THE DEPARTMENT OF VETERANS AFFAIRS VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAM

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

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HEARING ON THE DEPARTMENT OF VETERANS AFFAIRS VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAM

WEDNESDAY, APRIL 20, 2005

U.S. House of Representatives,
Subcommittee on Economic Opportunity,
Committee on Veterans' Affairs,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:05 p.m., in Room 334, Cannon House Office Building, Hon. John Boozman [chairman of the subcommittee] presiding.

Present: Representatives Boozman, Herseth, Brown-Waite, Hooley, Baker, Evans, and Nunes.

OPENING STATEMENT OF CHAIRMAN BOOZMAN

Mr. Boozman. Good afternoon. The first hearing of the Economic Opportunity Subcommittee will come to order.

Before we begin, I would like to introduce the members of the subcommittee and share my thoughts on what the Subcommittee should be about.

The Ranking Member is Ms. Stephanie Herseth, who represents the whole state -- I emphasize the whole state -- of South Dakota. She's been a member of the Veterans Committee since winning a special election, and we are very, very pleased to have the opportunity to work with her as Ranking Member and I truly look forward to working with her in a very bipartisan way so that we can do some good things for veterans.

On this side of the aisle, Ms. Ginny Brown-Waite, from Florida's 5th District, is the Vice Chair, and certainly she has proven to be a true advocate for veterans, and we are very glad to have her aboard and welcome her counsel.

And I am especially pleased that the Ranking Member of the full committee, Lane Evans, will be joining us. Certainly Mr. Evans has done a tremendous job for veterans' issues and his voice is always a valuable addition to our work.

Mr. Richard Baker, from the 6th District in Louisiana, as the chair-

man of the Financial Services Subcommittee on Capital Markets brings a great understanding of how VA loan guarantee programs relate to real estate and financial markets.

Ms. Darlene Hooley comes to us from the 5th District of Oregon. She brings a broad range of expertise in education, health care, and finance to the Subcommittee, and, again, I appreciate her past work on behalf of veterans.

Our final member is a second term member from California's 21st District, Devin Nunes. He was raised on a family farm and is a man who knows what it is to grow up with dirt under his fingernails and the value of those who are close to this great nation's soil. So, again, we welcome him aboard and his commitment to veterans.

The Subcommittee title says what we are going to be about -- improving the economic opportunities for veterans. While the Economic Opportunity Subcommittee has jurisdiction over several other programs and will not ignore them, I intend to focus on the programs run by the Vocational Rehabilitation and Employment Service, and the Veterans Employment and Training Service.

That means we're going to look very closely, with the help of GAO, at the programs designed to put veterans to work or achieve a maximum degree of independent living. It also means that VA and DOL must gather the data necessary for them and us to determine the effectiveness of existing programs and to justify any new start.

I strongly believe the Voc Rehab and Employment program should be the crown jewel of VA programs. As such, it is vital that VA leadership place increased emphasis on the program's performance, especially in relation to its integration with the Department of Labor's programs managed by the Veterans Employment and Training Service. I note the presence of the word "employment" in the title of both programs, and if we accomplish nothing else, I want to see the two so closely tied as to be transparent to the disabled veteran.

Labor's VETS has a special obligation to our veterans. We have vested them with the responsibility of finding jobs for the unemployed and disabled veterans. We've got many questions about how well VETS is doing in that respect, and we will have an oversight hearing to determine their performance in the near future, as well as the performance of the Homeless Veterans Reintegration Program, a grant program designed to get homeless vets off the street and get them ready to reenter the workforce.

The Uniformed Services Employment and Reemployment Rights Act (USERRA) and the Servicemembers Civil Relief Act also fall under the jurisdiction of the Subcommittee. I want to make sure that these important laws continue to protect the rights and responsibilities of our returning servicemembers, and we will do just that.

The GI Bill is perhaps the most famous piece of veterans' legislation, and we look forward to ensuring it meets the goals of preparing

veterans for a lifetime of productive citizenship.

Finally, the Loan Guaranty program has a distinguished history of improving home ownership for veterans. VA does a good job running the program, and my goal is -- I think our goal is to ensure that no one tarnishes that record. Additionally, I want to look very closely at programs that make it easier for disabled veterans to not only buy a home, but also live comfortably in that home.

I now recognize the Ranking Member, Ms. Herseth, for any remarks she has.

OPENING STATEMENT OF HON. STEPHANIE HERSETH

Ms. Herseth. Thank you, and good afternoon, Mr. Chairman. I'm very pleased to be here with you today as we commence the first hearing for this newly established Subcommittee on Economic Opportunity. I firmly believe that this Subcommittee will provide a valuable forum to discuss, examine and develop federal policy that will be a catalyst to enhanced economic and financial conditions for our servicemembers, veterans and military families.

Indeed, I can think of no other segment of society that has sacrificed so much and requested so little in return throughout this nation's history, including and especially through the past few years, than our troops, veterans and military families.

Mr. Chairman, before we begin, I want to congratulate you on your leadership of this Subcommittee. I look forward to working with you in a productive and bipartisan manner as we proceed through this 109th Congress. I believe that we as well as everyone in the room can agree that the vocational rehabilitation and preparation for employment and reemployment of disabled veterans should be a top priority for the Department of Veterans' Affairs.

On that note, let me welcome everyone here today. I'm very interested in hearing the witnesses' testimony and appreciate your willingness to participate and assist us in our congressional oversight duties. I understand that the VA's Vocational Rehabilitation and Employment program has undergone serious programmatic changes and continues to implement certain recommendations from the Secretary's VR&E Task Force Report. I am pleased that the VA has taken this Task Force Report seriously, and I look forward to monitoring the program's next steps.

Clearly, we have an obligation to improve VR&E services, and I hope the VA continues to make the necessary efforts, including resource investments, to continue the progress that has been made.

Specifically, I'm interested in examining the following areas during today's hearing on the VR&E program: Accessibility of VR&E services in rural areas; Seamless and accelerated transition services, especially for returning members of the National Guard and Reserve

forces; The related issue of DoD and VA cooperation with respect to VR&E; Data integrity; and Coordination of employment counseling services with other federal job training entities, as well as state vocational rehabilitation services.

Mr. Chairman, vocational rehabilitation and independent living services are vitally important. We and our colleagues on the Subcommittee all recognize this and are committed to making a difference in the lives of veterans and their families.

Given the current military situation overseas and the current economic situation in many states, this hearing is quite appropriate and timely for a number of reasons. First, just as in South Dakota and in Arkansas and other states, we have a number of National Guard units that have been deployed, are waiting to deploy, have returned home from their initial deployments. But at the same time, vocational rehabilitation services and opportunities remain limited as we do not want to do anything to neglect the needs of veterans of past wars and military conflicts.

I strongly believe that a top quality VR&E program can assist in addressing these types of concerns with the needs of a new generation of veterans as well as those that have served in the past. Moreover, in my opinion, it's the least that a grateful nation should provide to our disabled veterans.

Mr. Chairman, thank you again for holding this hearing and for your leadership on the committee. I look forward to working with you on this very important subject.

MR. BOOZMAN. Thank you for those remarks. Let's go ahead and get started then. When we set up the hearing, we thought it would be good to hear from veterans who had been through the voc rehab program. We asked Sergeant Sean Lewis to be with us today, and he's currently at Walter Reed going through rehab there, and he's unable to make it today. So, again, like I say, hopefully, maybe at some other time we'll be able to get him involved. And we certainly want to wish him a lot of luck as he goes forward.

But we have Mr. Joseph Forney, a small businessman from California, who went through the program several years ago. And then also, we have Mr. Carl Blake from the Paralyzed Veterans of America, who will provide us with the results of an informal survey that he did on our behalf.

So, welcome. Why don't you go ahead, Mr. Forney.

STATEMENTS OF JOSEPH K. FORNEY, FORMER VOCATIONAL REHABILITATION PARTICIPANT; AND CARL BLAKE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

STATEMENT OF JOSEPH K. FORNEY

MR. FORNEY. Good afternoon, Mr. Chairman, Ranking Member, other members of the committee. I appreciate it. It's a privilege and an honor to be here today.

I was thinking of Sergeant Lewis unable to make it is one of the prime examples of how hard it is to get a traditional academic education. When I spoke to Mr. Brink about my testimony, and when he invited me, it made me reflect on how much fun it was to be in college, and how after 14 short years I got my four-year degree.

A lot of the problem was because of my medical condition, which would cause me to start and stop school. It's hard to be tethered to a time clock and a schedule when you have ongoing and changing medical conditions, especially with persons who have had severe disabilities or injuries. That was part of the reason, plus the fact that I enjoyed college so much, that they had to pretty much kick me out. But it took so long to obtain a degree.

Oftentimes with persons with disabilities, severe disabilities, employment is very hard to get. Employers are not looking to take on extra risks or to help to ease the fit of a person with a severe disability into their company. It just doesn't work. The joke is besides my sparking personality, is I'm too unemployable to be employed and I had to be self-employed.

I have nothing but good things to say about the VA and their voc rehab program and helping me to attend college. I just believe as an entrepreneur, if that option would have been made available to me, I think we could have saved a lot of time and money for both of us.

As a matter of fact, in the last two years of school, I was actively running my business in California. We've had a state law for disabled veteran participation since 1990. And I was running the same small business that I run today, and also attending college.

Because my degree to be a P.E. teacher was not something that I was looking to actually engage in. It was a way to just rehabilitate myself back into life. And when I started it in 1980, of course I had every intention of getting out and getting right to it, but ongoing medical treatments, as I mentioned before, would cause me to start and stop.

I think that if the VA was to look at entrepreneurship as a form of rehabilitation and help severely disabled veterans who are going to have a harder time finding employment because of their service-connected disabilities, and then tie that into some sort of actual on-the-job training or some sort of contractual basis, if the individual wanted to sell widgets and the VA had a need for widgets, if upon graduation of an entrepreneurial course they were to be considered for providing those widgets as part of their rehabilitation, I think that would be a good start to help build a base from which they could then go on to the public sector and with the -- I've been trained in buy low, sell high, and I provide these widgets to the VA. I'd like to sell them to you as

a private corporation, I think that that would be an excellent way to help expedite the matter.

And there again, not that I didn't enjoy 14 years of college, the fact that if there was something that was more streamlined and geared for those who can't be on a time clock, as Sergeant Lewis. We all know how difficult it is to try to get over the smallest restriction. But then to try to get over something as difficult as an amputation or some sort of paralysis, formal education and unemployment is just not a good -- entrepreneurial opportunities with the government might be a better way to do that.

I appreciate the committee's time. If there's any questions I can answer, I'd be more than grateful.

[The statement of Mr. Forney appears on p. 31]

MR. BOOZMAN. Thank you very much.

Mr. Blake?

Before we go on, real quick, Mr. Evans has joined us, and Mr. Evans is the Ranking Member, and he's somebody that I've really enjoyed working with. I've been on the committee since I've been in Congress, and somebody that I've really enjoyed working with Mr. Evans, and I know that nobody in Congress has a greater heart for veterans than Lane Evans, so.

MR. EVANS. Well, maybe I should just shut up and sit down. That's a very complimentary introduction.

So, let me yield back my time at this point.

MR. BOOZMAN. Thank you very much.

Mr. Blake.

STATEMENT OF CARL BLAKE

MR. BLAKE. Chairman Boozman, members of the Subcommittee, PVA would like to thank you for the opportunity to testify today on the VA's Vocational Rehabilitation and Employment program. Having submitted my full statement for the record, I will limit my comments to the informal survey which you referred to of selected newly injured spinal cord injured veterans.

As many of you know, PVA is an organization that represents veterans who have suffered a spinal cord injury or disease. Our members rely on the services provided by VR&E, particularly the independent living program, which helps them learn activities of daily living prior to even trying to gain employment once again.

Because many of the recommendations of the Task Force Report released in March of last year focused on the internal workings of VR&E or on cultural changes within the service, it is difficult to judge how the program has done at implementing some of the recommenda-

tions made by the Task Force.

Furthermore, PVA is concerned that many of our members have not had the access to the new information being put out by VA. Often, severely disabled veterans needing DTAP services, the Disabled Transition Assistance Program services, fall through the cracks, especially spinal cord injured veterans who may already be getting health care and rehabilitation at a VA medical center while still on active duty.

Because these individuals are no longer located on or near a military installation, they are often forgotten in the transition assistance process. I can offer myself as an example of that, albeit a few years ago.

In order to get a better idea of how the VR&E program is serving veterans, PVA conducted the informal survey which I mentioned. The veterans that we interviewed, ten of them to be exact, represent approximately 20 percent of the total number of veterans who have incurred spinal cord injuries within the last two years. I'd like to say that that's a positive thing, because we are one of the few organizations where we really don't encourage membership in our organization, because the requirements are pretty drastic.

It must be noted that the first contact that most of these veterans had with VR&E was prior to the release of the Task Force report last year. We asked them a series of questions, which I outlined in my full statement. I won't go over them again.

Each of the veterans contacted had initially come in contact -- or had initially come through a military medical facility prior to moving to a VA medical center with spinal cord injury centers there. Of the ten soldiers, four were Operation Enduring Freedom and Iraqi Freedom veterans, and six were injured in the line of duty while at their home stations.

One of the four individuals who served in OEF and OIF was a National Guard member. And all of the soldiers who had been interviewed had already received a service-connected rating from the VA.

Three of the veterans interviewed were currently enrolled in the VR&E program, but none of the veterans have actually completed the program as of yet.

The other seven members were aware of the services provided by VR&E but had chose not to participate at this time. There are various reasons as to -- or conclusions as to why that might be. I won't go into that. We can discuss that if you'd like over questions.

The four OEF/OIF soldiers actually found out about the VR&E program through programs conducted at the Walter Reed Army Medical Center.

The six veterans who were injured at their home stations were transferred from the medical facilities at their installation to a VA spinal cord injury center that was nearest to their home or one that

they chose. None of them were informed about the VR&E service at the military medical facility. However, all of them explained that they had been approached once they got to a VA medical center by a representative of VR&E.

And none of these six veterans participated in a TAP or a DTAP program. This remains a serious concern, as I outline in my statement, of PVA.

Two of the most recently injured veterans have actually seen the new video that we were briefed on by the VA last week that they've put out that details what the VR&E service offers. It focuses on the new Five-Track employment process that was one of the major recommendations of the Task Force report last year.

They stated that it was a very informative video and that it opened their minds to possibilities that they had not considered, specifically as Mr. Forney mentioned, self-employment. I don't think it's something that crosses most young soldiers' minds right offhand after they've been injured. And that opens up a whole new avenue of long-term stability in their life and an employment avenue that they can take.

The veterans who chose not to participate in the VR&E program were given information on what to do if and when they decided to enroll. And a couple of the veterans said that they were told that VA staff would follow up at a later date. Each of the soldiers who are currently enrolled in the VR&E program said that their experience was positive, and that they discussed what they had hoped to achieve with VR&E staff and they also had that discussion with myself.

All three of the veterans entered in the program prior to the implementation of the new Five-Track employment process, and they indicated they were not familiar with this process that was recommended by the Task Force. When I explained it to them, though, they did, as I mentioned, express a lot of interest in it.

Two of those individuals were currently enrolled in college courses and -- I see my time is up, Mr. Chairman. Could I have another minute or so?

MR. BOOZMAN. Yes, very much.

MR. BLAKE. The one remaining veteran who was enrolled in VR&E is currently enrolled in the independent living program, which is closer to PVA's heart because of the activities that they focus on.

He explained that the independent living program staff has been very professional with him and worked to overcome the significant challenges that he faced. He was a C-6 quadriplegic, so you can imagine the things that he has to face day to day. He even expressed a desire to seek employment through self-employment following completion of the independent living program, which is something that we've been trying to encourage more of our members to do because of the significant challenges that the severely disabled face in trying to

gain employment.

Although our survey does not provide clear evidence of what changes the VA has made since the release of the VR&E Task Force report, it does show that the VA is making I would say a good faith effort to address the needs of these soldiers.

However, we still have concerns about the voc rehab program, as I outlined in the independent budget for fiscal year '06 and as I outline in my full statement. Many of these concerns were outlined by the Task Force report last year, and they made recommendations to address many of these deficiencies.

We feel that the VA must continue to move forward to implement the recommendations made by the Task Force report. Ultimately, that can only create a better VR&E service.

We look forward to working with you, Mr. Chairman, and the members of the Subcommittee to ensure that the VA pursues meaningful reforms to the VR&E service. And I'd be happy to answer any questions that you might have.

Thank you.

[The statement of Mr. Blake appears on p. 32]

MR. BOOZMAN. Thank you. Mr. Forney, you expressed your dismay about wanting to kind of follow a different track; that you were actually kind of pushed into another one.

Your idea of the entrepreneurship training, how do you see that as working, specifically? If you could set the program up, what needs to be there that you were lacking in that regard specifically?

MR. FORNEY. With any good program, you would want to be able to identify what the outcome is: Self-employment through entrepreneurial means. And then with a contractor, some sort of stabilizing base at the end of a predetermined time to see -- a filtering mechanism. Entrepreneurship is not for everyone. Out of all the veterans I talk to every day that say that the government has to buy 3 percent, I remind them, they don't have to do anything.

If we could have a good filtering process to determine who is best suited for entrepreneurship, and then with a contractual tie-in at the end of graduation. It doesn't take long to learn to buy low, sell high. But all the experience in the world, if there's no payoff at the end, some direct reward for learning how to run and establish a small business, it would never fly.

With all the things that the VA and the Department of Defense buys, it would be easy to find areas where they need to have certain goods and services. And who better to provide those goods and services than the former employees of Department of Defense and veterans who are going through entrepreneurial training from the VA?

So it would be a good filtering process to find out who not just wants

to but has the means and wherewithal to be in entrepreneurship. I remember at the roundtable you said you had a business with your brother. And you understand. You're only working half days from 7 to 7. You're the last one to get paid, and nothing's guaranteed.

But if there was that stabilizing factor of a contract at the end to provide that good or service, I think that would help to establish the returning veteran, and then they could go look for stuff in the private sector using that base contract as a starting point.

MR. BOOZMAN. Mr. Blake, tell me, you know, as a result of your study, what specific recommendations do you think that we need to go forward?

MR. BLAKE. Well, Mr. Chairman, I would have to say that the one downside to our survey is that the majority of the veterans that we interviewed went through VR&E or had contact with VR&E prior to the release of the study. I think the important thing is, we have to start to identify individuals who have been injured just say in the last year or so that would be more likely to have come in contact with that program.

The downside to the survey that we conducted was the vast majority of the members of our organization that I interviewed were injured either in Afghanistan in 2002 or were injured in 2003. The OIF/OEF veterans who we know that we have as our organization, part of our organization, were injured during the initial stages of fighting in Iraq.

The other problem that I think we face is, there's been a lot of discussion about the wonderful things going on at Walter Reed and Bethesda, and I can't help but second that. But I think what gets lost in this is that there are veterans at home stations who are not currently deployed overseas who are assigned to their units and who are not -- just doing training or getting injured, and they don't have the same kind of access to the services.

They do have some and, you know, the TAP and the DTAP programs have come under a lot of scrutiny in the last couple of years. In fact I know you all I believe were supposed to have a hearing on it in the near future on the VETS service. And I think we have to make sure that it's not lost that these veterans at their home stations should be getting the same services.

We fully support the idea that the veterans who are in Walter Reed and Bethesda and Brooke and some other facilities are getting these services, but they're like the center of the universe. Every -- all of the top notch services being directed there, and we can't lose sight of the other locations that are around this country where veterans are at -- or soldiers are at every day. They should be getting the same services, and I think it's inconsistent, particularly when it comes to the TAP program and even more so the DTAP program.

As I mentioned with our members, the problem that our members

face in getting DTAP services is, almost as soon as they are injured, get a spinal cord injury, they're moved to a military medical facility. But almost immediately they're identified for going to a VA spinal cord injury center, because it's just a fact that the Department of Defense doesn't have the capability to provide the type of rehab services that the VA SCI centers have.

And so they want to move them as quickly as they can to ensure that they get quality rehab right away. And somewhere in that transfer process, some of the important steps get lost, like going to DTAP programs and some of the other services that all of the men and women going through the most obvious places right now are getting.

MR. BOOZMAN. Ms. Herseth?

MS. HERSETH. Thank you. Mr. Forney, I don't have any questions, just appreciate your testimony, because I think it always helps to hear the specific examples and personal experiences that give us a better appreciation for the need for flexibility, whether that's flexibility in the types of programs through the formal education that's offered, or beyond that in the type of structure that you've described today that provide each individual the flexibility to see which skill set and interest and motivation is best suited for each individual service-connected disabled veteran, for what is the best to pursue and what opportunities should be there as you've described within both agencies, with the VA and the DoD. So I appreciate hearing from you today.

And, Mr. Blake, I recently had a meeting with some folks in South Dakota and Sioux Falls at our regional office, and we had folks from North Dakota there as well, and the state president of South Dakota's PVA, Joel Neimeyer was there, and a few other folks that had benefitted and participated in the vocational rehabilitation program and echoed the point that you made that in the informal survey, those that got enrolled had some pretty positive experiences by and large within the program, and they couldn't say enough positive things about the folks that were administering the programs in our region.

So to come back to the whole issue of outreach, early intervention, how do we reach the folks that you've described, not only those that are active duty and deployed, but then those that perhaps are injured at their home installations? Then we have the National Guard and Reserve component here as well.

Do you know -- and maybe PVA has been involved in each state National Guard and Reserve force has been handling this a little bit differently, but do you see the need for the VA to reach out on the regional level even more with each of the National Guard and Reserve units or with the officers in each state to make sure, especially with this group of folks that are transitioning back to civilian life have the type of information that you've described?

MR. BLAKE. Yes, ma'am. I think the Guard and Reserve has taken a

lot of attention, and those are a lot of the folks who are really getting lost in this. But the one thing to remember is, most if not all of the National Guard and Reserve units, when they come back from their deployment, they're coming through a major military installation. They're not coming -- they don't necessarily go directly home. And this is the perfect opportunity to get that information to them.

And sometimes it's a struggle to decide, do we want to get these soldiers home right away? Because that's the foremost thing in their mind. Or do we want to make sure that they get all of the information that they need and all of their proper forms are filled out and that they understand everything that's available to them before they're let go?

And that's an ongoing struggle that we face. But I think in the interest of erring in favor of the long-term benefit of these soldiers, we can't let them get away before they have everything that they need to know or we've inundated them with all the information that they need.

Ms. Herseth. Well, I couldn't agree more. And perhaps the chairman has heard this from some of the men and women he's talked to in his district. The folks that are coming back after those lengthy deployments, and they're coming back through a major military installation like you said, whether it's Fort Sill or Fort Carson or wherever, they just want to get through that process as quickly as possible. They haven't seen their families yet. You know, they're there for that certain stage of deactivation before they get home. And they're getting a lot of information at once.

And my concern is that, especially with staffing resources, whether -- that it really be focused not only administering the programs, but the outreach, so that these people don't, once they get home, once they start that transition back with their families and what their needs may be, that it's not just a one shot time of providing information but rather being proactive and in part, you know, learning from the lessons of how we treated some Vietnam-era veterans, that we do what we can through the VA, through organizations like yours, to be much more proactive but dedicate the resources and the investments in doing that.

Mr. Blake. One of the points, ma'am, that I got out of it was a number of them mentioned that they were told that there would be follow-up. And I think that that can be lost. The VA needs to understand that these soldiers are expecting it, and they can't shirk that responsibility.

