

**STATEMENT OF  
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DEPARTMENT OF VETERANS AFFAIRS  
BEFORE THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
HOUSE COMMITTEE ON VETERANS' AFFAIRS**

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Chairman Wenstrup, Ranking Member Takano, and members of the Subcommittee, thank you for inviting me to appear before you today to discuss the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (VR&E) program and our efforts to transform the VR&E program to enhance the delivery of services to our Servicemembers and Veterans.

VR&E employees across the country are committed to and engaged in multiple initiatives to extend VR&E's outreach capabilities, gain a better understanding of our current and future Veteran population, increase program efficiencies, enhance our supporting technologies, and reframe performance metrics. All of these efforts are focused on providing better support to the nearly 124,000 Veterans currently participating in the VR&E program and all those we will serve in the future.

**VR&E Program Overview**

VA's VR&E program assists Servicemembers and Veterans with service-connected disabilities and barriers to employment in preparing for, finding, and

maintaining suitable employment. For Veterans with service-connected disabilities so severe that they cannot immediately consider employment, independent living (IL) services are offered to improve their ability to live as independently as possible.

VR&E employs nearly 1,000 professional Vocational Rehabilitation Counselors (VRCs) and delivers services through a network of almost 400 locations. Our service delivery model supports Veterans where they live and currently includes operations at 56 regional offices (ROs), the National Capital Region Benefits Office (NCRBO), 165 VR&E out-based offices, 71 military installations for the Integrated Disability Evaluation System (IDES), and 94 VetSuccess on Campus (VSOC) sites. VR&E staff members are also co-located at nearly 150 Veterans Health Administration (VHA) medical facilities.

As authorized under Title 38, United States Code, Chapter 36, the VR&E program also provides educational and career counseling to transitioning Servicemembers; Veterans who are eligible for VA educational benefits; and children, widows, and spouses of Veterans who died as a result of their service or have permanent and total service-connected disabilities. In addition, vocational and rehabilitation benefits are provided to children with spina bifida born to certain Veterans with service in Vietnam or Korea.

### **VR&E Program Data**

As the Veterans Benefits Administration (VBA) continues to make major progress in eliminating the disability claims backlog, there are more and more Veterans with service-connected disabilities potentially eligible for and in need of vocational

rehabilitation services to remove barriers to employment. The volume of VR&E applications has increased over 30 percent from FY 2011 to FY 2014, with a nearly 10-percent growth in VR&E participants over each of the past two years. Even with this dramatic growth, VR&E provided entitlement determinations to applicants in an average of 43 days -- below the national target of 45 days. The total number of VR&E cases worked by VRCs, including applicants, exceeded 181,000 in FY 2014. The aggregate number of VR&E participants increased by 9.5 percent, from over 112,000 in FY 2013 to nearly 124,000 in FY 2014.

VR&E successfully assisted over 10,000 Veterans in achieving their rehabilitation goals in FY 2014, a 2.7 percent increase from FY 2013, with employment rehabilitations increasing 7 percent over FY 2013. Of these, 8,621 achieved rehabilitation into suitable employment, and an additional 511 Veterans completed their rehabilitation plan and were determined job ready, but elected to pursue further education rather than seek immediate employment. The remaining 1,548 Veterans had disabilities so severe that they could not pursue employment, but gained greater independence in their daily lives through the delivery of IL services and achievement of their IL goals.

### **VetSuccess on Campus**

With a team of 79 VSOC counselors, VR&E continues to leverage its partnerships with 94 schools across the country to provide educational and vocational counseling and other on-site services to approximately 78,000 Veterans on campus. Out of this target population, VSOC counselors assisted over 58,000 Veterans and eligible dependents, including over 25,000 new contacts, through outreach efforts in FY

2014. VSOC counselors coordinate delivery of on-campus benefits assistance and educational/vocational and/or adjustment counseling, employing all possible means and resources to assist Veterans and beneficiaries in completing their college education and entering the labor market in viable careers. In collaboration with host institutions, a number of VSOC counselors have established or enhanced peer-to-peer Veteran mentoring programs in order to address military-to-college transition issues. VA is committed to the VSOC program and continues to evaluate schools for potential future participation.

