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**STATEMENT OF
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OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
JUNE 4, 2019**

Chairman Levin, Ranking Member Bilirakis and Members of the Subcommittee:

Thank you for inviting DAV (Disabled American Veterans) to testify at this oversight hearing of the Subcommittee of Economic Opportunity regarding the Vocational Rehabilitation and Employment (VR&E) program of the Department of Veterans Affairs (VA).

DAV is a congressionally chartered national veterans' service organization of more than one million wartime veterans, all of whom were injured or made ill while serving on behalf of this nation. To fulfill our service mission to America's injured and ill veterans and their families, DAV directly employs a corps of more than 260 National Service Officers (NSOs), all of whom are themselves wartime service-connected disabled veterans, at every VA Regional Office (RO) as well as other VA facilities throughout the nation. Together with our chapter, department, transition and county veteran service officers, DAV has over 4,000 accredited representatives on the front lines providing free claims and appeals services – including for VR&E programs – to our nation's veterans, their families and survivors.

We represent over one million veterans or survivors, making DAV the largest veterans' service organization (VSO) providing claims assistance. This testimony reflects the collective experience and expertise of our thousands of dedicated and highly trained service officers who provide free claims and appeals assistance to hundreds of thousands of veterans and survivors each year.

Our mission begins with the principle that this nation's first duty to veterans is the rehabilitation and welfare of its wartime disabled. This principle envisions vocational rehabilitation and/or education to assist disabled veterans to prepare for and obtain gainful employment so that the full array of talents and abilities of disabled veterans are used productively.

In fact, all of DAV's National Service Officers have received or are currently receiving services through VR&E as part of the DAV National Service Officer Apprentice Program through a Memorandum of Understanding (MOU) with VA's VR&E program.

I testify before you today, not just as an advocate for disabled veterans but also representing a successful outcome of VR&E. As a veteran of the United States Marine Corps I had utilized my educational benefits under the Post-9/11 GI Bill and attained a bachelor's degree at California State University of Bakersfield in 2013. However, due in part to my disabilities, I could not obtain gainful employment that utilized my college education. When I was hired by DAV in 2014, I was enrolled in VR&E, provided a vocational plan that took into consideration my service-connected conditions and assisted in my first 16 months of employment as a National Service Officer (NSO) where I personally assisted veterans with their VA claims, to include applying for VR&E benefits. I completed the DAV NSO Training Program in October 2015 and was promoted to DAV's office at the Board of Veterans' Appeals in July 2016 where I represented veterans before Veterans Law Judges to help secure their earned benefits before being appointed to my current position on DAV's legislative staff. I am an example of how VR&E can help a veteran find the path to economic success that is best suited for that individual.

VA VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAM

The VR&E program, also known as the Chapter 31 program, assists veterans and service members with service-connected disabilities and an employment barrier to prepare for, obtain, and maintain suitable employment. Veterans with at least a 20 percent disability evaluation or a 10 percent evaluation with a serious employment handicap meet the eligibility criteria. VR&E provides comprehensive services to include vocational assessment, rehabilitation planning, and employment services. For veterans with service-connected disabilities so severe that they cannot immediately consider work, the VR&E program offers services to improve their ability to live as independently as possible within their families and communities.

VR&E administers these benefits through a decentralized service-delivery network comprised of nearly 360 offices throughout 56 regions, each anchored by an RO. As of the end of fiscal year (FY) 2018, VR&E was comprised of a workforce of 1,645 staff, including Vocational Rehabilitation Counselors (VRC), Employment Coordinators, support staff, and managers.

VR&E's workload is driven by a number of factors, including: (1) the number of veterans applying for rehabilitation benefits and services; (2) the number of veterans who enter into the development and implementation of a rehabilitation plan; (3) the associated growth of disability claims consistent with the ongoing reduction of the claims backlog; (4) changes to total volume of military separations due to military end-strength policy; and (5) frequency/severity of service-related injuries/illnesses. Once a veteran or service member applies and is determined eligible for services based on service-connected disability rating and honorable discharge, the veteran meets with a

VRC to complete a comprehensive vocational assessment. The VRC will then make an entitlement determination based on the counselor's interview that determines whether the veteran's disabilities impair their ability to find and hold a job. If the veteran or service member is not entitled to VR&E services, the counselor will assist with any necessary referrals for other services such as referrals to state vocational rehabilitation programs, local employment agencies, or other local or state training programs.

The cycle of an active VR&E case may extend up to and beyond six years. This is necessary to provide adequate training for veterans so that they can obtain employment that accommodates their disabilities and provides a career foundation that is appropriate to their education, abilities, and ambition. In addition, counselor follow-up after securing an occupation is crucial to ensuring the veteran is employed and will stay employed.

