# TESTIMONY OF NICHOLAS PAMPERIN, EXECUTIVE DIRECTOR, VETERAN READINESS AND EMPLOYMENT, VETERANS BENEFITS ADMINISTRATION DEPARTMENT OF VETERANS AFFAIRS (VA) BEFORE THE COMMITTEE ON VETERANS' AFFAIRS SUBCOMMITTEE ON ECONOMIC OPPORTUNITY U.S HOUSE OF REPRESENTATIVES

# "EXAMINING THE EFFECTIVENESS OF THE VETERANS' READINESS AND EMPLOYMENT PROGRAM"

# **DECEMBER 11, 2024**

Chairman Van Orden, Ranking Member Levin, and distinguished members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the Veteran Readiness and Employment (VR&E) Program. Accompanying me today is Mr. Kenneth Smith, Assistant Deputy Under Secretary for Field Operations, Veterans Benefits Administration (VBA).

# **Veteran Readiness and Employment Program Overview**

The VBA VR&E program mission is to assist Service members and Veterans with a service-connected disability that limits their ability to work or prevents them from working to prepare for, find, and maintain suitable careers or maintain a life of independence. VBA achieves this mission by providing direct counseling services to Veterans to ensure that a Veteran's goals are not only achievable but attained.

VBA's VR&E program employs 1,347 professional Vocational Rehabilitation Counselors (VRC), 146 Vocational Rehabilitation Specialists (VRS) and 73 Employment Coordinators and delivers services through a network of nearly 350 office locations. Our service delivery model works to support Veterans where they are located and includes operations at all 56 Regional Offices (RO), approximately 142 out-based sites, 70 Integrated Disability Evaluation System installations, and 104 VetSuccess on Campus (VSOC) schools/campuses.

The VR&E program has been very effective in achieving its mission. Take, for example, a Veteran who recently completed the VR&E program. This Veteran struggled to find an education and employment path after he left the military, unable to maintain gainful employment. Working closely with his VR&E counselor, this Veteran identified a career goal, developed a vocational plan, and was admitted to a state university. With the assistance, guidance, and support of his counselor, this Veteran graduated Cum Laude, making the Dean's and Chancellor's lists and earning a bachelor's degree in agriculture. After graduation, he worked extensively with his VR&E Employment Coordinator who advocated for the Veteran by contacting the state's Department of Commerce, where he is currently employed. The Veteran credits the VR&E program

with his educational and employment success, ultimately obtaining permanent employment.

In compliance with 38 U.S.C. § 3122, VBA conducts a VR&E Longitudinal Study, starting in FY 2010, which follows 3 cohorts of former participants over a 20-year period and details the current employment metrics of individuals who complete the program. The primary goal of the Longitudinal Study is to determine the long-term outcomes in four major areas: employment, income, home ownership, and use of other federal programs and services. The Longitudinal Study is published annually, and findings suggest stability and better outcomes for Veterans who completed the program compared to Veterans who discontinued the VR&E Program, as well as steady improvement of post-program outcomes over time.

The 2024 Longitudinal Study (https://www.benefits.va.gov/VOCREHAB/docs/FY2023-longitudinal-study.pdf) found that the median annual income of Veterans completing the VR&E program is \$100,000, which is 67% higher than Veterans who initiated, but did not complete the VR&E program. Additionally, Veterans who completed the VR&E program have home ownership rates of 77%, which is 15% higher than Veterans who initiated, but did not complete the program. Additionally, according to the Longitudinal Study, over 80% of participating Veterans are either satisfied or highly satisfied with their VR&E experience.

VA recognizes that individuals who choose to discontinue the program may have characteristics that are distinct from those who achieve rehabilitation, limiting the lessons that can be learned from the study. Moreover, the VR&E Longitudinal study lacks a comparison group, so it is not possible to attribute any differences in Veterans' outcomes to participating in the program.