I was watching the Senate committee's hearing they had yesterday, and they had a couple of the newly injured soldiers that testified before the Senate Committee on Veterans Affairs, and both of them brought up an interesting point that continuous follow-up needs to be done with these soldiers, even though they might decline VR&E ser-

vice initially, there's so many things going through their mind right now and so many things that they're focused on that that might not be at the forefront.

And so the VA has to continue to follow up with these soldiers and not let them get away from them without absolute certainty that that's not what they want to do. We don't want to run the risk of putting these young men and women out there, and then they face possibilities with mental health or substance abuse that results from not being able to get employment, or they face homelessness.

I think the follow-up needs to be there so that we can stop -- head off some of these problems before they occur.

MR. BOOZMAN. We've been joined by Ms. Ginny Brown-Waite from Florida, and she is the Vice Chair of our committee. It's really been great to get to work with her, and we certainly appreciate her counsel.

MS. BROWN-WAITE. Thank you very much, Mr. Chairman. I know how dedicated you are to this cause. I have a large number of veterans who -- a large number of military who were called up through National Guard units. And one of the things that I found, and maybe this isn't nationwide and this may be part of the problem, and I'm sure either one of you gentlemen can help me, is that with the National Guard units that that follow-up and the information is also supplied through the family coordinators back home -- the wives, the mothers who are very involved in family support.

Is that not being done nationwide? Is that part of the problem? Because I can tell you that the mothers and the wives are very interested in making sure that every possible benefit that the veteran is entitled to, that they -- if applicable, that they take advantage of. So I'll just be quiet and ask for your counsel and advice. Is it not being done nationwide?

MR. BLAKE. Well, I would, Ms. Brown-Waite, I would offer up that that would be the perfect question for another member of my staff who happens to be deployed right now to Afghanistan with the National Guard, and he could probably perfectly answer that question as to whether that information is being put out through the family readiness groups and the coordinators.

Having only served on active duty, I know when we were deployed, a lot of information was pumped out through family readiness groups. But that shouldn't be the primary avenue. It all falls back on making sure that the soldiers themselves get the information.

I haven't heard stories about whether it's inconsistent or not. I'd be happy to ask via the wonders of the Internet my colleague who is overseas, or when he comes back, I'm sure he could give you a perfect answer to that question.

MS. BROWN-WAITE. Mr. Forney?

MR. FORNEY. I wouldn't know about how they're followed up with the

reserves, but here again with the veteran being the principal breadwinner, an elongated educational course that could go on for years as opposed to a shortened entrepreneurial, this is the perfect example.

If you have a family to care for, to go through a long educational process to end up with a degree to hope to work for a big company somewhere down the line when the family is counting on you, I think, again, this is another good argument for self-employment, because we could start that and have a completion date and then self-employment much sooner than years of -- and it is always the wives and the daughters that try to -- because when you get out, you just want to just go home. I -- when you said that. But then when the reality sets in about I have to do something, now it's hard to make that choice.

MS. BROWN-WAITE. Thank you.

MR. BOOZMAN. Mr. Evans?

MR. EVANS. Thank you very much. You're a good person to follow, because you bring up so many good points to us today. And one of them is in 1970, '71, people getting out of the Marine Corps, 33 percent had less than honorable discharges. They weren't getting any support from home or the community. They weren't in a position to do so many things like we think they should do, so people who have gone and defended this country in time of war, should get better help.

It's a problem we face today. And of course in the '70s, it was the voter employment programs referred to the old OJ training period, OJT. It didn't help them because the veteran was unqualified and wouldn't be able to deal with the stress that they'd been through, never had any business background, never had a family that had that kind of situation.

So how do we correct that? You talked about entrepreneurial decisions. But, you know, I think we get caught up in the old rhetoric that the emergency -- I'm trying to think of the '70s, the Emergency Veterans Employment. Already just in the title of that bill there's something that I think denigrates veterans unintentionally, inflicted, self-inflicted perhaps. But how do we get to the bottom of these things and make them work?

MR. FORNEY. Again, that time element is so critical. If we could get to the veteran with the severe disability, help them to see something, a light at the end of the tunnel, much quicker than the traditional education higher degree, but have something to keep them, because of that disconnect.

And I forgot all about how the mind starts to play tricks on you. The substance abuse, the homeless issue. I forgot all about that. We've got to keep these guys, these men and women busy and have them something to shoot for as opposed to what seems to be the brushoff. And if it was tied into once you get the career moving, the house, the spouse, you get it all, and that American dream that they've sacrificed for.

You're exactly right. The time element is critical. If we could get -- and who better to buy things from disabled veterans than the largest federal employer, the Department of Veterans Affairs?

MR. EVANS. Anybody else?

Okay. Thank you, Mr. Chairman, appreciate your time and your interest. We'll continue to look at this issue as time goes on. And I do like the fact that you're being flexible. What happened to us, the generation, we're not going to be able to follow through and help everybody across the board. But the ones that are saving, that can be saved.

It seems to me that when you have a ten-year delimiting date, you hurt those people more than any other program I can think, because that's for their educational benefits, and then suddenly you don't have a plan. I'm not trying to personalize this, but I know so many people that come back home, they had no plans, you know, been discharged with less than honorable discharges. And it was a tough time, the whole era. And I think we should be glad that they were there when we did it, but we ought to be giving us the help that we need when it's our turn to start those small businesses, those mom-and-pop operations and so forth.

So thank you for your testimony. I appreciate it.

MR. BOOZMAN. Yes. Thank you very much. One of the things I kicked around with staff yesterday was maybe the committee, and I need to talk to Ms. Herseth and her staff about this, but maybe us identifying a group, a small group, and not just the Walter Reed, Bethesda, but as you said, the scattered around, maybe just identify a very small group and then communicating periodically as they start this process and then that way, that would be a way for us to keep up besides all the other mechanisms that we have to see the pitfalls, you know, that they're going through, and to help us better understand.

You know -- nobody understands, you do in the sense of going through this. But I think that might be something that helps us better understand as they run into the barriers that get erected. So again, that's something that we'll kick around and see if that's workable or not.

But I think any help that we can get in understanding what's going on, how we can improve, we really would be very grateful.

So thank you very much for your testimony.

MR. BLAKE. Thank you, sir.

MR. BOOZMAN. Our second panel is comprised of from the Government Accountability Office, the GAO, Ms. Cynthia Bascetta, Director of Veterans Health and Benefits Issues, accompanied by Ms. Irene Chu, Assistant Director of Veterans Affairs and Military Health Care Issues.

Ms. Bascetta, get yourself some water and get after it.

STATEMENT OF CYNTHIA A. BASCETTA, DIRECTOR OF VETERANS HEALTH AND BENEFITS ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE; ACCOMPANIED BY IRENE CHU, ASSISTANT DIRECTOR, VETERANS' AFFAIRS AND MILITARY HEALTH CARE ISSUES

MS. BASCETTA. Thank you, Mr. Chairman and members of the Subcommittee. I appreciate your invitation for me to speak to you today about GAO's views on the VR&E program.

The individual experiences of servicemembers from Iraq provide compelling reasons to expedite assistance to help them overcome their combat-related injuries. But from a societal point of view, given the projected slowdown in the growth of the nation's labor force, it is of paramount importance that we support people with disabilities, including veterans, to maximize their ability to participate in the paid labor force.

Our work is based on GAO reports dating back to 1984 when we first expressed concerns about VR&E's focus on education rather than employment. Notably, 20 years later, the task force highlighted the need to establish an employment-driven process and to give VR&E services priority within VBA, which has been dominated by claims processing rather than face-to-face service delivery.

The task force also found that VR&E has limited capacity to manage its growing workload and that it needs to redesign its program for the modern employment environment.

My written statement provides the details of our broad agreement with the task force's other findings and recommendations, so I'd like to direct my comments today to the challenges VA faces in transforming VR&E to a program for the 21st Century veteran.

First, in accordance with rehabilitation principles, the VA needs to find ways to provide services as early as possible, particularly for servicemembers newly injured in combat. Unlike previous wars, battlefield medicine and body armor are saving the lives of more servicemembers, although often at the price of severe disabilities.

While technological advances such as new prosthetics are making it possible for some of these disabled servicemembers to return to military occupations, other will transition to veteran status and look for employment in the civilian economy. Consequently, VR&E has a significant opportunity to assist them in overcoming their impairments and making a smooth transition.

But individual differences and uncertainties in the recovery process are inherent challenges in determining the earliest time to begin voc rehab. And in addition, VA and DoD have not yet reached an agreement for VA to have access to information that both agencies agree is needed to promote servicemembers' recovery and their return to

work, either in the military or in the civilian life.

Also, VA needs policies and procedures for its staff to follow up with seriously injured servicemembers or veterans once they leave military hospitals. We reported that some regional offices on their own initiative followed up to remind veterans who may not have been ready for services that they were still eligible for VR&E.

For those who might be receptive to VR&E at a later date, policies and procedures from the central office for the regional offices to use in following up would help prevent these servicemembers from falling through the cracks.

The second challenge is VR&E's outmoded information technology systems. Like the task force, we are concerned that VR&E IT systems are not up to the task of producing the information and analyses needed to manage the program, although we are aware that they are working on this issue.

For example, many of their outbased locations still use slow and unreliable dial-up connections to access their automated case management system. Moreover, this system can generate only a snapshot of veterans in the program, but cannot now track their progress over time.

Managing workload is also complicated because the IT system cannot track the number of veterans who drop out of the program or who interrupt their rehabilitation plans.

The third challenge VR&E faces is the development of better results-oriented criteria to measure the long-term effectiveness of its services. Currently, VR&E still counts veterans as successfully rehabilitated if they maintain gainful employment for 60 days. This relatively short-term measure, however, may not accurately predict sustained employment over longer timeframes.

In fact, in a 1993 report on state vocational rehabilitation agencies, we found that the 60-day measure may not be rigorous enough because gains in employment and earnings of clients who appear to have been successfully rehabilitated actually faded after about two years. The task force recommended longer-term measures, and the VSO's independent budget suggested that VR&E track rehabilitated veterans for at least two years.

We are pleased to see that VA's Fiscal Year 2004 Performance and Accountability Report included two long-term, employment-based measures of effectiveness, the percentage of participants employed for 90 days and then for 270 days. We also encouraged VA to continue to work with its federal partners, including the Departments of Labor and Education, to develop better common measures of the effectiveness of voc rehab.

This concludes my remarks, and I'd be happy to answer your questions.

[The statement of Ms. Bascetta appears on p. 44]

MR. BOOZMAN. Thank you very much. Let me start. As far as levels of cooperation between the voc rehab staffs at the regional offices and the Department of Labor's network of disabled veterans outreach program specialists and local veterans employment reps in each state, are you finding that the level of cooperation, is it staying the same? Is it increasing, decreasing?

MS. BASCETTA. We have not looked at that recently, but I could note that the task force report from last year found that they were still not working together very well. And as I'm sure you are aware, this is a long-standing problem. We noted it in our first report on VR&E back in 1984.

Some locations, however, according to the task force, do work well together, and they found that one of the problems was that the Department of Labor programs don't require any standardized processes to work with their VA counterparts. And as a result, there's a great deal of inconsistency across the nation. But in some locations, the task force had noted that different federal agencies were working well together.

We have some broader concerns about VA working well with all its federal partners, including the state vocational rehabilitation agencies. And I guess I'd just observe that it's possible that through the development of the common measures, which is in a pretty early stage right now, perhaps this collaboration would improve.

MR. BOOZMAN. Okay. Thank you. As a result of the -- you mentioned the task force recommendations -- VA added specialists to the skills mix and services provided by VR&E. I think voc rehab has hired over 50 employment specialists nationwide. Should the employment specialist be primarily a job finder or VR&E's link to the veterans' employment and training services network of disabled veterans outreach program specialists and local veterans employment representatives?

MS. BASCETTA. That's a good question. I think ultimately what we want to do is get the veteran hooked up with the person who is connected to the employer. In other words, we really are looking for -- whether it's in the VR&E service itself, or whether it's in concert with the DVOPs and the LVERs, while indirect training, resume preparation, job coaching are all fine, it's really that job contact with an employer that's needed.

And I think they need to sort out once they've figured out what their own workload is how they're situated in the different locations and, you know, after they have a better handle on what the situations are in the local economies that they figure out whether they have the skills in house to make those contacts or whether they should use the DVOPs and LVERs.

MR. BOOZMAN. Do you have any idea why the voc rehab grads' performance faded after two years?

MS. BASCETTA. I would have to go back to that report. I don't have the details at the top of my head right now. I think that part of it, though, is simply that oftentimes people with disabilities need to have continuing support. And I'm pretty certain that in the state vocational rehabilitation agencies, which is what that report was about, follow-up was not part of the program.

So to the extent that they might have faced difficulties at certain milestones in their labor force participation and didn't get the kind of support they needed and didn't know where to turn to to get it, they would exit employment.

MR. BOOZMAN. Thank you. Ms. Herseth.

MS. HERSETH. Thank you, and thank you for your testimony. I've got a specific question that is related but slightly different than the chairman's as it relates to coordination and collaboration by the VA with other agencies.

And the chairman's question focused on Department of Labor. And I'd like to focus a little bit on the Department of Defense, and to share with you an example, and then more as a segue into you addressing this issue and the need for early intervention and the communication between the agencies.

When I was up at Walter Reed Hospital visiting with a young man from South Dakota, Elk Point, South Dakota, had graduated from West Point last spring, the spring of last year, and then became the head of this battalion in Iraq, was part of the Fallujah campaign, and was severely injured, and was receiving treatment at Walter Reed. I went there to visit with him, and he was inquiring, since he was going to be going home for Thanksgiving, how he would go about the best route to go about getting a ramp at their home to assist him in what those short-term needs were going to be while he was home before he returned to Walter Reed for another three surgeries.

And we were talking with the official that was accompanying us during our trip to Walter Reed, and there was this discussion that took place about the fact that since he was still active duty, that the VA was going to be limited in what they could do perhaps, or there was going to have to be some sort of coordination or some sort of process whereby the VA was dealing with the DoD and the timeframe that that was going to occur. And so I ended up encouraging his mother to just contact our president with the DAV in Sioux Falls, who could be of some assistance in the short term.

But we had another lengthier discussion then just about this transition for those suffering disabilities, that process and that timetable whereby they have to make a decision whether or not they're going to stay active duty and come under the DoD versus making a decision to leave the service and to then start accessing care and programs

from the VA.

And so the need for early intervention, in addition to your report and findings of this month, you had a report in January of this year that dealt precisely with this collaboration that's needed to expedite the services for seriously injured servicemembers. And so in your opinion, has any progress been made on this matter since January?

MS. BASCETTA. To my knowledge, VA and DoD have still not signed the Memorandum of Understanding that would allow them to share what we view as some of the most basic data that VA would need to do a systematic job in keeping track of servicemembers or servicemembers who transition to veteran status who would need VA's services and who could benefit from their services.

But they are still actively working on the MOU. I hope that, shortly it will be agreed upon, but it has been more than a year.

MS. HERSETH. Thanks for sharing that information with us. In the process of examining and evaluating the VR&E program, has GAO encountered any programmatic issues that may need legislative remedies?

MS. BASCETTA. I don't recall any. I would like to look back at our reports though and answer more fully for the record. None of our reports recommend legislative remedies, In addition, the task force did not make recommendations that required legislative change.

MS. HERSETH. Okay. I appreciate it. Thank you.

MS. BASCETTA. Mm-hmm.

MR. BOOZMAN. Ms. Brown-Waite?

MS. BROWN-WAITE. Perhaps I should ask this question of the next witness from the VA, but what exactly is the problem? What are the stumbling blocks on the Memorandum of Agreement between DoD and VA?

MS. BASCETTA. To our knowledge, and unfortunately, it has been very difficult to get clear information, primarily from DoD, there are two obstacles that we reported on in January.

The first is that DoD was concerned about retention. They were concerned that if the VA approached servicemembers while they were still on active duty status and outreached to them about VA benefits that they might choose to leave the service.

The other issue was HIPAA and the Privacy Act, and that was with regard to sharing health information. So part of what they were trying to do in the MOU was to ask only for names and SSNs and much less on health care information unless they knew that the veteran was going to actually transfer to the VA, in which case they could get that information if the veteran or, you know, still servicemember, signed a release, or they could get the information under continuity of care.

MR. BOOZMAN. Mr. Evans?

MR. EVANS. No questions.

MR. BOOZMAN. Thank you all very much for your testimony, and we appreciate your hard work.

MS. BASCETTA. Thank you.

MR. BOOZMAN. Thank you. Our final panel is from the VA and is comprised of Ms. Judy Caden, Director of the Vocational Rehabilitation and Employment Program, and is accompanied by Mr. Jerry Braun, her Deputy Director, and Mr. Michael McLendon, a Deputy Assistant Director for VA Policy, who was a member of the Voc Rehab and Employment Task Force.

We welcome you here. I understand that this is your first time to testify as the head of the voc rehab. Well, we have something in common. This is my first --

MS. CADEN. Good.

MR. BOOZMAN. -- outing as chairman of the committee. So, go ahead, proceed.

MS. CADEN. Great. Thank you.

MR. BOOZMAN. It's good to have you here.

STATEMENT OF JUDITH CADEN, DIRECTOR, VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAM, VETERANS BENEFITS ADMINISTRATION; ACCOMPANIED BY JERRY BRAUN, DEPUTY DIRECTOR, AND MICHAEL MCLENDON, DEPUTY ASSISTANT SECRETARY FOR POLICY

MS. CADEN. Thank you, and thank you for providing me with this opportunity. I'll begin by discussing the progress we've made on implementing the VR&E Task Force recommendations, and then I'm going to discuss how we're partnering with DOL and the VETS program, and then finally just give you a summary of the state of the VR&E program today.

Fifty-one of the more than 100 recommendations submitted by the Task Force have been implemented, and the single most important recommendation and the cornerstone of the Task Force's blueprint for redesigning the VR&E program is that of the 5-Track Employment Model. This improved approach refocuses us, the VR&E program, on the main goal of employment.

To prepare for national implementation of the 5-Track Employment Model, we have established job resource labs at four of our regional offices, which are piloting the new focus. A 30-minute video has been developed to provide an orientation and ensure that veterans receive clear, concise and accurate information about the program.

Specialized training for the new employment coordinators at the pilot sites has been completed, and we've recently purchased a web-based tool to assist in the delivery of effective employment services within those labs.

This tool will assist veterans to develop their interview, resume preparation skills, and it will also help them research the job market in their area, career fields and potential employers. We expect national deployment of the 5-Track Employment Model to begin early in Fiscal Year 2006.

The Task Force recommended redesigning VR&E's central office staff, and central office positions have been created to focus on employment, independent living services, training and outreach activities, contract management, policy development and data collection and analysis.

The Task Force recommended the continued use of trained professional contract counselors, improved management of contract services, and improve the administration of the Disabled Transition Assistance Program or DTAP.

We have put in place a contract management training program for field staff that requires annual skills updates and certification, and in January, we distributed to the field stations a quick reference guide called a Quick Book, highlight the VR&E program. And this enables the field staff to present information about the VR&E program to separating servicemembers in an easily understood manner. And it's something that they can walk away with.

To further improve the DTAP briefings, we've developed a Powerpoint presentation with an accompanying briefing script. And so along with the Powerpoint, the script, the Quick Books and the orientation video that I mentioned, will greatly improve the quality and consistency of our outreach briefings for separating servicemembers.

The Task Force proposed that we improve training and seek partnerships to help us deliver this benefit. We've conducted training for field managers on policy, procedures and data analysis. We have had week-long classes on independent living and self-employment. We have done satellite broadcasts for the field and also for DOL field people on traumatic brain injury, spinal cord injury and PTSD.

We are actively seeking to partner with a wide variety of organizations. We're working with the Council of State Administrators of Vocational Rehabilitation, and we have agreements with Home Depot, YMCA and Helmets to Hard Hats that focus specifically on employment.

We're actively participating with other organizations to strengthen our coordination and outreach efforts with the goal of achieving a seamless transition for OIF and OEF veterans. And we're also working with our counterparts in VHA, within the VA, to develop and issues policies on priority medical care and services for veterans that are participating in the VR&E program.

We have an ongoing partnership with the Department of Labor. We have VR&E staff in the 57 regional offices and more than 100 outbased offices that work very closely with DOL's DVOPs and LVERs.

There are currently 71 DVOPs and LVERs co-located in 35 of our regional offices and in 26 of our outbased locations. And we also have VR&E personnel in three of the DOL offices.

We've collaborated with DOL on training for case managers as well as for DVOPs and LVERs. We're working on a draft Memorandum of Understanding -- it's really an updated MOU -- with DOL, and we are meeting with them on a frequent basis to look at what we're doing now and what we can do in the future together.

We think our efforts have proven to be steps in the right direction. We've seen improvements in the quality, accuracy and timeliness of work performed at the field stations.

I just have a little bit more.

MR. BOOZMAN. No, no. Go ahead. You can take whatever time you need is fine.

MS. CADEN. For example, in that area, the average number of days that a veteran spends in evaluation and planning status decreased from more than 150 days at the end of February '04 to less than 120 days in February of 2005. And in that same period, there was an increase in the number of veterans successfully leaving the program after completing either their employment or their independent living goals. That figure was up from 9,636 at the end of February of '04 to close to 12,000 at the end of February of 2005. So we think the initiatives we have going on and what we have planned will continue to have a positive impact on the services we provide.

Mr. Chairman, that concludes my statement, and I'd be happy to respond to any questions you or other members might have.

[The statement of Ms. Caden appears on p. 61]

MR. BOOZMAN. Thank you very much for your testimony, and we really do appreciate your hard work. I know you and your staff are working very hard to solve some of these problems.

I understand recently that you met with a company looking into hiring disabled veterans. Can you tell us a little bit about that?

MS. CADEN. We did. In fact, we've been approached by a number of companies, and it's proven to be very fruitful, but yesterday we met with a company that they specifically run call centers, but they're looking to partner with other companies with other types of jobs in managerial positions.

But what intrigued me and another member of my staff the most was for the veterans that we have in our independent living program, that employment right now isn't feasible, isn't the right approach, but we would hope down the road, when they mentioned that with a call center you can do the work at home, that clicked. And so we're definitely going to look at that and try and pursue that and maybe get some of the independent living.

I think as we heard the gentleman from PVA mention, that that would be something that might really benefit some people, and that's a group we really need to concentrate on. So I think it will be really helpful in the future.

MR. BOOZMAN. The regional office voc rehab staffs, do they have a formal relationship with the state adjutant generals, or how does that work?

MS. CADEN. We have -- it varies from office to office. About 45 of our offices have formal agreements with the state programs, working with the DVOPs and the LVERs. What I hope to get out of this next generation of the Memorandum of Understanding with DOL is that we'll have that everywhere, and that we will strength that relationship and basically make it a requirement. Pretty much it's been left up to the states.

MR. BOOZMAN. Mr. McLendon, do you think that the level of data collected by all of the VBAs business lines is sufficient to provide rigorous program analysis and evaluation?

MR. MCLENDON. I think the simple answer to that question is no. Historically, if you go back and look at the various reports that our friends from the General Accounting Office have written about VA and a lot of internal reports from VA that one of the issues that's always been a challenge for us has been data.

And there's been quite a bit of work that has been done in the last couple of years to try to begin to address that program. In VBA, they've invested quite a bit in IT modernization to work on those issues. VHA of course has got VISTA and a lot of systems. But, Mr. Chairman, that remains one of our challenges.

MR. BOOZMAN. Ms. Herseth?

MS. HERSETH. I'll just echo the appreciation that the chairman expressed for the work that you do on behalf of our veterans and their families and with all of the folks that work with you out of the regional offices around the country.

