



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
SHANE L. LIERMANN
ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
MAY 17, 2018***

Chairman Arrington, Ranking Member O'Rourke 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).

Mr. Chairman, as you may know, 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 the families who care for them, 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 (VARO) 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 services – 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 includes 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 and enhanced opportunities for employment and job placement 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.

For example, in July 1998, I started my career with DAV and received services through VR&E. I successfully completed the DAV NSO Training Program through VR&E in December 1999. Not only am I a successful outcome of these specialized services &E, but also, as a DAV NSO Supervisor, I personally assisted over 15 DAV Apprentices with VR&E Services to include meetings with their counselors, discussion of their plans, and use of VR&E other resources. As a DAV NSO, I assisted hundreds of veterans with VR&E, to include applications, meetings with their counselors, resolution of differences of opinion, representation in Notice of Disagreements with Decision Review Officers and before Veterans Law Judges at the Board of Veterans Appeals (BVA).

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 also administers Chapter 36, Chapter 35, and Chapter 18 benefits under title 38, United States Code. These programs provide benefits to eligible dependents, spouses, and beneficiaries.

VR&E administers these benefits through a decentralized service-delivery network comprised of nearly 350 offices. As of the end of fiscal year (FY) 2016, the field network included a VR&E workforce of 1,335 staff, including Vocational Rehabilitation Counselors (VRC), Employment Coordinators, support staff, and managers. The network also included nearly 200 Integrated Disability Evaluation System counselors on 71 military installations, 79 VetSuccess on Campus counselors at 94 college locations, and 142 out-based VR&E offices.

VR&E's Chapter 31 workload is predominately driven by three factors: (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, the veteran meets with a VRC to complete a comprehensive vocational assessment. The VRC will then make an entitlement determination. If the veteran or service member is not entitled, 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.

VR&E requires regular face-to-face interactions with veterans to deliver benefits and services, this is in contrast to VBA's other lines of business that focus primarily on claims processing. They are the largest out-based network of any VBA business line with nearly 350 locations nationwide.

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.

VR&E SERVICE STUDIES

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 FY 2010, FY 2012, and FY 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.

A 2014 Government Accountability Office (GAO) Vocational Rehabilitation and Employment Report (GAO-14-61) noted that further performance and workload management improvements were needed. GAO recommended that VA reflect success rates in revised performance measures, ensure the reliability of its customer satisfaction survey results, re-visit its staff allocation formula, study staff assignments, and close certain gaps in its training for staff.

VR&E implemented new program performance measures in FY 2015 that place a greater focus on veteran outcomes and their accomplishments. These new measures of veterans' success are driven by positive outcomes and active participation. Positive outcomes include employment and independent living rehabilitation; rehabilitation for further education; and maximum rehabilitation gains, as either employed or employable. These new metrics effectively measure veterans' outcomes at every stage of their progression through the program and more accurately account for veterans' multi-year participation in the VR&E program.

On July 31, 2017, the VR&E Longitudinal Study annual report was released for FY 2016. It noted that the average combined disability evaluation is 60 percent, indicating the program is benefiting those with significant disabilities.

The most substantive finding of the study to date is that regardless of the length of time since they began their VR&E program, veterans who have achieved rehabilitation have substantially better employment and standard of living outcomes than those who discontinued services. Rehabilitation remains one of the most dominant variables driving positive financial outcomes compared to those veterans who were discontinued.

The study also found that veterans who have achieved rehabilitation reported higher annual income amounts than discontinued participants, at least \$15,000 higher for individual income and at least \$24,000 higher for household income. Compared to non-VR&E participants,

those who achieved rehabilitation had an annual income almost 50 percent higher: \$46,000 versus \$31,000, dramatically demonstrating its successful outcomes for the veteran population VR&E serves. The study also reveals that roughly 90 percent of veterans report a moderately to highly satisfying experience with VR&E.

VR&E SERVICE PERSONNEL

In 2016, Congress enacted legislation (P.L. 114–223) that included a provision recognizing the need to provide a sufficient client-to-counselor ratio to appropriately align veteran demand for VR&E services. Section 254 of that law authorizes the VA Secretary to use appropriated funds to ensure the ratio of veterans to VRCs does not exceed 125 veterans to one full-time employment equivalent (FTEE). Unfortunately, for the past three years, VA has requested no new personnel for VR&E to reach this ratio.

The Administration’s proposed budget for FY 2019 reflected that over the past four years, VR&E program participation had increased by an estimated 16.8 percent, while VR&E staffing has risen just 1.8 percent, VA projects program participation will increase another 3.1 percent in FY 2019; however the current rolling average counselor-to-client ratio is 136.4.

RECOMMENDATIONS TO IMPROVE RATIO OF VETERANS TO VRC

1. Provide an additional 143 FTEE

In order to achieve the 1:125 counselor-to-client ratio established by Congress, we estimate that VR&E will need another 143 FTEE in FY 2019 for a total direct workforce of 1,585, to manage an active caseload and provide support services to almost 150,000 VR&E participants. At a minimum, three-quarters of the new hires should be VRCs dedicated to providing direct services to veterans. This would require an increase of \$18 million for FY 2019.

Unfortunately, the Administration’s budget proposal called for a decrease of \$257 million for VR&E in FY 2019. While this is partly due to lower pricing for the Transition Assistance Program (TAP) for those separating from service, it disregards the increased need of VR&E services veterans may require many years after separation. The Administration has acknowledged that since 2013, participation in this program increased by nearly 17 percent and noted a rolling average counselor to caseload ratio of 136.4; however, their budget request fails to request additional FTEE to move closer to a 1:125 counselor-to-client ratio.

