strategic vision, and commitment from Central Office (CO) to improve the program. We also commend the Under Secretary for Benefits for taking the initiative to ask the Secretary to solicit this outside, independent assessment and to aggressively work to seek the advice of the Task Force to improve the leadership and management of the program even while the Task Force was completing its report.

"...the VR&E Service has become an island within a VBA processing and production culture where the emphasis on one of VA's historic missions – counseling and rehabilitation – has significantly diminished."

KEY FINDINGS

The Task Force found the VR&E Service – its program, organization and people, current work processes, and internal capacities for management and integration – under stress. Comments from VR&E staff reflect their concerns that the demands and expectations being placed on the VR&E Service are exceeding the organization's current capabilities to effectively deliver an array of comprehensive services.

Feeding the Dragon: *"Counselors, who have little or no clerical support, often carry a caseload of more than 200 clients. In a workday I can see two veterans and the rest of the time is spent feeding the documentation and accountability dragon." – Comment from the field.*

The VR&E Service Has Not Been a VBA Priority

Over the past decade, the Veterans Benefits Administration (VBA) has reduced its focus on the ultimate VA mission of returning veterans with service-connected disabilities to the workforce and the preeminent role of vocational rehabilitation in achieving that goal. Since the "war to end all wars," men and women have made career and personal sacrifices to serve our Nation. As General Omar Bradley stated 45 years ago, "... *In the modern concept of rehabilitation, disability compensation has an important, but secondary role.*" While VA's focus on claims processing has been appropriate to address timeliness and backlog issues, the processing of claims has become the dominant end goal of VBA, rather than being one of the means to accomplish the Department's strategic goal of successful transition and rehabilitation of veterans with disabilities.

The VR&E Service is the only business line within VBA that delivers a personalized service. In many instances, face-to-face contact with the veteran is required over several years to facilitate achievement of successful transition and employment. As a result, the VR&E Service has become an island within a VBA

processing and production culture where the emphasis on one of VA's historic missions—counseling and rehabilitation—has significantly diminished.

In this environment, the administration and oversight of the VR&E Program have not been a VBA leadership, management, and resource priority. While VBA's other lines of business benefited from investments in technology, organizational capacities, process improvements, and human capital, the VR&E program stagnated. As a result, major deficiencies have been created over time in the core capacities that are essential to have an effective and efficient VR&E organization—CO leadership and accountability; the ability to effectively plan and manage field operations, the workforce, and projects; technology planning and use; and the full range of data collection, analysis, and evaluation activities. These deficiencies have led to inconsistent administration of regulations and policies, lax standards of practice and protocols, ineffective oversight of contract services, concerns about data and fiscal integrity, training that is not comprehensive, limited use of technology solutions, and a weakened CO staff tasked to perform program management and oversight functions.

The VR&E Service Has Limited Capacities to Manage the Growing Workload
The VR&E Service is neither data centric nor an integrated organization in its planning and management. This may be the result of a philosophy that exists within the organization that the VR&E Service is not a process. On the contrary, it is a process that can be measured, standardized, and managed. However, the VR&E Service does not presently have the data and management information to effectively analyze those factors that drive the demand for services and the population of veterans applying for these services. Further, the VR&E Service does not have the productivity and performance measurement systems to:

- know and understand the labor hours required to provide services,
- manage the case workload and available VBA personnel and contract resources,
- distinguish among veterans receiving short vs. long-term services,
- design and implement interventions to reduce the number of veterans who drop out of the program or have to interrupt their rehabilitation plans,
- oversee a national contract services strategy and employment process, or
- provide for long-term evaluation of program outcomes.

These limited VR&E Service capacities exist at a time that is reminiscent of the period in the early 1990s when the Compensation and Pension (C&P) Service's management capacities declined and its workload reached a crisis stage that was compounded by timeliness and backlog issues. In terms of the VR&E workload, the following facts are a major concern:

- The number of veterans applying for Chapter 31 benefits increased by 73 percent from 37,829 in FY 1992 to 65,298 in FY 2003.
- The number of veterans in various active phases of the Chapter 31 program was 58,155 at the end of FY 1992 compared to 97,158 at the end of FY 2003, a 67 percent increase.