I'll just start out with -- I've got a couple of questions, but I'll just start out with the one that I posed a little bit earlier to the prior panel, and that is, Ms. Caden, can you say today, and are you in a position, the folks that you work with there at the VA, if the Memorandum of Understanding with the DoD was sort of in front of us today, is the VA ready to sign it?

MS. CADEN. I checked on that before I came here today, and my understanding, it is ready to be signed. I think that we have cleared the hurdles with both DoD and at VA, our own, and I'm told it should be signed any time.

MS. HERSETH. Okay. If you could, just as soon as it is, or if you have any updated information to share with the chairman and other members --

MS. CADEN. Sure. Absolutely.

MS. HERSETH. -- of the committee, I'd appreciate that.

MS. CADEN. Absolutely.

MS. HERSETH. And could you discuss the staffing, both short-term and long-term staffing plans? Because I'm a little concerned, and I think part of what we discussed with the first panel was this need for follow-up with newly injured servicemembers.

And part of the discussions we had in a very productive way with the chairman of the full committee and with Mr. Boozman and myself about the full-time employees to make sure that we were able to request retaining the 14 or so that had been proposed to be cut out of the administration's proposed budget.

But I'm concerned that, you know, that we have the adequate resources so as not to hinder the full implementation of the Task Force's recommendations, and to particularly address this issue of follow-up in the outreach in addition to administering the programs, particularly in light of plans set forth five, six years ago for attrition of those who may retire and the need now to pass along that wisdom and institutional expertise to new full-time employees to take over the program.

MS. CADEN. Okay. A couple different things I can say in there. First of all, I would like to address the follow-up issue.

We recently put in place a requirement -- we did it in March in a letter that went out to all the field stations, and specifically for VR&E requiring follow-up with OIF/OEF individuals who have at the point we do that initial contact with them, if they decline VR&E services because of their medical issues, it's not the right point in their life to start the program, that we are requiring follow-up within one year.

And it can happen earlier, it could happen at several times during that year, but we are requiring our VR&E staff in the field to perform that follow-up, because we don't want to lose anybody, and we do want them to remember that the program is there for them when they're able to take advantage of it.

As far as staffing goes, we're not losing any. We're not gaining a lot right now, but we think we're in a good place. As we roll out the 5-Track model and we see how that works, we will be probably looking to leverage maybe some of the Task Force recommendations for staffing. They recommended an increase of about 200 FTE for the VR&E program.

They recommended an increase in central office staff which I was able to increase my staff by about 10 to get us the expertise we needed in those areas I mentioned of independent living, outreach, data analysis and that type of thing, and employment of course.

But I think the most important area we want to look at is that employment coordinator position that we are going to be testing that will have to work with DOL, with the LEVRs and the DVOPs, and we'll see how that rolls out and how successful it is. And at that

point, we'll see what we need in that area.

MS. HERSETH. I appreciate that. I was hoping maybe we'll still see some sort of increase, but given those recommendations, and as you've heard from some of the other questions posed, particularly with the National Guard and Reserve, I think there are just some unique issues there as it relates to outreach and administering the programs and when that follow-up occurs.

And I appreciate the fact that there is a requirement now just to -- there's just so much going on with these folks.

MS. CADEN. Absolutely.

MS. HERSETH. That it's important to let them ease into things and reevaluate what their needs and what they might want to take advantage of with the programs available.

And if I might, I think the time is running short, but one last question. You made reference to the independent living program as it relates to some of the companies that have approached you and that you're in conversations with. How does the independent living program fit into VR&E's future plans beyond what you've discussed? And do you support an increase to the annual cap on participants?

MS. CADEN. We're looking at the annual cap all the time, and we haven't gone over it, and sometimes that's because we're very careful towards the end of a fiscal year, we will be watching it.

And I think this year will be very important to watch, because with more people coming back from OIF/OEF, there may be a need_and I would like to be able to get back to you on that as we watch our numbers and look at where we're going. And the independent living is a very important part of our program. It's one of the five tracks. And we're trying to concentrate on it, but we also want to keep employment as a goal. And so we really want to work and see how that works out. That's why this conversation we had yesterday on a call center was quite interesting.

MS. HERSETH. Thank you very much.

MR. BOOZMAN. Mr. Evans?

MR. EVANS. No questions.

MR. BOOZMAN. Let me follow up a little bit, and Ms. Herseth, if she'd like to follow up also it would be great. The Task Force recommended that the VBA field offices revise the resource allocation model to base the regional offices' funding for contract services on local estimates of the volume and types of services and the actual cost of the services rather than the RO's percentage of the national workload.

I guess my question is, can you tell us, how you allocate things now, so we can better understand? And then, two, if you've implemented this change, and if so, great. You know, if you haven't, what's the deal, or?

MS. CADEN. Okay. I'm probably going to turn over this to Dr. Braun, because he's been on the team that's worked on the resource alloca-

tion. But just very quickly, it's a joint effort done -- my staff, central office staff, works with our office of field operations. And, Jerry, do you want to talk a little bit about the process?

MR. BRAUN. There's two VR&E field officers, field managers that are on the resource allocation management team, as well as the folks representative from central office.

Currently, that's -- the percentage of workload is a prime indicator in terms of what resources are allocated both in the contract arena as well as in the FTE arena. Among the factors we look at are pending workload as well as outcome-type factors.

The concept of inviting -- and as Mrs. Caden referenced, this team meets once a year prior to the fiscal year, the new fiscal year, the concept of inviting the input of the field in terms of what they spent last year, what they expect to spend in the upcoming years, and what their special needs are, will be incorporated into our -- this year's summer meeting on the matter.

MS. CADEN. Just to follow up, we do look at what they spent in the past year. This year we'll probably delve into that in some more detail.

MR. BOOZMAN. Ms. Herseth? I want to thank all of the witnesses who came here today. We've heard about some really good successes and some challenges facing the voc rehab and employment program and suggestions on how the program can improve.

I think we can note with pleasure the examples of VR&E, VETS cooperation. I would offer that the GAO's comments and continual findings concerning the VR&E's inability to put disabled vets in jobs and the lack of the necessary staff skills to meet that goal is somewhat troubling. And while progress is being made, I hope that the VA will accelerate its efforts to achieve a more transparent relationship with VETS.

I don't think anyone expects VA Voc Rehab to replicate the services offered by the Department of Labor's VETS. Rather, it's common sense that VR&E develop a close working relationship with the VETS national staff and the regional office staff blends their operations with the DVOPs and LVERs.

I look forward to significant progress in the future. And we would appreciate you mentioned the Memorandum of Understanding. If you could send that over. And I feel like we need to have a signing, where we can all get together and you can give us each a pen. In fact, you ought to do that, is sign a little bit and just sign with -- so we can all have a pen that you do it with.

So, we want to assure you that we're going to press the Department of Labor to meet its obligations in its regard also.

I want to thank the testimony of Mr. Forney and especially in the sense of coming over. I want to thank him for his service. And then also I'd like say that any member of the committee also has the op-

portunity to submit written statements.

Ms. Herseth?

MS. HERSETH. Again, thank you, all of you for being here, those that testified on today's panels and those that are here as advocates for and concerned about our nation's veterans. I think as it relates to the fact that this is our first Subcommittee hearing with this new committee is an important one to ask these types of questions to see what the progress has been in light of the Task Force recommendations, in light of the need for making limited resources go as far as we can make them go.

And it's the coordination and communication between agencies like the Department of Labor and like the Department of Defense that are going to help us in that respect, and so I appreciate getting some updated information on those two areas in particular.

But thank you for your work. We'll look forward to working with you in the future. And in the questions that we all posed today, as you come across information that you think may be helpful to us or to our staffs, if you could forward that along to maintain kind of this ongoing dialogue on particularly the primary issues we focused on today in the VR&E program.

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

MR. BOOZMAN. Thank you. The meeting is adjourned.

[Whereupon, at 3:20 p.m., the subcommittee was adjourned.]

APPENDIX

HONORABLE JOHN BOOZMAN
REMARKS
April 20, 2005

Good afternoon. The first hearing of the Economic Opportunity Subcommittee will come to order.

Before we begin, I would like to introduce the members of the Subcommittee and share my thoughts on what this Subcommittee should be about.

The Ranking Member is Ms Stephanie Herseth who represents the whole state of South Dakota. She's been a member of the Veterans Committee since winning a special election and I am very pleased to have her as the Ranking Member and look forward to working with her.

On this side of the aisle, Ms Ginny Brown-Waite from Florida's 5th district is the Vice Chair and she has proven to be a true advocate for veterans. I'm very glad to have her aboard and welcome her counsel.

I am especially pleased that the Ranking Member of the full committee will be joining us. Lane Evans is no stranger to veterans issues and his voice will be a valuable addition to our work.

Richard Baker is from the 6th district in Louisiana and as the Chairman of the Financial Services Subcommittee on Capital Markets, brings a great understanding of how VA loan guaranty programs relate to real estate and financial markets.

Ms. Darlene Hooley comes to us from the 5th district of Oregon. She brings a broad range of expertise in education, healthcare and finance to the subcommittee and I appreciate her past work on behalf of veterans.

Our final member is a 2nd term member from California's 21st district, Devin Nunes. He was raised on a family farm and is a man who knows what it is like to grow up with dirt under his finger nails and the value of those who are close to this great nation's soil. Welcome aboard.

The Subcommittee's title says what we are going to be about…improving the economic opportunities for veterans. While the Economic Opportunity Subcommittee has jurisdiction over several other programs and will not ignore them, I intend to focus on the programs run by the Vocational Rehabilitation and Employment service and

the Veterans Employment and Training Service.

That means we are going to look closely, with the help of GAO, at the programs designed to put veterans to work or achieve a maximum degree of independent living. It also means that VA and DOL must gather the data necessary for them and us to determine the effectiveness of existing programs and to justify any new start.

I strongly believe the Voc Rehab and Employment program should be the crown jewel of VA programs. As such, it is vital that VA leadership place increased emphasis on the program's performance, especially in relation to its integration with the Department of Labor's programs managed by the Veterans Employment and Training Service. I note the presence of the word employment in the title of both programs and if we accomplish nothing else, I want to see the two so closely tied as to be transparent to the disabled veteran.

Labor's VETS has a special obligation to our veterans. We have vested them with the responsibility of finding good jobs for unemployed and disabled veterans. I have many questions about how well VETS is doing in that respect and we will have an oversight hearing to determine their performance in the near future as well as the performance of the Homeless Veterans Reintegration Program, a grant program designed to get homeless vets off the streets and get them ready to reenter the workforce.

The Uniformed Services Employment and Reemployment Rights Act (USERRA) and the Servicemembers Civil Relief Act (SCRA) also fall under the jurisdiction of the Subcommittee. I want to make sure that these important laws continue to protect the rights and responsibilities of our returning servicemembers and we will do just that.

The GI Bill is perhaps the most famous piece of veterans' legislation and I look forward to ensuring it meets the goals of preparing veterans for a lifetime of productive citizenship.

Finally, the Loan Guaranty program has a distinguished history of improving home ownership by veterans. VA does a good job running the program and my goal is to ensure that no one tarnishes that record. Additionally, I want to look very closely at programs that make it easier for disabled veterans to not only buy a home, but also live comfortably in that home.

I now recognize the Ranking Member for any remarks she may have.

TESTIMONY
of Joseph K. Forney
before
Veterans Affairs Subcommittee on Economic Opportunity
April 20, 2005

Good afternoon. My name is Joseph Forney. I would like to thank Chairman Boozman and the members of the Committee for holding this hearing today. I will submit my written testimony for the record, and give a brief oral statement regarding my experience with the Department of Veterans Affairs Vocational Rehabilitation and Employment program (VR & E). I will also try to answer questions regarding my experience with the VR & E.

After an injury while on active duty in the United States Navy in 1977, and two years of hospitalization, I began thinking about vocational rehabilitation. My goal was private employment. My original Military Occupational Specialty, Signal Men, did not have civilian application. Being eligible for Chapter 31, I inquired as to how to begin attending college to rejoin the workforce. Unfortunately the severity of my injuries made it difficult to attend college on a continuous basis. With ongoing medical considerations and chronic health problems, I attended college at both the junior college level and California State University intermittently for a total of 14 years.

One option that would have been very beneficial for many Service Disabled Veterans would have been to a concentrated rehabilitation curriculum focused on entrepreneurship. If this vocational option were readily available, it is my belief that many veterans with disabilities would rehabilitate themselves by successfully starting their own small businesses.

This goal can best be accomplished by:

- Ending the requirement that Chapter 31 veterans be incapable of placement in a regular job before being eligible for pursuit of a self-employment vocational goal.
- Removal of Chapter 31 delimiting date for self-employment purposes in recognition of the fact federal efforts to meet contracting assistance goals have, in the words of the highest federal procurement officials, been "abysmal."
- Creating a Department of Veterans Affairs Business Development Program for Chapter 31 Veterans with 1) sole source authority comparable to the 8(a) sole source authority, 2) an 8 year period of business development assistance for each participant, 3) intensive business development training and technical assistance provided by OSDBU, Veterans Corporation and other qualified business assistance personnel; 4) assurance comparable to that provided to 8(a) contract recipients that once a contract is placed with the Chapter 31 Business Development Program, that contract must remain within the Chapter 31 Program unless authorized for release by a VA OSDBU Director and the Chapter 31 Director.

STATEMENT OF CARL BLAKE,

ASSOCIATE LEGISLATIVE DIRECTOR,

PARALYZED VETERANS OF AMERICA

BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS,

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

CONCERNING

THE DEPARTMENT OF VETERANS AFFAIRS'

VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAM

APRIL 20, 2005

Chartered by the Congress of the United States
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EXECUTIVE SUMMARY

Secretary Principi forms the Vocational Rehabilitation and Employment (VR&E) Task Force

- Task Force releases report making recommendations in March 2004
- Focus of VR&E needs to be employment, not education and training
- Most important recommendation is the Five-Track Employment Process

VA has taken steps to implement recommendations of the Task Force

- They have created a video that explains the VR&E service
- According to VA, this video is being shown at military installations during the Transition Assistance Program (TAP) or Disabled Transition Assistance Program (DTAP)
- Video includes and explanation of Five-Track Employment Process

PVA interviewed ten spinal cord injured veterans who were injured in the last two years

- Series of questions asked regarding VR&E and the service it provides
- Four veterans of Operations Enduring Freedom or Iraqi Freedom (OEF/OIF)
- Six injured in the line of duty at home stations
- All service-connected with varied levels of injury

Determinations from interviews

- Three veterans currently enrolled in VR&E; none have completed the program
- Seven veterans were informed of services available, but chose not to participate
- Four OEF/OIF veterans found out about VR&E service at Walter Reed
  - Two most recently injured veterans saw the new VR&E video
  - Expressed interest in self-employment as part of Five-Track process
- Six veterans injured at home station did not hear about VR&E while at the military medical facility
  - Were approached about the service once they were transferred to a VA medical center
  - None of these six participated in TAP or DTAP
- Three veterans enrolled in VR&E have had positive experience
  - All three entered program prior to implementation of Task Force recommendations
  - Each expressed interest in the options offered under the new Five-Track Employment Process
  - Two of the three are currently enrolled in college courses
  - One veteran enrolled in the Independent Living program

Concerns of PVA

- Constraints on availability of Independent Living services
- Concerns with VR&E as outlined in *The Independent Budget*
- Need for better collaboration between VR&E and DOL-VETS

Chairman Boozman, Ranking Member Herseth, members of the Subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to testify today on the Department of Veterans Affairs' (VA) Vocational Rehabilitation & Employment program (VR&E). In response to criticisms about the VR&E program, the former Secretary of Veterans Affairs Anthony Principi formed the VR&E Task Force to conduct an ". . . unvarnished top to bottom independent examination, evaluation, and analysis." The Secretary asked the Task Force to recommend "effective, efficient, up-to-date methods, materials, metrics, tools, technology, and partnerships to provide disabled veterans the opportunities and services they need" to obtain employment. In March 2004, the Task Force released its report recommending needed changes to the VR&E program.

PVA is an organization of veterans who are catastrophically disabled by spinal cord injury or disease. Our members rely on the services provided by the VR&E program. The Independent Living program administered by the VR&E service is especially important to our members who must learn to perform daily living activities in the process of rehabilitating to obtain employment.

PVA fully supports the recommendations made by the VR&E Task Force report released in March 2004. In fact, our current Deputy Executive Director was a member of the Task Force. The Task Force recommended a fundamental change in how VR&E services are provided and the structures necessary to provide them. According to the report, VR&E needed to focus more on actually achieving employment for a veteran and not just on education and training. Perhaps the most important change recommended by the Task

Force was the development of the Five-Track Employment Process. The process would allow a veteran participating in the VR&E program to choose one of the following services:

- Re-employment with their previous employer.
- Rapid access to employment services with new employers.
- Self-employment.
- Long-term vocational rehabilitation services including education.
- Independent living services with the possibility of employment.

PVA, along with several other veterans service organizations, recently received a briefing from VA on the status of the VR&E service and any changes that they have made. Most notably, they have created an information video to be show to disabled veterans that explains the VR&E service. According to the VA, this video is being shown at military installations during the conduct of the Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP). The video includes an explanation of the new Five-Track Employment Process and the services provided in each track.

Because many of the recommendations of the Task Force report focused on the internal workings of VR&E and on cultural changes in the service, it is difficult to judge how well the program has implemented other recommendations. Furthermore, PVA was concerned that many of our members may not have had access to the new information being put out by VA. Often, severely disabled veterans needing DTAP services fall through the cracks, especially spinal cord injured veterans who may already be getting health care and rehabilitation from a VA spinal cord injury center despite still being on active duty.

Because these individuals are no longer located on or near a military installation, they are often forgotten in the transition assistance process; thus, they do not become aware of the VR&E services available to them.

In order to get a better idea of how the VR&E program is doing at serving veterans, PVA contacted ten spinal cord injured veterans who were injured within the last two years and are eligible for VR&E services. It must be noted that the first contact that most of the veterans interviewed had with a VR&E representative was prior to the release of the Task Force report. We asked them a series of questions to assess how well the VA is doing in administering the VR&E program. The questions asked of each veteran were:

1. Are you currently enrolled in, or have you previously participated in the VA Voc Rehab program?
2. Were you contacted by VA and advised of the services available to you through the Voc Rehab program? Was any of this information made available through TAP and DTAP?
3. If you are enrolled in the program, how has your experience been and do you have any suggestions on what could be improved?
4. If you completed the program, was there any follow-up conducted by the VA?
5. Did you participate in the Independent Living program as part of Voc Rehab?
6. Were you provided with a plan that outlines the courses of action and objectives as part of your rehabilitation?
7. Were you advised of five-tracks available to you for gaining employment?

Each of the veterans contacted had initially come through a military medical facility prior to moving to a VA medical center with a spinal cord injury center. Of the ten soldiers who

received an injury, four were veterans of Operations Enduring Freedom and Iraqi Freedom (OEF/OIF) and six were injured in the line of duty at their home stations. One of the four veterans injured in OEF/OIF was a National Guard member. All of the veterans interviewed have already received a service-connected disability rating from the VA. The level of injury for each of the veterans interviewed ranged from C-6 quadriplegia to L-3 paraplegia.

Three of the veterans interviewed are currently enrolled in the VR&E program, but none of the veterans have actually completed the program. The other seven veterans were aware of the services provided by VR&E but had chosen not to participate at this time. The four OEF/OIF soldiers actually found out about the VR&E program through programs conducted at Walter Reed Army Medical Center. This was done as part of the many transition assistance programs being administered at Walter Reed. PVA believes that many, if not all, of the soldiers going through military medical facilities such as Walter Reed, Bethesda Naval Hospital, and Brooke Army Hospital have access to the best transition assistance and disabled transition assistance.

The six veterans who were injured at their home stations were transferred from the medical facilities at the military posts where they were stationed to the VA spinal cord injury centers of their choosing or nearest to their families. None of them were informed about VR&E at the military medical facilities; however, all of them explained that they had been approached about the VR&E services once they were admitted in the VA medical centers.

None of these six veterans participated in any type of TAP or DTAP program. This remains a serious concern of PVA, as I previously explained.

Two of the most recently injured veterans have actually seen the new video created by the VA that explains the services provided by the VR&E through the use of the Five-Track Employment Process. They stated that it was very informative and that it opened there minds to possibilities they had not previously considered, specifically self-employment. The veterans who chose not to participate in the VR&E program were given information on what to do if and when they decide to enroll. A couple of the veterans said they were told that VA staff would follow-up at a later date to see if their interest in VR&E services had changed.

Each of the three soldiers who are currently enrolled in the VR&E program said that their experiences were positive. They discussed what they hoped to achieve from VR&E and their counselors helped them determine what actions that they can take. All three veterans entered the VR&E program prior to the implementation of the new Five-Track Employment Process, and they indicated that they were not familiar with what this new process entailed. Each expressed interest when told that the new process would allow them to look at a variety of employment options, including self-employment. Two of the three were currently enrolled in college courses that would give them broader opportunities for employment.

The one remaining veteran is a high level quadriplegic who is currently enrolled in the Independent Living program. He explained that the Independent Living program staff has been very professional and worked with him to overcome significant challenges. He even expressed the desire to seek employment once he achieves his initial objectives outlined in his Independent Living plan.

PVA does have a couple of concerns with the Independent Living program. Currently, there is a cap—approximately 2,500—placed on the number of new Independent Living cases that the VA may take in each year. Likewise, Independent Living services can only be provided for a maximum of 30 months. We fully support the recommendation of the VR&E Task Force which calls for a study of the program to determine future demand and the types of services that may be needed. PVA believes that the ever-growing number of seriously disabled veterans returning from Iraq and Afghanistan could result in a significant demand for Independent Living services. The VA should not be constrained from providing services by an arbitrary cap on new cases or a limited amount of time to provide services. Many of the newly injured veterans have complex disabilities that will require long-term management and care, to include Independent Living services.

Our survey does not provide clear evidence of what changes the VA has made since the release of the VR&E Task Force report, but it does show that the VA is making an effort to make these veterans aware of services that are available. However, I must reiterate the concerns that PVA, AMVETS, Disabled American Veterans, and Veterans of Foreign Wars outlined in *The Independent Budget* for FY 2006. These concerns include:

- Inadequate and sometimes non-existent case management with lack of accountability for poor decision making.
- Outdated regulations, as well as policies and procedures manuals.
- Long delays in the time taken to process applications due to staff shortages and large case loads.
- Inadequate use of electronic information technology.
- Failure to explore entrepreneurial opportunities for disabled veterans.
- Declaring veterans rehabilitated before suitable employment has been obtained.
- Inadequate and inconsistent tracking of the electronic case management information system (Corporate WINRS).
- Need for improved collaboration between the Department of Labor and the Small Business Administration.

Many of these concerns were outlined by the Task Force report, and recommendations were made to correct these deficiencies. The VA must continue to move forward to ensure that our disabled servicemen and women get critical VR&E services.

As outlined previously in our concerns about VR&E, PVA believes that it is vital that the VR&E program maintains a close partnership with the Department of Labor's (DOL) Veterans Employment and Training Service (VETS). It is essential that the VA be involved in the TAP and DTAP programs administered by VETS. The DTAP program allows disabled veterans to get early exposure to the VR&E services that they are eligible for. For this reason, we recommend, in accordance with *The Independent Budget*, that the Veterans Benefits Administration (VBA) assign primary responsibility for the planning and administration of VA's responsibilities in the DTAP program to the VR&E service and designate a DTAP manager. Currently, the DTAP program is not consistently

administered throughout the county. It is essential that VETS and VA work this problem out so that disabled veterans get access to the vocational rehabilitation services to which they are entitled.