### **IDES and Other VR&E Outreach**

VR&E closely collaborates with the Department of Defense to provide VR&E services to Active Duty, Reserve, and National Guard Servicemembers going through the IDES process. To ensure Servicemembers have access to and awareness of VR&E services, VA deployed nearly 200 IDES counselors to 71 military installations to work directly with Servicemembers in the IDES process or attached to the Army's Warrior Transition Command and/or a military service Wounded Warrior Program. These counselors provide early intervention counseling and ensure wounded, ill, and injured Servicemembers are aware of the VR&E services to which they may be entitled. In collaboration with the U.S. Army's Warrior Transition Command, VR&E is jointly visiting select IDES sites to improve the VR&E referral process and enhance outreach and early intervention counseling services at military installations. Since July 2014, VA and the Warrior Transition Command have visited 12 Army installations in California, Colorado, Georgia, Kansas, Virginia, and Texas. VA has independently visited an

additional five military service installations. These visits provide opportunities to improve service delivery and communications and identify best practices to share with other IDES sites.

VR&E continues to provide educational and career counseling to transitioning Servicemembers and Veterans who are eligible for VA educational benefits, and other eligible beneficiaries. VR&E has undertaken outreach efforts to increase awareness and inform eligible participants about chapter 36 counseling services. More comprehensive and updated information about chapter 36 counseling and other services has been incorporated into the Transition Assistance Program (TAP) curriculum, specifically VA Benefits I, Accessing Higher Education, and the Entrepreneurship and Career Technical Training Tracks. .

### **Coordination with the Department of Labor (DOL)**

As stated in our February 27, 2015 Memorandum of Agreement, the VA and Department of Labor (DOL) take a “team approach” to helping Servicemembers and Veterans with service-connected disabilities become job ready and find suitable employment. DOL’s Veterans’ Employment Service (VETS) staff and the American Job Center network provide valuable resources to both VR&E counselors and participants. For example, Disabled Veterans’ Outreach Program (DVOP) staff, who are funded by DOL VETS, provide local labor market information to VR&E participants. DVOPs can also provide tailored counseling when participants are ready to begin their job search. VR&E personnel are also able to participate in training classes and webinars hosted by the National Veterans’ Training Institute, where they can learn more about VETS’ Jobs

for Veterans State Grant program and how to best leverage DOL resources for their clients.

### **Information Technology and Business Process Improvements**

VR&E is working to leverage technology to increase efficiencies and enhance services and prepare for the initial development of the new VR&E case management system, VRE-CMS. Together with the Veterans Relationship Management (VRM) Program Management Office and VA's Office of Information and Technology (OI&T), VR&E has refined the functional requirements for VRE-CMS, which will include a planned collaborative user interface in eBenefits and allow VR&E to move toward a more efficient and Veteran-centric paperless service-delivery process. The paperless service-delivery process includes self-service options through eBenefits, phased elimination of paper files, and automation of payment processing. A paperless business process will allow VR&E to better support Veterans on their own terms and reduce the administrative burden on VR&E counselors. The intent is to integrate VR&E with other VA business lines and benefit information systems to enhance relationship management and support vocational rehabilitation success. The goals of the new VRE-CMS are to deliver a paperless service delivery model, better support Veterans on their own terms, ensure consistent/efficient service delivery and quality, and modernize the employee experience. The total two-year IT development funding for this project is \$9.7 million, with \$3.8 million in FY 2015 and \$5.9 million in FY 2016.

Last month VR&E began the phased release of the CWINRS subsistence allowance module (SAM), with full deployment to all ROs by August 2015. The module

utilizes the corporate Financial Accounting System (FAS) to make subsistence payments to Veterans and will eliminate VR&E's reliance on the legacy Benefits Delivery Network by December 2015. Through June 16, 2015, over 13,500 Veterans have received subsistence payments through FAS, and delivery of payments by the new system is increasing at a rate of over 1,000 Veterans per week.

In collaboration with VHA, VR&E expanded VHA Telehealth and CAPRI technologies to enhance direct Veteran service through online counseling technology and an online medical referral tracking system. The introduction of CAPRI allowed VR&E to transition from a cumbersome paper-based process for medical referrals to an electronic process with the capability to track medical referrals from scheduled appointment through delivery of service by VHA. Since its release in March 2015, VR&E employees have successfully referred over 1,200 Veterans to VHA for medical services. Telecounseling uses secure video teleconferencing to enable VR&E counselors to remotely meet with and counsel Veterans receiving VR&E services. The system was released nationally to program participants and VR&E's team of 1,000 VRCs in March 2015. Although this is the initial phase of deployment, it has significant potential to increase VR&E's responsiveness to Veterans' needs, reduce travel costs and time for Veterans and employees, and improve accessibility to VR&E services.