2. Leveraging Technologies to Improve Efficiency of VRCs

Each rehabilitation plan in the VR&E program is essentially a partnership between the veteran and the VRC. For any plan or partnership to be successful, both parties need clear expectations and the required time for successful completion. Studies and feedback from both veterans and VRCs indicate that time is an essential element to success and that VRCs spend a large amount of time with administrative functions that could be spent

more effectively on counseling. Leveraging technologies could improve the efficiency and time requirements for VRCs, thus allowing more time for actual counseling.

Time Study

VR&E has indicated its intention to conduct a time study in the very near future to measure the amount of time each VRC spends completing administrative tasks versus counseling veterans. We applaud VR&E for this initiative to help determine if VRCs can be more effective for the veterans in the program.

Tele-counseling

As previously noted, VR&E requires regular face-to-face interactions with veterans to deliver benefits and services. VR&E previously had access to the same online video service, JABAR, as used by VHA. However, recently VR&E started a pilot at the St. Petersburg VARO using a new service, PEXIP. VR&E will be adding other VAROs to the pilot in the near future with an expectation to be VA wide by the end of the fiscal year.

This technology has the potential to decrease the current 45-day processing time from application to rehabilitation plan. The required face-to-face interactions can also be scheduled via PEXIP, which will increase the efficiency of the VRC. The veteran will spend less time traveling to appointments with less interference with educational and employment requirements. This is a great example of leveraging technology to improve the veteran experience.

Electronic Reminders of Appointments

Even with the use of PEXIP, VRCs have reported that approximately 50 percent of veterans fail to appear for scheduled appointments. VR&E is planning to roll out text message reminders for appointments on a nationwide basis to increase the number of veterans appearing for their appointments, further increasing the time each VRC spends counseling versus performing administrative tasks.

School Payment System

Many VRCs utilize education services to help achieve veterans' employment goals, which lead to another administrative function for VRC who must ensure payment of those educational centers. The payment process currently in use is cumbersome and time-consuming for the VRC and payment for schools is an ongoing challenge.

However, the Post 9-11 GI Bill has already developed a school payment system that is streamlined and efficient. Because approximately 97 percent of the schools used by VR&E counselors are GI Bill approved schools, we recommend that VR&E receive permission to utilize the same financial system as the GI Bill in order to greatly reduce the amount of administrative time expended by VRCs.

Automate and Digitize VR&E Records

VR&E Services require VRCs to keep notes, applications, documents, and other evidence as part of the veteran's file. Although VBA has gone to digital claims files, VR&E still

maintains paper files. Efforts have been started to digitize all VR&E files and place them inside VBA's Veterans Benefits Management System (VBMS). This will give all VRCs greater access to veterans VR&E files as well as their claims folders.

Automation of VR&E applications and required documentation by VRCs would also reduce their time spent on administrative actions. VR&E is obtaining voice recognition software that will allow counselors to make their notes by speaking; another example of VR&E's initiative to improve the effectiveness of VRCs.

3. Increased Resources for VA IT Services

VA IT Services have many requirements and priorities for all of VA to include the Veterans Health Administration, VBA, and the National Cemeteries Administration. However, in order to meet requirements and initiatives as noted above, VR&E needs an increase in its information technology resources in order to automate and digitize VR&E records and to streamline the school payment system.

4. Training for VRCs

In 2017, VR&E conducted a pilot for a new training platform, Competency Based Training System (CBTS). All newly employed VRCs will receive 80 hours of training. CBTS will gauge each VRC's understanding and knowledge about the program on an annual basis. Remedial training will be provided on areas or subjects that need additional focus.

This training system can be used to provide uniformity and some standardization because inconsistency between VAROs and VRCs is common within VR&E. At the same time, we urge VR&E to use this training to ensure each VRC understands the flexibility they have to address the individualized needs of their veteran clients while remaining consistent within the overall VR&E system.

5. Increase Awareness of VR&E Services

During service members' transition to civilian life, VA provides information regarding VR&E Services. Many transitioning veterans may be eligible for both Post 9-11 GI Bill and VR&E Services; however, few may be aware of how much data exists about the proven benefits, such as the 50 percent increase in annual earnings for those who complete the program. We recommend that VR&E consider conducting a national awareness campaign, in collaboration with VSOs, in order to provide information on eligibility, the various benefits offered by VR&E services and the differences between the education and employment services available.

6. Retain Current Eligibility Standards

In recent years there have been some suggestions that the VR&E program should be scaled back by limiting the number of veterans who are eligible and we note that restricting eligibility to VR&E could potentially decrease the counselor-to-veteran client

ratio. However, DAV will adamantly oppose any legislation or policies that would restrict existing VR&E eligibility criteria. As VR&E is an employment program, any changes to eligibility will negatively impact disabled veterans' ability to obtain and maintain employment.

7. Eliminate 12-Year Eligibility Period

Finally, DAV supports H.R. 5452, Reduce Unemployment for Veterans of All Ages Act of 2018. Currently, veterans with service-connected disabilities or other employment challenges are able to receive career development services through the VA's Vocational Rehabilitation and Employment program up to 12 years after they separate from the service. H.R. 5452 would eliminate the 12-year period of eligibility. In agreement with DAV Resolution No. 250, we support this legislation to eliminate the 12-year period of eligibility, which will provide veterans the flexibility to receive the support they have earned and deserve throughout their lifetime and thus help reduce unemployment for service-connected veterans.

Mr. Chairman, 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.