We support the recommendation made by the Task Force which calls for a Veterans Rehabilitation and Employment Working Group led by VA and composed of representatives of the Veterans Health Administration, VBA, VR&E, DOL-VETS, Department of Defense, and State Administrators of Vocational Rehabilitation. This partnership will facilitate better employment services provided across a broader spectrum for veterans. This would be especially true if a closer relationship between the Disabled Veteran Outreach Program (DVOP) specialists and VR&E staff existed.

We strongly urge the VA to put into place the important recommendations made by the VR&E Task Force. PVA looks forward to working with this Subcommittee to ensure that the VA pursues meaningful reforms to the Vocational Rehabilitation & Employment service.

I would be happy to answer any questions that you have at this time. Thank you.

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 2005

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation — National Veterans Legal Services Program— $228,000 (estimated).

Paralyzed Veterans of America Outdoor Recreation Heritage Fund – Department of Defense -- $1,000,000.

Fiscal Year 2004

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation — National Veterans Legal Services Program— $228,000 (estimated).

Fiscal Year 2003

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation — National Veterans Legal Services Program— $228,803.

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Carl Blake is an Associate Legislative Director with Paralyzed Veterans of America (PVA) at PVA's National Office in Washington, D.C. He represents PVA to federal agencies including the Department of Defense, Department of Labor, Small Business Administration, and the Office of Personnel Management. In addition, he represents PVA on issues such as homeless veterans and disabled veterans' employment as well as coordinates issues with other Veterans Service Organizations.

Carl was raised in Woodford, Virginia. He attended the United States Military Academy at West Point, New York. He received a Bachelor of Science Degree from the Military Academy in May 1998. He received the National Organization of the Ladies Auxiliary to the Veterans of Foreign Wars of the United States Award for Excellence in the Environmental Engineering Sequence.

Upon graduation from the Military Academy, he was commissioned as a Second Lieutenant in the United States Army. He was assigned to the 1st Brigade of the 82nd Airborne Division at Fort Bragg, North Carolina. Carl was retired from the military in October 2000 due to a service-connected disability.

Carl is a member of the Virginia-Mid-Atlantic chapter of the Paralyzed Veterans of America.

Carl lives in Fredericksburg, Virginia with his wife Venus and son Jonathan.

United States Government Accountability Office

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Testimony

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

For Release on Delivery
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VOCATIONAL REHABILITATION

VA Has Opportunities to Improve Services, but Faces Significant Challenges

Statement of Cynthia A. Bascetta, Director
Education, Workforce, and Income Security

GAO-05-572T

April 20, 2005

GAO
Accountability·Integrity·Reliability

Highlights

Highlights of GAO-05-572T, a testimony before the Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, House of Representatives

VOCATIONAL REHABILITATION

VA Has Opportunities to Improve Services, but Faces Significant Challenges

Why GAO Did This Study

The Department of Veterans Affairs' Vocational Rehabilitation and Employment (VR&E) program has taken on heightened importance due, in large measure, to the number of servicemembers returning from Afghanistan and Iraq with serious injuries and their need for vocational rehabilitation and employment assistance. This statement draws on over 20 years of GAO's reporting on VA's provision of vocational rehabilitation and employment assistance to American veterans and focuses primarily on the results of two recent GAO reports. The first, issued in June 2004, commented on the report of the VA-sponsored VR&E Task Force, which performed a comprehensive review of VR&E activities and made extensive recommendations that, if implemented, would affect virtually every aspect of VR&E's operations. The second, issued in January 2005, focused on the steps VA has taken and the challenges it faces in providing services to seriously injured veterans returning from Afghanistan and Iraq.

What GAO Recommends

This statement contains no recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-05-572T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cynthia A. Bascetta at (202) 512-7215 or bascettac@gao.gov.

What GAO Found

The past year has presented the Department of Veterans Affairs (VA) with an unprecedented opportunity to begin strengthening its provision of vocational rehabilitation and employment services to veterans. The VR&E Task Force has developed a blueprint for the changes needed to improve numerous programmatic and managerial aspects of VR&E's operations. We generally agree with the Task Force's three key findings.

Key VR&E Task Force Findings	
Finding #1	VR&E has not been a VA priority in terms of returning veterans with service-connected disabilities to the workforce.
Finding #2	VR&E has limited capacity to manage its growing workload.
Finding #3	The VR&E system must be redesigned for the 21st century employment environment.

We also generally agree with the Task Force's key recommendations to streamline eligibility and entitlement, institute a new employment-driven service delivery process, expand counseling benefits, reorganize and increase VR&E staffing, and improve information technology capabilities and intra- and inter-agency coordination.

VR&E faces three overriding challenges as it responds to the Task Force recommendations. First, providing early intervention assistance to injured servicemembers returning from Afghanistan and Iraq is complicated by

- differences and uncertainties in the recovery process, which make it difficult for VR&E to determine when a servicemember will be able to consider its services;
- the Department of Defense's (DOD) concerns that VA's outreach could work at cross purposes to the military's retention goals; and
- lack of access to DOD data that would allow VA to readily identify and locate all seriously injured servicemembers.

Second, VR&E needs to upgrade its information technology system. The Task Force report pointed out that VR&E's IT system is limited in its ability to produce useful reports. Third, VR&E needs to use new results-based criteria to evaluate and improve performance. The Task Force recommended that VR&E develop a new employment-oriented performance measurement system, including measures of sustained employment longer than 60 days. In fiscal year 2004, VR&E included four employment-based performance criteria in its performance and accountability report. However, as of February 2005, VR&E had not yet reported results using these longer-term measures.

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to provide our views on efforts of the Department of Veterans Affairs (VA) to help disabled veterans obtain suitable employment through its Vocational Rehabilitation and Employment (VR&E) program. This program is crucial to helping veterans with disabilities caused or aggravated by their service in the military obtain and maintain employment, especially now as servicemembers return from Afghanistan and Iraq. Further, at a time when the American workforce is shrinking, the importance of VA's VR&E program and other federal programs that help individuals with disabilities return to work is paramount. For this and other reasons, we have designated federal disability programs, including VR&E, as "high risk."[1]

In 2003, the Secretary of Veterans Affairs established a VR&E Task Force[2] to conduct an independent review of the agency's VR&E program and make recommendations for improving its operation. At the time, there were concerns regarding the management of the program. These concerns included, among other things, the program's continued focus on education rather than employment, the time it took participants to become rehabilitated, and the program's poor track record for helping disabled veterans find suitable employment.

As you requested, my comments are focused on GAO's views about key VR&E Task Force findings and recommendations and challenges that the program currently faces in meeting the needs of disabled veterans. My statement is based largely on prior GAO reports and testimonies. Since 1984, we have reported on the operation of VA's VR&E program, the VR&E Task Force findings and recommendations, and VA's efforts to provide vocational rehabilitation services to injured servicemembers returning from Afghanistan and Iraq. We did our work in accordance with generally accepted government auditing standards.

In summary, GAO's past work and the recent Task Force report point to the need for VR&E to increase its emphasis on finding jobs for veterans

[1]GAO, *High Risk Series: An Update*, GAO-05-207 (Washington, D.C.: January 2005)

[2]VA Vocational Rehabilitation and Employment Task Force, *Report to the Secretary of Veterans Affairs: The Vocational Rehabilitation and Employment Program for the 21st Century* (Washington, D.C.: March 2004)

with disabilities and managing its operations. We reported as early as 1984[3] that the VR&E program primarily focused on training veterans and not finding them suitable employment. Twenty years later, the Task Force reached similar conclusions and recommended most notably that VR&E institute an employment-driven system for providing services to veterans that would re-emphasize the importance of employment. We noted that implementing a system focused on employment would require a cultural shift away from VR&E's long-standing emphasis on education.[4] VR&E would also need to overcome the incentive for veterans to use its education benefits, which provide more financial assistance than those available though other VA education benefits programs. While we generally agreed with the Task Force findings and recommendations, we also reported that VR&E faces three important challenges. First, although intervening early after a disabling injury increases the likelihood that a disabled veteran would return to work, VA faces significant challenges in expediting VR&E services to seriously injured servicemembers. We recommended in January 2005 that VA improve its efforts to expedite services for veterans returning from Afghanistan and Iraq and improve its policies and procedures to ensure that veterans obtain the services they need, which VA is in the process of doing. In addition, VR&E at this time does not have the information technology systems needed to properly manage its operations. Furthermore, it has just begun to initiate the process of using results-based criteria to measure success; that is, whether its services help veterans with disabilities achieve sustained employment.

Background

Since the 1940s, VA has provided vocational rehabilitation assistance to veterans with service-connected disabilities to help them find meaningful work and achieve maximum independence in daily living. In 1980, the Congress enacted the Veterans' Rehabilitation and Education Amendments, which changed the focus of VA's vocational rehabilitation program from providing primarily training aimed at improving the employability of disabled veterans to helping them find and maintain suitable jobs. VA estimates that in fiscal year 2004 it spent more than $670 million on its VR&E program to serve about 73,000 participants. This

[3]GAO, *VA Can Provide More Employment Assistance to Veterans Who Complete Its Vocational Rehabilitation Program*, GAO/HRD-84-39 (Washington, D.C.: May 23, 1984).

[4]GAO, *VA Vocational Rehabilitation and Employment Program: GAO Comments on Key Task Force Findings and Recommendations*, GAO-04-853 (Washington, D.C.: June 15, 2004).

amount represents about 2 percent of VA's $37 billion budget for nonmedical benefits, most of which involves cash compensation for service connected disabilities.

VR&E services include vocational counseling, evaluation, and training that can include payment for tuition and other expenses for education, as well as job placement assistance. Interested veterans generally apply for VR&E services after they have applied and qualified for disability compensation based on a rating of their service-connected disability. This disability rating—ranging from 0 to 100 percent in 10 percent increments—entitles veterans to monthly cash payments based on their average loss in earning capacity resulting from a service-connected injury or combination of injuries. To be entitled to VR&E services, veterans with disabilities generally must have a 20 percent disability rating and an employment handicap as determined by a vocational rehabilitation counselor. Although cash compensation is not available to servicemembers until after they separate from the military, they can receive VR&E services prior to separation under certain circumstances.[5] To make these services available prior to discharge, VA expedites the determination of eligibility for VR&E by granting a preliminary rating, known as a memorandum rating.

Implementing Task Force Recommendations Should Improve VR&E Services

We generally agree with the Task Force's key findings, which broadly address three areas of VR&E's operations. (See table 1.)

[5]Hospitalized military personnel pending discharge may receive all vocational rehabilitation and employment benefits—such as counseling, evaluation, and training—except for the monthly subsistence allowance. 38 U.S.C. §§ 3102, 3104, and 3113.

Table 1: Key VR&E Task Force Findings

Finding #1	VR&E has not been a Veterans Benefits Administration (VBA) priority in terms of returning veterans with service-connected disabilities to the workforce.
Finding #2	VR&E has limited capacity to manage its growing workload.
Finding #3	The VR&E system must be redesigned for the 21st century employment environment.

Source: GAO.

First, the Task Force found that VR&E has not been a priority in terms of returning veterans with service-connected disabilities to the workforce. Between 1984 and 1998, we issued three reports all of which found that the VR&E program had not emphasized its mandate to find jobs for disabled veterans. In 1992,[6] we found that over 90 percent of eligible veterans went directly into education programs, while less than 3 percent went into the employment services phase. We also found that VA placed few veterans in suitable jobs. We reported in 1996[7] that VA rehabilitated less than 10 percent of veterans found eligible for vocational rehabilitation services and recommended switching the focus to obtaining suitable employment for disabled veterans. VA program officials told us that staff focused on providing training services because, among other reasons, the staff was not prepared to provide employment services because it lacked adequate training and expertise in job placement. Years later, the Task Force similarly reported that top VR&E management had not demonstrated a commitment to providing employment services and lacked the staffing and skill resources at the regional offices to provide these services.

The Task Force also found that VR&E has a limited capacity to manage its growing workload. The Task Force had concerns about, among other things, VR&E's organizational, program, and fiscal accountability; workforce and workload management; information and systems technology; and performance measures. In our report on the Task Force, we stated that, although we have not specifically reviewed VR&E's capacity to manage its workload, we agree that many of the VR&E

[6]GAO, *Vocational Rehabilitation: VA Needs to Emphasize Serving Veterans With Serious Employment Handicaps*, GAO/HRD-92-133 (Washington, D.C.: Sept. 28, 1992)

[7]GAO, *Vocational Rehabilitation: VA Continues to Place Few Disabled Veterans in Jobs* GAO/HEHS-96-155 (Washington, D.C.: Sept. 3, 1996)

management systems identified by the Task Force as needing improvement are fundamental to the proper functioning of federal programs, regardless of workload.

In addition, the Task Force found that the VR&E system must be redesigned for the 21st century employment environment. The Task Force reported that the VR&E program does not reflect the dynamic nature of the economic environment and constant changes in the labor market. The report suggested that, as a result, only about 10 percent of veterans participating in the VR&E program had obtained employment. We agree with the Task Force finding that the VR&E system needs to be modernized. Our high risk report emphasized that outmoded criteria used to establish eligibility need to be updated.

The Task Force made 105 recommendations, which we grouped into six categories. (See table 2.) The first category of recommendations was directed at streamlining VR&E program eligibility and entitlement for veterans in most critical need, including (1) servicemembers who have been medically discharged or are pending medical discharge; (2) veterans with a combined service-connected disability rating of 50 percent or greater; and (3) veterans receiving compensation for the loss, or loss of the use, of a limb. In our report, we commented that, among other things, VA's outmoded disability criteria raise questions about the validity of its disability decisions because medical conditions alone are generally poor predictors of work incapacity. For example, advances in prosthetics and technology for workplace accommodations can enhance work capacity by compensating for impairments. As a result, the Task Force recommendation to focus on severity of disability rather than on employability may not ensure that veterans with the most severe employment handicaps receive priority services from VR&E.

Table 2: Key VR&E Task Force Recommendations

Category	Recommendation
#1	Streamline eligibility and entitlement for those veterans in most critical need.
#2	Replace the current VR&E process with a 5-track employment-driven service delivery process.
#3	Expand counseling benefits to provide VR&E services to pre-discharge servicemembers and post-discharge service members.
#4	Reorganize VR&E and increase staffing.
#5	Improve the capacity of the information technology systems.
#6	Improve intra- and interagency coordination.

Source: GAO.

Second, the Task Force sought to replace the current VR&E process with a 5-track employment-driven service delivery system. The five tracks include rapid access employment for veterans with skills, self-employment, re-employment at a job held before military service, traditional vocational rehabilitation services and, when employment is not a viable option, independent living services.[8] We commented that the 5-track process could help VR&E focus on employment while permitting the agency to assist veterans less likely to obtain gainful employment on their own. We added, however, that the new system would require a cultural shift from the program's current emphasis on long-term education to more rapid employment. We also observed that, as long as the education benefits available under VR&E provide more financial assistance than those available through other VA educational benefits programs, eligible veterans will have strong incentives to continue to use VR&E to pursue their education goals.

Third, the Task Force recommended that VR&E expand counseling benefits to provide VR&E services to servicemembers before they are discharged and to veterans who have already transitioned out of the military. We agreed that providing vocational and employment counseling prior to military discharge is essential to enable disabled servicemembers to access VR&E services as quickly as possible after they are discharged.

[8]The Independent Living program is tailored to the veteran whose service-connected disability or disabilities or overall condition make employment goals infeasible at the time of application. The program might incorporate such devices or services as assistive technology, Independent Living skills training, or connection to community-based support services to improve quality of life with the possibility of employment later.

In prior reports, we highlighted the importance of early intervention efforts to promote and facilitate return to the workplace. In 1996, for example, we reported research findings that rehabilitation offered as close as possible to the onset of disabling impairments has the greatest likelihood of success. [9] In addition, receptiveness to participate in rehabilitation and job placement activities can decline after extended absence from work.

Fourth, the Task Force made several recommendations directed at redesigning the VR&E central office to provide greater oversight of regional office operations and to increase staff and skill sets to reflect the new focus on employment. We agreed that program accountability could be enhanced through more central office oversight. We pointed out that, over the past 3 years, VA Inspector General reports had identified VR&E programs at regional offices that did not adhere to policies and procedures and sometimes circumvented accountability mechanisms, such as those for managing and monitoring veterans' cases and those requiring the development of sound plans prior to approving purchases for those veterans seeking self-employment. [10]

Fifth, the Task Force recommended that VR&E improve the capacity of its information technology systems. Many of the Task Force's recommendations in this area are consistent with GAO's governmentwide work reporting that agencies need to strengthen strategic planning and investment management in information technology. In addition, we recognized that VR&E would benefit from a more systematic analysis of current information technology systems before making further investment in its current systems.

Finally, the Task Force recommended that VR&E strengthen coordination within VA between VR&E and the Veterans Health Administration, and

[9]GAO, *SSA Disability: Program Redesign Necessary to Encourage Return to Work*, GAO/HEHS-96-62 (Washington, D.C.: Apr. 24, 1996).

[10]For recent examples, see Department of Veterans Affairs, Office of Inspector General, *Combined Assessment Program Review of the VA Regional Office, Providence, Rhode Island*, Report No.04-00731-110 (Washington, D.C.: March 24, 2005); *Combined Assessment Program Review of the VA Regional Office, Sioux Falls, South Dakota*, Report No. 04-03200-96 (Washington, D.C.: March 3, 2005); and *Combined Assessment Program Review of the VA Regional Office, Indianapolis, Indiana*, Report No. 04-00603-65, (Washington, D.C.: Jan. 10, 2005).

between VR&E and the Departments of Defense (DOD) and Labor.[11] Improving coordination with agencies that have a role in assisting disabled veterans make the transition to civilian employment should help these agencies more efficiently use federal resources to enhance the employment prospects of disabled veterans.

VA Continues to Face Significant Challenges in Improving Its VR&E Program

While VR&E responds to the Task Force recommendations, it faces immediate challenges associated with providing vocational rehabilitation and employment services to injured servicemembers returning from Afghanistan and Iraq. As we reported in January 2005,[12] VR&E is challenged by the need to provide services on an early intervention basis; that is, expedited assistance provided on a high priority basis. VR&E also lacks the information technology systems needed to manage the provision of services to these servicemembers and to veterans. In addition, VR&E is only now beginning to use results-based criteria for measuring its success in assisting veterans achieve sustained employment.

VR&E Challenged to Provide Services as Early as Possible

VR&E faces significant challenges in expediting services to disabled servicemembers. An inherent challenge is that individual differences and uncertainties in the recovery process make it difficult to determine when a seriously injured service member will be able to consider VR&E services. Additionally, as we reported in our January 2005 report, given that VA is conducting outreach to servicemembers whose discharge from military service is not yet certain, VA is challenged by DOD's concerns that VA's outreach about benefits, including early intervention with VR&E services, could adversely affect the military's retention goals. Finally, VA is currently challenged by a lack of access to DOD data that would, at a minimum, allow the agency to readily identify and locate all seriously injured servicemembers. VA officials we interviewed both in the regional offices and at central office reported that this information would provide them with a more reliable way to identify and monitor the progress of those servicemembers with serious injuries. However, DOD officials cited privacy concerns about the type of information VA had requested.

[11]The Department of Labor provides vocational rehabilitation services through Local Veterans' Employment Representatives and the Disabled Veterans' Outreach Program.

[12]GAO, *Vocational Rehabilitation: More VA and DOD Collaboration Needed to Expedite Services for Seriously Injured Servicemembers*, GAO-05-167 (Washington, D.C.: Jan. 14, 2005)

Our January 2005 report found that VR&E could enhance employment outcomes for disabled servicemembers, especially if services could be provided early in the recovery process. Unlike previous conflicts, a greater portion of servicemembers injured in Afghanistan and Iraq are surviving their injuries—due, in part, to advanced protective equipment and in-theater medical treatment. Consequently, VR&E has greater opportunity to assist servicemembers in overcoming their impairments. While medical and technological advances are making it possible for some of these disabled servicemembers to return to military occupations, others will transition to veteran status and seek employment in the civilian economy. According to DOD officials, once stabilized and discharged from the hospital, servicemembers usually relocate to be closer to their homes or military bases and be treated as outpatients by the closest VA or military hospital. At this point, the military generally begins to assess whether the servicemember will be able to remain in the military—a process that could take months to complete. The process could take even longer if servicemembers appeal the military's initial disability decision.

We also reported that VA had taken steps to expedite VR&E services for seriously injured servicemembers returning from Afghanistan and Iraq. Specifically, VA instructed its regional offices to make seriously injured servicemembers a high priority for all VA assistance. Because the most seriously injured servicemembers are initially treated at major military treatment facilities, VA also deployed staff to these sites to provide information on VA benefits programs, including VR&E services to servicemembers injured in Afghanistan and Iraq. Moreover, to better ensure the identification and monitoring of all seriously injured servicemembers, VA initiated a memorandum of agreement proposing that DOD systematically provide information on those servicemembers, including their names, location, and medical condition.

Pending an agreement, VA instructed its regional offices to establish local liaison with military medical treatment facilities in their areas to learn who the seriously injured are, where they are located, and the severity of their injuries. Reliance on local relationships, however, has resulted in varying completeness and reliability of information. In addition, we found that VA had no policy for VR&E staff to maintain contact with seriously injured servicemembers who had not initially applied for VR&E services. Nevertheless, some regional offices reported efforts to maintain contact with these servicemembers, noting that some who are not initially ready to consider employment when contacted about VR&E services may be receptive at a future time.

To improve VA's efforts to expedite VR&E services, we recommended that VA and DOD collaborate to reach an agreement for VA to have access to information that both agencies agree is needed to promote servicemembers' recovery to work. We also recommended that the Secretary of Veterans Affairs direct that Under Secretary for Benefits to develop a policy and procedures for regional offices to maintain contact with seriously injured servicemembers who do not initially apply for VR&E services, in order to ensure that they have the opportunity to participate in the program when they are ready. Both VA and DOD generally concurred with our findings and recommendations.

Outmoded Information Technology Systems Pose a Challenge

GAO's governmentwide work has found that federal agencies need to strengthen strategic planning and investment management in information technology. The Task Force expressed particular concern that VR&E's information technology systems are not up to the task of producing the information and analyses needed to manage these and other activities. The Task Force pointed out that VR&E's mission-critical automated case-management system is based on a software application developed by four VA regional offices in the early 1990s and redesigned to operate in the Veterans Benefits Administration's information technology and network environments.

The Task Force identified specific concerns with the operation of VR&E's automated case management system. For example, 52 of VR&E's 138 out-based locations[13] cannot efficiently use the automated system because of VBA's policy to limit staff access to high-speed computer lines. As a result of this policy, many VR&E locations use dial-up modem capabilities, which can be unreliable and slow. The Task Force concluded that VR&E's automated system is so intertwined with the delivery of VR&E services that lack of reliable access and timely system response has degraded staff productivity and its ability to provide timely services to veterans.

In addition, the Task Force pointed out that the number of reports that VR&E's automated case management system can generate is limited. For example, workload data available from the automated system provide only a snapshot of the veterans in the VR&E program at a given point in time. The automated system cannot link a veteran's case status with the fiscal

[13]VR&E has staff in locations other than VR&E central office and VA regional offices. These out-based personnel may be located in government buildings or in leased space.

year in which the veteran entered the program so that the performance of veterans entering the program in a fiscal year can be measured over a period of time. Also, the Task Force reported that VR&E does not have the capabilities it needs to track the number of veterans who drop out of the program or interrupt their rehabilitation plans.