- Annually, about 20 to 25 percent of new applicants are veterans who previously had to drop out of the program and then reapplied.
- In FY 2003, about 12 percent of the veterans in the program had to interrupt their rehabilitation plans primarily due to health problems, family and financial issues, and problems arising from their disabilities.

"Annually, about 20 to 25 percent of new applicants are veterans who previously had to drop out of the program and then reapplied."

The VR&E Service and VBA Office of Field Operations do not currently analyze the underlying dynamics and complexities that drive the VR&E workload composition and trends. The potential for these workload trends to continue, or even increase, into a crisis situation should not be discounted. The Task Force also believes there is great uncertainty about the total number of veterans being provided services.

Workload Is Undercounted

At present, the number of unique veterans being served in some capacity during a fiscal year is *not* reported. The number of veterans who are in various active phases of the Chapter 31 program (97,158 at the end of FY 2003) does *not* include veterans:

- in discontinued status,
- receiving Chapter 36 counseling,
- referred by VHA or other organizations for counseling,
- evaluated 60 days after achieving their vocational rehabilitation goal, or
- in receipt of counseling that does not result in Chapter 31 program participation.

Further, the VR&E reported workload does not account for evaluations conducted on veterans who were found not entitled to Chapter 31 services.

VR&E data suggest that as many as one-third of the participants in the VR&E program at any one time do not progress directly through the program without interruption for one reason or another. In FY 2002, the average number of days to rehabilitation (application to job ready status) for a veteran who went straight through the program without any interruption in his or her plan of rehabilitation was 1,095 days. For a veteran who was discontinued from the program, the average number of days a veteran was in rehabilitation before he or she was discontinued was 1,625 days. These factors suggest that there may be an inherent ceiling on the success rate for getting through the current serial vocational rehabilitation process unless the VR&E Service implements interventions that will ensure veterans do not have to discontinue or interrupt their rehabilitation. The rehabilitation statistics are of concern. Despite the tens of thousands of VR&E program participants in a given year, the number

"Despite the tens of thousands of VR&E program participants in a given year, the number of veterans rehabilitated by obtaining a job or achieving independent living goals averages only about 10,000 a year for several years."

of veterans rehabilitated by obtaining a job or achieving independent living goals averages only about 10,000 a year for several years.

VR&E System Must Be Redesigned for the 21st Century Employment Environment

In order for VA to fulfill its mission *"to care for him who shall have borne the battle, and for his widow and his orphan,"* the delivery of vocational employment services for disabled veterans must be changed—and in fact, it must become a totally new program. Previous reforms of the VR&E Program have not been successful. This is due in large measure to the fact that the VR&E Service has been modifying a multi-step, serial process system that is wedded to an outdated, traditional view of vocational rehabilitation that emphasizes veteran training.

In the view of the Task Force there are six principal reasons why VA should transform the VR&E Service now, not later. These reasons are presented in more detail in Chapter 7.

- The U.S. is at war. The treatment of our injured service members and their seamless transition and rehabilitation to achieve their quality of life and employment goals must become cardinal priorities. Vocational rehabilitation and employment must become the organization's paradigm for focusing VA's attention and resources on the challenge.

- This sense of urgency has never been more acute than now. The VR&E Service is facing a new challenge: the thousands of Guard and Reserve personnel who have been mobilized from their civilian jobs and who will return directly to employment or to college.

"The sense of urgency has never been more acute than now. The VR&E Service is facing a new challenge for which it is ill prepared to meet."

- Significant numbers of veterans—in war and during peacetime—will continue to experience illnesses or impairments that impact their lives forever. The advances in medical rehabilitation, biomedical technology, rehabilitation engineering, and assistive technology will enable many disabled veterans who were not previously employable to now be employed and for veterans to be employed for longer periods of time after military service than in previous generations.

- After every war, programs must adjust to the needs of the veteran and the environment. The structure of the VR&E Program and its process are now out of sync with providing the type and timeliness of employment-driven services needed today and in the future because of the economic shift that has impacted the 21st Century labor market. This shift has reduced the demands for physical labor in favor of service and knowledge-based skills.

"To a large extent, the VR&E system has been doing business using the same approach within the same paradigm and work process for more than 40 years."

