



National Service & Legislative Headquarters
807 Maine Avenue, S.W.
Washington, D.C. 20024-2410
Phone (202) 554-3501
Fax (202) 554-3581
www.dav.org

***STATEMENT OF
PAUL R. VARELA
DAV ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
JULY 8, 2015***

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting DAV (Disabled American Veterans) to testify at this important hearing of the Subcommittee on Economic Opportunity, to review Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (VR&E) Services.

As you know, DAV is a non-profit veterans service organization (VSO) comprised of 1.2 million wartime wounded, injured and ill veterans, dedicated to a single purpose: empowering veterans to lead high-quality lives with respect and dignity. As the nation's largest VSO comprised entirely of wartime disabled veterans, DAV is leading the way in providing free assistance to veterans and their families in filing claims for benefits, as well as representing them in appeals of unfavorable decisions on their claims.

In 100 offices located throughout the nation, DAV employs a corps of about 270 National Service Officers (NSOs) and more than 34 Transition Service Officers (TSO) who counsel and represent active duty personnel, veterans, their dependents and survivors with their claims for benefits provided by the VA, the Department of Defense (DOD) and other government agencies. In 2014, DAV staff represented 340,000 individuals.

DAV's core mission is carried out through our National Service Program. Our Chapter Service Officers, Department Service Officers, Transition Service Officers and National Service Officers have never wavered in their commitment to serve our nation's wounded, injured and ill veterans, their families and survivors, or any veteran for that matter. In all, DAV has 3,815 service officers, including County Veteran Service Officers accredited by DAV, all of whom are on the front lines, providing much needed claims services to our nation's veterans, their families and survivors. No one has more impact on our organization's ability to meet our primary mission. No one has more impact on our organization's stellar reputation. No one has more impact on empowering disabled veterans to become productive members of society again. And I believe no one has a tougher task than those DAV service officers assisting veterans and their families and survivors in their claims for benefits from the government that at times seems both a reluctant and entrenched bureaucracy.

Each DAV NSO brings his or her military experience, as well as personal experience navigating the VA health care and claims processing systems. All DAV NSOs have themselves participated and successfully completed a VR&E rehabilitation plan as part of our DAV 16-month on-the-job training (OJT) program. Due to our backgrounds and training, DAV NSOs not only possess a significant knowledge base, but also a passion for helping our fellow veterans navigate the labyrinth of the VA system and its benefit programs.

In addition to assisting veterans and their dependents to file claims for disability compensation, our NSOs regularly advise veterans on the opportunities and benefits offered by VA's VR&E program. As part of our lifelong continuing education program, DAV NSOs are trained on all VR&E programs, and we regularly refer and encourage our client veterans to consider VR&E programs when appropriate.

Mr. Chairman, DAV is a staunch proponent of the VR&E program, because it embodies DAV's central purpose of empowering veterans to lead high-quality lives with respect and dignity.

Program Overview

Congress appropriates funds to VA so it can provide assistance to veterans seeking employment through VR&E. This program assists veterans with service-connected disabilities in preparing for, finding and keeping jobs suitable to their skill sets and within any limitations imposed on them due to wounds, injuries and illnesses sustained as the result of their military experience. For veterans with severe service-connected disabilities that impact their ability to work, other services are available to help them live as independently as possible.

Veterans are eligible for VR&E services and programs if they have an other-than dishonorable discharge as well as a service-connected disability rating of at least 10 percent, or a memorandum rating of 20 percent or more from the VA. The VR&E program is also accessible to active duty military personnel expecting to be medically discharged with the requisite discharge and anticipated disability rating of at least 20 percent or more from the DoD and VA. Those who meet the criteria and apply for the program receive a comprehensive evaluation that determines their employment interests, skills and abilities. Once the evaluation is completed, vocational counseling and rehabilitation planning toward employment service assistance is provided before separation.

VR&E employment services include job training, development of job-seeking skills, resume development, and other types of work readiness assistance. Program participants may be given the opportunity to enhance existing skill sets through on-the-job-training, apprenticeships, and non-paid work experiences, as well as post-secondary training at the college, vocational, technical or business school levels. During this process, participants may also receive supportive rehabilitation services such as case management, counseling, and even medical referrals.