# **Program Growth and Participation**

### **Program Growth**

PACT Act implementation, educational institutions returning to in-person training, and targeted outreach are major contributing factors to the increased demand for VR&E services has increased in recent years. Over the past decade, 117,943 participants successfully completed their rehabilitation through the VR&E program. When comparing Fiscal Year (FY) 2023 to FY 2024, there was a 22.2% growth in applications and an 11% increase in Veterans entering benefits plans. In FY 2024 alone, VR&E active participants grew 22.8%, from 142,451 to 174,884 Veterans. In FY 2025, VBA is expecting an additional 14.7% increase in Veteran applications and an additional 5% growth in separating Service members.

During FY 2024, VBA provided counseling and employment services to 192,586 Veterans and Service members, as well as achieved 17,273 positive outcomes¹ for Veterans. During this time, VBA paid over \$2.1 billion in VR&E benefits. As of November 2024, VR&E currently has 174,884 Veteran participants with 99,284 enrolled in Long-Term Services. Approximately 16% of our current participants have toxic exposure related disabilities, which is expected to increase over the next few years. Since the August 2022 implementation of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act) (P.L. 117-168), VBA has experienced a 44% increase in Veterans participating in the VR&E program.

To respond to the growth of the VR&E program, VBA has taken a proactive approach to meet the growing demand for services. Since the beginning of FY 2023, VBA has allocated an additional 469 employees to VR&E, a 30% increase in staffing allocation, due in part to the Toxic Exposure Fund (TEF). The additional staffing was recruited by expanding the types of degrees qualified to provide counseling services, deploying a case management professional position, the VRS, and assuring sufficient field leadership staffing, in support of the newly hired staff. Since FY 2023, VBA's onboard staffing has increased by 9,214 employees (36%), which includes 334 VR&E employees, a 24% increase. VBA recognizes additional work needs to be done to hire remaining staff allocated or appropriated. VR&E is working to improve efficiency by deploying quality review staff and restructuring the training program for new employees, focusing on quality and consistency of service delivery to the Nation's Veterans. Additionally, as workloads increased, VR&E improved technological solutions by automating counselor activities thus creating efficiencies, allowing counselors to direct their focus to the Veteran.

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<sup>&</sup>lt;sup>1</sup> A positive outcome is defined as when a Veteran with a service-connected disability can successfully find, prepare for, and maintain a suitable job thanks to the VR&E program's support, including career counseling, job training, education assistance, and other services tailored to their needs, allowing them to achieve greater independence and/or employment stability.

# Veteran Participation

Participants who complete the program (rehabilitated cases) spend an average of 3.4 years to complete their plans. After entering a plan of service only 29% leave the program early, in contrast to 44% of applicants who apply to the program but choose not to pursue benefits. When considering all participants combined, the average time in the program is approximately 1 year, averaging 37% rate of completion. These figures underscore the importance of ongoing efforts to improve retention and reduce early discontinuation within the VR&E program. From FY 2014 through FY 2024, the primary reasons for discontinuation were:

- Voluntary withdrawal (81.8% of all discontinuations),
- Non-entitlement determinations (11.8% of discontinuations), and
- Other factors (6.4% of discontinuations).

From the beginning of FY 2020 through the end of FY 2024, VBA approved 62,355 chapter 31 entitlement extensions. An additional 59 chapter 31 participants exhausted their entitlement but were ineligible for an extension. All denials were due to the Veteran not having a Serious Employment Handicap (SEH) and not meeting other criteria for entitlement extension.<sup>2</sup>

Per the Veteran Readiness and Employment Manual (M28C), <u>M28C.IV.A.2</u> <u>Eligibility and Entitlement</u>

(https://www.knowva.ebenefits.va.gov/system/templates/selfservice/va\_ssnew/help/cust\_omer/locale/en-US/portal/55440000001018/content/554400000150221/M28CIVA2-Eligibility-and-Entitlement?query=M28C.IV.A.2#b%202.08), for the most part, an extension may be granted to a Veteran with an Employment Handicap if the Veteran previously completed training in an occupational field, but the Veteran's services-connected disability (or disabilities) have worsened to the point that the previous occupation is no longer suitable. For a Veteran who has been determined to have an SEH, an extension may be granted to enable the Veteran to complete a period of rehabilitation to the point of employability. These are the majority of reasons extensions are granted; however, there are other instances for granting extensions that are outlined in 38 C.F.R. § 21.78.