- The VR&E Program is also out of sync with 21st Century attitudes towards persons with disabilities. The economic shift in the labor market has marched in tandem with a seismic shift in societal attitudes toward persons with disabilities, especially since the passage of the Americans with Disabilities Act (ADA) in 1990, the world's first comprehensive civil rights legislation for people with disabilities. Twenty-first Century views of disabilities have shifted from the negative aspects of *disabilities* to a focus on the *abilities* of persons with disabilities with a rapid return-to-work strategy.

- There are also strong indicators pointing to the fact that the current VR&E program, organization, and traditional vocational rehabilitation process are stressed. These signs include high caseloads among the VR&E staff and increasing demand for both vocational rehabilitation training and independent living services. Essential functions of employment readiness, job placement, and marketing are not being performed either adequately or in a standardized way across the system, and veterans are dissatisfied with the current level of employment services.

SUMMARY OF RECOMMENDATIONS

In order to be effective in the 21st Century, the Task Force recommends that the VR&E Service refocus its organization and implement a new, integrated service delivery system based on an employment-driven process. The Task Force refers to this new service delivery approach as the Five-Track Employment Process. This new process includes five specialized program and service delivery options based on informed choice for disabled veterans:

- Reemployment of veterans with their previous employers,
- Access to rapid employment services with new employers,
- Self-employment for veterans,
- Long-term (traditional) vocational rehabilitation services including education, and
- Independent Living services with the possibility of employment when appropriate.

The Task Force has made further recommendations about changes that must be made to rebuild the VR&E program for the 21st Century, including the implementation of this new service delivery strategy. While the changes proposed by the Task Force are strategic in direction, scope, and timing for the VR&E Service, the Task Force believes these changes must also be addressed by the entire Department.

The Task Force's recommendations were shaped, in large part, by comments received from VR&E field staff combined with VBA survey feedback from Chapter 31 program participants. Implementation of this proposed integrated service delivery model and other changes will require major adjustments to the VR&E organization, program, work processes, and the integrating capacities that support the delivery of services. The following changes define the key operational features of this new VR&E service delivery system.

Program Changes

- Streamline eligibility and entitlement criteria for the most seriously disabled veterans to speed Chapter 31 service delivery.
- Expand the Chapter 36 Educational and Vocational Counseling Program to fully use its inherent capabilities to assist veterans.
- Improve administration of VA's role in the Disability Transition Assistance Program (DTAP) to be led by the VR&E Service with a near-term emphasis on returning Guard and Reserve personnel.
- Redesign the Independent Living Program to be more encompassing and integrated with VHA and community-based services.
- Create new programs to supplement the Veterans Health Administration's (VHA) Compensated Work Therapy Program and the current VR&E Program to provide a seamless bridge of services and options for veterans with mental illness or in need of life rehabilitation as the key to employability.
- Leverage partnerships with VHA, Department of Defense (DoD), Department of Labor (DOL) and a new agreement with state departments of vocational rehabilitation to provide rehabilitation and employment services to veterans with disabilities.

It's a Flood: *"Allocate more counseling staff...Where will the vets from the Iraq conflict be heading? Where are the guys from Desert Storm who are growing increasingly ill coming? Where are the thousands of vets who have been laid off due to the poor economy coming? It's not a trickle, it's a FLOOD. " – Comment from the field.*

Organizational Changes

- Redesign the VR&E Central Office and implement systems for leadership; centralized program and fiscal direction, control and accountability; strategic and operational management; and knowledge of 21st Century disability, rehabilitation, and employment best practices.
- Increase Central Office staffing to enhance current capacities that are understaffed and to add new 21st Century capacities.
- Create four new VR&E specialist positions – Employment Readiness, Marketing and Placement, Independent Living, and Contract/Purchasing – and increase the number of VR&E field staff.

Work Process Changes

- Implement the new Five-Track Employment Process using triage techniques for rapid assessment of veteran needs so as to quickly direct the veteran into specialized services emphasizing the concept of veteran's choice and allowing for movement among the tracks.
- Specialize the workforce to achieve efficiency and effectiveness improvements as well as responsiveness.
- Incorporate the use of trained contract professional counselors as an inherent part of the process.

- Mandate and enforce the use of evidence-based best practices, including Functional Capacity Evaluation to shift the focus from a veteran's disabilities to his or her abilities for employment.
- Develop in-house VR&E capacities to make greater use of online services for employment readiness, job development, job search, and job placement so that VR&E performance is not totally dependent upon organizations outside the control of VR&E.
- Improve the design and administration of the traditional vocational rehabilitation work process to promote staff efficiency and effectiveness.