Veterans with severe disabilities who are unable to work may qualify for an independent living program that enables eligible veterans to lead more independent lives. These veterans may be provided assistive technology to help them adapt to their new circumstances, and specialized

medical, or rehabilitation services, assistance in addressing personal or family adjustment, and be referred to support services within their communities.

The basic period of eligibility for VR&E services cannot currently exceed 12 years from either the date of separation from active duty, or the date veterans are notified by the VA of a service-connected disability rating, nor can the participants exceed 48 months of entitlement. This 12-year eligibility period can only be extended if a Vocational Rehabilitation Counselor (VRC) determines that a veteran has a serious employment handicap. T and the basic 48-month period of eligibly can also be extended in unique circumstances.

VR&E services are delivered through one of five employment tracks. Veterans choose one of the five tracks to reach their employment goals: Re-employment; Rapid Access to Employment; Self-Employment; Employment through Long-Term Services; or Independent Living Services.

The Re-employment Track helps veterans and members of the National Guard and Reserve components return to jobs held prior to active duty. Veterans, National Guard, and Reserve members may be provided with job accommodations, job modification, case management, coordination, and linkages to services with VA health care, re-employment rights advice, work adjustment services, and consultations with employers.

The Rapid Access to Employment Track emphasizes the goal of immediate employment and is available to those who already possess the skills to compete in the job market in appropriate occupations. Among other options, veterans may be provided job readiness preparation, résumé' development, job search assistance, and accommodation due to physical limitation.

The Self-Employment Track is for veterans who have limited access to traditional employment and need flexible work schedules and a more accommodating work environment because of their disabling conditions or other special circumstances. Veterans may be provided an analysis of the viability of a business concept, development of a business plan, training in the operation of small businesses, marketing and financial assistance, and guidance on obtaining adequate resources to implement the business plan.

In the Employment through Long-Term Services Track, VR&E assists veterans who need specialized training or education to obtain and maintain suitable employment. Training or education (or both) may be provided, including on-the-job training, apprenticeship, internship, job shadowing, work monitoring, work-study, public-private job partnering, or higher education sufficient to obtain suitable entry-level employment.

Finally, the Independent Living (IL) Services Track is available. Within this track, veterans who may not be able to work immediately and need additional rehabilitation to enable them to live more independently may qualify for VR&E services through independent living. Veterans are provided with assistive technology, independent living skills training, and connections to community-based support services.

The IL program is designed to help veterans whose service-connected disability or disabilities may be so severe that they are unable to immediately pursue an employment goal. It helps them to be able to live independently, participate in family and community life, and increase their potential to return to work. The IL program was established under Public Law 96-466, the Veterans Rehabilitation and Education Amendments of 1980, with an annual cap of 500 new cases per fiscal year.

In the intervening years, the number of cases grew as the program's success in helping severely disabled veterans gain greater independence in daily living was recognized. The cap was increased by Public Law 107-103, the Veterans Education and Benefits Expansion Act of 2001, to 2,500 new cases per fiscal year.

In FY 2016, VR&E anticipates 137,421 program participants to apply for these benefits as regular military personnel, guardsmen, and reservists return from the current conflicts overseas and transition to veteran status. The number of program participants has continued to increase since FY 2013 when the workload was estimated at 112,659. Additional funding to support this growth is essential; The President has not requested any additional full-time employee equivalents (FTEE). Additional FTE within the VR&E program is essential to providing these critical services.

An accurate determination of the effectiveness of the VR&E program is an essential element in decisions regarding delivery of services, staff size, level of expertise, ongoing staff training requirements, optimum service delivery mechanisms to address the needs of program participants, the accuracy of reporting outcomes and other areas for improvement. In an effort to capture relevant program information, Congress mandated a 20-year longitudinal study with the passage of section 334 of the Veterans' Benefits Improvement Act of 2008, Public Law 110-389. VA is required to conduct a longitudinal study of its VR&E programs, tracking individuals over a 20-year period who began participating in VR&E programs during fiscal years 2010, 2012, and 2014.