### **New VR&E Performance Measures**

VR&E is in the final stages of implementing new program performance measures that will place a greater focus on Veteran outcomes. VR&E's intent is to adopt a national model of Veteran success similar to a college graduation rate. The success

rate is the percentage of Veterans who complete their goals and/or obtain employment (positive outcomes) measured against all Veterans in their class (i.e., year of program initiation). The persistence rate is the number in the class who successfully achieved a positive outcome plus the number of Veterans persisting in their rehabilitation program, measured against all Veterans in their class. VR&E Service will use a six-year completion model that aligns to the January 2014 Government Accountability Office (GAO) report finding that 76 percent of the Veterans who completed VR&E successfully did so within six years. The model also better aligns with reporting of graduation rates by institutions of higher learning, and better reflects the individualized needs of Veterans with service-connected disabilities in the VR&E program.

These new measures of Veterans' success in the VR&E program are driven by positive outcomes and active participation. In support of the national key measures of class success and persistence rates, employee performance standards were reviewed to ensure they support the new program metrics. These new metrics will effectively measure Veterans' outcomes at every stage of their progression through the program, and will more accurately account for Veterans' multi-year participation in the VR&E program. This new model will provide stakeholders with a clear, intuitive accounting of Veterans' progress and employment outcomes and better reflect the program mission. The new performance measures will be reported in FY 2016, as VR&E closes out the rehabilitation rate measure at the end of FY 2015.



## **Process Redesign**

VR&E continues to refine service-delivery models and has developed business models for some of the more complex processes, such as the delivery of services in self-employment and IL cases. Additionally, VR&E has increased oversight of IL cases by lowering cost-approval thresholds for IL construction to those above \$15,000 (previously \$25,000) and implemented additional reviews during the development phase of certain self-employment cases. At the VR&E Officers' Training Conference in June 2015, VR&E conducted break-out sessions with small groups of its field managers to review procedures and discuss both improving service-delivery and accountability for case management. As VR&E caseloads continue to grow, VR&E is exploring ways to reduce the workload burden on VRCs. VR&E is also working to improve contract service support, increase the use of work-study students, and explore the use of volunteers to aid in administrative support.

Other ways to improve the program's performance are currently being evaluated using a Baldrige-based framework. VR&E is specifically looking at its organizational profile, program leadership, strategic planning, Veteran and employee needs, measurement and analysis of workload, knowledge management, and program results. VR&E is also focused on managing and synchronizing all the components of its program as a unified whole, incorporating data analytics, and managing change. VR&E Service recently surveyed its field organization for best practices in workload management, and the results were assessed to identify best practices for implementation nationwide.

Together with VBA's Office of Field Operations, enhanced VR&E leadership development and training opportunities are being developed. A joint workgroup was formed in early June 2015 to identify opportunity gaps for VR&E employees. A second workgroup will be formed in August 2015 to examine VR&E leadership structure. Recommendations from each group will be consolidated into a VR&E leadership development and action plan in early FY 2016.

Progress continues on implementation of recommendations from GAO's January 2014 report entitled, "VA Vocational Rehabilitation and Employment: Further Performance and Workload Management Improvements are Needed." Four of the six GAO recommendations are now closed. The two open recommendations pertain to the development and implementation of the new national VR&E performance measures and a post-outcome case management tool. VR&E Service is on track to implement new national performance measures this month. As previously discussed, VR&E Service is closely partnering with VA's VRM Program Management Office and OI&T to develop the new VRE-CMS that includes a requirement for tracking Veterans' post-case closure information.

### **VR&E Longitudinal Study**

The 20-year congressionally mandated VR&E Longitudinal Study of Veterans who began their VR&E programs in FY 2010, FY 2012, and FY 2014 has provided a wealth of information to date, including detailed analyses of cohort trends and Veterans' satisfaction with VR&E services. From this year's fifth iteration of the study, which will soon be provided to Congress, VR&E found that the majority of participants for all

cohorts reported moderate to high program satisfaction (approximately 90 percent), and on average, women make up a larger percentage of VR&E program participants (17–20 percent) than the overall Veteran population (9 percent). Comparing combined disability ratings for cohort members with those of the overall population of Veterans with a service-connected disability revealed that VR&E participants have a higher combined disability rating of nearly 60 percent. The study also revealed that nearly one quarter or more of participants in each cohort have a primary rating for PTSD, and 85 percent of Veterans who achieved rehabilitation from an employment plan in Cohorts I and II are currently still employed. The study further indicates that Veterans who successfully complete the VR&E program report more positive economic outcomes, to include higher employment rates and annual earnings and more frequent home ownership, as compared to those Veterans who discontinued their participation in the VR&E program.

## **Conclusion**

VR&E will continue to assess and improve the delivery of vocational rehabilitation services to a most deserving population of men and women who have incurred a service-connected disability through service to our Nation. Through the initiatives and improvements noted, VA is substantially improving and materially enhancing the VR&E program.

Mr. Chairman, this concludes my statement. I would be pleased to answer questions from you or any of the other members of the Subcommittee.