VR&E Faces the Challenge of Developing Meaningful Outcome Measures

VA faces the challenge of using results-oriented criteria to measure the long-term success of the VR&E program. The Task Force recommended that VR&E develop a new outcomes-based performance measurement system to complement the proposed 5-track employment-driven service delivery system. Currently, VR&E still identifies veterans as having been successfully rehabilitated if they maintain gainful employment for 60 days. In its fiscal year 2004 performance and accountability report, VR&E included four employment-based performance measures: the percentage of participants employed during the first quarter (90 days) after leaving the program, the percentage still employed after the third quarter (270 days), the percentage change in earnings from pre-application to post-program, and the average cost of placing a participant in employment. However, as of February 2005, VR&E was still in the process of developing data for these measures and had not reported results.

Until VR&E is farther along in this process, it will continue to measure performance using the 60-day criteria, which may not accurately predict sustained employment over the long-term. In 1993,[14] we reported that the 60-day measure of success used by state vocational rehabilitation agencies may not be rigorous enough because gains in employment and earnings of clients who appeared to have been successfully rehabilitated faded after 2 years.[15] Moreover, the earnings for many returned to pre-vocational rehabilitation level after 8 years. As VR&E further develops its four employment-based performance measures, it will also face challenges associated with coordinating its efforts with those of other federal

[14]GAO, *Vocational Rehabilitation: Evidence for Federal Program's Effectiveness Is Mixed*, GAO/PEMD-93-19 (Washington, D.C.: Aug. 27, 1993)

[15]The Social Security Act states that people applying for disability benefits should be promptly referred to state vocational rehabilitation agencies for services in order to maximize the number of such individuals who can return to productive activity. The 60-day measure used by state agencies is less rigorous than the criterion used by the Social Security Administration—9 continuous months of employment in any substantial gainful activity.

agencies, including the Departments of Labor and Education, as they seek to develop common measures[16] of vocational rehabilitation success.

Mr. Chairman, this concludes my prepared remarks. I will be happy to answer any questions that you or other Members of the Subcommittee may have.

Contact and Acknowledgments

For further information, please contact Cynthia A. Bascetta at (202) 512-7215. Also contributing to this statement were Irene Chu and Joseph Natalicchio.

[16]VR&E is working with the Office of Management and Budget and other federal agencies to develop common measures of performance for vocational rehabilitation.

Related GAO Products

VA Disability Benefits and Health Care: Providing Certain Services to the Seriously Injured Poses Challenges (GAO-05-444T, Mar. 17, 2005)

Vocational Rehabilitation: More VA and DOD Collaboration Needed to Expedite Services for Seriously Injured Servicemembers (GAO-05-167, Jan. 14, 2005)

VA Vocational Rehabilitation and Employment Program: GAO Comments on Key Task Force Findings and Recommendations (GAO-04-853, Jun. 15, 2004)

Vocational Rehabilitation: Opportunities to Improve Program Effectiveness (GAO/T-HEHS-98-87, Feb. 4, 1998)

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

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

Vocational Rehabilitation: Evidence for Federal Program's Effectiveness Is Mixed, (GAO/PEMD-93-19, Aug. 27, 1993)

Vocational Rehabilitation: VA Needs to Emphasize Serving Veterans With Serious Employment Handicaps (GAO/HRD-92-133, Sept. 28, 1992)

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

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Statement of Judith Caden
Director, Vocational Rehabilitation and Employment Service
Before the Committee on Veterans' Affairs
Subcommittee on Economic Opportunities
United States House of Representatives

April 20, 2005

Chairman Boozman and Members of the Subcommittee:

Thank you for providing me the opportunity to appear before you today to discuss the efforts of the Department of Veterans Affairs (VA) in delivering effective vocational rehabilitation and employment services to eligible veterans with service connected disabilities.

My statement today is divided into three parts. I will begin by discussing the progress we have made on implementing the VR&E Task Force recommendations. Then, as you have requested, I will discuss how we are partnering with the Department of Labor's Veterans Employment and Training Service (VETS) to close any gaps in the delivery of employment services and ensure that all veterans with disabilities who want to work are provided the opportunity to do so. I will close my statement with a summary of the state of the VR&E Program and a look to the program's near future.

Update on Task Force Recommendations

Mr. Chairman, on April 1, 2004, Dorcas Hardy, Chairman of the Vocational Rehabilitation and Employment Task Force, testified before this Committee on the findings and recommendations published in the Task Force's 2004 report, "The

Vocational Rehabilitation and Employment Program for the 21st Century Veteran." In response to the more than 100 recommendations submitted by the Task Force, VR&E Service developed a comprehensive implementation plan. To date, 51 recommendations have been implemented. An additional 13 recommendations will be implemented in the next 6 months, and within 12 months, 15 more will be completed. Beyond that point, we plan to implement 18 other recommendations.

Task Force recommendations fall into four major areas of change: Program, Organizational Structure, Work Processes, and Integrating Capacities. I will now describe in more detail, our efforts in each of these areas.

Program Changes

The single most important recommendation, and the cornerstone of the Task Force's blueprint for redesigning the VR&E Program, is that of the 5-Track Employment Model. This improved approach to service delivery refocuses the VR&E program on the main goal of employment. It includes five specialized program and service-delivery options for disabled veterans based on informed choice:

- 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

To prepare for national implementation of the 5-Track Employment Model, VR&E has established Job Resource Labs at four VA Regional Offices where pilot tests of this new employment-focused process are being conducted. All four pilot sites, at Montgomery, St. Louis, Detroit, and Seattle, were operational by February 2005. To date, 68 VR&E field staff from the four pilot sites have been equipped and trained to deliver services under the new model. A new 30-minute orientation video has been developed and distributed to the pilot sites to provide a standardized orientation for program participants and ensure that veterans receive clear, concise, and accurate information about the program, including an overview of the 5-Track Employment Process. Specialized training for the Employment Coordinators at the pilot sites was completed in March 2005. Also, a contract was awarded to Symplicity on March 30, 2005, for a commercial, off-the-shelf, web-based solution to assist in the delivery of effective employment services for use within the Job Resource Labs. Symplicity's Career Services Manager (CSM) provides veterans with on-line training in the following skills: job seeking and interviewing; resume preparation; and researching potential employers and career fields. Additionally, CSM offers the veteran up-to-the-minute job postings, which are electronically forwarded to the veteran's inbox and are accessible from any computer via the Internet.

After collection and analysis of data from the pilot sites, national deployment of the 5-Track Employment Model will begin in FY 2006. Preliminary data from the pilot sites indicate the following:

- 626 veterans have participated in the new standardized VR&E 5-Track system since the first pilot station was deployed in December 2004.
- Of those veterans, 91% indicated the new resources assisted them in making informed decisions and employment plans.

Organizational Structure

Recommended organizational changes focused on VR&E workforce composition and staffing. The Task Force recommended redesigning VR&E's Central Office staff to increase accountability.

We have established clear lines of responsibility and authority for administration of the program and delivery of services. Central Office positions have been designed to focus on independent living services, training and outreach activities, contract management, policy development, and data collection and analysis. The VR&E Quality Assurance Team has been consolidated and relocated to Nashville, in close proximity to the Compensation and Pension Program's Quality Assurance operations. Performance standards have been put in place for VR&E Officers, Vocational Rehabilitation Counselors, Counseling Psychologists, and Regional Office Directors.

Work Process

Work Process recommendations include the continued use of trained professional contract counselors, improved management of contract services, and improved administration of the Disabled Transition Assistance Program (DTAP).

VR&E has put in place a contract management training program for field staff that requires annual skills updates and certification. We also worked with our counterparts in VA's Veterans Health Administration (VHA) to develop and issue policies on priority medical care and services to veterans participating in the VR&E program.

In January 2005, VR&E distributed to all field stations a quick–reference guide highlighting the VR&E Program. This guide or "quick book" enables field staff to present standardized information about the VR&E program to separating servicemembers. The intended target audience for the book is active-duty servicemembers who have service-connected disabilities or who suspect they have service-connected illnesses or injuries that may qualify for a service-connected disability rating. To further improve DTAP briefings, VR&E developed a standardized PowerPoint presentation with an accompanying briefing script. These newly developed materials, along with our new orientation video, greatly improve the quality and consistency of our outreach briefings for potential program participants.

Integrating Capacities

Among its Integrating Capacities recommendations, the Task Force proposed that VR&E design and implement a centralized training program and seek partnerships to facilitate efficient and effective delivery of services.

VR&E established a training team at Central Office in April 2004. Since then, VR&E has conducted training for Field Managers on policy, procedures, and data analysis. Week-long classes on Independent Living and Self-Employment were conducted during September 2004 at the VBA Training Academy in Baltimore. Contracting Officer and Contracting Officer Technical Representative (COTR) training was provided for VR&E Officers and their designees, and contracting warrants were issued to those who successfully completed the coursework. Satellite broadcasts have been conducted on current issues, such as traumatic brain injury, spinal cord injury, PTSD, special hiring authorities for Federal employment, the Uniformed Services Employment and Reemployment Rights Act (USERRA), and military sexual trauma. These broadcasts were available to all VR&E field staff and contractors. Week-long Standardized Workload Assistance Training (SWAT) was provided at two field stations to assist new VR&E managers. Addressing our succession planning needs, we provided training to a new cadre of potential leaders through our Managerial Enhancement Program earlier this month.

In addition to our partnering efforts with the Department of Labor (DOL), which I will discuss in the next section, VR&E has actively sought service delivery assistance from a wide variety of organizations. We have completed memoranda of agreement (MOAs) with such entities as:

- Texas Department of Assistive and Rehabilitative Services
- YMCA
- Helmets to Hardhats

We also have entered into an MOA with the Council of State Administrators of Vocational Rehabilitation (CSAVR), the membership organization for State Vocational Rehabilitation (VR) agencies. This MOA describes the partnership between VR&E and the State VR program. In addition, we have entered into an MOA with Home Depot. Ten veterans with disabilities have been hired to date by the Home Depot.

We are also currently exploring partnering agreements with:

- Army Materiel Command
- Social Security Administration
- Department of Homeland Security

VR&E is also actively participating with other organizations to strengthen our coordination and outreach efforts with the goal of achieving a seamless transition for OIF and OEF veterans. In December 2004, VR&E conducted a briefing for 150 severely disabled servicemembers and their spouses at the *Salute to America's Heroes Conference* in Orlando, Florida. We are working within such service improvement workgroups as Seamless Transition Committee, National Guard/VA Joint Workgroup, Army Disabled Soldier Support System (DS3) Employment Workgroup, Department of Defense (DOD) Military Severely Injured Joint

Operations Center, DOD/DOL Transition Assistance Program (TAP) Steering Committee, and the Marines for Life.

Partnership with Department of Labor

In our efforts to provide quality services to disabled veterans, VR&E has an ongoing partnership with the Department of Labor. "Under the Workforce Investment Act, VR&E has the opportunity to access One-Stop Career Centers nationwide and to broadly serve disabled veterans through that infrastructure." VR&E staff in 57 Regional offices and more than 100 outbased offices work closely with DOL's Disabled Outreach Program Specialists (DVOPs) and Local Veterans Employment Representatives (LVERs) to assist job-seeking veterans. There are currently 71 DOL DVOPs and LVERs co-located in 35 VA Regional Offices and 26 outbased locations. Additionally, there are four VR&E personnel co-located in DOL offices in Louisville, Kentucky and St. Petersburg, Florida. DVOPs and LVERs stationed or co-located with us in VR&E field facilities have the opportunity to access the same resources available to VR&E staff. This access can help to better integrate DVOPs and LVERs into the initial vocational evaluation process and the delivery of employment services.

VR&E has also collaborated with DOL on training for VA Case Managers as well as DVOPs and LVERs. VR&E and DOL jointly produced live satellite broadcasts on USERRA and special hiring authorities for Federal employment. Originally broadcast in February 2004, the USERRA broadcast explained the law and the benefits available for veterans who desire to return to their previous

employer to resume the jobs that they left, or a position they would have if they had never left when they went on active duty, or in some cases because of a disability be reemployed with the same employer in a comparable position. The special hiring authorities broadcast aired in July 2004 and included information on the expedited Federal hiring process for certain veterans with disabilities. These broadcasts provided important information for veterans seeking employment, and copies continue to be distributed to VR&E and DOL personnel across the country for use by both staff and employers.

VR&E and DOL continue to participate in joint training ventures. Last year, DOL representatives participated in the annual VR&E Officers' Management Training Conference. The Deputy Assistant Secretary for DOL's Veterans' Employment and Training Services (VETS) addressed the VR&E field managers. More recently, DOL staff attended training alongside VR&E staff at the 5-Track pilot sites in Montgomery and Seattle. Joint training ventures such as this help to ensure seamless delivery of services to veterans by both VR&E and DOL.

Additionally, VR&E and DOL have developed a draft memorandum of understanding (MOU) in which they agree to use their partnership to benefit veterans and provide quality employment services. Veterans need employment assistance as they return to civilian life and the VR&E/DOL partnership supports that need. VR&E and DOL meet regularly to discuss progress on present collaborative efforts and future possibilities.

Study of Program Results

In FY 2003, VR&E Service entered into a contract for a longitudinal study of veterans who have been declared rehabilitated upon completing our program. This study will cover the years 1992 to 2002 and provide data in several key areas, such as how many veterans have sustained employment, their current salaries, work stability, educational history prior to disability, length of rehabilitation program, and other demographic information (branch of service, age, etc). The study results, which should be available by the end of FY 2005, are expected to provide VR&E empirical information that can be used to predict participants' potential for successfully completing a program of rehabilitation services.

Conclusion

VR&E's efforts have proven to be steps in the right direction. Through our quality assurance program, we have seen improvements in the quality and accuracy of work performed at field stations in the areas of entitlement determinations, evaluation planning and rehabilitation services, fiscal activity, and program outcomes.

We have seen other quantitative improvements as well that have a direct impact on the quality and timeliness of services to veterans. The average number of days that a veteran spends in "evaluation and planning" status decreased from more than 150 days at the end of February 2004 to less than 120 days in February 2005. In that same period, there was an increase in the number of veterans successfully leaving the program after completing either their employment or

independent living goals. The figure was up from 9,636 at the end of February 2004 to 11,810 at the end of February 2005.

The initiatives we have planned for the coming years will continue to have a positive impact on services to veterans. We are planning joint information technology initiatives with the Education Service that will allow VR&E to utilize existing web-based applications for enrollment verification and certification. We are also developing a formal mentoring program for newly selected VR&E and Assistant VR&E Officers. In addition to the one-on-one mentoring relationship with an established VR&E field manager, the newly selected managers will have an opportunity to learn from VR&E Central Office staff.

Mr. Chairman this concludes my statement. At the Subcommittee's request, I have also submitted, for the record, detailed data relative to the program's operations and demographics on program participants. I will be happy to respond to any questions that you or other members of the Subcommittee might have.

Congresswoman Brown-Waite
Opening Statement: Economic Opportunity Subcommittee
April 20, 2005 / 2 p.m. / 334 Cannon

I would like to thank all of the witnesses who are here to testify before the Subcommittee on Economic Opportunity. As your testimony notes, there has been significant progress in the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment program (VR&E) since the release of the 2004 VR&E Task Force Report.

The Task Force recommended a number of changes to the system, which the VA has made strides toward implementing. I am particularly pleased to note the progress toward implementing the Five-Track Employment Model. That model's innovative steps include reemployment with previous employers, access to rapid employment services with new employers, self-employment for veterans, long-term vocational rehabilitation services, and Independent Living Services with the possibility of employment when appropriate.

The VA specifically established Job Resources Labs at four regional offices to implement these recommendations. That said, however, we can do more to provide better services for veterans, particularly those new veterans returning from Iraq and Afghanistan. I look forward to working with you to identify areas of the VR&E program where we can implement change and improve service areas.

I am honored to serve as Vice Chair of this Subcommittee, and look forward to working with Chairman Boozman and my colleagues to provide better care and services for our veterans. Once again, I welcome you to today's hearing, and await your thoughts and proposals.

STATEMENT OF
JOSEPH C. SHARPE, JR., DEPUTY DIRECTOR
ECOMONIC COMMISSION
THE AMERICAN LEGION

TO THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

ON

DEPARTMENT OF VETERANS AFFAIRS' (VA's) VOCATIONAL REHABILITATION
AND EMPLOYMENT (VR&E) SERVICE
AND ITS INTERACTION WITH
DEPARTMENT OF LABOR'S (DOL's) VETERANS' EMPLOYMENT
AND TRAINING SERVICE (VETS)

APRIL 20, 2005

EXECUTIVE SUMMARY

According to a GAO report dated September 1996, titled *Vocational Rehabilitation: VA Continues to Place Few Disabled Veterans in Jobs, VR&E* workloads are exceptionally high for the limited number of staff, which hinders the staff's ability to effectively assist individual veterans with identifying employment opportunities. Currently, the average caseload of a typical VR&E counselor approaches 160 veterans. The VA fiscal year 2006 budget request includes an additional 21 Management Direction and Support FTE's to be redirected from other business lines. While this will help with implementing Task Force recommendations, the Direct Services FTE level remains flat at 963. The American Legion urges Congress to provide the funding needed to increase the number of VR&E counselors in fiscal year 2006 instead of simply shifting existing employees.

The American Legion supports the creation of an adequate system for evaluating the effectiveness of the VR&E Service. Although the need for an accurate system of measuring the success of the VR&E program has been discussed during other House Veterans' Affairs Committee hearings, not much action has taken place. Historically, the success of the program was based on the number of veterans entering training. As a result, VA often allowed program participants to enter into fields of training where there were few chances for successful job placement at the completion of that training. Another problem cited by the 2004 Task Force report is that the large number of unique veterans being served in some capacity during a fiscal year is not reported.

The Department of Defense (DoD) discharges approximately 250,000 service members annually. These recently separated service personnel actively seek employment or prepare to continue their formal or vocational education. The veterans' advocates within the Department of Labor's Veterans Employment and Training Service VETS program play a significant role in helping these recently separated service personnel to reach their employment goals.

The American Legion strongly opposes any attempt to move VETS to the Department of Veterans Affairs (VA) and we concur with the notion that all disabled veteran candidates enrolled in VR&E should be referred to VETS for job placement.

The American Legion would like to see a more concentrated focus on efforts to synthesize and integrate the now largely fragmented VA voc-rehab and psychosocial rehabilitation programs. This should include the Department of Labor's Veterans' Employment and Training Service into a continuum of care, recovery–focused model with the emphasis on restoring SMI veterans to productive lives as quickly as possible.

STATEMENT OF
JOSEPH C. SHARPE, JR., DEPUTY DIRECTOR
ECONOMIC COMMISSION
THE AMERICAN LEGION
TO THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
DEPARTMENT OF VETERANS AFFAIRS' (VA's) VOCATIONAL REHABILITATION AND EMPLOYMENT (VR&E) SERVICE
AND ITS INTERACTION WITH
DEPARTMENT OF LABOR'S (DOL's) VETERANS' EMPLOYMENT AND TRAINING SERVICE (VETS)

APRIL 20, 2005

Mr. Chairman and distinguished members of the Subcommittee, thank you for the opportunity to express the views of The American Legion regarding the VA's VR&E performance since the report of the VA Vocational Rehabilitation and Employment Task Force, *The Vocational Rehabilitation and Employment Program for the 21st Century Veteran* and on VR&E's interaction with the DOL's VETS.

The mission of the VR&E program is to help qualified, service-disabled veterans achieve independence in daily living and, to the maximum extent feasible, obtain and maintain suitable employment. The American Legion fully supports these goals. As a nation at war, there continues to be an increasing need for VR&E services to assist Operations Iraqi Freedom and Enduring Freedom veterans in returning to independent living, achieving the highest possible quality of life, and securing meaningful employment. To meet America's obligation to these specific veterans and other eligible VR&E veterans, VA leadership must be focused on marked improvements in case management, vocational counseling, and -- more importantly -- job placement.

The very future of severely-disabled veterans rests squarely on the coordinated efforts of every Federal agency (DoD, VA, DoL, OPM, et al) involved in the overall successful transition from the battlefield to the civilian workplace. Timely access to quality health care services, successful physical rehabilitation, vocational training, and job placement -- each will play a critical role in the "seamless transition" of each and every veteran, as well as his or her family.

VOCATIONAL REHABILITATION AND EMPLOYMENT SERVICE

Administration of VR&E and its programs is a responsibility of the Veterans Benefits Administration (VBA). Historically, VBA has placed emphasis on the processing of veterans' claims and the reduction of the claims backlog, which is commendable, but the need to provide effective employment programs through VR&E should not be overlooked.

For the last 25 years, VR&E's primary focus has been providing veterans with skills training and not obtaining meaningful employment. Clearly, an employability plan that doesn't achieve the ultimate objective – a job – is an injustice to those veterans seeking assistance transitioning into the civilian workforce.

Vocational counseling plays a key role in identifying barriers to employment that must be overcome, then matches veterans' skills with those career opportunities available for fully qualified candidates. Becoming fully qualified becomes the next logical objective towards successful transition.

Veterans preference should play a large role in vocational counseling as the Federal government has scores of employment opportunities that educated, well-trained, and motivated veterans can fill – given a fair and equitable chance to compete. Working together, all Federal agencies should identify those vocational fields, especially those with high turnover rates, suitable for VR&E applicants. Career fields like information technology, claims adjudications, debt collection, etc. offer employment opportunities and challenges for career-oriented applicants that also offer career opportunities outside the Federal government.

Some of the reasons VA is lacking in its efforts to find employment for disabled veterans were cited in a number of reports published by the Government Accountability Office (GAO). The primary cause for this failure, according to the GAO report, dated September 1996, titled *Vocational Rehabilitation: VA Continues to Place Few Disabled Veterans in Jobs,* is that the program has historically been marketed to veterans as an education program and not an employment program. A majority of veterans attend universities and colleges with few enrolled in training programs, such as apprenticeships and on-the-job training that can lead to direct job placement.

This report stated that workloads were exceptionally high for the limited number of staff, which hinders the staff's ability to effectively assist individual veterans with identifying employment opportunities. Currently, the average caseload of a typical VR&E counselor approaches 160 veterans. The President's FY 2006 budget request includes an additional 21 Management Direction and Support FTE's to be redirected from other business lines. While this will help with implementing Task Force recommendations, the Direct Services FTE level remains flat at 963. The American Legion urges Congress to provide the funding needed to increase the number of VR&E counselors in FY 2006 instead of simply shifting existing employees.

According to the 2004 VA Vocational Rehabilitation and Employment Task Force Report, *The Vocational Rehabilitation and Employment Program for the 21st Century Veteran,* there have been no significant improvements since the 1996 GAO report. Currently, in many states only a few veterans from the VR&E program are being referred to the VETS for additional assistance in obtaining employment. Veterans with high-tech skills and advanced education are referred to expensive commercial placement agencies that do not specialize in employment assistance for veterans and difficult to place veterans are sent to VETS. Additionally, many VR&E counselors are not effectively communicating with their VETS counterparts.

The American Legion recommends exploring possible training programs through the National Veterans Training Institute (NVTI) geared specifically for VR&E Counselors. NVTI serves as a valuable resource for VETS employment specialists and made a marked improve in VETS performance. Contracting for standardized or specialized training for VR&E employees may very well strengthen and improve the overall program performance. Since each has common tasks and responsibilities, common training may facilitate better communications.

The American Legion supports the creation of an adequate system for evaluating the effectiveness of the VR&E Service. Although the need for an accurate system of measuring the success of the VR&E program was discussed during other House Veterans' Affairs Committee hearings, The American Legion believes not much action has taken place. Historically, the success of the program was based on the number of veterans entering training. As a result, VA often allowed program participants to enter into fields of training where there were few chances for successful job placement at the completion of that training. Another problem cited by the 2004 Task Force report is that the large number of unique veterans being served in some capacity during a fiscal year is not accurately reported.