Annual reports from this longitudinal study are due to the Committees on Veterans' Affairs of the Senate and House of Representatives on July 1 of each year. In July of 2015, the report from VBA will contain information on the 2010, 2012 and 2014 cohorts. The focus of the study is to assess the long-term outcomes of the individuals participating in the vocational rehabilitation programs. DAV looks forward to the information that will be disclosed by these reports to enhance understanding of the program's needs, challenges, and successes.

Delivery of VR&E services is further enhanced with the placement of VR&E counselors at 71 military installations nationwide in support of Integrated Disability Evaluation System (IDES) operations. IDES provides DOD and VA seamless, transparent administration by both departments, using one disability rating system for medically separating service members. This streamlines the medical separation process for the military personnel transitioning from DOD to VA.

IDES features a single set of disability medical examinations to determine both fitness and disability, and a single set of disability ratings provided by VA. When a military member's

medical conditions cause them to be put on a medical profile that makes them no longer deployable and curtails their ability to effectively carry out the duties of their rank and military specialty, they will be evaluated by a Medical Evaluation Board (MEB). If the MEB determines that the member has a medical condition which is incompatible with continued military service, they are referred to IDES. An Informal Physical Evaluation Board (IPEB) determines if the military member is fit for continued duty.

Currently, when a military service member is found to be “unfit” for duty, he or she will be moved to IDES. These service members meet with VR&E VRCs, who assist in developing vocational goals as part of a vocational rehabilitation plan to make a successful transition from the military into the civilian workforce. These services constitute a comprehensive rehabilitation evaluation to determine abilities, skills, and interests for employment purposes and identify support services to maintain employment or gain meaningful employment.

By physically placing VRCs at IDES locations, benefits delivery timeliness may be improved, and early intervention helps combat homelessness as well as poverty caused by underemployment.

While we are pleased with the progress of the IDES program to date and VR&E’s plans to expand delivery of services, we are concerned about another aspect of the program: service members participating in IDES do not have ready access to representation by a veterans service organization. As a result, most separating military members rely instead on the advisory services of military counsel.

VR&E Resources

In accordance with DAV Resolution No. 052, as adopted at our most recent national convention, we call on Congress to strengthen VA’s VR&E program to meet the demands of service-disabled veterans by providing increased staffing and funding. This legislation is also supported by the *Independent Budget* (IB).

Congress must ensure that VR&E has adequate resources to meet demand. The IB recommended that VR&E be allocated resources for an additional 382 new FTEE at a cost of roughly \$41.8 million to establish a maximum client-to-counselor minimum of 125:1, or better. Of the additional 382 FTEE, 277 would be dedicated as VRCs and the remaining 105 employees would provide support services, bringing the VR&E total FTEE strength to 1,824.

An extension for the delivery of VR&E assistance at a key transition point for veterans is the VetSuccess on Campus (VSOC) program present on 94 college campuses. As mentioned earlier, additional VR&E services are provided at 71 military installations for active duty service members undergoing medical separations through the Department of Defense and VA’s joint Integrated Disability Evaluation System (IDES).

These additional functions of VR&E personnel are undoubtedly beneficial; however, staffing levels throughout VR&E services must be commensurate with current and future demands. VR&E last received an FTEE increase in FY 2014 when the participant caseload was

at 123,383. When considering the FY 2016 participant estimate of 137, 421, this represents close to a 10% increase in program participation, yet FTEE remained the same in FY 2015 and is poised to remain flat in FY 2016 based on the Administration's budget request.

At present VRCs are managing an active client caseload that averages out to a counselor-to-client ratio of roughly 1:135. Ideally, a reasonable counselor-to-client ratio would consist of one VR&E counselor for every 125 veterans as has been advocated by the IB for the past several years. However, the average can be somewhat misleading as there are higher and lower averages throughout VAROs.

A January 2014 GAO study examined the VR&E program and found the Cleveland VARO counselor to client ratio was 1:206 cases; in the Fargo VARO, the counselor-to-client ratio was 1:64. While increased staffing levels are required to provide efficient and timely services to veterans utilizing VR&E services, it is also essential that these increases be properly distributed throughout all of VR&E to ensure that VR&E counselors' caseloads are equitably balanced among VAROs.