# VetSuccess on Campus (VSOC)

The VSOC program is designed to help student Veterans succeed and thrive through a coordinated delivery of on-campus benefits assistance and counseling. The goal is to ensure that student Veterans complete their education with the preparation necessary to enter the labor market into viable careers. The VSOC program offers a

<sup>&</sup>lt;sup>2</sup> The key difference between an Employment Handicap and an SEH is the degree of vocational impairment(s). An SEH requires various factors to be assessed to support the determination that a significant vocational impairment exists. These include the number and severity of disabling conditions, adequacy of education, periods of unemployment, and reliance on government support programs, to name a few. There is a much broader authority to approve extensions for Veterans with an SEH.

wide range of benefits to eligible individuals including adjustment counseling; vocational testing; educational and career counseling; and VA benefits coaching. However, VSOC counselors will try to assist all student Veterans, Service members, and Veteran dependents by referring them to other resources and helping them register for health care services, regardless of VA benefit eligibility, utilization, or enrollment status. In FY 2023, VSOC counselors had 20,043 contacts with Veterans, Service members, and Veterans' dependents Nationwide. In FY 2024, VSOC counselors had 20,196 contacts with Veterans, Service members, and dependents Nationwide. Of the contacts with Veterans in FY 2024, 25% requested professional counseling services from the VSOC Counselor.

Another component of the VSOC program is outreach efforts to connect student Veterans with information about training and employment services available under chapter 31. VSOC counselors present information about VR&E and other VA benefits and services at all new student orientations on VSOC campuses as well as other events where student Veterans may be present, such as career fairs, resume workshops, and student organization meetings. VSOC counselors are the "face of VA" and make referrals to other VA and non-VA services, such as VA health care, disability services, financial aid, debt management, and peer mentoring programs.

#### VR&E 6-Point Plan

In 2022, VBA implemented a 6-Point Plan to modernize and improve VR&E services to Veterans and the employee experience. The elements of the 6-Point Plan were a multi-year effort to improve service delivery:

- Modern case management system: The system in this point was renamed the Readiness and Employment System (RES) and is currently in pilot.
- <u>Field Staff Recruitment</u>: This point changed the hiring requirements for field counselors and introduced new positions. In addition, VR&E will develop a recurring hiring cadence to maximize hiring authorities as well as align with college graduation periods to hire recent counseling graduates.
- Quality Review Teams: This point implemented a dedicated cohort of quality review specialists, focusing on case reviews and performance management.
- <u>E-VA modernization</u>: This point leveraged new capabilities within the electronic Virtual Assistant (e-VA), improving communications and reducing administrative burden on counselors.
- Employment Services 2.0: This point standardized the delivery of employment services within the VR&E program as well as the roles and responsibilities of Employment Coordinators in the field. This initiative is currently in pilot. The results of the pilot will be evaluated for efficacy during the second quarter of FY25.
- <u>VetSuccess on Campus (VSOC) modernization</u>: This point realigned workload to VSOC staff to ensure Veterans have a locally assigned counselor. In addition, VR&E is seeking to change the VSOC requirements to ensure appropriate staffing aligns with workload.

To date, VBA has fully implemented 3 of the 6 elements of the 6-Point Plan. The modern case management system (RES) and Employment Services modernization are currently in pilot. VSOC modernization remains a continuing effort to assess appropriate training curriculum and implementing more robust data collection methods for outreach and impact. VBA is currently working to finalize a 5-year strategic roadmap to replace the 6-Point Plan and will complete the roadmap in FY 2025.

#### Field Staff Growth

As part of the 6-Point Plan, VBA placed emphasis on the recruitment and retention of VR&E staff to ensure the quality delivery of service. In July 2023, VBA expanded the qualifying education requirement to be a counselor by accepting five additional master's degrees, which have duties closely aligned with a counselor's duties and are recognized degrees by the Commission on Rehabilitation Counseling Certification, the credentialing body for Rehabilitation Counseling. This effort increased the number of individuals eligible to deliver VR&E benefits. Prior to the expansion of the degrees, VBA averaged 32 new counselors in each new counselor training session. VBA has held 4 training classes, since the degree expansion, which averaged 55 (219 total) new case managers enrolled in training. In Quarter 1 of FY 2025, VBA held 1 training class with 105 new counselors.