Integrating Capacities

- Design and implement a centralized training program to address consistency and proficiency of the staff and provide a program of professional continuing education.
- Develop and implement new work measurement, workload management, and performance measurement systems as well as operation analysis capabilities.
- Implement a long-term research and program evaluation agenda to assess the life cycle outcomes of the vocational rehabilitation program.
- Standardize the use of the CWINRS information system and implement systematic training along with priority upgrades to address deficiencies.
- Leverage technology to implement priority solutions to facilitate the new VR&E service delivery model, enable electronic education certification, and automate VR&E requests to VHA for medical services to Chapter 31 veterans.
- Integrate VHA and VBA services to better serve those populations of veterans needing specialized independent living and other services to speed the delivery of Chapter 31 benefits.

A list of 110 recommendations follows this Executive Summary.

Measurements Are Full of Holes: *"The entire measurement system and the manner in which we determine success is full of holes. Some statistics are so easy to manipulate that they are totally invalid. How can we purchase a computer for a veteran and say that we have enhanced his ability to live independently to the extent that we can call it a 'rehabilitation'." – Comment from the field.*

Estimated Number of New FTE Positions

The Task Force believes that VBA should consider adding more than 200 new FTE positions to the VR&E workforce in Central Office and the Regional Offices. In the area of Independent Living, the Task Force recommends creating Independent Living Specialist positions and VBA management should determine the number of these IL positions based on appropriate geographic areas. These new positions are discussed in Chapters 4 and 6.

ORGANIZATION OF THE REPORT

To address the scope and complexity of the tasks included in the Secretary's charter, this report is organized into seven chapters plus separate appendices:

Chapter 1, Introduction, provides a synopsis of the VR&E Program. It describes the legislative history of the program emphasizing the cyclic eligibility changes for 10 and 20 percent disabled veterans, the dramatic shift in the purpose and intent of the program, and the Charter for the VR&E Task Force with a description of how the Task Force was organized and accomplished its mission.

Chapter 2, 21st Century World of Disability, describes the greater world of disability that exists today and within which the VR&E Service and program operate. This description provides the context for understanding the trends and issues associated with the knowledge and technology of disability, rehabilitation, and the employment of persons with disabilities. This chapter expresses the concern of the Task Force that VR&E has not kept up with this larger world of disability outside of VA. As VR&E rebuilds its program into a comprehensive, integrated service delivery system, it must do so within the context of this larger environment that continues to lead the way for persons with disabilities.

Chapter 3, VR&E Today, presents the Task Force's findings as they relate to the administration of VR&E today. The chapter includes a description of the characteristics of the VR&E system upon which these findings are based. This system is described in terms of the VR&E work process, the workload associated with this process, the organization that administers this process, and the attendant statistical exhibits.

Chapter 4, VR&E for the 21st Century: A New Service Delivery System, discusses the Task Force's conclusions that the service delivery system used by the VR&E Service is not designed to readily provide employment services. In order to be effective in the 21st Century, the Task Force recommends that the VR&E Service implement a new Five-Track Employment Process. This chapter provides a description and operational concept for this model system. It also provides considerations regarding the implementation of this service delivery system.

Chapter 5, Integrating Services and Strategies: A Continuum of Care, discusses the issues associated with achieving better integration of services with other agencies. The integration of services across agencies is essential if veterans with service-connected disabilities are to achieve the goal of successful transition and employment. The Task Force focused on how best to integrate the efforts of four primary federal and state agencies—VA (VBA and VHA), Department of Defense, Department of Labor, and State Vocational Rehabilitation (SVR) agencies—to achieve the goal of seamless delivery of services. This chapter also addresses the need for the VR&E Service to join the mainstream communities that have advanced the knowledge and technologies related to disability, rehabilitation, and employment for persons with disabilities.

Chapter 6, Recommendation, presents 110 recommendations for consideration by the Secretary. These recommendations are organized into four categories—program, organization, work processes, and integrating capacities. These recommendations identify near-term, mid-term, and long-term actions to improve performance of the VR&E Service. Where appropriate,

recommendations are cross-referenced to each other. This Chapter also includes a charter compliance matrix that aligns each category of recommendations with specific elements of the Task Force charter.