Additionally, VR&E must also explore new methodologies to formulate a proper client-to-counselor ratio based on the challenges associated with more severely disabled veterans.

Eliminate the 12-Year Delimiting Period

In accordance with DAV Resolution No. 048, as adopted at our most recent national convention, we support legislation that would eliminate the 12-year limitation provided to veterans to apply for VA vocational rehabilitation. We believe leaving a veteran's period of entitlement open ended would be a better policy. Legislation to effect this change is supported by the IB.

Despite efforts to keep veterans informed of their benefits, not all disabled veterans are aware of their possible entitlements to VR&E programs at the time they are awarded service connection for disabilities until life's circumstances otherwise intervene. Many veterans do not necessarily see themselves as needing VR&E services until later in life, which might well occur after the current 12-year rule excludes them from a potentially life-changing benefit.

Since VA puts no time limit on a veteran making a claim for disability, we assert that there should be no time limit for access to VR&E benefits. Open-ended eligibility could also help reduce the claims workload as applicants would not need to submit new claims or reopen old ones in hopes of being granted a new service connection that would once again make them eligible for VR&E benefits.

Employment Placement Follow-Up

In accordance with DAV Resolution No. 052, as adopted at our most recent national convention, we support legislation to strengthen VA's VR&E program to meet the demands of service-disabled veterans by providing placement follow-up with employers for at least six months. Similar legislation is also supported by the IB.

We also contend the current 60 days of employment as the accepted standard for a veteran to be considered fully employed is insufficient. Typically, new employers require much longer periods of probationary employment than 60 days. In the federal sector, the probationary employment period is generally one year. DAV recommends VR&E provide placement follow-up with employers for at least six months.

VR&E focuses on providing individualized services to veterans with service-connected disabilities in an effort to assist them in achieving functional independence in daily activities, becoming employable, and obtaining and maintaining suitable and meaningful employment. Historically, however, VR&E has focused more on the vocational rehabilitation aspect and less on employment. For example, VR&E only conducts a 60-day follow-up on individuals recently employed as a measure to determine if they are “fully rehabilitated.” Also of concern is the fact that if a veteran discontinues the use of VR&E services, regardless of the reason, VR&E reports the case as a successful and “full rehabilitation.”

VA also needs to continue improving its coordination with non-VA vocational programs to ensure that veterans are receiving the full array of benefits and services to which they are entitled in a timely and effective manner. Under the VA Strategic Plan for FY 2006-2011, the VA acknowledged that it planned to continue the utilization of non-VA providers to supplement and complement services provided by VR&E staff.

Many state vocational rehabilitation agencies have memoranda of understanding with their state departments of veterans’ services to coordinate services for veterans with disabilities, and some state agencies have identified counselors with military backgrounds to serve as liaisons with VA and veterans groups. Moreover, VA has increased engagement with state vocational rehabilitation agencies in outreach to the business community to promote veterans with disabilities as a valuable talent pool. In addition, numerous non-profit vocational rehabilitation providers have served veterans with disabilities for many years in partnership with VA.

These partnerships, however, create challenges that VA needs to address. Whereas qualified providers can partner easily with most state vocational rehabilitation agencies, VA’s national acquisition strategy is viewed as overly cumbersome by private providers seeking to contract with VR&E. As a result, private non-VA providers that could address some of the demand from disabled veterans for employment assistance are shut out by complicated contracting rules.

Child Care Vouchers

In accordance with DAV Resolution No. 052, as adopted at our most recent national convention, we support legislation to strengthen VA’s VR&E program to meet the demands of service-disabled veterans. Similar legislation is also supported by the IB.

Veterans with dependents are the second largest group that seeks VR&E for assistance. They also tend to use VR&E’s employment services track more than disabled veterans without dependents. While pursuing vocational rehabilitation may be a goal, the need for immediate

employment to meet the demands of life's financial obligations in cases where VA's assistance is inadequate.