It seems that the VR&E program has remained in a perpetual state of transition for the past 25 years, according to countless GAO and VA reports. The 2004 Task Force report stated that VR&E system must be redesigned for the 21st Century employment environment. The American Legion supports strong leadership and verification of timely implementation of these recommendations. Furthermore, The American Legion would encourage this Subcommittee to set up a series of "status update" hearings on progress of the transformation.

VETERANS EMPLOYMENT AND TRAINING SERVICE

The DoD discharges approximately 250,000 service members annually. Since September 11, 2001, an increasing number of these veterans are members of the National Guard and Reserve returning to local communities. These recently separated service personnel actively seek employment or prepare to continue their formal or vocational education. The veterans' employment specialists within the VETS program play a significant role in helping these recently separated service personnel to reach their vocational goals.

The mission of VETS is to promote the economic security of America's veterans by assisting them in finding and securing meaningful employment. The American Legion believes VETS program is one of the best-kept secrets in the Federal government. The American Legion is deeply concerned with the recent changes of Title 38, United States Code. The American Legion did not support that legislation because of the philosophical restructuring of the Local Veterans' Employment Representative (LVER) and Disabled Veterans' Outreach Program (DVOP). The staffing formulas and standardized job descriptions were established to make sure every veteran had access to employment specialists' services, if needed, regardless of his or her residence. Special assistance was provided to hard-to-place veterans through highly trained and fully qualified DVOP specialists.

The new process turns control of VETS over to Governors to create potentially 50 different mini-VETS resulting in little standardization of services rendered. Services will only be as good as the elected leadership chooses to make it. The American Legion is deeply concerned that a

Governor could minimize the relationship between VETS and VR&E based on duties and responsibilities assigned to VETS specialists within the state's grant program.

The American Legion is far from optimistic that accountability of Federal VETS dollars will be spent on veterans' employment services. Strict oversight must be provided to ensure quantitative results. Quality and timeliness of services may vary greatly from state to state. DoL proposed Workforce Investment Act (WIA) Plus Consolidated Grant Program under current consideration in the Senate could ultimately end VETS and return veterans' employment to the pre-VETS days with disproportionate unemployability rates among combat veterans. Higher unemployment among veterans compared to their non-veteran peers resulted in the creation of VETS.

VETS continues to improve by expanding its outreach efforts with creative initiatives designed to improve employment and training services for veterans and, providing employers with a labor pool of quality applicants with marketable and transferable job skills. VETS took the initiative in identifying military occupations that require civilian licenses, certificates or other credentials at the local, state, or national levels. They are developing IT systems to tap into highly competitive and fast moving high–tech job markets. VETS helps to eliminate barriers to recently separated service personnel and assists in the transition from military service to the civilian labor market.

Although The American Legion strongly opposes any attempt to move VETS to VA, we are more concerned with the ultimate future of VETS under the complete Administrative control of State Administrators.

SERIOUSLY MENTALLY ILL VETERANS AND SUPPORTED EMPLOYMENT

The wars in Iraq and Afghanistan are producing fewer casualties than previous conflicts, but a higher percentage of severely wounded veterans are likely to be psychiatric casualties, many of which manifest years after the soldiers return from combat. As we learned in Vietnam, the latency of mental disorders brought about by traumatic stress of insurgency conflicts predispose the soldier to higher levels of uncertainty as to when and where stressors may occur.

Public Law 108–170, The Veterans Mental Health and Back–to–Work Act of 2003, authorized VA to begin a program of supported employment services for veterans with serious mental illness (SMI). Any veteran is eligible for the service, but the SMI veteran population is the target audience for improving chances for sustained and meaningful employability. The American Legion supported this legislation and applauds Congress for its vision in enacting it. Although largely a function of VHA, we are concerned that the addition of yet another Federal agency into the mix could result in further disarray in the effective coordination of VR&E services.

The overarching goal of any new joint employment program should be to ensure a seamless continuum of services for veterans with serious mental illness between the VHA and the VBA in the areas of psychiatric rehabilitation services (PRS) and VR&E. The American Legion is concerned that a disconnect may occur as a result of the difference in culture between VBA, which is primarily regulatory driven and VHA, that is largely influenced by clinical best practice standards within statutory authority. Although both VBA and VHA are doing their best to carry out their mandated missions within the resources available, changes must take place to keep pace

with new evidence-based rehabilitation models in the field of rehabilitation practice, if this initiative is to succeed. Those changes include cultural, statutory and regulatory ones.

SMI veterans will have special needs in VR&E system. Circumstances that interfere with the veteran's ability to complete rehabilitation will cause the veteran to be placed in one of two statuses: interrupted status or discontinued status. Interrupted status recognizes that a variety of situations may arise in the course of a rehabilitation program in which a temporary suspension of the program is warranted, while discontinued status identifies situations in which termination of all services and benefits received is necessary after a review of the case. A veteran may be discontinued when he or she will be unable to participate in a rehabilitation program because of serious physical or emotional problems for an extended period and VA medical staff is unable to estimate an approximate date by which the veteran will be able to begin or return to the program. In addition, once a veteran is placed in employment following training and remains on the job for only 60 days, he or she is considered rehabilitated and unwisely is discontinued.

Clearly, The American Legion does not feel this is in the best interest of veterans with SMI. Veterans with serious mental illness deserve and require more than a final cold adjudicative determination. The reasons they are unable to handle a course of rehabilitative training and employment seeking may be attributable to their very conditions. The American Legion believes that in these situations, the programs fail the veteran, rather than the veteran failing the programs. In the clinical world of VHA, such failure would be treated much as any other relapse, regression or decompensation; that is the treatment would pick back up where the client left off.

VHA's Psychiatric Rehabilitation Service (PRS) focuses on strengths, needs, abilities and preferences of the veteran with SMI. PRS' guiding principles:

- Everyone with mental illness can engage in work;
- Vocational Rehabilitation should be available to all mental health consumers;
- Work should be in an integrated setting; and
- Rapid integration into paid community employment should be facilitated.

VA's Advisory Committee on Care of Recovery of Veterans with Serious Mental Illness has underscored the need to integrate psychosocial recovery in the treatment of mental illness. Integrated psychosocial recovery includes gainful employment. The Substance Abuse and Mental Health Services Administration has concluded that SMI need not lead to unemployment when individuals are given proper training and employment support services. A joint study of supported employment conducted by VA Connecticut Health Care System, VAMC Indianapolis, Yale University and the Indiana Schools of Medicine found that most people with SMI want to work and cited evidence that they can gain competitive employment with sufficient supports.

All aspects of the vocational rehabilitation of veterans should be removed from the realm of sterile administrative adjudication. Clearly, supported employment is the wave of the future in rehabilitation of persons with SMI. This model is being widely embraced by the general rehabilitation community. The American Legion agrees with these principles, which form a part of the recovery model of rehabilitation.

The American Legion would like to see a focused effort to study ways to synthesize and integrate the now largely fragmented VA voc-rehab and psychosocial rehabilitation programs. This should include the VETS or eventually an improved and refocused VR&E into a continuum of care, recovery–focused model with the emphasis on restoring SMI veterans to productive lives as quickly as possible.

Summary

America asks young men and women to serve in its armed forces to protect and defend this great nation and its way of life. Their selfless service provides millions of their fellow Americans with the opportunity to pursue their vocational endeavors. Therefore, that oath of enlistment is a "contract" between America and G.I. Joe or Jane that binds them and the Federal government together. The successful transition of that service member back into the civilian workforce must be a shared responsibility, especially if that service member has suffered service-connected disabilities. There is much talk about "seamless transition" between DoD and VA, but it goes beyond that. It should be a "seamless transition" between all Federal agencies involved – that means:

- Honoring veterans preference in hiring;
- Prompt adjudication of disability claims;
- Timely access to VA quality health care;
- Housing of the homeless; and
- Any other Federal assistance needed.

Although the treaties are signed, the guns are silenced, the dead are buried, and the parades are over – America's debt to its true "heroes of democracy" continues beyond the grave. As former President Lincoln said so eloquently: *"With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation's wounds,* ***to care for him who shall have borne the battle and for his widow and his orphan****, to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."*

These words rang true on March 4, 1865. They ring true today. These programs we address today test this nation's willingness to met its obligations and fulfill its part of the "contract."

Mr. Chairman and Members of the Subcommittee, this concludes my testimony. I appreciate the opportunity to present The American Legion's views on these important and timely topics.

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006-2847 ★
(202) 861-2700 ★

April 20, 2005

Honorable John Boozman, Chairman
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
335 Cannon House Office
Washington, DC 20515

Dear Chairman Boozman:

The American Legion has not received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the subject of the April 20th hearing, concerning Department of Veterans Affairs' (VA's) Vocational Rehabilitation and Employment (VR&E) Service and its Interaction with Department of Labor's (DOL's) Veterans' Employment and Training Service (VETS).

Sincerely,

Joseph C. Sharpe, Deputy Director
Economic Commission

JOSEPH C. SHARPE JR.
DEPUTY DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

Joseph C. Sharpe Jr. began serving as Deputy Director of the Economics Division in January 2002. Prior to serving as Deputy Director, he served as a Health Care Field Representative and Assistant Director of the Veterans Affairs and Rehabilitation Commission.

He is a graduate of The Johns Hopkins School of Advance International Studies in Washington, DC, where he earned a M.A. in International Relations and Economics. He also has two Graduate Certificates in International Business and Trade and Health Care Management from Georgetown University. Joseph also earned his B.A. in Sociology from the University of Maryland, College Park, MD. He is currently enrolled in a part time MBA program with Johns Hopkins University.

In 1982, he entered the United States Army. After completing initial training at Ft. Sill, OK, and Ft. Sam Houston, TX, he served as a Drug and Alcohol Counselor with the 2nd Infantry Division in South Korea. He also served as a Mental Health Counselor in Ft. Benning, GA, worked as a Behavioral Science Research Specialist at the Walter Reed Institute of Research, Heidelberg, Germany, and was appointed as the Non Commissioned Officer in Charge of Inpatient Social Work and Psychiatry Service, Walter Reed Army Medical Center, in Washington, DC. In addition to his active duty service, Joseph is currently serving with the 354th Civil Affairs Brigade, U.S. Army Reserve, Riverdale, MD, as the Non Commissioned Officer in Charge of the Brigades Economics and Commerce Team.

During his military service with the Army Reserve Sergeant First Class Sharpe was deployed twice overseas, in Operation Joint Forge, Bosnia-Herzegovina, and recently for the Global War on Terrorism, in which he received the Bronze Star Medal for work completed in the restoration and improvement of public and private financial institutions and banking services in Iraq.

Originally from Chicago, Illinois, he and his family currently reside in Bristow, Virginia.

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STATEMENT FOR THE RECORD

of

Richard Jones
AMVETS National Legislative Director

before the

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
U.S. House of Representatives

on

The U.S. Department of Veterans Affairs' Vocational Rehabilitation and Employment Program

Wednesday, April 20, 2005
334 Cannon House Office Building

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EXECUTIVE SUMMARY

Summary of Findings

In April of 2003, Secretary Principi established a VA Vocational Rehabilitation and Employment Task Force to independently assess the VR&E program. The Task Force released its recommendations and findings in March of 2004. In that report, the Task Force identified that:

1. VR&E has not been a Veterans Benefits Administration (VBA) priority in terms of returning veterans with service-connected disabilities to the workforce.
2. The VR&E program emphasizes education and not employment.
3. The VR&E program needs to be modernized.
4. Veterans have been declared rehabilitated without sufficient follow-up
5. VR&E does not prioritize veterans with severe service-connected disabilities.
6. VR&E fails to communicate effectively with federal and state agencies.

Recommendations

1. VR&E needs to put more focus on employment services and needs for returning servicemembers, specifically the disabled.
2. Congress should evaluate the impact of disabilities on immediate and long-term employment barriers in determining eligibility for VR&E services, including making extensions beyond the 12 delimiting date.
3. To meet increasing workloads, VR&E needs to hire a minimum of 1,017 full-time employees and 60 new oversight counselors.
4. VR&E needs a Web-based database to modernize its technology and file sharing systems to allow for better communication with agencies, contractors, employment services and outside partnership entities.

Chairman Boozman, Ranking Member Herseth, and members of the Subcommittee:

On behalf of AMVETS National Commander William A. Boettcher and the nationwide membership of AMVETS, I am pleased to offer our views to the Subcommittee on Economic Opportunity regarding the Department of Veterans Affairs' Vocational Rehabilitation and Employment (VR&E) program. For the record, AMVETS has not received any federal grants or contracts during the current fiscal year or during the previous two years in relation to any of the subjects discussed today.

Mr. Chairman, AMVETS applauds this Subcommittee and its effort to examine VA's VR&E program. AMVETS is a staunch advocate of providing veterans with appropriate benefits and services *earned* through honorable military service. As a leader since 1944 in helping to preserve the freedoms secured by America's Armed Forces, our organization continues its proud tradition providing not only support for veterans and the active military in procuring their earned entitlements but also an array of community services that enhance the quality of life for this nation's citizens.

The VR&E program is designed to help veterans with service-connected disabilities to prepare for, find, and keep suitable employment. Disabled veterans rated at 10 percent or more can apply for VR&E training and services within 12 years from the date of their service-connected award rating. With thousands of veterans returning home each and every day, many of them facing life-altering disabilities, it is critical that the VR&E program and its partners provide our injured servicemembers with a seamless transition from the military to a successful rehabilitation and on to suitable employment.

In April of 2003, then-Secretary Principi established a VA Vocational Rehabilitation and Employment Task Force to independently assess the VR&E program. The Task Force released its recommendations and findings in March of 2004. In that report, the Task Force identified three key findings:

1. VR&E has not been a Veterans Benefits Administration (VBA) priority in terms of returning veterans with service-connected disabilities to the workforce.

2. The VR&E program emphasizes education and not employment.
3. The VR&E program needs to be modernized.

Mr. Chairman, as you may very well know, over the past two decades the VR&E program has been reviewed, assessed, and audited at least 24 times in separate external and internal reports, often by GAO. The Task Force report draws same conclusions and makes similar recommendations as many of those other audits. Additionally, we annually comment on the VR&E program in the *VSO Independent Budget*, and make recommendations that would allow the program to meet its ongoing workload demand and implement new initiatives recommended by the Task Force.

Over the years, the VR&E program has been repeatedly criticized for putting the emphasis on training, not employment services and employment results. Reports have shown that 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, 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.

We agree that VR&E needs to put more focus on employment services and needs for returning servicemembers, specifically the disabled. Initial service-connected disabilities or conditions may increase in severity over time and adversely effect the earning capacity or employability for the veteran. We have heard reports that some disabled veterans who have applied for, and were awarded, a higher disability rating were denied VR&E services because they were beyond the 12 year rule from their initial rating date. We recommend that Congress evaluate the impact of disabilities on immediate and long-term employment barriers in determining eligibility for VR&E services, including making extensions beyond the 12 delimiting date.

During FY05 and continuing into FY06, VR&E's workload is expected to increase between 10 and 13 percent. More employees are needed to meet this increasing demand. Given VR&E's increased reliance on contract services, we recommend that VR&E hire at least 60 new employees dedicated to

management oversight of contract counselors and rehabilitation and employment service providers. To meet the increasing workload and to implement reforms to improve the effectiveness of the VR&E program, we recommend that VR&E hire a minimum of 1,017 full-time employees in FY06.

We agree that improving coordination with agencies that have a role in assisting veterans in transitioning into the civilian workforce will enhance employment prospects for veterans. To that end, the VR&E program needs to drastically modernize its technology and file sharing systems. VR&E's implemented its current case management and information system, WINRS, in 1997. WINRS refined and expanded the functions of the VR&E system to allow management and sharing claims information by VA offices nationwide. This was a good start. However, in today's Internet-age, VA now needs a Web-based system to allow for a more efficient way of sharing information with agencies, contractors, employment services and outside partnership entities. We recommend that Congress provide at least $3 million in FY06 to enable VR&E to expand and implement new technologies to its case management and file sharing information systems.

For the service-connected disabled veterans returning home, and for those who served before, we must do all we can to strengthen the VR&E program and learn from its shortcomings. Why continue to waste time, energy, and resources on more reports? It is time that the suggestions and recommendations made by the VSOs and other independent agencies and firms be seriously considered. It is our hope that immediate and concrete actions will be made so that veterans have access to service that is timely, effective, and efficient. It is good public policy and it is the right thing to do.

In closing Mr. Chairman, AMVETS looks forward to working with you and others in Congress to ensure we continue to update and improve the earned benefits of America's veterans and their families. As we find ourselves in times that threaten our very freedom, our nation must never forget those who ensure our freedom endures. AMVETS thanks the panel for the opportunity to address this issue.

Richard "Rick" Jones
National Legislative Director

Richard "Rick" Jones joined AMVETS as the National Legislative Director on January 4, 2001. As legislative director, he is the primary individual responsible for promoting AMVETS legislative, national security, and foreign affairs goals before the Departments of State, Defense, and Veterans Affairs, and the Congress of the United States.

Rick is an Army veteran who served as a medical specialist during the Vietnam War era. His assignments included duty at Brooke General Hospital in San Antonio, Texas; Fitzsimmons General Hospital in Denver, Colorado; and Moncrief Community Hospital in Columbia, South Carolina. At Moncrief Hospital, Rick was selected to assist in processing the first members of the all-volunteer Army.

Rick completed undergraduate work at Brown University prior to his Army draft and earned a Master Degree in Public Administration from East Carolina University in Greenville, North Carolina, following military service.

Prior to assuming his current position, Rick worked nearly twenty years as a legislative staff aide in the offices of Senator Paul Coverdell, Senator Lauch Faircloth, and Senator John P. East. He also worked in the House of Representatives as committee staff for Representative Larry J. Hopkins and Representative Bob Stump.

In working for Rep. Stump on the House Committee on Veterans' Affairs, he served two years as Republican minority staff director for the subcommittee on housing and memorial affairs and two years as Republican majority professional staff on funding issues related to veterans affairs' budget and appropriations.

Rick and his wife Nancy have three children, Sarah, Katherine, and David, and reside in Springfield, Virginia.

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April 20, 2005

The Honorable John Boozman, Chairman
Subcommittee on Economic Opportunity
House Veterans' Affairs Committee
Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Boozman:

Neither AMVETS nor I have received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the April 20, 2005, Subcommittee hearing on the U.S. Department of Veterans Affairs' Veterans Rehabilitation and Employment program.

Sincerely,

Richard Jones
National Legislative Director

A M V E T S

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STATEMENT OF
BRIAN E. LAWRENCE
ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
APRIL 20, 2005

EXECUTIVE SUMMARY

The Vocational Rehabilitation and Employment Program (VR&E) of the Department of Veterans Affairs (VA) is in the process of implementing recommendations from the report of the VA Rehabilitation and Employment Task Force, which was created by then VA Secretary Anthony Principi. The Task Force noted shortcomings in the program, observed that it lacked the resources necessary to manage its growing workload, and recommended its redesign to better meet the needs of disabled veterans in the future.

A key recommendation for the redesign included a new five-track system of services to facilitate disabled veterans' (1) return to work with a previous employer, (2) rapid access to employment, (3) self-employment, and (4) employment through long-term services. The five-track system has not been fully deployed, and the instrumental coordination of efforts between VR&E and the Veterans Employment and Training Service (VETS) of the Department of Labor (DOL) remains to be established.

The DAV believes adequate resources are essential to the realization of the reforms included in the Task Force recommendations. All VR&E staff members should have state-of-the art equipment to enable them to provide services efficiently to disabled veterans. The VR&E Director should have line authority over the field office employees to impose accountability and enforce new policies.

As reported in *The Independent Budget* (*IB*), many of the criticisms that prompted the formation of the Task Force have not been properly addressed. To address these problems, the IB recommends greater emphasis on meeting staffing requirements; continued improvements in case management and use of modern information technology; development and publication of new policies, procedures, and regulations; greater emphasis on academic training, employment services, and independent living services; plans and partnerships to enhance entrepreneurial opportunities; more extended monitoring of progress to ensure rehabilitation is successful; and greater focus on providing employment opportunities.

As one of the coauthors of the IB, the DAV echoes the IB recommendation that Congress authorize at least 1,017 direct program fulltime employees for VR&E Service in fiscal year 2006.

STATEMENT OF
BRIAN E. LAWRENCE
ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
APRIL 20, 2005

Mr. Chairman and Members of the Subcommittee:

On behalf of the 1.2 million members of the Disabled American Veterans (DAV), I appreciate the opportunity to submit for the record our views on the performance of the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment Program (VR&E) since the March 2004 release of the VA Vocational Rehabilitation and Employment Task Force Report, and ways to achieve closer integration between the Department's VR&E program and the Department of Labor (DOL) Veterans Employment and Training Service (VETS).

The DAV was founded on the principle that the nation's first obligation to veterans is rehabilitation of its wartime disabled. Along with quality health care and adequate compensation, this principle envisions gainful employment as a primary step toward rehabilitation. It is our duty as a grateful nation to ensure that those who have sacrificed so dearly in the name of freedom have the opportunity and support needed for self-sufficiency.

The VR&E program is responsible for providing services and assistance to service-connected disabled veterans that will enable them to obtain and maintain stable, gainful employment. To address criticisms of the program, former VA Secretary Anthony Principi formed the VR&E Task Force to conduct an extensive examination, evaluation, and analysis, and to report its findings along with recommendations to improve the program and the services provided to disabled veterans.

The essence of the Task Force findings was that VA places too little priority on VR&E and that the program lacks the resources necessary to manage its growing workload. The Task Force recommended a complete redesign of the VR&E system to meet the needs of disabled veterans in the future.

Among the suggestions for improvement is a key recommendation by the Task Force to employ a new Five-Track system of services to be available to disabled veterans consisting of:

- Return to Work (reemployment with their previous employer);
- Rapid Access to Employment;
- Self-Employment;
- Employment Through Long Term Services; and
- Independent Living;

The Five-Track system provides an array of services that recognize the variant needs of individual disabled veterans. To fully be effective the Five-Track system will require the coordination of efforts between VR&E and VETS to ensure clients receive all services as appropriately suited to each disabled veteran. The Five-Track system has not been fully implemented and the coordination of efforts between VR&E and VETS remains to be established. In accordance with resolutions adopted by the delegates to the DAV National Convention, the DAV fully supports the Five-Track system and hopes to see greater progress made in this regard.

The DAV also seeks change to ensure all VR&E staff members at the VA Regional Office level are provided state-of-the-art equipment in order to efficiently provide services to disabled veterans. Under the current design, the VA Director of VR&E has no authority over the approximately 700 VR&E employees throughout the VA Regional Office system. VR&E employees are responsible to the VA Regional Office Directors and rely on them to provide

needed technological support necessary to facilitate the program. DAV has received feedback that some VR&E offices do not have essential equipment.

Despite the best efforts to assist disabled veterans in overcoming barriers to gainful employment, many employers are unable to accommodate some of the most severely disabled for a variety of reasons. For example, some veterans require frequent medical treatments that prohibit them from maintaining regular working hours. Such veterans often choose to operate their own businesses where they need not conform to the demands of a set schedule. Many other disabled veterans choose entrepreneurship as a form of livelihood as a matter of preference.

The DAV would welcome and support legislation allowing service-disabled veterans enrolled in vocational rehabilitation programs to pursue self-employment goals and receive assistance from the VA in establishing a small business, without having to establish that he or she is unemployable in the regular job market.