Additionally, VBA added a new position to support case management of Veterans in the chapter 31 program. The VRS position provides direct case management services to Veterans, ensures timely payments, addresses academic issues, and ensures Veterans have access to professional services. Currently, VBA has 146 VRS staff allocated to support Veterans and counselors.

VBA further added over 338 new vocational rehabilitation counselors and specialist staff to address the dramatic growth in the VR&E Program since the passage of the PACT Act. As of November 1, 2024, 87% of VRC and VRS positions are filled.

# Veteran Feedback

VA utilizes Veteran Signals (VSignals), a customer experience survey system used to gather, analyze, and track feedback from Veterans about their experience with VR&E. VBA currently sends out surveys to VR&E participants in four different topic areas: researching and applying for the program, program participation, program completion, and discontinuation from the program. VBA sends surveys to a random sample of participants, meaning not all VR&E participants receive a survey. These surveys do not track Veteran satisfaction with individual VR&E counselors; rather, the surveys enable Veterans to provide feedback regarding overall experience with services received, such as timeliness, ease of accessing services, and trust of the VR&E program.

In June 2024, VBA's VR&E program began a pilot program to conduct service recovery of VSignals survey respondents via text messages and emails through e-VA instead of utilizing phone calls. The pilot program allowed Veterans to respond to VSignals follow-up questions utilizing the e-VA platform they are already familiar with on their own time via text messaging or email, with the option to request a phone call if they preferred. The pilot provided the Veterans with choices and autonomy in how they responded to the VSignals follow-up questions. During the pilot from June to September 2024, VBA saw a drastic increase in the response rates of respondents. Before the pilot, the average response rate using the telephone only was 17%, while during the e-VA pilot, the average response rate was 51%. This was an increase of 34% in the response rate due to the introduction of the e-VA platform into the service recovery process. In addition to receiving more feedback through a greater number of service recovery responses, the satisfaction rate among responses has remained consistently high.

# **VR&E** Compliance

VBA implemented several measures to enhance VR&E program compliance and oversight. These include conducting site visits to ROs to assess program management and share best practices, as well as performing audits and special focus reviews to identify areas for improvement. VBA conducts oversight visits to at least one RO per month. When the RO includes a VSOC site or sites, a VR&E staff member will also visit these campuses to conduct a review of the VSOC partnership between VA and the school. VR&E reviews the space occupied by the VSOC Counselor, relationships with on-campus departments and services, how referrals are handled, local outreach and its effectiveness, the workload of the VSOC Counselors, and whether or not there are any issues or concerns to be addressed.

VBA conducts monthly national quality assurance (QA) reviews on random samples from each RO, alongside individual case manager performance assessments through QA reviews conducted at each local office. Currently, VR&E is exceeding the outstanding target in all national performance metrics including Fiscal Accuracy (96%), Case Management Accuracy (83%), and Program Outcome Accuracy (97%).

In FY 2025, VR&E is transitioning to Quality Review Teams in each District to centralize and standardize these QA reviews, improving efficiency and consistency. Additionally, an Internal Review Team was established in FY 2024 to ensure alignment between national and individual QA reviews. Collectively, these initiatives aim to enhance service delivery, identify training needs, and improve overall program quality effectiveness.

# Technology to Improve the Veteran Experience

# Electronic Virtual Assistant (e-VA)

VBA is implementing technological advancements to reduce administrative tasks for staff while enhancing the Veteran experience. Key improvements include the modernization of e-VA, enabling counselors to send letters and forms directly to their clients electronically. Veterans now have the ability to electronically sign and return documents to VA, streamlining communication and document management.