For example, those veterans who do not qualify for the Post-9/11 GI Bill cannot use its more generous housing stipend versus the vocational rehabilitation's living stipend. For veterans who have families and are participating in a VR&E program, we recommend child care vouchers, or stipends, so long-term education or vocational rehabilitation will no longer be out of reach. We also recommend that Congress provide a monthly stipend for those participating in the employment track of VR&E programs.

Independent Living Participation

In accordance with DAV Resolution No. 052, as adopted at our most recent national convention, we support legislation to strengthen VA's VR&E program to meet the demands of service-disabled veterans. This legislation is also supported by the IB.

The IL program, as noted earlier, allows eligible veterans to live independently by providing assistive technology to help them adapt to their circumstances, with specialized health, or rehabilitation services, assistance in addressing personal or family adjustment issues, and for supportive services.

Unfortunately, participation in this program is capped, and program participation cannot exceed 30 months. The current cap is at 2,700 individuals as a result of Public Law 111-275, the Veterans Benefits Act of 2010. As participants approach the 2,700 level each year, VR&E must consequently slow delivery of services until the next fiscal year begins.

We believe Congress should remove the cap on the Independent Living. All rehabilitation options, including independent living, must be available for veterans who require such services. VR&E management must provide adequate oversight of the ILP specific Training Performance Support System deployed in FY 2013, to ensure VRCs understand the eligibility requirements and benefits that can be achieved through appropriate use of this program. VR&E must receive the appropriate resources and technologies to collect relevant information for the ILP, including but not limited to the number of disabled veterans applying for the ILP and the goods and services provided to veterans participating in the program.

Veterans Economic Opportunity and Transition Administration

At our most recent National Convention, held in Las Vegas, Nevada, in August 2014, DAV members passed Resolution No. 227. Not only does Resolution No. 227 call for a new Veterans Economic Opportunity Administration, but also it calls for the transfer of the DOL Veterans Employment and Training Service (VETS) to the VA as a key element of this new administration.

We were pleased that H.R. 2275, the Jobs for Veterans Act of 2015, has been introduced in this Congress. DAV strongly supports this legislation.

Mr. Chairman, DAV previously offered testimony before this Subcommittee on February 12, 2015, and on June 2, 2015, supporting this issue. H.R. 2275 would create a fourth administration within VA. Under the bill, certain DOL programs would be transferred to VA not later than October 1, 2016. All personnel, assets, and liabilities pertaining to these programs would be transferred by that date.

This transfer to the VA would include administration of all functions and programs now performed by the DOL under title 38, United States Code. On enactment, VA would administer the homeless veterans' reintegration programs under title 38, United States Code, chapter 20; employment and employment rights of members of the uniformed services under chapter 43; employment and training of veterans under chapter 42; and, job counseling, training, and placement services for veterans under chapter 41. The bill would establish a new Under Secretary position and two Deputy Under Secretaries with various responsibilities.

The creation of a new VA administration that would manage all these programs is a logical, responsible step for Congress to take through this legislative mandate. Plus, important to DAV, we believe consolidation would offer the potential to streamline and enhance the prospects and training possibilities for wounded, injured and ill wartime veterans, for them to overcome employment obstacles, and would open up opportunity for them in their post-service lives. It could also both reduce current costs while revealing the availability of new or alternative services and programs to those receiving employment and educational assistance, in a unified program.

Ensuring that our nation's wounded, injured and ill wartime veterans and their families receive opportunities for meaningful and gainful employment is a central concern of our organization; in the wake of war, DAV believes that we reflect the concerns of the entire nation. Veterans who truly sacrifice themselves in war need a hand up, not a handout. Reforming this important function of government that leads them to rewarding private employment would provide them that hand.

DAV is pleased that on June 25, 2015, H.R. 2275 was forwarded to the Full Committee by the Subcommittee. It is encouraging that Congress is taking the necessary steps to move this legislation forward in hopes of it being enacted in law in the 114th Congress. H.R. 2275 has the potential to improve the post-service prospects of our nation's wounded, ill and injured veterans and their families by streamlining and centralizing veteran-centric employment and education programs within a new fourth administration.

Mr. Chairman, this concludes my testimony and I am prepared to answer questions related to this statement.