In addition to the DAV assessment of the VR&E program, I will reiterate the recommendations contained in The Independent Budget (IB). The IB is a budget and policy document that sets forth the collective views of the DAV, AMVETS (American Veterans), the Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW). As reported in the 2006 IB, many of the following criticisms that led to the formation of the VR&E Task Force Report have not been properly addressed:

- Inadequate and sometimes nonexistent case management with lack of accountability for poor decision making;
- Outdated regulations, as well as policy and procedures manuals;
- Long delays in the time to process applications due to staff shortages and large case loads;
- Inadequate use of electronic information technology;
- Failure to explore entrepreneurial opportunities for disabled veterans;
- Declaring veterans rehabilitated before suitable employment has been obtained;
- Inadequate and inconsistent tracking of the electronic case management information system; and
- Need for improved collaboration between DOL and the Small Business Administration

In order to address the problems the IB made the following recommendations:

- VA must place a higher emphasis on fulfilling VR&E staffing requirements
- VR&E should continue efforts to improve case management techniques and use state-of-the-art information technology
- VR&E should rewrite operational policies and procedures manuals
- General counsel should expedite promulgation of new VR&E regulations
- VR&E must place higher emphasis on academic training, employment services, and independent living services for severely disabled veterans
- VR&E should develop plans and partnerships to enhance entrepreneurial opportunities for disabled veterans
- VR&E should monitor the progress of disabled veterans for at least two years to ensure rehabilitation is successful
- VR&E should implement the Five-Track system to emphasize employment opportunities and not just training

These initiatives would significantly improve the services VR&E provides to veterans, but the deficiencies outlined in this testimony can only be corrected if the proper levels of funding are provided. During the February 10, 2004 hearing on the fiscal year 2005 budget priorities, the DAV testified that VR&E faces major challenges in meeting its responsibilities to disabled veterans under circumstances of heavy workloads and limited resources; especially when considering the impact of the ongoing war on terrorism and the additional number of veterans requiring rehabilitative training and employment suitable to their service-connected disabilities. The DAV along with the IB projected that VR&E needed to retain the 931 full-time employees (FTE) it had at the end of FY 2003 just to sustain adequate performance levels. To meet the recommendations of the Task Force, it was projected that approximately 200 additional FTE would be needed to implement the substantial reforms outlined in the report. The DAV and

the IB therefore recommend that Congress authorize 1,017 direct-program FTE for VR&E in FY 2006.

It would be improper to conclude this statement without acknowledging the dedication and commitment of the VR&E and VETS employees. Prior to my current position on the DAV Legislative staff, I served as a DAV National Service Officer for seven years. In that role I worked closely with the VR&E department at the Salt Lake City, Utah and St. Petersburg, Florida VA Regional Offices. The VR&E employees at both locations were industrious and clearly dedicated to serving disabled veterans. In my current role, I have the privilege of working closely with VETS. I can state without reserve that the men and women on the VETS staff are heartfelt about their mission and consistently strive to improve employment opportunities for disabled veterans. They accomplish much with few resources. The DAV commends both VR&E and VETS staffs and extends its gratitude for their integrity and hard work.

This concludes my statement.

April 28, 2005

Honorable R. James Nicholson
Secretary
Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Mr. Secretary:

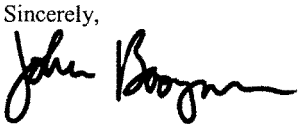
In reference to our Subcommittee on Economic Opportunity hearing of April 20, 2005, I would appreciate your response to the enclosed additional questions for the record by close of business Friday, May 20, 2005. If the answers to these questions are not received by this date, the Subcommittee may proceed to publish the hearing record with an indication that VA did not respond to the Subcommittee's questions in a timely manner.

It would be appreciated if you could provide your answers consecutively on letter size paper, single spaced. Please restate the question in its entirety before providing the answer.

In addition, please email a copy of your responses to the enclosed questions to: devon.seibert@mail.house.gov.

Thank you for your cooperation in this matter.

Sincerely,



JOHN BOOZMAN
Chairman
Subcommittee on Economic Opportunity

JB:des
Enclosure

Questions for the Record
Honorable John Boozman, Chairman
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
April 20, 2005

Hearing on Department of Veterans Affairs'
Vocational Rehabilitation and Employment Program

1. VA testimony includes a statement that VA Central Office has established clear lines of authority and responsibility for the administration and delivery of services. Does the VR&E director have the authority to remove/replace VR&E staff in Regional Offices who are not performing adequately? Would you please provide the Subcommittee with the performance standards noted in VA's testimony?

2. Does VA have a written agreement between each Regional Office VR&E staff and each state's veteran's employment staff on how the two agencies cooperate to ensure seamless services to disabled veterans enrolled in VR&E, and how do you judge the performance of the Regional Office staffs in meeting those obligations?

3. What are your current performance measures?

4. Please provide a detailed program plan for WINRS.

5. Would it be helpful if at least one DVOP was stationed at every VR&E site?

6. The Army has five major treatment centers for seriously wounded servicemembers: Ft. Lewis, WA; Ft. Hood, TX; Ft. Sam Houston, TX; Ft. Gordon, GA; and Walter Reed Medical Center. Please describe the level of VA staffing and activities at these sites. Are there other military facilities where VA has a significant presence? If so, please describe the types of services provided at those sites.

7. The Task Force Report pointed out that VR&E has not implemented "best practices" across the Regional Office system. They cite a comprehensive DTAP presentation developed by a contractor in San Diego as an example of effective courseware that could be implemented nationwide. Why is the Department so slow to implement these types of activities nationwide, especially since you have often paid for the items and would incur no or marginal additional costs?

8. Does VA Seamless Transition Task Force established in 2003 still exist? If so, who are members of the Task Force and generally, what are its goals?

9. One priority recommendation of the Task Force is to implement a new IT capability to support the five track program. What is the status of VA's response to that recommendation?

10. The Task Force and GAO noted the importance of automation in the delivery of services and that 52 of 138 outstanding sites do not have access to high speed computer lines. Any progress on improving high speed access?

11. In its January 2005 report, GAO noted several challenges to improving integration of DOD and VA rehabilitation efforts:

    - Determining when a servicemember will be ready to shift to VA VR&E;
    - VA efforts working a cross purposes to DOD retention goals; and
    - Lack of VA access to DOD data will make tracking seriously wounded servicemembers difficult.

    Please comment on how VA intends to meet each of these concerns.

12. GAO reports that DOD has expresses concerns over privacy issues surrounding the provision of data on seriously wounded servicemembers to VA. Is that concern valid and how do you propose to solve this issue?

13. GAO contends that there is no national policy to guide Regional Offices on maintaining contact with seriously wounded servicemembers. Is implementation of a national policy on such a matter the responsibility of the VR&E staff or the Office of Field Operations? When do you anticipate having such a policy in place?

Questions for the Record
Honorable John Boozman
House Committee on Veterans' Affairs
Subcommittee on Economic Opportunities
April 20, 2005

Hearing on Department of Veterans Affairs
Vocational Rehabilitation and Employment Program

Question 1: VA testimony includes a statement that VA Central Office has established clear lines of authority and responsibility for the administration and delivery of services.

Question 1.a: Does the VR&E director have the authority to remove/replace VR&E staff in Regional Offices who are not performing adequately?

Response: The Office of Field Operations has responsibility and oversight for all field staff, including vocational rehabilitation and employment (VR&E) field staff. However, the VR&E director works closely with the Office of Field Operations on matters that affect VR&E field employees. Additionally, the VR&E director concurs on all selection/promotion decisions for both the VR&E and assistant VR&E officer positions.

Question 1. b: Would you please provide the Subcommittee with the performance standards noted in VA's Testimony?

Response: A copy of the performance standards you requested is attached.

Question 2: Does VA have a written agreement between each Regional Office VR&E Staff and each state's veteran's employment staff on how the two agencies cooperate to ensure seamless services to disabled veterans enrolled in Voc Rehab and how do you judge the performance of the Regional Office staffs in meeting those obligations?

Response: A memorandum of understanding (MOU) between VR&E and the Department of Labor's (DOL) Veterans Employment and Training Service (VETS) has been in effect since 1989. We currently have 47 local agreements between VR&E and VETS. VR&E and VETS are currently working on a new MOU that will call for agreements to be developed and signed at local levels. When the national agreement is approved, VR&E and VETS will work together to ensure local offices develop new or revised local agreements.

VR&E officers are required to conduct a systematic analysis of operations to provide employment services. A random sample of cases is reviewed annually, which includes an assessment of the effectiveness of referrals to Disabled Veterans Outreach Program (DVOP) specialists. In addition, in each case where a veteran has been declared rehabilitated, the VA case manager tracks whether or not the employment placement resulted from assistance provided by a DVOP. This data is also analyzed to assess performance and make adjustments in processes.

Hearing on Department of Veterans Affairs
Vocational Rehabilitation and Employment Program

Question 3: What are your current performance measures?

Response: The table below shows the current VR&E program performance measures. They measure program outcomes, accuracy of decisions, and timeliness of service delivery in critical phases of the rehabilitation process. Additional measures of pre-program and post-program income are planned.

Measure	Goal	Actual Performance
Program Outcome Accuracy	92 percent	94.5 percent
Days to Notification of Entitlement	60	53.7
Rehabilitation Rate	67 percent	62 percent
Serious Employment Handicap Rehabilitation Rate	65 percent	62 percent
Percent of Caseload in Interrupted Status	12 percent	11.1 percent
Entitlement Determination Accuracy	96 percent	96.5 percent
Evaluation, Planning & Services Accuracy	87 percent	87.4 percent
Average Days in Evaluation/Planning	120	118
Rehabilitation Planning Rate	80 percent	75 percent

Question 4: Please provide a detailed program plan for WINRS

Response: WINRS (the earlier case management system) was originally developed as a stand-alone application that ran separately at each regional office. In 2002, WINRS was replaced by corporate WINRS (CWINRS), the current case management system. CWINRS uses Veterans Benefit Administration's (VBA) corporate database so that information from each office is available to all other offices. It also supports vendor payment processing, a functionality that WINRS lacked.

The CWINRS 2 project will began in June. This project will incorporate current benefits delivery network (BDN) subsistence award processing into the CWINRS Case Management application. VA has obligated $1.5 million for this effort, with completion scheduled for early in the 2007calendar year. Deployment of CWINRS 2 will eliminate the need to maintain and synchronize data across two systems and will improve data integrity.

Hearing on Department of Veterans Affairs
Vocational Rehabilitation and Employment Program

Question 5: Would it be helpful if at least one DVOP were stationed at every VR&E office?

Response: Having Disabled Veterans Outreach Program (DVOP) personnel stationed where VR&E staff are located has proven to be very helpful in coordinating and providing employment services to disabled veterans. Although it would be helpful for at least one DVOP to be stationed at every VR&E site, it may not be feasible. Instead, DVOPs should be located at each VR&E division within a VBA regional office.

Veterans participating in the VR&E program are referred to DVOPs for services that complement those received from VR&E. In areas where DVOPs are not stationed in VR&E offices, veterans must travel to the local employment offices to meet with the DVOPs. A DVOP stationed within the VR&E office could possibly eliminate the need for veterans to travel to another office for services, saving time and possibly reducing veterans' traveling expenses.

DVOPs and VR&E both maintain information on separate computer systems for veterans who are receiving services. Stationing a DVOP in VR&E offices facilitates information sharing, which can contribute to a more efficient delivery of services by decreasing the duplication of data collection. Furthermore, VR&E and DVOPs can share information about potential employers and the local job market, thereby ensuring that the largest number of possible job leads are identified and provided to veterans.

The new five-track employment model recognizes the importance of having DVOPs stationed within VR&E offices. The five-track model includes job resource laboratories where services and information will be available for Chapter 31 veterans. DVOPs and the valuable services that they provide will be an integral part of the job laboratories and will allow DVOPs and VR&E personnel to work in close harmony.

Question 6: The Army has five major treatment centers for seriously wounded service members: Ft Lewis, WA, Ft Hood, TX, Ft Sam Houston, TX, Ft Gordon, GA, and Walter Reed. Please describe the level of VA staffing and activities at these sites. If you have other sites with significant activity, please describe them.

Response: The activities of VBA staff at these military installations are similar, although the emphasis will vary from site to site depending on need. Generally the duties include outreach, demobilization briefings for Reserve and National Guard units, Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP) briefings, benefits processing, working with surviving spouses (for in-service death situations), and coordinating services with Veteran Health Administration (VHA) social workers.

Hearing on Department of Veterans Affairs
Vocational Rehabilitation and Employment Program

Fort Lewis, Washington Fort Lewis serves as the main transition point for Reservists and National Guard Members in the Western United States. Madigan Army Medical Center is adjacent to Fort Lewis.

VBA Staffing: One full-time and one part-time employee serve returning Guard and Reserve members at Madigan Medical Treatment Facility and make weekly visits to hospitalized soldiers at Puget Sound VA Medical Center.

Fort Hood, Texas Darnall Army Community Hospital (DACH) is located at Fort Hood.

VBA Staffing: One full-time employee at the Copeland Soldier's Service Center, Fort Hood, also visits DACH whenever an Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF) medically evacuated patient is admitted.

Fort Sam Houston, Texas Brooke Army Medical Center

VBA Staffing: One full-time employee has primary duty to serve OEF/OIF service members at the base. Two other full-time employees at VBA's office in San Antonio are available to travel to Fort Sam Houston as needed.

Fort Gordon, Georgia Dwight David Eisenhower Army Medical Center (DDEAMC)

VBA Staffing: Two full-time employees are located at Fort Gordon, which is near DDEAMC and the VA Medical Center in Augusta. The VBA employees visit DDEAMC and respond to referrals to visit service members who have requested benefits information. They also serve at the VA Medical Center Active Duty Rehabilitation Unit.

Walter Reed Army Medical Center- Washington, District of Columbia

VBA Staffing: Five full-time VBA employees are located on site at Walter Reed.

National Naval Medical Center- Bethesda, Maryland

VBA Staffing: One full-time VBA employee is located on site.

Question 7: The Task Force pointed out that VR&E has not implemented "best practices" across the Regional Office system. They cite a comprehensive DTAP presentation developed by a contractor in San Diego as an example of effective courseware that could be implemented nationwide. Why is the Department so slow to implement these types of activities nationwide, especially since you have often paid for the items and would incur no or marginal additional costs?

Response: VR&E recently developed a standardized DTAP presentation that has now been provided to all regional offices. It consists of a scripted *PowerPoint* presentation, an orientation video, and a small, spiral-bounded booklet, called the Quickbook, which describes the services available through VR&E.

Hearing on Department of Veterans Affairs
Vocational Rehabilitation and Employment Program

Question 8: Does the VA Seamless Transition Task Force established in 2003 still exist? If so, who are members of the Task Force and generally, what are its goals?

Response: On August 28, 2003, the Under Secretary for Health and the Under Secretary for Benefits chartered a task force to formally work on coordination activities for the seamless transition of returning service members. The task force was charged to coordinate and streamline VBA and VHA activities as well as work with Department of Defense (DoD) on some longer range initiatives. With the formation of the VA Seamless Transition Office (STO) in January 2005, there was less need for regular operational assistance from the task force. Consequently, the task force now serves as an advisory council to the STO. New members will be appointed to the council in the near future by its chairmen, the Deputy Under Secretary for Benefits and the Deputy Under Secretary for Health.

Question 9: One priority recommendation for the Task Force is to implement a new IT capability to support the five track program. What is the status of VA's response to that recommendation?

Response: Early in May we entered into a contract with Symplicity Corporation to develop and host an Internet-based job resource application for use specifically by the job labs established as part of the five-track program. In its initial phase, the application provides a comprehensive overview of the VR&E program, links to other VA partners, advice on resume writing and interviewing skills, and access to job search tools. It can be accessed either from a job laboratory or from a home computer. Additional phases are planned to add specific modules for VR&E employment coordinators and employers to access VR&E participants' resumes and qualifications.

If the pilot is successful, we will then interface data from the Symplicity application to CWINRS.

Question 10: The Task Force and GAO noted the importance of automation in the delivery of services and that 52 out of 138 outstanding sites do not have access to high speed computer lines. Any progress on improving high speed access?

Response: In 2004, VA deployed the OneVA Virtual Private Network (VPN) that allows access to VBA systems through a remote computer. This deployment has eliminated the connectivity problems experienced by VR&E out based employees.

Question 11: In its January 2005 report, GAO noted several challenges to improving integration of DoD and VA rehabilitation efforts:

- Determining when a servicemember will be ready to shift to VA VR&E;
- VA efforts working at cross purposes to DoD retention goals; and
- Lack of VA access to DoD data will make tracking seriously wounded servicemembers difficult

Please comment on how VA intends to meet each of the GAO's concerns.

Hearing on Department of Veterans Affairs
Vocational Rehabilitation and Employment Program

Question 11 a: Determining when a servicemember will be ready to shift to VA VR&E

Response: DoD and VA participate in numerous work groups to discuss and resolve such issues. For example, in February, 2005, VR&E staff participated in a day-long Disabled Soldiers Support Services (DS3) "rock drill" held in Arlington. Among the participants were two soldiers who had served in Iraq and were severely wounded. Both of the soldiers were being treated at Walter Reed. The two addressed the group on some of the issues we all need to be sensitive to when working with men and women who are receiving inpatient medical rehabilitation services at a facility such as Walter Reed. Specifically, they mentioned that pain medication can slow down their ability to process a great deal of information and that many of them are motivated to stay in the military. Consequently, a VR&E planning session given too early in the process might send the unintended message that the military doesn't want them anymore. The counselor who provides vocational assessments for VR&E at Walter Reed was present at that meeting, and it was agreed that VA vocational assessments would be deferred until the time the serviceperson was being referred for a Physical Evaluation Board (PEB). In the meantime, we will continue to contact the servicepersons and give them information about VR&E benefits that can be used as needed in the future.

The Disabled Transition Assistance Program (DTAP) is the vehicle by which VR&E disseminates information about the program to servicepersons who are awaiting release from active duty. VR&E has provided briefings to DoD Transition Managers regarding our efforts to standardize DTAP presentations. We have also provided them with supplies of VR&E's new Quickbooks to assist them when questions arise concerning VR&E. VR&E also offers vocational educational counseling services to those servicepersons who are transitioning out of the service.

The decision as to when to shift a service member to VR&E is governed by the circumstances in each individual case. Moreover, the decision requires sensitivity and understanding, particularly in situations where servicepersons are hospitalized with severe disabilities.

11.b. VA efforts working at cross purposes to DoD retention goals

Response: DoD and VR&E participate in numerous workgroups to further refine respective transition programs. For example, both Departments attend the TAP Steering Committee meetings as well as the Army's DS3 meetings. This level of joint participation enhances communication between the two offices and is serving to reduce the potential for the two Departments to work at cross-purposes.

Some of the military services feel that intervention too early by VA can have a negative effect on morale of a service member who many times is capable of returning to active military service. Once a service member is being separated for a medical condition, VA stands ready to assist them in all facets of transition.

Hearing on Department of Veterans Affairs
Vocational Rehabilitation and Employment Program

Question 11.c. Lack of VA access to DoD data will make tracking seriously wounded servicemembers difficult

Response: This recommendation is addressed in response to question 12.

Question 12: GAO reports that DoD has expressed concerns over privacy issues surrounding the provision of data on seriously wounded servicemembers to VA. Is that concern valid and how do you propose to solve this issue?

Response: A memorandum of understanding (MOU) between DoD and VA for purposes of defining data-sharing between the Departments is currently in the concurrence process. As of May 20, 2005, VA's Under Secretary for Health and Under Secretary for Benefits signed off on this agreement, and it is now with DoD officials for their concurrence.

This MOU describes those circumstances in which it is appropriate to share protected health information and other identifiable information between the departments. In addition, the MOU establishes the respective responsibilities and authorities of DoD and VA to share data as defined by the Health Insurance Portability and Accountability Act (HIPAA).

Question 13: GAO contends that there is no national policy to guide Regional Offices on maintaining contact with seriously wounded servicemembers. Is implementation of a national policy on such a matter the responsibility of the VR&E staff or the Office of Field Operations? When do you anticipate having such a policy in place?

Response: VBA released its first policy letter (20-03-36) to all field stations on September 23, 2003. That policy letter outlined procedures for outreach and claims processing for OIF/OEF service members and veterans. VBA Letter 20-05-14, dated March 8, 2005, updated and expanded outreach procedures for OIF/OEF service members and veterans, including more detailed instructions for VR&E field divisions.

This letter was jointly developed by the Office of Field Operations and the VBA business lines, including VR&E. It outlines specific outreach and coordination activities. Regional office directors are responsible for implementing the policy and ensuring that contact is maintained with seriously wounded service members. Some of the procedures outlined in the policy letter pertain to outreach efforts conducted by the regional officers and include segments related to VR&E benefits and services. Those activities include:

- The regional office director or assistant director must call returning seriously disabled service members when they first arrive in the regional office's jurisdiction to welcome them home and advise them that they will be contacted by the OIF/OEF coordinator.
- Each regional office director must ensure that an OIF/OEF coordinator and an alternate are designated.

Hearing on Department of Veterans Affairs
Vocational Rehabilitation and Employment Program

- An OIF/OEF case manager is assigned for each compensation claim received from a seriously disabled OIF/OEF service member.
- Points of contact must be established within military and VA medical facilities.
- Benefits education and delivery (including VR&E benefits) are coordinated and case managed.

Procedures in the national policy directive which specifically relate to VR&E include:

- After the OIF/OEF coordinator or case manager from the service center establishes an entitling disability through a memorandum rating, a VR&E counselor with jurisdiction over the hospital/holding company will visit the service member to begin counseling and evaluation.
- After initial contact, if the veteran/serviceperson does not respond or indicates "no interest," VR&E will diary for a follow-up contact at a later date, but no longer than one year from the initial contact.
- VR&E officers will ensure that an indicator is affixed to all these Certification, Evaluation and Rehabilitation (CER) folders identifying the veteran as an OIF/OEF veteran.
- VR&E will maintain a log of each of the OIF/OEF veterans they have contacted and with whom they are working.

Regional Office Director's Performance Appraisal Plan for FY 2005

I. Service Delivery (Critical Element)

The executive leads his or her station in the pursuit of optimum performance in all applicable program areas. Appropriate emphasis is placed on the Secretary for Veterans Affairs and Under Secretary for Benefits priorities assuring that those priorities are reflected in station performance. In addition, through efficient and effective management, ensures that benefits/services are provided in a timely, objective manner with respect to speed, accuracy, customer satisfaction, and employee development. Evidence of this leadership will be observable in terms of performance against established targets and goals. The executive assures that national policy and procedural changes are expeditiously distributed, accurately communicated, and effectively implemented. Directs and documents actions taken to sustain sound quality assurance programs, workload management processes, and internal control systems to effectively oversee work accomplishments and minimize risks in all programs areas.

The Director is also responsible for ensuring that programs and policies are implemented, **assessed through an effective internal control process**, and adjusted as necessary to achieve appropriate results.

A failure to meet any of the following sub-elements means that the Director will be required to submit compelling mitigating reasons why the sub-element was not met and to identify those actions that are being taken to achieve the standard set in the sub-element. The Rating Official will have the discretion to determine if the Director meets the sub-element based on management actions taken rather than on actual performance achieved.

A. Reduce Pending Inventory of Rating Claims

The station will reduce the number of Rating cases pending at the station (as reflected in DOOR 1001 as of September 2004). Specific station targets are set that will bring the inventory of rating related cases down to at least 290,000 by the end of the rating period. The target includes all end products in the rating bundle (010, 110, 020, 120, 140, 180, 310, 320). While achieving this element, appropriate attention must continue to be placed on Authorization cases.

B. Improve Cycle Timeliness

In order to achieve claims processing timeliness improvements, each station must improve the cycle times of claims processing to include development initiation time, average time in rating board, award promulgation time, and pending authorization time.