When service-disabled veterans seek to reintegrate, they should be knowledgeable about not only what educational and occupational benefits are available but which one is right for them. While the GI Bill focuses on education and training, VR&E counselors work with veterans to develop an individualized development plan following one of five tracks:

- Reemployment – for veterans who served in active military service or in the national guard or reserves, and are now returning to employers for whom they worked, prior to going on active duty;
- Rapid Access to Employment – for individuals ready to seek employment after separation and have the necessary skills to be competitive;
- Self-Employment – for individuals who have job skills to start a business;
- Employment through long-term services – provides an extended period of training and rehabilitation services to ensure that veterans acquire the skills necessary to obtain and maintain suitable employment;
- Independent Living (IL) – for individuals unable to work, provides support to achieve maximum independence in daily living and, whenever possible, increase the individual's ability to participate in an extended evaluation to explore the potential to return to work

While many veterans will utilize the GI Bill and thrive, there are many who would be better served by one of VR&E's five tracks. The importance of the veteran knowing which option they would be better suited for cannot be understated.

In 2008, Congress passed the Veterans' Benefits Improvement Act, which required VA to conduct a 20-year longitudinal study of veterans who applied for and entered into a plan of services in the VR&E program in fiscal years (FY) 2010, 2012, and 2014. These three cohorts are being followed annually for 20 years each. Survey data collection started in 2012 for the first two cohorts and in 2014 for the last cohort. The primary focus of the VR&E Longitudinal Study is on the long-term employment and standard of living outcomes for VR&E participants after they exit the program.

The preliminary results from these studies are showing that VR&E is an effective program that enhances the economic outlook for the veterans who utilize it. In the VR&E Longitudinal Study Annual Report 2018 for FY 2017, it reported that approximately 90 percent of veterans who have achieved rehabilitation from an employment plan were employed in the past year for all three cohorts and that amongst Cohort 1 and Cohort 2, the rate of homeownership was higher than the general population of the United States (70 percent and 67 percent versus 64.2 percent, respectively). Combine this with reported incomes that are at least \$18,000 dollars higher than for those who discontinued the program, VR&E is proving to be a valuable resource to America's disabled veterans.

But there are some areas to improve upon. Rural and economically disadvantaged veterans continue to have barriers to access to benefits. Despite data showing how beneficial VR&E can be, participation rates in the programs are down even as the target population is growing. We are concerned that VA's hiring of new counselors to strengthen the program and increase services to disabled veterans, is being negated by utilizing these counselors to do administrative tasks. In addition, VR&E is suffering from a lack of resources and funding.

DECREASE IN PARTICIPATION

VA's Budget Request for FY 2020 states that the VR&E program will meet and sustain the congressionally mandated goal of 1:125 counselor-to client ratio. However, the latest data in the VA budget document also shows that from 2016 to 2018, the number of VR&E participants fell from 173,606 to 164,355 — more than a five percent decrease. During that same period, VR&E's caseload also dropped from 137,097 to 125,513 — an 8.4 percent decline. It would appear that VR&E is able to meet the 1:125 goal by serving fewer veterans. VA's Principal Under Secretary for Benefits acknowledged the decrease before this subcommittee during a hearing in April 2019 and indicated VBA could not explain why this occurred. We are concerned that the lack of counselors over the years has finally caught up to VA and participation in VR&E has dropped because of this. We question if VR&E has instituted any new policies or practices that have deterred disabled veterans from seeking these services and what action is VA taking to increase awareness of the availability and benefits of VR&E services.

We are troubled that this decrease comes at a time when the latest VR&E Longitudinal Study finds that the number of participants had been increasing with each cohort. Cohort II (FY 2012) is 43 percent larger than Cohort I (2010) and Cohort III (2014) is 95 percent larger than Cohort I. Also, the study notes that the all three cohorts consist of younger veterans who are more likely to have served during the Gulf War II era, with two-thirds of these veterans having a service-connected disability rating of 60 percent or higher.

The decrease in participation is particularly concerning when viewed with the current statistics released by the Bureau of Labor and Statistics. In March 2019, the

Bureau released its report that showed of Gulf War II era veterans, 41 percent had a service connected disability rating and, of that 41 percent, 50 percent had a rating of 60 percent or higher. And participation of that era of veteran is growing. Beginning in 2016, Gulf War Era veterans became the largest veteran cohort. Additionally, across all generations, the rate of service-disabled veterans who are unemployed has remained statistically higher than veterans with no disability, 5.2 percent compared to 3.5 percent.

COUNSELOR-TO-VETERAN RATIO

The transition of service-disabled veterans to meaningful employment is strengthened by VA's ability to provide vocational rehabilitation and employment services in a timely and effective manner, but the demands and expectations being placed on the VR&E service are exceeding the organization's current capacity. DAV's Resolution No. 191 supports strengthening the VR&E service to meet the demands of service-disabled veterans by providing increased staffing and funding, a timelier and effective transition into the workforce, and placement follow-up with employers for at least six months.

Public Law 114-223 calls for VR&E not to exceed 125 veterans to one full-time employee (FTE). In the FY 2020 VA budget request, an additional 70 VRCs were requested to provide comprehensive individualized services in geographical areas where the ratio exceeds 125:1. In 2018, VR&E's rolling average counselor caseload ratio was 131:5.