The integration of e-VA with the Veterans Benefits Management System and VBA's Package Manager has streamlined administrative processes, saving counselors an average of 10 hours per week. This efficiency allows counselors to dedicate more time to personalized support and expedite case processing. As a result, Veterans are being placed into plans of service an average of 46 days faster compared to pre-VA implementation in June 2020, ensuring quicker access to vital resources. Additionally, e-VA enhances communication between staff and Veterans, providing improved accessibility and support. Since its deployment in May 2024, these advancements underscore VBA's commitment to leveraging technology to deliver efficient and Veterancentered services.

The e-VA and its complementary tools have revolutionized the way VR&E delivers services to Veterans. These technological enhancements streamlined administrative processes, reduced burdens on staff, and improved timeliness and efficiency in providing Veteran-centered services. The accomplishments outlined below demonstrate the significant progress achieved through e-VA and its related innovations.

These technological enhancements represent a significant step forward in VBA's commitment to delivering timely, effective, and Veteran-centered services. As a result of the e-VA modernization to date, approximately 100,000 hours of administrative burden have been removed from the field in FY 2025 allowing staff to focus on Veterans versus administrative tasks.

# Readiness and Employment System (RES)

The RES is set to replace VR&E's 25-year-old legacy case management system with a modern, web-based platform. RES integrates with over 20 VA systems and data sources, enabling more timely and efficient delivery of services and benefits to Veterans. The current legacy system lacks the capability to integrate with many of VA's modernization efforts, such as the document repository and training facilities database. By automating repeatable administrative processes, RES saves staff valuable time, allowing them to focus more on directly serving Veterans.

Key features include automation of complex awards calculations for more accurate payments, intelligent document handling, eliminating the need for staff to manually download, upload, or email individual documents. This advanced functionality

reduces administrative functions on counselors, empowering them to prioritize counseling Veterans and creating effective training and independent living plans.

RES is currently in pilot for Phase 1, which began on October 21, 2024, and will run through February 6, 2025. The pilot includes four ROs: New York, Muskogee, Little Rock, and Reno. Phase 1 is designed to rigorously test the system's real-world performance, focusing on applicants without prior VR&E history and a 20% or higher service-connected disability rating. The goal is to ensure chapter 31 applications are processed end-to-end, from Intake through Case Creation, Eligibility Determination, Entitlement and Feasibility, Plan Development, to final Award and Payment – with precision and efficiency. This structured approach is critical to ensuring accurate and effective processing of VR&E program participants.

The integration of RES with VA.gov has already been a game changer, providing immediate relief to field staff across all stations – not just limited to the four pilot locations. On October 9, 2024, RES began receiving applications directly from VA.gov. This new functionality immediately reduced manual application entry for field staff by 50%. The RES benefits application intake pipeline was able to generate immediate relief to the field. RES automatically populates data fields previously requiring manual entry in the legacy CWINRS case management system. This automation saved an estimated 900 hours of manual data entry by field staff.

# Invoice Processing and Payment System (IPPS)

The IPPS is an electronic invoicing platform that enables vendors to receive electronic authorizations and submit electronic invoices directly to VBA. This platform standardizes and streamlines the invoice payment process, significantly reducing the time needed to receive, process, and pay vendors. It also facilitates national oversight to ensure compliance with P.L. 115-407, the Veterans Benefits and Transition Act of 2018, which requires payments to the educational institution within 60 days. IPPS also eliminates paper-based invoice processing for Veterans' tuition, books, and fees, and increases the percentage of on-time payments. These enhancements mitigate potential gaps in services and ensure that Veterans can continue seamlessly in their programs. Since the implementation of IPPS, 99.13% of all payments are made in less than 30 days, and since the beginning of this fiscal year, 99.88% of payments are made in less than 30 days and 100% of payments are made in less than 60 days.

#### Conclusion

VA appreciates Congress' continued support in finding ways to improve our VR&E program. VA is committed to providing assistance to eligible Service members and Veterans to prepare for, find, and maintain suitable careers and maintain a life of independence. VA looks forward to continuing collaboration with you and our stakeholders. Mr. Chairman, this concludes my statement. My colleague and I would be happy to answer any questions you or other members of the Subcommittee may have.