To achieve this, stations must adhere to Inventory Management System practices and policy. This includes establishing current, accurate, and complete MAP-D records.

In addition to reducing the cycle times identified above, a specific standard is established for the time it takes to establish (CEST) a claim. This is commonly referred to as the control time or delay time. At least 75% of claims established on or after October 1, 2004, must be established within 7 days. A weighted average of the claims establishment times for pending end products 010, 110, 020, 180, and 140 will be used to determine if this sub-element is met.

C. Accuracy

The station will achieve an FYTD accuracy rate for rating, authorization, and fiduciary as follows as measured by C&P Service STAR reviews.

Rating:	90%
Authorization:	92%
Fiduciary:	85%

D. Improve Timeliness of Rating End Products Pending

The station will improve the timeliness of rating end products pending (as reflected in DOOR 1001 as of September 2004). Specific station targets are set that will bring the national average down to 100 days by the end of the rating period. The target includes all end products in the rating bundle (010, 110, 020, 120, 140, 180, 310, 320).

E. Improve Timeliness of Rating End Products Completed (Monthly)

The station will improve the timeliness of rating end products completed (based on the average for the fourth quarter 2004 as reflected in DOOR 1001). Specific station targets are set that will bring the monthly national average down to 130 days by the end of the rating period. The target includes all end products in the rating bundle (010, 110, 020, 120, 140, 180, 310, 320).

F. Reduce Percentage of Rating End Products Pending Over Six Months

The station will reduce the percentage of rating end products pending over six months old (as reflected in DOOR 1001 as of September 2004). Specific station targets are set that will bring the monthly national percentage down to 15% by the end of the rating period. The target includes all end products in the rating bundle (010, 110, 020, 120, 140, 180, 310, 320).

G. Achieve Improvement in Appellate Processing

1. The station will reduce the number of remands pending (as reflected in VACOLS as of EOM October 2004). Specific station targets are set that will bring the national inventory of remands down to at least 4,000 by the end of the rating period.*
2. The station will reduce the number of appeals pending (as reflected in VACOLS as of EOM October 2004). Specific station targets are set that will bring the national inventory of appeals down to at least 100,000 by the end of the rating period.*
3. The station will reduce the BVA remand rate (as reflected in VACOLS based on the last three months FY2004). Specific station targets are set that will bring the national remand rate down to at least 42% by the end of the rating period.
4. The station will improve the timeliness of appeals pending (as reflected in VACOLS as of EOM October 2004) for the cycles listed below:

   - NOD Pending
   - Form 9 Pending

   Specific station targets are set that will bring the national average days pending of NODs and Form 9s down to 140 days and 325 days respectively by the end of the rating period.

The remand inventory excludes travel board hearings and remands pending at the Appeals Management Center.

H. Public Contact

1. Fiduciary Activities
   a. No more than 12% of initial appointments and Fiduciary Beneficiary appointments pending are to exceed 45 days and 120 days respectively as reflected in FBS.
   b. No more than 8% of initial appointments and Fiduciary Beneficiary appointments completed (cumulatively) are to exceed 45 days and 120 days respectively as reflected in FBS.
2. Telephone Service - the abandoned call rate shall not exceed 5% (as measured for the entire VIC) or 7% (as measured at the regional office level for non-VIC sites) as reflected in the telephone reports posted on the Access Management Intranet website (http://vbaw.vba.va.gov/bl/20/201f/access/phone-reports.htm).

I. Vocational Rehabilitation and Employment

The station will meet or exceed the following FYTD performance targets for Outcome Accuracy, Days to Entitlement, S.E.H. Rehabilitation Rate, Rehabilitation Rate, Percent of Cases in Interrupted Status and Average Days in Evaluation and Planning Status.

Category	Target
Outcome Accuracy*	92%
Days to Entitlement	60 days
S.E.H. Rehabilitation Rate (to include Independent Living)	65% Nation 35% Manila 50% San Juan
Rehabilitation Rate (to include Independent Living)*	67% Nation 35% Manila 50% San Juan
Percent of Cases in Interrupted Status	12%
Average Days in Evaluation and Planning Status	120 days

Outcome accuracy and rehabilitation rate cannot be measured independently. A high rehabilitation rate must also result in a high outcome accuracy rate. However, a high outcome accuracy rate is not contingent upon a high rehabilitation rate.

J. Unique Missions

1. Resource Center Directors are required to meet the following monthly targets:

Resource Center	Monthly Target
Togus	508
Philadelphia	747
Huntington	548
Columbia	821
St. Petersburg	847
St. Louis	704
Muskogee	938
Seattle	665
San Diego	976

2. Pension Maintenance Center (PMC) Directors are required to meet the following targets:

- EP 155 (Eligibility Verification Report) Average Days to Complete (FYTD) will be reduced to 45 days by the end of the rating period.
- EP 150 (Income Adjustment) Average Days to Complete (FYTD) will be reduced to 63 days by the end of the rating period.
- EP 293 (Committee on Waivers and Compromises) Average Days Pending will be reduced to 100 days by the end of the rating period.
- 60% of EVR workload completed by March 31, 2005
- 90% of EVR workload completed by June 30, 2005
- 98% of EVR workload completed by September 30, 2005

- 95% of IVM work completed or placed under control by September 30, 2005
- PMC Authorization Quality level of 88%

3. Regional Loan Center (RLC) Directors are required to meet the FYTD targets listed below.

Targets for all RLCs including San Juan and Honolulu):

- Loan Production Performance (LPP): 95%
- Construction and Valuation Performance (CVP): 93%
- Loan Administration Performance (LAP): 93%
- FATS Ratio: 47%

4. RPO Directors - RPO Directors are required to meet targets the following FYTD targets as reflected in the Monthly Operations Reports or Balanced Scorecard:

- Average days to complete original claims: 25 days
- Average days to complete supplemental claims: 13 days
- Payment accuracy: 94%

5. Insurance Function (Philadelphia) - The station will meet the average days to process insurance disbursements target (2.7 days) in either 10 out of the 12 months or FYTD average meets or exceeds goal as reflected in the Balanced Scorecard.

K. Additional priorities as may be established by VA Leadership will also be used to evaluate performance in this element.

II. Organizational Support/Teamwork (Critical element)

Content: The executive actively supports, promotes and implements official VA and VBA policy as interpreted by VA and VBA leadership. The executive regularly participates in activities and projects intended to further the goals of VBA. These activities typically require the contribution of local resources. Examples include, but are not limited to:

- Projects at the National Level
- Special ad hoc efforts

Method: The executive's actions and conduct in regards to policy will be observed. Any failures to actively support, promote and implement official policy will be documented and communicated to the executive. The executive may be assigned projects during the course of the performance year. The executive and rater will agree on clear expectations for successful completion of the project at the time of assignment. The size and quantity of these projects will be considered in light of the size of the executive's regional office.

Met Level: Performance is acceptable if there are no documented failures to support, promote or implement VA or VBA policy, and the rater determines that completion of projects and innovations is substantially equal (or equivalent) to agreed upon expectations.

III. Program Integrity (Critical element)

Content: The executive will lead his or her station to ensure compliance with VBA's program integrity directives.

The Director is responsible to ensure that program integrity initiatives and policies are implemented, assessed through an effective internal control process, and adjusted as necessary to achieve appropriate results.

Method: Adherence to IG Recommendations applicable to VAROs as outlined in VBA Letter 20-99-68, Adherence to VBA Program Integrity Directives.

Met Level: Performance will be satisfactory if all required program integrity safeguards are implemented, monitored and on-site reviews do not reveal critical flaws in oversight of program integrity issues.

***Sub-element*: Information Security**

Directors must exercise due diligence in their efforts to plan, develop, coordinate, and implement effective information security procedures as identified by the Office of Management and Budget (OMB), the National Institute of Standards and Technology, VA policies, and VBA policy and guidance documents.

Directors will have met their standard by:

- Ensuring that Information System (IS) security plans that safeguard systems within their authority exist and are implemented in accordance with NIST and OMB guidelines.
- Ensuring that annual risk assessments are conducted for each identified IS (applications, hardware, software, etc.) within their jurisdiction to ensure that the identified risks, vulnerabilities, and threats are adequately addressed by appropriate security controls.
- Ensuring that all employees comply with departmental training requirements and are trained to understand their information security responsibilities.

IV. Workplace Responsibilities (Critical Element)

Contents: The director assures a high quality of work life for all employees of the regional office. He or she:

Promotes and maintains an effective labor-management relations program.
Creates and maintains a working environment that is free of discrimination and one that assures diversity in the workplace. Ensures that plans exist and are adequately implemented to recruit, train, retain, motivate, empower, and advance employees; and promotes the needs and goals of the individual and the organization. Provides a safe, healthy work environment.

Holds supervisors and subordinates accountable for performance and behavior.

Method: Indicators of performance in this element include performance management and recognition, employee development and training, EEO policy statement, EEO/Affirmative employment statistics, performance standards, physical plant enhancements, climate and employee satisfaction surveys.

Met Level: Performance is satisfactory if all required plans, programs, statement, and goals are established and maintained and if no more than two failures to meet a recognized VA or VBA standard are found.

V. External Relations (Non-critical element)

Content: The director builds effective, productive relationships with organizations external to VBA in order to further VA's goals and interests. Activities might include, but are not limited to:

- Work on a Federal Executive Board project
- Participation in VISN meetings
- Relations with the media, congressional offices and service organizations
- Engage in ongoing outreach activities (i.e., stand-downs, POW outreach, etc.) to ensure targeted populations of veterans are appropriately served

Met Level: Performance is acceptable if the rater finds substantial and meaningful evidence of activities engagement with external organizations described in this element.

VR&E OFFICER'S NATIONAL PERFORMANCE STANDARDS

Note: Failure to meet any of the critical elements means that the VR&E Officer will be required to submit compelling mitigating reasons why the element or sub-element was not met and to identify those actions that are being taken to achieve the standard set in the element or sub-element. The Rater will have the discretion to determine if the VR&E Officer meets that element or sub-element based on management actions taken rather than on actual performance achieved.

1. SERVICE DELIVERY – PRODUCTION (Critical Element)

Standard: The VR&E Division provides to eligible veterans with compensable service-connected disabilities all services and assistance necessary to enable them to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

Method: The VR&E Officer leads his or her station in the pursuit of optimum performance in all VR&E program areas. Through efficient and effective management, ensures that benefits/services are provided in a timely, objective manner with respect to speed, accuracy, customer satisfaction, and employee development. Evidence of this leadership will be demonstrated in terms of performance against scorecard targets and goals. The VR&E Officer assures that national policy and procedural changes are expeditiously distributed, accurately communicated and effectively implemented. Directs and documents actions taken to sustain sound quality assurance programs, workload management processes, and internal control systems to effectively oversee work accomplishments and minimize risks in all program areas.

The VR&E Officer is responsible for ensuring that programs and policies are implemented, assessed through an effective internal control process, and adjusted as necessary to achieve appropriate results.

Fully Successful Level: **By the end of the rating period, the station will meet the following targets for each sub-element.**

- Rehabilitation Planning Rate **is a proportion in which 80% of veterans found entitled for the program will enter into a plan of services.**
- Rehabilitation Rate **is the proportion of all veterans who are rehabilitated in relation to all veterans who exit a program of services, either discontinued or rehabilitated, during the rating period.**
- Cases in Interrupted Status **is the average number of cases in Interrupted Status in proportion with the station's total workload.**

Measure	Standard
Rehabilitation Planning Rate	80% of veterans found entitled will enter into a plan of services
Rehabilitation Rate	67%
SEH Rehabilitation Rate	65%
Cases in Interrupted Status	Will not exceed 12% of the total workload

Indicators:
Rehab Planning Rate - COIN TAR 6001 Report *–12 month average*
Rehab Rate – Monthly Operations Report (MOR) – *12 month average*
Cases in Interrupted Status – MOR

2. SERVICE DELIVERY – TIMELINESS (Critical Element)

Standard: The VR&E Division provides to qualified veterans with compensable service-connected disabilities all services and assistance necessary to enable them to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

Method: The VR&E Officer leads his or her station in the pursuit of optimum performance in all VR&E program areas. Through efficient and effective management, ensures that benefits/services are provided in a timely, objective manner with respect to speed, accuracy, customer satisfaction, and employee development. Evidence of this leadership will be demonstrated in terms of performance against scorecard targets and goals. The VR&E Officer assures that national policy and procedural changes are expeditiously distributed, accurately communicated and effectively implemented. Directs and documents actions taken to sustain sound quality assurance programs, workload management processes, and internal control systems to effectively oversee work accomplishments and minimize risks in all program areas.

The VR&E Officer is responsible for ensuring that programs and policies are implemented, assessed through an effective internal control process, and adjusted as necessary to achieve appropriate results.

Fully Successful Level: **By the end of the rating period, the station will meet the following targets for each sub-element.**

- Days to Notification of Entitlement Determination **is the average number of days from receipt of the veteran's application for Chapter 31 benefits by VA, to the date the veteran is informed of entitlement or non-entitlement to a plan of Chapter 31 services (includes clearing 095 and 295 pending issues).**

- Days in Evaluation Planning **is the average number of days a station's cases are in Evaluation and Planning status at the end of the month.**

Measure	Standard
Days to Notification of Entitlement Determination	60 days
Days in Evaluation and Planning	120 days

Indicators:
Days to Notification of Entitlement Determination - MOR
Days in Evaluation and Planning – VR&E Intranet Report (Active Case Workload Report)

3. SERVICE DELIVERY – ACCURACY (Critical Element)

Standard: The VR&E Division provides to eligible veterans with compensable service-connected disabilities all services and assistance necessary to enable them to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

Method: The VR&E Officer leads his or her station in the pursuit of optimum performance in all VR&E program areas. Through efficient and effective management, ensures that benefits/services are provided in a timely, objective manner with respect to speed, accuracy, customer satisfaction, and employee development. Evidence of this leadership will be demonstrated in terms of performance against scorecard targets and goals. The VR&E Officer assures that national policy and procedural changes are expeditiously distributed, accurately communicated and effectively implemented. Directs and documents actions taken to sustain sound quality assurance programs, workload management processes, and internal control systems to effectively oversee work accomplishments and minimize risks in all program areas.

The VR&E Officer is responsible for ensuring that programs and policies are implemented, assessed through an effective internal control process, and adjusted as necessary to achieve appropriate results.

Fully Successful Level: **By the end of the rating period, the station will meet the following targets for each sub-element.**

- Accuracy of Entitlement Determinations **is a measure of correctness of decisions and quality in entitlement determinations.**
- Accuracy of Evaluation, Planning and Rehab Services **is a measure of correctness and quality of developed rehabilitation plans and delivery of rehabilitation services during the rating period.**
- Fiscal Accuracy **is a measure of correctness in fiscal transactions during the rating period.**
- Outcome Accuracy **is a measure of correctness of decisions on case closures for discontinuance or declaration of rehabilitation during the rating period.**

Measure	Standard
Accuracy of Entitlement Determinations	96%
Accuracy of Evaluation, Planning and Rehab Services	87%
Fiscal Accuracy	94%
Outcome Accuracy	92%

***Outcome Accuracy and Rehabilitation Rate cannot be measured independently. A high rehabilitation rate must also result in a high Outcome Accuracy Rate. However, a high Outcome Accuracy Rate is not contingent upon a high Rehabilitation Rate.**

Indicators: Monthly Operations Report (MOR)

4. ORGANIZATIONAL SUPPORT/TEAMWORK (Non-Critical Element)

Standard: The VR&E Officer regularly participates in activities and projects intended to further the goals of VBA and the RO. These activities typically require the contribution of local resources. Examples include, but are not limited to:

- Projects at the National and Local Level
- Special ad hoc efforts

Method: The VR&E Officer will be assigned projects during the course of the performance year. The VR&E Officer and Rater will agree on clear expectations for successful completion of the project at the time of assignment. The size and quantity of these projects will be considered in light of the size of the VR&E Officer's RO.

Fully Successful Level: Performance is acceptable if the rater determines that completion of projects and innovations is substantially equal (or equivalent) to agreed upon expectations.

Indicators: Supervisory reviews, project management/tracking controls

5. PROGRAM AND DATA INTEGRITY (Critical Element)

Standard: The VR&E Officer will lead his or her division to ensure compliance with VBA's program integrity and security directives.

The VR&E Officer is responsible for ensuring that program integrity and security initiatives and policies are implemented, assessed through an effective internal control process, and adjusted as necessary to achieve appropriate results.

The VR&E Officer will administer the division's financial resources and monitor expenditures to ensure cost effective support of program.

Method: Performance will be satisfactory in the following manner:

- Adherence to IG Recommendations applicable to VR&E as outlined in VBA Letter 20-99-68
- Adherence to VBA program integrity directives
- Adherence to VA Resource Allocation Model
- Compliance with Federal Acquisition Regulations
- Successfully develops and manages VR&E funds

Fully Successful Level: Performance will be satisfactory if all required program integrity and security safeguards are adhered to and reviews do not reveal critical flaws of program integrity issues.

Indicators: Supervisory reviews, review of allocation and utilization of VR&E funds.

6. WORKPLACE RESPONSIBILITIES (Non-Critical Element)

Standard: The VR&E Officer assures a high quality of work life for all employees of the VR&E Division. He or she:

- Promotes and maintains an effective labor-management relations program.
- Creates and maintains a working environment that is free of discrimination and one that assures diversity in the workplace.
- Ensures that plans exist and are adequately implemented to recruit, train, retain, motivate, empower, and advance employees; and promotes the needs and goals of the individual and the organization.
- Provides a safe, healthy work environment.

Fully Successful Level: Performance is satisfactory if all required plans, programs, statement, and goals are established and maintained

Indicators: Indicator of performance in this element includes performance management and recognition, employee development and training, performance standards, physical plant enhancements, climate and employee satisfaction surveys.

7. EXTERNAL RELATIONS (Non-Critical Element)

Standard: The VR&E Officer ensures effective, productive relationships with organizations external to the RO in order to further VA's goals and interests. Activities might include, but are not limited to, employers, military, rehabilitation professionals, other federal agencies and VHA.

Fully Successful Level: Performance is acceptable if the rater finds substantial and meaningful evidence of effective engagement with external organizations described in this element.

Indicators: Supervisory reviews, observation, stakeholder feedback

VOCATIONAL REHABILITATION COUNSELOR'S (VRC)/COUNSELING PSYCHOLOGIST'S (CP) NATIONAL PERFORMANCE STANDARDS

NOTE: Failure to meet any of the elements or sub-elements means that the VRC/CP will be required to submit compelling mitigating reasons why the sub-element was not met and to identify those actions that are being taken to achieve the standard set in the sub-element. The Rater will have the discretion to determine if the VRC/CP meets that sub-element based on employee actions taken rather than on actual performance achieved.

1. SERVICE DELIVERY - PRODUCTION (Critical Element)

Standard: The VR&E Division provides to eligible veterans with compensable service-connected disabilities all services and assistance necessary to enable them to achieve maximum independence in daily living, and to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

Method: The VRC/CP must consistently and conscientiously exercise sound, equitable judgment in applying stated laws, regulations, policies and procedures to ensure accurate and timely decisions on Vocational Rehabilitation claims administered by the Department of Veterans Affairs.

Work will be completed in a manner that supports and contributes to meeting established timeliness targets.

Met Level: **The VRC or CP will meet the following standards for their individual caseload:**

- **Rehabilitation Rate** is the proportion of all veterans who are rehabilitated to all veterans who exit a program of services, either discontinued or rehabilitated, during the rating period. This sub-element also includes the number of veterans declared rehabilitated during the rating period.

- **SEH Rehabilitation Rate** is the proportion of all veterans who have a Serious Employment Handicap who are Rehabilitated, to all veterans with a Serious Employment Handicap who exit a program of services either discontinued or rehabilitated during the rating period.

- **Cases in Interrupted Status** is the average number of cases in Interrupted status in proportion with the station's total workload during the rating period.

- ***Rehabilitation Planning Rate** is the proportion of 80% of veterans found entitled for the program will enter into a plan of services during the rating period.

***This sub-element will be implemented in FY 2005.

Measure	Standard
Rehabilitation Rate	61%
SEH Rehabilitation Rate	61%
Cases in Interrupted Status	Will not exceed 12% of the case manager's total workload
***Rehabilitation Planning Rate	80% of veterans found entitled by VRC/CP will enter into a plan of services

Indicators:
Rehab Rate – Intranet Report (Case Status Movement by Case Manager)
SEH Rehab Rate - Intranet Report (Case Status Movement by Case Manager)
Cases in Interrupted Status – Intranet Report (Workload Summary by Case Manager & Status Detail Report)

2. SERVICE DELIVERY - TIMELINESS (Critical Element)

Standard: The VR&E Division provides to eligible veterans with compensable service-connected disabilities all services and assistance necessary to enable them to achieve maximum independence in daily living, and to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

Method: The VRC/CP must consistently and conscientiously exercise sound, equitable judgment in applying stated laws, regulations, policies and procedures to ensure accurate and timely decisions on Vocational Rehabilitation claims administered by the Department of Veterans Affairs.

Work will be completed in a manner that supports and contributes to meeting established timeliness targets.

Met Level: **The VRC or CP will meet the following standards for their individual caseload:**

- **Days in Evaluation and Planning Status** is the average number of days an employee's cases are in Evaluation and Planning Status at the end of the month.

Measure	Standard
Days in Evaluation and Planning Status	Average number of 120 days

Indicator: Intranet Report - Active Case Workload Detail Report

3. SERVICE DELIVERY - ACCURACY (Critical Element)

Standard: The VR&E Division provides to eligible veterans with compensable service-connected disabilities all services and assistance necessary to enable them to achieve maximum independence in daily living, and to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

Method: The VRC/CP must consistently and conscientiously exercise sound, equitable judgment in applying stated laws, regulations, policies and procedures to ensure accurate and timely decisions on Vocational Rehabilitation claims administered by the Department of Veterans Affairs.

Work will be completed in a manner that supports and contributes to meeting established timeliness targets.

Met Level: **The VRC or CP will meet the following standards for their individual caseload:**

A.

- Accuracy of Evaluation, Planning and Rehab Services **is a measure of correctness and quality of developed rehabilitation plans and delivery of rehabilitation services during the rating period.**
- Fiscal accuracy **is a measure of correctness in fiscal transactions during the rating period.**

Measure	Standard
Accuracy of Evaluation, Planning and Rehab Services	84 %
Fiscal Accuracy	86 %

Indicators:
QA Report Website for Local Reviews – Rater will ensure that at least three cases are reviewed for each VRC/CP each quarter.

4. CUSTOMER SERVICE (Critical Element)

Standard: Functions as a division member to enhance resolution of entitlement and customer service contacts by work actions. Maintains professional, positive, and helpful relationships with internal and external customers by exercising tact, diplomacy, and cooperation.

Performance demonstrates the ability to adjust to change or work pressures, to handle differences of opinion in a professional manner, and to follow instructions conscientiously. As a division member, contributes to the group effort by supporting co-workers with technical expertise and open communications and by identifying problems and offering solutions. Performance also demonstrates the ability to effectively

communicate in a courteous manner with customers during the personal or telephone interview process. Successful achievement in this element reflects support of all scorecard goals.

Met Level: No more than four (4) instances of *valid complaints or incidents.

Indicators: Verbal and/or written feedback from internal/external customers. Observations by a supervisor with a documented complaint.

**A valid complaint or incident is one where a review by the supervisor, after considering both sides of the issue, reveals that the complaint/incident should have been handled more prudently and was not unduly aggravated by the complainant. Disagreeing, per se, does not constitute "discourtesy". Valid complaints or incidents will be determined by the supervisor and discussed with the employee.*

O