While the request for 70 additional FTE is encouraging, the total FTE for that time period only rose by four. According to the Summary of the Budget Request, the total FTE increase between 2018 and 2020 is 18 FTE and only four between 2019 and 2020. We question where the additional 70 counselors will come from and if VA is adding counselors at the expense of other staff? Additionally, VA noted in its assessment of the recent tele-conferencing pilot program that VRCs who participated in the program "had to assume duties that were generally completed by Program Support Staff—the scheduling of appointments, monitoring of attendance, sending 10-day letters, and completing closure activities for those applicants who did not show for their scheduled appointments." Increasing counselors but losing other essential staff undercuts the benefit of achieving the 125:1 ratio.

TELE-COUNSELING

In early 2017, the VA initiated a pilot program in the St. Petersburg RO with 3 VRCs that used secure video teleconferencing technology to enable them to remotely counsel veterans. VR&E's tele-counseling application was developed through a partnership with VHA's VA telehealth services. The purpose of the pilot program was to give veterans who have busy schedules, live in rural locations, and/or face transportation challenges easier access to VR&E benefits and resources. This initial pilot included 196 VR&E applicants and VA reported the following findings:

- 82 of the 196, or 42 percent of the potential participants, indicated an interest in taking part in the pilot;
- Of the 58 percent who were not interested in participating, the most commonly stated reason was lack of access to a computer or internet; the next most cited reason was the preference to have an in-person meeting with their VRC;
- Of those who participated in a tele-counseling session, the average travel time saved was four hours. Of note, seven individuals that were not determined to be entitled would have had to drive between four and six hours roundtrip just to be told they were not entitled to VR&E benefits.

This past March, VR&E expanded tele-counseling services nationwide to over 1,000 counselors. We are encouraged that VR&E has taken steps to reduce travel requirements to both veterans and VRCs alike, facilitate better case management, and help veterans to obtain their benefits more efficiently. It should be noted though, that this program should remain an option for veterans and not standard protocol. The pilot program showed that there were significant numbers of veterans who preferred face-to-face meetings with their counselors. In addition, VA needs to address the “digital divide” issues so that rural and low income veterans who do not have access to reliable internet or computers are not excluded from participation. A collaborative effort between Microsoft Corp and VA to extend broadband internet connectivity to underserved rural veteran communities is one example of how the VA can address this issue. Extension of broadband services is essential to the success of not only tele-counseling but also tele-health.

VETERANS ECONOMIC OPPORTUNITY ADMINISTRATION

In order to further strengthen VA’s education, economic opportunities and transition programs, to include VR&E, DAV supports the creation of a fourth administration within the VA, which would be comprised of VBA programs currently under the purview of the Office of Economic Opportunity (OEO). The new Veterans Economic Opportunity and Transition Administration (VEOTA) would include critical programs such as VR&E, the GI Bill and the Transition Assistance Program (TAP) for transitioning service members.

At present, VA is comprised of three administrations: VBA, VHA, and the National Cemetery Administration. VBA includes not only compensation and pension programs for veterans, but also education programs, VR&E, home loan, veteran-owned business programs, and the broadly defined transition program, which is shared with DOD and the Departments of Labor (DOL) and Homeland Security. All of these programs are currently overseen by the OEO, which is to be led by a Deputy Under Secretary. However, that position has been left vacant for years and it does not appear that the vacancy will be filled any time soon.

Currently, the OEO programs inside VBA must compete for resources and focus with the Compensation, Pension and Insurance programs, of which compensation is by far the largest and tends to dominate the attention of VBA leadership and personnel.

Because of the scale and scope of the claims and appeals processing reforms in recent years, it has been challenging for VA's economic opportunity (EO) programs to compete for adequate funding, specialized resources, and other prioritization. For example, while VBA has boosted resources to support the modernization and streamlining of the claims and appeals process for the past several years, other important programs such as VR&E have actually seen a stagnation of resources and oversight. Between 2014 and 2018, VR&E participation increased by approximately 17 percent while the funding rose less than two percent.

For VR&E to fully reach its potential it needs a leadership structure that's success rests solely on the success of the economic opportunity programs. The creation of this fourth administration would provide greater accountability to Congress when problems such as low participation rates and the misallocation of resources come to light. In addition, by having an Under Secretary who is held accountable for the actions and success of VR&E and other EO programs, greater oversight can be accomplished and results improved.

Mr. Chairman, VA's Vocational Rehabilitation and Employment program has shown time and time again that it is a useful resource for service-disabled veterans who are looking to utilize their given skills and talents to improve their quality of life. We look forward to working with this Subcommittee to make sure that VR&E continues to ease and expand access to this important resource for America's disabled veterans. This concludes my testimony on behalf of DAV. I would be happy to answer any questions you or other members of the Subcommittee may have.