Chapter 7, Moving Forward: The Need for Change, provides the summary thoughts and conclusions of the Task Force. These include the reasons VR&E must change the way it does business and the top recommended priorities that the Task Force believes the Department of Veterans Affairs should focus on immediately.

Additional Thoughts

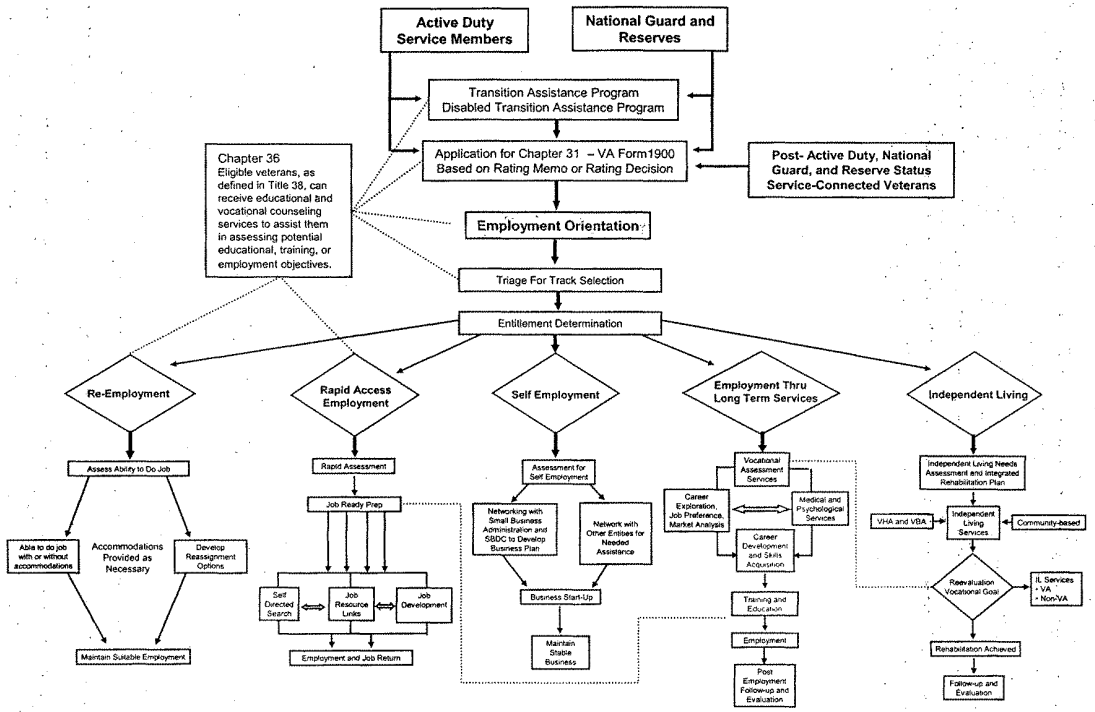
The consensus of the Task Force is that the publication of this report at this time—when the U.S. is at war—presents an opportunity to modernize the VR&E Program for the 21st Century veteran. In the overall scheme of the Department of Veterans Affairs, the VR&E Program is not large. Although the VR&E Program is the smallest with regard to resources within VBA, the Task Force believes it has the most critical mission and is the only program and service where face-to-face interaction with the veteran is required to deliver benefits.

The recommendations in this report can transform the organization. Success will depend on leadership commitment, timely action, and persistence in the face of today's policy and resource constraints. VA's goal should be to transform the VR&E Program into the premier 21st Century vocational employment program, not to merely reform the current VR&E Program. Today's service members—whether they serve in Iraq, Afghanistan, or some other country, or at home—will soon become tomorrow's veterans. They deserve to be served by the premier vocational employment program and nothing less should be considered acceptable. The VR&E Service and Program must be modernized to be on the leading edge—even breaking new ground—in leveraging 21st Century technology and knowledge to improve the life of disabled veterans.

"Although the VR&E Program is the smallest with regard to resources within VBA, the Task Force believes it has the most critical mission and is the only program and service where face-to-face interaction with the veteran is required to deliver benefits."

More Challenges Await: A Final Word

The report also includes a separate message from the Task Force Chairman in which she outlines major challenges for today and tomorrow that were beyond the scope of the Task Force charter.

www.va.gov/opp/vre_report.htm

Five-Track Employment Process